STILL S.p.A.

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Subject to direction and coordination of STILL GmbH

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

pursuant Italian Legislative Decree no. 231 of 8 June 2001

as subsequently amended, concerning the

"ADMINISTRATIVE LIABILITY OF COMPANIES"

Updated by the Board of Directors during the meeting held on March 12th 2021

TABLE OF C O N T E N T S

MODEL UPDATE HISTORY 20

DEFINITIONS 21

GENERAL SECTION 23

1. LEGISLATIVE DECREE 231/2001 - SUBJECTS, TYPES OF OFFENCES AND SANCTIONS 24

1.1. Direct liability of the company for certain types of offences 24

1.1.1. Liability assumptions 24

1.1.2. Source of responsibility 24

1.1.3. Nature of the liability 25

1.1.4. Autonomy of the liability 25

1.1.5. Complicity in the crime 25

1.1.6. Attempted crimes 25

1.1.7. Offences committed abroad 26

1.1.8. Sanctions 26

1.2. Underlying Offences 26

1.3. Sanctions 27

1.3.1. Monetary fines (art. 10 - 11 -12) 27

1.3.2. Disqualifying sanctions (art. 13 - 14 - 15) 28

1.3.3. Confiscation (art. 19) 28

1.3.4. Publication of the sentence (art. 18) 28

2. CONDITIONS FOR EXEMPTION FROM LIABILITY 29

3. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL 29

3.1. Model documentation 29

3.2. Rules for approving the Models and Protocols/Procedures, and for updating them 30

3.2.1. Competent body 30

3.2.2. Substantial Updates of the Model 30

3.2.3. Non-Substantial Updates of the Model 31

3.2.4. Adoption and modification of new protocols/procedures 31

3.2.5. Informing the ODV 31

3.3. Recipients of the Model 31

3.3.1. Internal parties and partners 31

3.3.2. Board of Statutory Auditors 31

4. CONSTRUCTION OF THE MODEL 31

4.1. Structure of the Model 31

4.2. The function of the Model and its inspiring principles 32

4.2.1. Risk prevention and compliance 32

4.2.2. The qualifying points of the Model 32

4.2.3. Controls 33

5. SENSITIVE PROCESSES AT STILL 33

5.1. Risk assessment 33

5.1.1. Corporate purpose and activity 33

5.1.2. Organizational structure 34

5.1.3. Non-listing 34

5.1.4. Process of identifying Sensitive Processes 34

5.2. Significant Sensitive Processes identified 34

5.2.1. Sensitive processes in connection with "*offences concerning misappropriation of funds, fraud to the detriment of the State, of a public body or of the European Union or for the obtainment of public funds and computer fraud to the detriment of the State or of a public body or fraud in public supplies"* (Art. 24); 34

5.2.2. Sensitive Processes in connection with "*computer crimes and illegal data processing*" (art. 24-*bis*). 35

5.2.3. Sensitive Processes in connection with "*crimes against the Public Administration*" (art. 25). 35

5.2.4. Sensitive processes in connection with the "*counterfeiting of money, public credit cards, revenue stamps and distinctive marks and instruments*" (art. 25-*bis*) 35

5.2.5. Sensitive Processes in connection with "*Corporate crimes*" (art. 25-*ter*) 35

5.2.6. Sensitive Processes in connection with "*Market abuse*" (art. 25-*sexies*). 36

5.2.7. Sensitive Processes in connection with "*Crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on health and safety in the workplace* (art. 25-*septies*). 36

5.2.8. Sensitive Processes in connection with Underlying Offences concerning "*Receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin*, *self-money laundering*" (art. 25-*octies*). 36

5.2.9. Sensitive Processes in connection with Underlying Offences concerning "Crimes on the subject of violation of copyright" (art.25-novies 231/2001). 36

5.2.10. Sensitive Processes in connection with the "Crime of inducement not to make or to make false statements before the judicial authority" (art. 25-*decies*). ... 36

5.2.11. Sensitive Processes in connection with "Environmental crimes" (art. 25-*undecies*) ... 36

5.2.12. Sensitive Processes in connection with the crimes of employing workers in violation of specific legal provisions, in reference to: "*"Unlawful intermediation and exploitation of labour"* (art. 25-*quinquies* with reference to art. 603-*bis* of the Italian Criminal Code) and "*Employment of illegally staying third-country nationals*" (art. 25-*duodecies*). ... 37

5.2.13. Sensitive Processes in connection with *crimes against industry and trade* (Art. 25-*bis* 1) ... 37

5.2.14. Sensitive Processes associated with Tax-related Underlying Offences ... 37

5.2.15. Sensitive Processes in connection with other Underlying Offences. ... 37

5.2.16. Compliance with regulations ... 37

6. SUPERVISORY BODY ... 37

6.1. Appointment and requirements for the appointment ... 37

6.1.1. Establishment of the ODV ... 37

6.1.2. Requirements for ODV members ... 38

6.1.3. Incompatibility ... 38

6.1.4. Technical secretariat ... 38

6.2. Appointment, remuneration, duration, budget ... 38

6.2.1. Appointment and remuneration ... 38

6.2.2. Duration ... 39

6.2.3. Budget ... 39

6.3. Forfeiture, dismissal, resignation - Replacement ... 39

6.3.1. Forfeiture ... 39

6.3.2. Dismissal ... 39

6.3.3. Resignation ... 40

6.3.4. Replacement ... 40

6.4. Tasks ... 40

6.5. Activities and Reporting ... 41

6.6. Periodical Checks ... 41

6.7. Information flows and retaining of information ... 42

6.7.1. Communication flows by the ODV ... 42

6.7.2. Communication flows by the Company ... 42

6.7.3. Other communication flows to the ODV ... 44

6.7.4. Procedure for submitting reports to the ODV 44
6.7.5. Meetings of the ODV with the Board of Directors and Executive Directors 44
6.7.6. Meetings of the ODV with company functions 44
6.7.7. Documentation 45
6.8. Subjective qualification of the ODV for privacy purposes 45
6.9. Reporting to the Supervisory Body 45
6.9.1. Subject matter of the reports 45
6.9.2. Channels for submitting reports to the ODV 46
6.9.3. Whistleblowing 46
6.9.4. Content of reports 46
6.9.5. Protection of the whistle-blower (prohibition of discrimination) 47
6.9.6. Management of reports 47
6.9.7. Sanctions 47
7. INFORMATION AND TRAINING 48
7.1. Communication 48
7.2. Training 48
8. DISCIPLINARY SYSTEM 49
8.1. General principles 49
8.2. Measures against employees 49
8.3. Measures against executives 50
8.4. Measures against directors 50
8.5. Measures against members of the Board of Statutory Auditors 50
8.6. Measures against consultants and partners/suppliers 51
9. THE SYSTEM OF PROXIES AND POWERS 51
10. CERTIFICATIONS 51
10.1. Certifications 51
10.1.1. Sole Certificate for Headquarters and Luzzara 51
10.1.2. Luzzara Plant 51
10.1.3. Lainate Headquarters and Subsidiaries 52
10.2. Retention of Documents 52
11. FLEXIBILITY OF THE MODEL 52
12. SPECIAL SECTIONS 52
12.1. Purpose of the Special Sections 52
12.2. Content of the Special Sections 53
SPECIAL SECTION I 54

– *Embezzlement to the detriment of the State or of any other public body* 54

– *Misappropriation of funds, fraud to the detriment of the State or of a public body or of the European Union or for the obtainment of public funds, computer fraud to the detriment of the State or of a public body and fraud in public supplies* 54

1. Purpose and structure of Special Section I 55

2. The specific types of Underlying Offences ascribable to the category of offences of embezzlement and misappropriation of funds, fraud to the detriment of the State or of a public body or of the European Union or for the obtainment of public funds, computer fraud to the detriment of the State or of a public body, and fraud in public supplies deemed to be of significant risk (art. 24, Leg. Decree no. 231/2001) 55

- **Embezzlement to the detriment of the State or of a public body *(art.* 316-bis of the Criminal Code)** 55
- **Misappropriation of funds to the detriment of the State or of a public body (art. 316-*ter* of the Criminal Code)** 55
- **Aggravated fraud for the obtainment of public funds (art. 640-*bis* of the Criminal Code)** 56
- **Computer fraud (art. 640-*ter* of the Criminal Code)** 56
- **Fraud in public supplies (art. 356 of the Criminal Code) ()** 56

3. Sensitive processes 57

4. General principles of behaviour 57

4.1. Company organisation 57

4.2. Prohibitions 58

4.3. Transparency 59

5. Specific procedures 59

5.1. Use of financing 59

5.2. Resorting to third-party services 59

5.2.1. Supplier selection 59

5.2.2. Contracts with suppliers 59

5.3. Miscellaneous 60

5.4. Controls 60

6. Checks carried out by the ODV 60

6.1. Reporting to the Supervisory Body 60

6.2. Activities of the Supervisory Body 60

SPECIAL SECTION II 61

– *Computer crimes and illegal data processing* 61

1. Purpose and structure of Special Section II 62

2. The specific types of Underlying Offences ascribable to the category of offences associated with computer crimes and illegal data processing deemed to be of significant risk (art. 24-*bis*, Leg. Decree no. 231/2001) 62

- **Falsehood in IT documents (art. 491-*bis* of the Criminal Code)** 62
- **Falsehood in registers and notifications (art. 484 of the Criminal Code)** 62
- **Use of false act (art. 489 of the Criminal Code)** 62
- **Improper access to an IT or telecommunications system (art. 615-*ter* of the Criminal Code)** 62
- **Detention and illegal distribution of access codes to IT or telecommunications systems (Art. 615-*quater* of the Criminal Code)** 62
- **Distribution of equipment, devices or computer programs intended to damage or interrupt an IT or telecommunications system (art. 615-*quinquies* of the Criminal Code)** 63
- **Illegal interception, prevention or interruption of IT or telematic communications (617-*quater* of the Criminal Code)** 63
- **Installation of equipment suited to intercepting, preventing or interrupting IT or telematic communications (617-*quinquies* of the Criminal Code)** 63
- **Damage of IT information, data and programs (art. 635-*bis* of the Criminal Code)** 63
- **Damage of IT information, data and programs used by the State or by a public body or in any event of public utility (art. 635-*ter* of the Criminal Code)** 63
- **Damage of IT or telecommunications systems (art. 635-*quater* of the Criminal Code)** 63
- **Damage of IT or telecommunications systems of public utility (art. 635-*quinquies* of the Criminal Code)** 63
- **Computer fraud to the detriment of the State or other public entity (art. 640-*ter* of the Criminal Code)** 64
- **IT fraud by the person providing certification services for electronic signature (art. 640-*quinquies* of the Criminal Code)** 64
- **Crimes referred to in article 1, paragraph 11 of Decree-Law no. 105 of 21 September 2019 on national cyber security** 64

3. Sensitive processes 65

4. General principles of behaviour 65

4.1. Recipients 65

4.2. Compliance with relevant regulations and requirements 66

4.3. Company organization 66

4.4. Summary policy document 66

4.5. Communications for the purposes of national cybernetic security 66

4.6. Traceability 67

5. **Specific procedures** 67
5.1. **General obligations and prohibitions for computer users** 67
5.2. **Minimum security measures** 67
5.3. **Inspections** 68
5.4. **Data processing** 68
5.5. **Processing of particular categories of personal data** 70
5.6. **Personal data pertaining to criminal convictions and offences** 70
5.7. **Data Protection Authority** 70
5.8. **Communications to the ODV** 70
5.9. **Coordination with the provisions of the GDPR and Leg. Decree no. 196/2003 (Privacy Code) as amended by Leg. Decree no. 101/2018 "Harmonisation of the Privacy Code with European legislation"** 70
6. **Resorting to third-party services** 71
7. **Miscellaneous** 72
8. **Checks carried out by the ODV** 72
8.1. **Reporting to the Supervisory Body** 72
8.2. **Activities of the Supervisory Body** 72
SPECIAL SECTION III 73
– ***Crimes against the Public Administration*** 73
1. **Purpose and structure of Special Section III** 74
2. **The specific type of Underlying Offences ascribable to the category of crimes against the Public Administration, deemed to be of significant risk (art. 25, Leg. Decree no. 231/2001)** 74
- **Extortion in office (art. 317 of the Criminal Code)** 74
- **Bribery of a public official (art. 318 of the Criminal Code)** 75
- **Bribery for a deed that goes against official duties (art. 319 of the Criminal Code)** 75
- **Judicial corruption (art. 319-*ter* of the Criminal Code)** 75
- **Undue inducement to give or promise benefits (art. 319-*quater* of the Criminal Code)** 75
- **Instigation to bribery (art. 322 of the Criminal Code)** 75
- **Penalty increases** 76
- **Disqualifying sanctions for bribery offences** 76
- **Voluntary redemption for bribery offences** 76
- **Selling of illicit influences (art. 346-*bis* Criminal Code)** 76
- **Embezzlement (art. 314 of the Criminal Code, Chapter 1),** when the fact harms the financial interests of the European Union () 76

- **Embezzlement through profiting from another person's error (art. 316 of the Criminal Code),** when the act harms the financial interests of the European Union 77
- **Abuse of authority (art. 323 of the Criminal Code),** when the act harms the financial interests of the European Union 77
- **Extension of liability for damage caused to the European Union** 78

3. Sensitive processes 78

4. General principles of behaviour 79

4.1. Organization and powers 79

4.2. Prohibitions 79

4.3. Participation in competitive tenders (and public supplies) 80

4.4. Traceability 81

5. Specific procedures 81

5.1. Inspections 81

5.2. Resorting to third-party services 81

5.3. (Non) use of cash 82

5.4. Controls 82

5.5. Procedures 82

6. Checks carried out by the ODV 82

6.1. Reporting to the Supervisory Body 82

6.2. Activities of the Supervisory Body 83

SPECIAL SECTION IV 84

– ***Money forgery, public credit cards, revenue stamps and identification instruments or signs of recognition*** 84

1. Purpose and structure of Special Section IV 85

2. The specific type of Underlying Offences ascribable to the category involving the counterfeiting of money, pubic credit cards, revenue stamps and distinctive trademarks or signs, deemed to be of significant risk (art. 25-*bis*, Leg. Decree no. 231/2001) 85

- **Counterfeiting, altering or use of distinguishing trademarks or logos, or patents, models and drawings (art. 473 of the Criminal Code)** 85

3. Sensitive processes 85

4. General principles of behaviour 86

5. Specific procedures 86

6. Checks carried out by the ODV 86

SPECIAL SECTION V 88

– ***Corporate crimes*** 88

1. Purpose and structure of Special Section V 89

2. The specific type of Underlying Offences ascribable to the category of corporate crimes, deemed to be of significant risk (art. 25-*ter*, Leg. Decree no. 231/2001) 89

- **False corporate reporting (art. 2621 of the Civil Code)** 89
- **Obstructions of controls (art. 2625 of the Civil Code)** 90
- **Undue repayment of contributions (art. 2626 of the Civil Code)** 90
- **Illegal distribution of the profits or of the reserves (art. 2627 of the Civil Code)** 90
- **Illegal dealing in the stocks or shares of the Company or its parent company (art. 2628 of the Civil Code)** 90
- **Illegal transactions to the detriment of the creditors (art. 2629 of the Civil Code)** 90
- **Fictitious capital formation (art. 2632 of the Civil Code)** 91
- **Improper distribution of the company's assets by its liquidators (art. 2633 of the Civil Code)** 91
- **Private corruption (art. 2635, paragraph 3, of the Civil Code) ()** 91
- **Solicitation to private corruption (art. 2635-*bis* of the Civil Code)** 92
- **Unlawfully influencing the Shareholders' Meeting (art. 2636 of the Civil Code)** 92
- **Market rigging (art. 2637 of the Civil Code)** 92
- **Obstruction to the duties of Public Supervisory Authorities (art. 2638 of the Civil Code)** 92
- **Rules concerning listed companies** 93

3. Sensitive processes 93

4. General principles of behaviour 95

4.1. Recipients 95

4.2. Organization and powers 95

4.3. Obligations and prohibitions 95

4.3.1. Rules 95

4.3.2. Obligations 95

4.3.3. Prohibitions 96

4.4. Transparency 97

5. Procedures 98

5.1. Specific procedures 98

5.2. Procedures relating to Corruption between private individuals 98

5.3. Disclosure of information/data to the outside world relating to the Company and its shareholders 98

5.4. Relations with the Board of Statutory Auditors and Auditors 99
5.5. Confidential information 99
5.6. Transactions involving the share capital. 99
5.7. Preparation of communications to Supervisory Authorities and managing relationships with the latter. 99
5.8. Other rules aimed at preventing corporate offences in general. 100
6. Internal Control 101
7. Checks carried out by the ODV 101
7.1. Reporting to the Supervisory Body 101
7.2. Activities of the Supervisory Body 101
SPECIAL SECTION VI 102
– *Market abuse* 102
1. Purpose and structure of Special Section VI 103
2. The specific types of Underlying Offences ascribable to the category of administrative crimes and infringements concerning market abuse, deemed to be of significant risk (art. 25-*sexies*, Leg. Decree no. 231/2001) 103
- Insider trading () (art. 184 TUF) 103
- Market rigging (art. 185 of TUF) 104
- Administrative infringement of Insider Trading (art. 187-*bis* TUF) 104
- Administrative infringement of market manipulation (art. 187-*ter* TUF) 104
3. Sensitive Processes 104
4. General principles of behaviour 104
5. Specific procedures 105
6. Checks carried out by the ODV 105
6.1. Reporting to the Supervisory Body 105
6.2. Activities of the Supervisory Body 106
SPECIAL SECTION VII 107
– *Manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on the protection of health and safety in the workplace* 107
1. Purpose and structure of Special Section VII 108
2. The specific Underlying Offences ascribable to the category of crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on the protection of health and safety in the workplace, deemed to be of significant risk (art. 25-*septies*, Leg. Decree 231/2001) 108
- Manslaughter (art. 589 of the Criminal Code) 108
- Serious personal injury or grievous bodily harm (art. 590 of the Criminal Code) 108

3. Sensitive processes 109
4. General principles of behaviour 110
4.1. Policy 110
4.2. Specific recipients 110
4.3. Company organisation 110
4.4. Compliance with relevant regulations and requirements 110
4.5. Obligations 112
4.6. Prohibitions 113
5. Specific procedures 113
5.1. Corporate safety management system 113
5.2. Identification of responsibilities 114
5.2.1. Employer and other guarantee positions 114
5.2.2. Prevention and the Prevention Service 114
5.2.3. Delegation of functions 115
5.2.4. Company Physician 115
5.2.5. Safety managers and Supervisors 115
5.2.6. Workers' safety representatives 115
5.3. Information flows 115
5.4. Risk assessment 116
5.5. Safety and emergency management plan 116
5.6. Fire risk 117
5.7. Transfers 117
5.8. Assignment of contracts (Risk of interference - DUVRI) 117
5.9. Certificates 118
5.10. Health monitoring 118
5.11. Accidents 118
5.12. Information and training 119
5.13. Group rules 119
6. Producer's warranty and instructions for using the products 119
7. Safety costs 120
8. Reporting of new risks 120
9. Safety budget 120
10. Resorting to third-party services 120
11. Sanctions 121
12. Internal Control 121
13. Checks carried out by the ODV 121

13.1. Reporting to the Supervisory Body 121
13.2. Activities of the Supervisory Body 121
SPECIAL SECTION VIII 123
– *Receiving of stolen goods; money laundering; employment of money, goods and utilities of illegal origin; self-money laundering* 123
1. Purpose and structure of Special Section VIII 124
2. The specific types of *Underlying Offences* ascribable to the category of crimes of receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering (art. 25-*octies*, Leg. Decree no. 231/2001) 124
- Receiving of stolen goods (art. 648 of the Criminal Code) 124
- Money laundering (art. 648-*bis* of the Criminal Code) 124
- Employment of money, goods or utilities of illegal origin (art. 648-*ter* of the Criminal Code) 124
- Self-money laundering (art. 648 – *ter*.1.) () 124
- Prerequisite common to money laundering and self-money laundering 125
- Difference between money laundering and self-money laundering 125
- Typical conduct 125
3. Sensitive Processes 125
4. General principles of behaviour 126
4.1. Company organisation 126
4.2. Compliance with specific legislation 126
4.3. Prohibitions 126
4.4. Transparency 127
5. Specific procedures 127
6. Checks carried out by the ODV 127
6.1. Reporting to the Supervisory Body 127
6.2. Activities of the Supervisory Body 127
SPECIAL SECTION NINE 129
– *Offences concerning copyright violation* 129
1. Purpose and structure of Special Section IX 130
2. The specific type of *Underlying Offences* ascribable to the category of crimes of copyright violation, deemed to be of significant risk (art. 25-*novies*, Leg. Decree no. 231/2001) 130
- Art. 171, paragraph 1, letter a), a-*bis*), c) and d), Law no. 633 of 22 April 1941 130
- Art. 171-*bis* Law no. 633 of 22 April 1941 130
- Art. 171-*ter*, paragraph 1, b) and c) Law no. 33 of 22 April 1941 131

- **Art. 171-*ter*, paragraph 2, a), a-bis), b) and c) Law no. 633 of 22 April 1941** 131

3. Sensitive Processes 131

4. General principles of behaviour 131

4.1. Company organization 131

4.2. Obligations 132

4.3. Prohibitions 132

4.4. Traceability 132

5. Specific procedures 132

5.1. Software 132

5.2. Duties 133

5.3. Prohibitions 133

5.4. Databases 133

5.5. Information and training 134

6. Checks carried out by the ODV 134

SPECIAL SECTION X 135

– ***Inducement not to make or to make false statements before judicial authorities*** 135

1. Purpose and structure of Special Section X 136

2. The specific types of *Underlying Offences* concerning inducement not to make or to make false statements to judicial authorities (art. 25-*decies* Leg. Decree no. 231/2001) 136

- **Inducement not to make or to make false declarations to judicial authorities (art. 377-*bis* of the Criminal Code)** 136

3. Sensitive processes 136

4. General principles of behaviour 136

5. Specific procedures 137

6. Checks carried out by the ODV 137

6.1. Reporting to the Supervisory Body 137

6.2. Activities of the Supervisory Body 137

SPECIAL SECTION XI 138

– ***Environmental crimes*** 138

1. Purpose and structure of Special Section XI 139

2. The specific type of Underlying Offences ascribable to the category of environmental crimes, deemed to be of significant risk (art. 25-*undicies*, Leg. Decree no. 231 of 8 June 2001) 139

- **Breach of rules regulating discharges (art. 137 Leg. Decree no. 152 of 3 April 2006)** 139
- **Discharges to the soil (art. 103 Leg. Decree no. 152 of 3 April 2006)** 139

- **Discharges to the subsoil and underground water (art. 104 Leg. Decree no. 152 of 3 April 2006)** 140
- **Discharges into sewers (art. 107 Leg. Decree no. 152 of 3 April 2006)** 140
- **Authorization to emissions into the atmosphere (art. 269 Leg. Decree no. 152 of 3 April 2006) and relevant Sanctions (art. 279 of the same decree)** 140
- **Discharges of hazardous substances (Article 108, Leg. Decree no. 152 of 3 April 2006)** 141
- **Unauthorised waste management (Article 256, Leg. Decree no. 152 of 3 April 2006)** 141
- **Prohibition to abandon waste (art. 192 Leg. Decree no. 152 of 3 April 2006)** 142
- **Reclamation of sites (Article 257, Leg. Decree no. 152 of 3 April 2006)** 142
- **Violation of the obligations of communication, of maintenance of mandatory registers an of forms (art. 258 Leg.** 142
- **Illegal shipment of waste (art. 259 Leg. Decree no. 152 of 3 April 2006)** 142
- **Activities organized for the illegal trafficking of waste (art. *452-quaterdecies* of the Criminal Code) ()** 142
- **Sanctions for violation of emission limits (art. 279 Leg. Decree no. 152 of 3 April 2006)** 142
- **Termination and reduction of the use of harmful substances – Measures to protect the stratospheric ozone layer and the environment (art. 3 Law no. 549 of 28 December 1993)** 143
- **Law no. 68 of 22 May 2015, bearing "Provisions on the subject of crimes against the environment"** 143

3. Sensitive processes 143

3.1. General sensitive processes 143

3.2. Waste management and disposal 144

3.3. Management of atmospheric emissions 144

3.4. Wastewater management 144

3.5. Management of potentially contaminating events 144

3.6. Management of equipment and installations containing ozone depleting substances 145

3.7. Other sensitive processes 145

4. General principles of behaviour 145

4.1. Environmental protection 145

4.2. Company organisation 145

4.3. Prohibitions 145
4.4. Duties 146
4.5. Traceability 146
5. Specific procedures 146
5.1. Quality-Safety-Environment Integrated Management System 146
5.2. Discharges 146
5.3. Industrial activities 146
5.4. Waste management 146
5.5. Spent batteries 147
5.6. Wastewater 147
6. Resorting to third-party services or supplies 147
6.1. Supplier assessment 147
6.2. Contract with suppliers 148
7. Checks carried out by the ODV 148
7.1. Reporting to the Supervisory Body 148
7.2. Activities of the Supervisory Body 149
SPECIAL SECTION XII 150
– *Use of third-country nationals residing illegally* 150
– *Unlawful intermediation and exploitation of labour* 150
1. Purpose and structure of Special Section XII 151
2. The specific type of Underlying Offence concerning the employment of workers in violation of special legal provisions (art. 25-*duodecies* and art. 25-*quinquies*, Leg. Decree 231/2001 deemed to be of significant risk 151
- Employment of illegally staying third country nationals (Art. 22, paragraphs 12 and 12-*bis*, Leg. Decree no. 286 of 25 July 1998) 151
- Unlawful intermediation and exploitation of labour (art. 603-*bis* of the Criminal Code) 151
3. Sensitive processes 152
4. General principles of behaviour 152
4.1. Company organisation 152
4.2. Duties and prohibitions 153
4.3. Transparency 153
4.4. Principle of equality 153
5. Specific procedures 153
5.1. General rule 153
5.2. Contracts with temporary employment agencies or cooperatives 153
6. Checks carried out by the ODV 154

6.1. **Reporting to the Supervisory Body** 154

6.2. **Activities of the Supervisory Body** 154

SPECIAL SECTION XIII 155

– ***Crimes against industry and trade*** 155

1. **Purpose and structure of Special Section XIII** 156

2. **The Underlying Offence of "sale of industrial products with false trademarks" (art. 517 Criminal Code) (art. 25-*bis* 1 Leg. Decree no. 231/2001)** 156

- **Sale of industrial products with false trademarks (art. 517 Criminal Code)** 156

3. **Sensitive processes** 157

4. **General principles of behaviour** 157

4.1. **Company organisation** 158

4.2. **Duties** 158

4.3. **Prohibitions** 158

4.4. **Transparency** 158

5. **Specific procedures** 159

6. **Checks carried out by the ODV** 159

6.1. **Reporting to the Supervisory Body** 159

6.2. **Activities of the Supervisory Body** 159

SPECIAL SECTION XIV 160

- ***Tax offences referred to in Legislative Decree no. 74 of 10 March 2000 "New rules on offences relating to income and value added tax, pursuant to article 9 of Law no. 205 of 25 June 1999".*** 160

- ***Smuggling*** 160

1 **Purpose and structure of Special Section XIV** 161

2. **Specific types of tax-related Underlying Offences considered to be of significant risk (art. 25-*quinquiesdecies*)** 161

2.1. **Definitions** 161

2.2. **Increased penalties for the entity/company** 162

2.3. **Disqualifications** 163

2.4. **Specific types of tax-related Underlying Offences** 163

- **Fraudulent tax return through the use of invoices or other documents for non-existent transactions** (art. 2, paragraph 1 and paragraph 2-*bis*, Leg. Decree no. 74 of 10 March 2000) 163

- **Fraudulent tax return by means of other artifices** (art. 3 of Leg. Decree no. 74 of 10 March 2000) 163

- **Issue of invoices or other documents for non-existent transactions** (art. 8, paragraph 1 and paragraph 2-*bis*, Leg. Decree no. 74 of 10 March 2000) 164

- **Concealment or destruction of accounting documents** (art. 10 Leg. Decree no. 74 of 10 March 2000) 164
- **Fraudulent evasion of the payment of taxes** (art. 11 of Leg. Decree no. 74 of 10 March 2000) 165
- **Untrue tax return (art. 4 of Leg. Decree no. 74/2000), if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million** 165
- **Omitted tax return (art. 5 of Leg. Decree 74/2000) if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million**; 166
- **Undue offsetting (art. 10-quater of Leg. Decree 74/2000) if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million** 166
- **Voluntary disclosure (cause of non-punishability) for offences concerning "returns"** 166

3. Sensitive processes 167

4. Rules of conduct 167

4.1. Recipients 167

4.2. Compliance with relevant regulations and requirements 167

4.3. Organization and powers 167

4.4. General obligations and prohibitions 167

4.5. Approval by the top manager of accounting and tax management 168

4.6. Traceability 168

5. Resorting to third-party services 169

6. Procedures 169

7. Controls 169

8. Specific types of Smuggling-related Underlying Offences (art. 25-sexiesdecies () 170

8.1. Definition of smuggling and list of offences 170

8.2. Sensitive processes, Rules of conduct and Procedures. 171

9. The checks carried out by the Supervisory Body 171

9.1. Reporting to the Supervisory Body 171

9.2. Activities of the Supervisory Body 171

ANNEXES

Annex "A"

- Leg. Decree no. 231 of 8 June 2001, entitled "*Rules governing the administrative liability of legal persons, companies and associations, including those without legal personality*", at the approval date of the update of the Model.

Annex "B"

- Catalogue of Underlying Offences and administrative offences which may give rise to the direct liability of companies (and organisations) pursuant to Leg. Decree o. 231 of 8 June 2001, at the approval date of the update of the Model.

Annex "C"

- Code of Ethics of the Group, at the approval date of the update of the Model.

MODEL UPDATE HISTORY

Description	Date of Approval
Adoption of the Model (resolution of the Board of Directors)	18 November 2013
First update	8 July 2016
Second update	17 October 2017
Third update (by the Managing Director)	17 April 2018
Fourth update	31 January 2019
Fifth update	12 March 2020

DEFINITIONS

(In the text below the definitions are shown with the initials in capital letters, but not in bold)

Executive Director(s)	Directors with operational proxies and powers: Chairman, if granted powers, and Managing Director(s) where appointed.
Code of Ethics	The code of ethics adopted by the Company.
Associates	Persons having employment relationships other than subordinate employment with STILL.
Consultants	Individuals with specific professional skills in certain areas, not employees of STILL, who assist STILL in carrying out activities, providing advice, assistance, opinions, information.
Leg. Decree 231/2001 or Decree 231 or Decree	Legislative Decree no. 231 of 8 June 2001 as amended over time.
Recipients	*(i)* the Corporate Bodies (as defined below), *(ii)* all those who hold functions of representation, administration and management, including de facto management of the Company, *(iii)* the Employees (as defined below) of STILL, *(iv)* the Associates and Consultants (including in the form of companies, interns and the like) in any case subject to the management and supervision of STILL management, as well as *(v)* the members of the Supervisory Body in so far as they refer to them.
Employees	Persons having an employment relationship with STILL, including managers.
STILL or Company	STILL S.p.A., with registered office in Lainate (MI), Via De Gasperi 2.
Information flows (unless otherwise specified)	Information, data, news and documents to be provided on a periodic basis by the Company to the Supervisory Board.
Suppliers	The parties – natural or legal persons – who by virtue of specific contracts sell goods or provide services of any kind to STILL.
GDPR and updated Legislative Decree	Respectively, Regulation (EU) no. 679/2016 "General Data Protection Regulation" and Leg. Decree no. 101 of 10.08.2018, bringing Italian regulations into compliance with the GDPR.
Guidelines	The Guidelines for the construction of the Organisation, Management and Control Models pursuant to Leg. Decree 231/2001 adopted by Confindustria.
231 Model or Model	The Organization, Management and Control Model adopted by STILL pursuant to Decree 231.
Corporate Bodies	STILL's Shareholders' Meeting, Board of Directors and Board of Statutory Auditors.
ODV or Supervisory	The supervisory body envisaged in Legislative Decree no. 231/2001.

Body	
P.A.	The Public Administration, meaning – by way of example – all central and peripheral government offices, local authorities, public bodies in general (and their staff) as well as public officials and those in charge of public services.
Service Providers	The parties to which the Company entrusts – by contract or by works contract or by contract of any other nature – the performance of works or services of any kind.
Procedure(s)	The internal company rules to be observed within the Sensitive Processes.
Sensitive Processes	The business processes during having a risk of committing one of the Underlying Offences.
Protocols	The set of procedures and practices and the controls put in place as part of the Sensitive Processes to reduce the risk of committing Underlying Offences to an acceptable level.
Underlying Offence(s)	The offence(s) for which the entity is liable under Leg. Decree 231/2001, as set out in the Catalogue of Offences in Annex B, including, for defining purposes only, the offences referred to in article 187-*quinquies* of Leg. Decree no. 58/1998 (Consolidated Law on Finance);
Report	Report to the Supervisory Body (or to the Company) of situations that the whistle-blower has become aware of while doing his/her work concerning: a) commission of or attempts to commit any of the Underlying Offences envisaged in Decree 231, even if not expressly listed in the Model, b) infractions relating to the 231 Model (including the Code of Ethics and Protocols/Procedures), c) offences in general.

GENERAL SECTION

1. LEGISLATIVE DECREE 231/2001 - SUBJECTS, TYPES OF OFFENCES AND SANCTIONS

1.1. Direct liability of the company for certain types of offences

1.1.1. Liability assumptions

Leg. Decree no. 231 of 8 June 2001, entitled «*Regulations governing the administrative liability of legal persons, companies and associations also without legal status*», introduced in the Italian law system the direct liability of companies (and of entities in general) for certain offences (known as *Underlying Offence*) committed by

- natural persons who cover representation, administration or direction positions at the company or at one of its organizational units granted financial and functional independence (known as *top-level subjects*);
- natural persons who carry out, including de facto, the management and control of said entities;
- natural persons subject to direction or supervision of one of the aforementioned subjects (known as *subjects supervised by others*).

The company's direct liability is added to the responsibility of the natural person who committed the offence.

Extending liability to the company requires, as an essential condition, that the Underlying Offence be committed in the interest of or to the advantage of the company itself.

The interest is subjective in nature: it refers to the volatile sphere of the event of the natural person who acts, and can be evaluated at the time of the behaviour. If the natural person has committed the offence in his/her own personal interest, in order for the company to be responsible said interest needs to coincide at least in part with that of the company. Moreover, in the case of culpable offences the interest must be assessed with reference not to the intent of the event, but to the conduct ([1]).

The advantage is characterized as a set of the benefits – especially of a capital nature – gained from the offence, which can be evaluated following the commission of the latter (see Cassation, Criminal Section II, no. 3615 of 2005).

1.1.2. Source of responsibility

When determining the source of responsibility for an offence of collective entities, the Court of Cassation refers to what is known as "*fault of the organization*". In other words, the relationship between the legal person (company) and the offence committed by the individual – which founds responsibility of the former – cannot be justified only in connection to the fact that the natural person has committed a crime in the interest of or to the advantage of the entity, but also to the fact that the infringement can be traced back to a behaviour (managerial defect) held by the entity: basically, some sort of culpability should (and must) be attributed to

([1]) In this regard, it should be noted that for the crimes of homicide and negligent injury committed in violation of occupational safety regulations, it seems inappropriate to assume an interest in the event (death or injury), since non-compliance with the precautionary regulations can instead be alleged. For example, the interest or benefit of the institution could be cost savings or other economic advantages at the expense of safety.

the legal person, since the company can be called to be liable for the infringement committed by natural persons only when certain gaps and shortcomings in the organization of its the company's activity have allowed said subjects to commit offences ([2]).

1.1.3. Nature of the liability

The nature of the liability, although defined as "administrative" by law and considered "criminal" by many commentators, has been considered by the joint sections of the Supreme Court ([3]) as a *tertium genus* that combines the characteristics of the criminal and administrative system – in an attempt to balance the reasons of preventive efficiency with those of maximum guarantee – and which is fully compatible with constitutional principles ([4]).

1.1.4. Autonomy of the liability

The liability of the company is autonomous from that of the natural person, but not from the objective realisation of a crime. Therefore, once it has been ascertained that the criteria for the subjective imputation of the company have been met (crime committed in the interest or advantage of the company by one of the persons specified above), the company is liable for the crime even if the perpetrator has not been identified or is not imputable or the crime has been extinguished ([5]). In other words, in order for the entity's liability to exist, it is "necessary for an offence to be committed by the person associated with the entity, but it is also not necessary for this offence to be ascertained by identifying and condemning the person responsible".

1.1.5. Complicity in the crime

The liability of the entity may also exist in the case of complicity in the crime, provided that the causes of the crime are attributable to the company ([6]).

1.1.6. Attempted crimes

The responsibility of the body is also extended to include attempted crimes (art.

([2]) The profiles of "organizational blame" are structured differently depending on the individuals who committed the offence in the interest or to the advantage of the company, in other words depending on weather the offence was committed by a person in a top management position or by his/her subordinate, since in these two cases the company is required to adopt two different types of precautionary measures in order to prevent any sanctioning consequence:

- In the hypothesis of a crime committed by top managers, the legal person can be exempt from responsibility only if it is able to prove that it has undertaken the necessary measures for preventing the commission of crimes of the type that was committed – through the adoption of effective prevention checks and through a special control body, equipped with full autonomy of initiative in the supervisory activity - so that the commission of the offence was possible only thanks to a fraudulent dodging of said prevention mechanisms;
- In the case of an offence committed by individuals subject to supervision by others, the company shall be responsible only if the public prosecutor is able to prove that the commission of the offence was made possible by failure to comply with the obligations of direction or supervision, excluding in any event the existence of said organizational shortcoming if, prior to the commission of the crime, an Organization, Management and Control Model was adopted and effectively implemented, according to an evaluation to be carried out *ex ante* and in abstract terms, aimed to prevent offences of the same type as the one that was committed.

([3]) Cassation, United Sections, 24 April 2014, no. 38343, known as the "Thyssen" judgement.

([4]) The Court has examined the case law according to which the regulatory system outlined by Leg. Decree 231/2001 constitutes respectively *(i)* an administrative liability, in accordance with the header of the legislation or *(ii)* a liability essentially of a criminal nature, since it is left to the criminal judge to ascertain the crimes it derived from, the guarantees of a criminal trial also being extended to the entity, or *(iii)* a *tertium genus*, based on the latter considering the 231 system as a body of legislation with a unique imprint.

([5]) See Cassation, Criminal Section VI, no. 28299 of 7 July 2016

([6]) The most common case is complicity in the contractor's crimes, with respect to the so-called contracting party's position of guarantee (see below).

26 Leg. Decree 231).

1.1.7. Offences committed abroad

The liability envisaged in the Decree also applies to offences committed abroad, provided that the State where the offence was committed does not proceed on its own against said offences.

1.1.8. Sanctions

Ascertaining the company's liability entails the application to said company of monetary and disqualifying sanctions (below).

The text of Leg. Decree 231, updated with the amendments carried out over time up to the present, is enclosed herein as Annex "A" ([7]). Hereinafter, the term "Leg. Decree 231/2001" or "Decree" shall be understood as the original decree as amended over time. The number of articles with no indication of the legislative measure to which they refer are intended as being referred to Leg. Decree 231/2001.

1.2. Underlying Offences

Underlying Offences belong to the following categories:

1.2.1. Misappropriation of funds, fraud to the detriment of the State or other public entity or for the obtainment of public funds and computer fraud to the detriment of the State or other public entity (art. 24);

1.2.2. Computer crimes and illegal data processing (art. 24-*bis*);

1.2.3. Organized crime (art. 24-*ter*);

1.2.4. Crimes against the Public Administration (art. 25);

1.2.5. Counterfeiting money, public credit cards, revenue stamps and distinctive trademarks and signs (art. 25-*bis*)

1.2.6. Crimes against industry and trade (art. 25-*bis*.1);

1.2.7. Corporate crimes (art. 25-*ter*);

1.2.8. Crimes for the purpose of terrorism or subversion of the democratic order (art. 25-*quater*)

1.2.9. Practices of mutilating female genitals (art. 25-*quater* 1)

1.2.10. Crimes against the individual (art. 25-*quinquies*);

1.2.11. Market abuse (art. 25-*sexies*);

1.2.12. Manslaughter and serious personal injury or grievous bodily harm committed with

([7]) Leg. Decree no. 231 of 8 June 2001, issued in execution of parliamentary decree no. 300 of 29 September 2000, originally envisaged only some of the crimes currently provided for. The Decree was subsequently amended and supplemented by including additional crimes, through the following legislative measures: Law no. 409 of 23 November 2001, Leg. Decree no. 61 of 11 April 2002, Law no. 7 of 14 January 2003, Ministerial Decree no. 201 of 26 June 2003, Law no. 228 of 11 August 2003, Law no. 62 of 18 April 2005, Decree-Law no. 144 of 27 July 2005 converted with Law no. 31 of July 2005 into Law no. 155, Law no. 262 of 28 December 2005, Law no. 7 of 09 January 2006, Law no. 38 of 06 February 2006, Law no. 146 of 16 March 2006, Law no. 123 of 03 August 2007, Leg. Decree no. 231 of 21 November 2007, Law no. 48 of 18 March 2008, Law no. 81 of 9 April 2008, Law no. 94 of 15 July 2009, Law no. 99 of 23 July 2009, Leg. Decree no. 121 of 7 July 2011, Leg. Decree no. 109 of 16 July 2012, Law no. 190 of 6 November 2012, Leg. Decree no. 39 of 04 March 2014, Law no. 186 of 15 December 2014, Law no. 68 of 22 May 2015, Law no. 69 of 27 May 2015, Law no. 199 of 29 October 2016, Leg. Decree no. 38 of 15 March 2017, Law no. 3 of 9 January 2019; Law no. 39 of 3 May 2019, Decree Law no. 105 of 21 September 2019, Law no. 157 of 19 December 2019 (converting Decree Law no. 124 of 26 October 2019). Leg. Decree no. 75 of 14 July 2020.

violation of rules on the protection of health and safety in the workplace (art. 25-*septies*);

1.2.13. Receiving of stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering (art. 25-*octies*);

1.2.14. Offences on the subject of violation of copyright (art. 25-*novies*);

1.2.15. Inducement not to make or to make false statements before the judicial authorities (art. 25-decies);

1.2.16. Environmental crimes (art. 25-*ter*);

1.2.17. Employment of illegally staying third-country nationals (art. 25-*duodecies*).

1.2.18. Racism and xenophobia (art. 25-*terdecies*).

1.2.19. Fraud in sports competitions, illegal gaming or betting and gambling by means of prohibited devices (art. 25-*quaterdecies*)

1.2.20. Tax crimes (art. 25-*quinquiesdecies*)

1.2.21. Smuggling (art. 25-sexiesdecies)

1.2.22. Transnational crimes (envisaged by art. 10 of Law no. 146 of 16 March 2006).

The details of the individual Underlying Offences are listed in the Catalogue in Annex B.

1.3. Sanctions

The Decree establishes an articulated system of sanctions (against organizations) that can have significant consequences both economically and with respect to the continuity of the business itself, given that the sanctions include a definitive halt to business in extreme cases due to severity and recidivism.

More specifically, the sanctions provided by the Decree (art. 9) applicable to the company are the monetary and/or disqualifying kind.

1.3.1. <u>Monetary fines (art. 10 - 11 -12)</u>

In case the entity's responsibility is ascertained, the monetary fine is always applied; monetary fines are quantified through the system of shares, and range from a minimum of € 100 to a maximum of € 1,000; the value of each single share can vary from a minimum of € 258 to a maximum of € 1,549.

The amount of the monetary fine shall be at the Judge's discretion: the number of shares is determined *«… taking into account the seriousness of the fact, the degree of responsibility of the entity and the activities carried out in order to eliminate or reduce the consequences of the fact and to prevent the perpetration of additional crimes. The damages are calculated on the basis of the economic and financial conditions of the organization in order to ensure the effectiveness of the sanction.* ([8]).

([8]) In certain cases, the monetary sanction is reduced. In fact, art. 12 states that:
«1. Pecuniary damages are reduced by half and, in any case, can never exceed € 103.291,00 if:
a) the offender committed the fact mainly in his/her own interest or that of third parties and the entity did not obtain an advantage or obtained a minimum advantage;
b) the financial damage caused is particularly slight.
2. The penalty is reduced by one third to a half if, prior to the opening statement of the trial of the first instance:
a) The entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or

1.3.2. Disqualifying sanctions (art. 13 - 14 - 15)

Disqualifying sanctions are specified by law and last for at least three months up to a maximum of two years. The law sets forth criteria for their selection by the judge ([9]).

Disqualifying sanctions consist of:

a) debarment, in extreme cases, from exercising the activity,

b) suspension or revocation of the authorizations, licenses or permits functional to the commission of the offence,

c) ban on contracting for work with the Public Administration (except for obtaining the performance of a public service),

d) exclusion from public aid, financing, grants and subsidies and/or revocation of those already granted,

e) ban on advertising goods or services.

Disqualifying penalties can be applied only where expressly provided for in connection with specific Underlying Offences (principle of legality), and when at least one of the following conditions take place:

- the entity has obtained a significant profit as a consequence of the crime and the crime has been committed by:
  - top managers, or
  - individuals under the direction or supervision of others if the crime has been determined or facilitated by serious shortcomings in the organization;
- repetition of the illegal behaviour.

The disqualification sanctions do not apply in the cases provided for in Article 12, paragraph 1.

1.3.3. Confiscation (art. 19)

The last paragraph of art. 6 of Leg. Decree 231/2001 provides for the mandatory confiscation of the profit which the entity has gained from the crime, which may also involve assets or other properties of equivalent value.

1.3.4. Publication of the sentence (art. 18)

At its own discretion, the Judge may order the publication of the sentence, at the

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has effectively acted in that sense;
b) an organizational model capable of preventing offences of the type in question has been adopted and implemented.
3. If both the conditions provided for by the previous paragraph letters, the damages are reduced by a half to two-thirds.
4. In any case, the monetary sanction cannot be less than € 10,329.00. »

([9]) Art. 14 states that
«Disqualifying sanctions concern the specific activity to which the unlawful act committed by the entity refers. The judge establishes the type and duration on the basis of the criteria indicated in article 11, taking into account the suitability of the individual sanctions in terms of preventing the same type of offences as the one committed.
2. A ban on contracting with public administration can also be limited to certain types of contract or under certain administrations. The disqualification from exercising an activity entails the suspension or revocation of the authorisations, licenses or permits instrumental to the performance of the activity.
3. If necessary, the disqualification sanctions can be applied jointly.
4. The disqualification from exercising the activity is applied only when the application of other disqualifying sanctions appears to be inadequate. »

company's expense, for one time only, in full or in abstract form, in one or more newspapers indicated by the Judge and through posting in the Municipality where the company's main offices are located.

2. CONDITIONS FOR EXEMPTION FROM LIABILITY

The company or entity may be exempt from liability if it proves in court (art. 6 of Leg. Decree 231/2001):

a) the executive management body has adopted and effectively implemented, before the crime was committed, organization and management models suited to preventing crimes of the same type as the one that was committed;

b) the task of overseeing the functioning of and compliance with the model as well as of arranging for its update has been entrusted to a body having autonomous powers of initiative and control;

c) the individuals who committed the crime have fraudulently eluded the aforementioned organization and management model;

d) the supervisory body referred to in letter b) above did not fail to perform its supervisory duty or applied an insufficient level of supervision.

Moreover, the company or entity is not liable if the individuals who committed the crime acted exclusively in their own interest or in the interest of others.

3. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

3.1. Model documentation

3.1.1. STILL S.p.A. (hereinafter also referred to in short as the "**Company**") has adopted the Organization, Management and Control Model (contained herein) (hereinafter also referred to in short as the "**Model**") for the purpose of preventing the commission of certain specific types of Underlying Offences provided for by Leg. Decree 231/2001 by top managers and by other subjects referred to in par. 1.1. above, the risk of which is deemed significant during the performance of company business.

3.1.2. The Company also equipped itself with a **Code of Ethics**, integral part of the Model and enclosed herein as Annex "C", which contains, among other things, rules of behaviour such as to cause all those who operate for and on behalf of the Company to become fully aware that the commission of unlawful acts subject to sanction is strongly censured by the Company and entails the application of disciplinary sanctions (or of different sanctions for non-employees).

3.1.3. In addition to the Code of Ethics, the Model also includes the "**Protocols**" (inclusive of "**Procedures**" and "**Practices**") pertaining to Sensitive Processes (as defined below) either pre-existing or adopted from time to time by the Company's executive directors. In any

event, the Protocols also form integral part of the Model ([10]).

3.1.4. The Company has also set up a Supervisory Body (ODV) which is assigned the task of supervising the functioning, effectiveness and observance of the Model and the Protocols, as well as to encourage their update.

3.1.5. The Model adopted by STILL S.p.A. was drawn up taking into account the indications contained in the «*Guidelines for constructing organization, management and control models pursuant to Leg.* Decree 231/2001», proposed by Confindustria.

3.1.6. The Model and the Protocols represent a structured and organic system of rules, procedures and control activities aimed at preventing the commission of underlying offences and at promoting a culture of ethics and corporate transparency.

3.2. Rules for approving the Models and Protocols/Procedures, and for updating them

3.2.1. Competent body

3.3.1 The Model - in compliance with article 6, paragraph 1, letter a), of Leg. Decree 231/2001 – is a «*document issued by the governing body*» and, as such, it is approved by the Board of Directors.

The Model was approved and updated by the Board of Directors of STILL as specified in the chronology at the beginning of the document and will be subject to changes and additions as specified below.

3.2.2. Substantial Updates of the Model

The Company and the ODV each verify, as far as they are concerned, whether it is necessary or appropriate to update the Model. The ODV makes proposals to the Board of Directors for this purpose.

Any substantial updates to the Model that may become necessary are subject to the approval of the Board of Directors. In any case, updates of a substantial nature include those concerning the expectation of new risks or the modification/inclusion of expectations of existing risks, as well as those concerning the identification or modification/inclusion of new sensitive activities or Sensitive Processes.

More specifically, the updating of the Model must be assessed when the following circumstances occur:

a) the passage of new laws or significant regulatory changes with respect to the Company's business;

b) business needs have arisen as a result of changes in the corporate organization and/or the scope of the company's activities or the manner in which the latter are carried out;

c) significant violations of the prescriptions of the Model have been found that have demonstrated their ineffectiveness and/or inconsistency for the purposes of prevention of the commission of the Underlying Offences.

([10]) Infra in this document, any time the Model is mentioned, it is therefore intended as the set of this document (annexes, Code of Ethics included) and of the Protocols/Procedures.

3.2.3. Non-Substantial Updates of the Model

Any updates to the Model that are not of a substantial nature may be made by the Executive Directors within the scope of their respective powers, with an obligation to report to the Board of Directors, and provided that they do not deem it appropriate to submit the decision to the Board of Directors for approval.

3.2.4. Adoption and modification of new protocols/procedures

The adoption of new Protocols/Procedures, as well as the amendment and abrogation of individual Protocols/Procedures, is the responsibility of the Company's Executive Directors within the framework of the powers granted to them, unless they deem it appropriate to submit the decision to the Board of Directors for approval.

3.2.5. Informing the ODV

Any updates to the Model must be communicated to the ODV.

3.3. Recipients of the Model

3.3.1. Internal parties and partners

The Model is addressed to the Recipients as defined at the beginning of this document: therefore, it is addressed not only to STILL's employees and corporate bodies but also to its suppliers, its consultants and parties in general who work with the Company (hereinafter "Partners") and are involved in Sensitive Processes as defined and identified below.

Partners will be required to sign a commitment to comply with STILL's Model and its Code of Ethics or to declare that they have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes covered by STILL's Model and Code of Ethics.

3.3.2. Board of Statutory Auditors

The Board of Statutory Auditors of STILL acknowledges the Model, formalizing its commitment to comply with it insofar as the Board itself is concerned.

The Board of Statutory Auditors, because of the tasks assigned to it by the law or of professional affinity, is one of the privileged and institutional interlocutors of the Supervisory Body, as well as of the internal control functions and bodies.

Hence, the Board must always be informed of any (objection to) commission of the offences provided for by Leg. Decree 231/2001 as well as of any shortcomings in the Model.

In turn, the Board of Statutory Auditors must promptly inform the Supervisory Body of any violations of the Model, even if attempted only, of which it gains knowledge within the scope of its mandate.

4. CONSTRUCTION OF THE MODEL

4.1. Structure of the Model

The Model consists of a general section and of 14 (fourteen) Special Sections, one for each category of Underlying Offences the risk of commission of which, from the analyses carried out, is considered to be realistically identifiable and significant during performance of the company activity.

4.2. The function of the Model and its inspiring principles

4.2.1. Risk prevention and compliance

The main function of the Model, supplemented with the Protocols, is the implementation of a structured and organic system of governance – through the adoption of procedures and checks (before and after) – the purpose of which is to prevent and manage the risk of committing Underlying Offences, efficient and effective pursuant to the provisions of Leg. Decree 231/2001.

The Model takes into account the specific types of Underlying Offences whose risk is considered significant in the performance of the company's business.

The Company asks all recipients to respect and comply with the Model, with the aim of providing the protagonists of company life with the principles and rules to inspire their conduct both in general and on specific occasions and in any previously unidentifiable situations.

The principles and rules contained in the Model are aimed at making sure that the Recipients – whose activities may go as far as the commission of Underlying Offences – acquire full awareness that certain behaviours constitute criminal unlawful acts (or in some cases administrative unlawful acts) the perpetration of which is entirely unacceptable, firmly condemned and contrary to the interest of STILL even in the event that the latter may appear to draw benefit from any such acts. This is in addition to the further awareness that committing the crime shall entail application of the sanctions set forth by the law, by the Model itself and by the applicable CCNL.

4.2.2. The qualifying points of the Model

The qualifying points of the Model are listed here below:

a) the identification of activities exposed to the risk of committing the Underlying Offences and the formalization of company procedures such as to govern the performance of said activities;

b) the granting of authorizing and signatory powers consistent with organizational and managerial responsibilities;

c) the application of and compliance with the principle of segregation of duties, according to which no function can manage an entire process on its own;

d) the traceability of the decisions and of the documentation concerning company functions carried out within the scope of sensitive processes;

e) the setting up of a Supervisory Body granted operational autonomy and independence, as well as the appropriate human and financial resources for performance of the tasks assigned to said Body by the law;

f) the execution of suitable checks;

g) the adoption of a disciplinary system suited to sanctioning failure to comply

with the prescriptions and procedures contained in the Model;

h) the distribution at all company levels of the rules of behaviour and of the procedures.

4.2.3. Controls

The Supervisory Board is assigned the task of verifying the efficacy, effectiveness and updating of the Model (supplemented with Protocols/Procedures), of overseeing the functioning of and compliance with the Model, as well as of encouraging its update in order to adapt it to any changes in regulations or company activities that may occur, as well as to the needs that may arise from any violations, possibly formulating suggestions to the Board of Directors. All as developed below in detail.

5. SENSITIVE PROCESSES AT STILL

5.1. Risk assessment

5.1.1. Corporate purpose and activity

The Company purpose is the performance of the activities listed here below, including through participated companies or entities:

A) The exercise of the following activities: study and design, production, marketing (including the sale of used goods and the exchange) and rental of:

- standard and special forklift trucks, or other self-propelled means or systems or for fixed installation, suited to handling materials and goods;
- heat, electric and battery-powered vehicles for commercial and industrial applications, intended for the transport of people, materials, goods and a mix of the above;
- of the relevant units, sub-units, normal and/or special equipment, specific and/or complementary components, spare parts, accessories;
- assets associated with or functional to the handling of goods.

B) The rendering of technical assistance and maintenance services, at the customers' facilities, for forklift trucks and other handling equipment.

C) Research and programming for the company organization in all its forms in the sector of technical and pharma gases, and the rendering of market research technical services and various services associated with commercial growth, including at the international level, in said sector, specifically excluding the performance of any professional activity.

D) The rendering of administrative, accounting and data processing services for Italian and foreign companies. ([11])

([11]) For the achievement and within the scope of the aforementioned purposes, the corporate purpose also provides for the Company to carry out transactions of basically any nature, as well as to take on or dispose of shareholdings in companies or undertakings having a similar or associated corporate purpose, all with the exclusion of activities reserved to members of professional associations or in any event prohibited by law.

5.1.2. Organizational structure

The activity actually carried out is currently (i.e., at the time of approval of this document) structured into two macro operating areas, Sales & Marketing and Plant, each one entrusted to the responsibility of a managing director ([12]). Both are addressed by the activities carried out by the corporate functions ([13]): Finance, Corporate and Legal Affairs, IT, Human Resources.

Within the organization, the individual functions functionally report to the German parent company.

The Company also operates through Subsidiaries, currently six in number, located in Italy.

5.1.3. Non-listing

At present, the Company is not listed on the stock exchange or on other regulated markets; however, it is part of a group ("KION Group") the Parent company of which, KION AG, is listed on the Frankfurt Stock Exchange.

5.1.4. Process of identifying Sensitive Processes

The mapping of the Company's activities considered at risk, in other words activities within the scope of which there is a significant risk of Underlying Offences being committed, has resulted in the identification of the Sensitive Processes, as defined below.

This mapping was carried out through:

a) the analysis of the company activity, including through interviews with the executive directors and with the management;

b) the identification of the types of Underlying Offences in which one may run into while performing the company business;

c) the identification of processes/functions within the scope of which said Underlying Offences may be committed (also referred to as "**Sensitive Processes**") and the real level of the risk of occurrence;

d) the analysis of existing procedures/practices through a review of the documentation pertaining to them and through interviews with key subjects within the scope of the structures;

e) the analysis of control/prevention systems in place and the identification of corrective actions to be developed ("*gap analysis*").

5.2. Significant Sensitive Processes identified

The sensitive processes listed below were identified in the company business.

5.2.1. Sensitive processes in connection with "*offences concerning misappropriation of*

([12]) At the meeting held on 12.04.2018, the Board of Directors took note of the communications of the Company's directors regarding their interests as members of the boards of directors of other companies of the KION Group, for the transactions (identified in detail) therewith, and resolved not to find these transactions to be prejudicial within the meaning of article 2391, paragraph 2, of the Italian Civil Code, and, on the other hand, noted undoubted benefits for the Company deriving from group synergies. In addition, the executive directors acknowledge the KION Group's governance guidelines.

([13]) Since the Company belongs to an international group, certain functions are referred to using the English term.

funds, fraud to the detriment of the State, of a public body or of the European Union or for the obtainment of public funds and computer fraud to the detriment of the State or of a public body or fraud in public supplies" (Art. 24);

The risks of committing the crimes of misappropriation of funds or similar crimes are deemed to be basically low since, at present, the Company rarely requests contributions, subsidies or public funding. When this happens, the request usually concerns contributions aimed at personnel training and funding for e-commerce services.

As regards contracts for public supplies, although they do not fall within the company's core activities, they may nevertheless take place.

The Company has therefore deemed it appropriate to regulate the matter.

5.2.2. Sensitive Processes in connection with "*computer crimes and illegal data processing*" (art. 24-*bis*).

As regards computer crimes, the significant Sensitive Processes are mainly related to: management of IT structures, systems and services; installation of equipment for intercepting, preventing or interrupting computer or telecommunications; drafting of informative documents; data processing in reference to European and Italian law.

5.2.3. Sensitive Processes in connection with "*crimes against the Public Administration*" (art. 25).

The interviewed subjects confirmed that the commission of crimes against the Public Administration (**P.A.**) poses a significant risk in connection with just about all the Underlying Offences provided for by the law.

The significant Sensitive Processes mainly refer to: Participation in competitive tenders; applications generally aimed at obtaining licenses, permits, authorizations and concessions; relationships with ministerial, regional, provincial, municipal office and Public Administration offices in general (for example purposes only: Inland Revenue Service, Finance Police or GDF, social security and welfare institutions, local healthcare agencies or ASL, Customs Agency, Fire Brigade, etc.); contacts with public officials and public service officers; mandatory hiring; activities concerning safety and hygiene in the workplace and environmental protection; resorting to consultants or service providers that entertain relationships with the Public Administration on behalf of the P.A. All of the above also within the scope of inspection activities by the Public Administration.

5.2.4. Sensitive processes in connection with the "*counterfeiting of money, public credit cards, revenue stamps and distinctive marks and instruments*" (art. 25-*bis*).

The risk of counterfeiting, altering or using distinctive marks or signs of patents, models and drawings in connection with product development activities that may involve the use of third-party patents is considered to be low.

5.2.5. Sensitive Processes in connection with "*Corporate crimes*" (art. 25-*ter*).

As regards corporate crimes, the main Sensitive Processes mainly refer to the preparation of corporate communications, either mandatory by law or voluntary, pertaining to the Company's economic, equity and financial situation (financial statements, reports on operations, scheduled, etc.) as well as to the communication of the conflict of interest, to transactions involving the capital, to

the distribution of profits, to merger or demerger transactions, and to company reorganizations.

Moreover, the risks of committing the crimes of private corruption and incitement to private corruption were identified, mainly in connection with the Company's commercial activities, but also in connection with third-party subjects appointed by the Company to render specific types of services.

5.2.6. Sensitive Processes in connection with "*Market abuse*" (art. 25-*sexies*).

Strictly with regards to the activity carried out by the Company, which is not listed, the risk of market abuse can basically be considered to be of a theoretical nature.

However, in view of the fact that the parent company is listed on the Frankfurt Stock Exchange, the opportunity was recognized to implement a procedure aimed at governing the processing and management of confidential information drawing upon the Group's procedures.

5.2.7. Sensitive Processes in connection with "*Crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on health and safety in the workplace* (art. 25-*septies*).

As regards crimes committed in violation of regulations pertaining to health and safety in the workplace, the main Sensitive Processes are basically related to: (*i*) plant activities as well as maintenance and repair of the products (forklift trucks), (*ii*) treatment of the products at third party facilities for any reason, both when managed by the Company and when sold to third parties with transfer of property or under leasing/load for use (producer's responsibility and for any maintenance), (*iii*) internal environmental risks, general office activities (using personal computers, video terminals, printers, fax machines, photocopiers) and (*iv*) transportation and use of company vehicles.

5.2.8. Sensitive Processes in connection with Underlying Offences concerning "*Receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin*, *self-money laundering*" (art. 25-*octies*).

With regards to Underlying Offences pertaining to receipt of stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering, the main Sensitive Processes basically refer to investments and sales and, in particular with regards to self-money laundering, fiscal/tax fulfilments and the accounting of corporate transactions, in the event that irregular accounting may result in the setting up of "slush funds". Besides, considering the company procedures and practices, the risk is not deemed to be particularly significant.

5.2.9. Sensitive Processes in connection with Underlying Offences concerning "Crimes on the subject of violation of copyright" (art.25-novies 231/2001).

As regards crimes on the subject of copyright, there is a theoretical risk of minimal significance associated with the use of software applications.

5.2.10. Sensitive Processes in connection with the "Crime of inducement not to make or to make false statements before the judicial authority" (art. 25-*decies*).

As regards the crime referred to above, there is a theoretical risk of minimal significance.

5.2.11. Sensitive Processes in connection with "Environmental crimes" (art. 25-*undecies*).

The Sensitive Processes pertaining to environmental crimes mainly refer to the plant activity, the storage of forklift trucks, the storage and disposal of hazardous waste at the Company's premises or at third-party facilities, the disposal of spent batteries, the disposal of inks and electronic equipment.

5.2.12. Sensitive Processes in connection with the crimes of employing workers in violation of specific legal provisions, in reference to: "*"Unlawful intermediation and exploitation of labour"* (art. 25-*quinquies* with reference to art. 603-*bis* of the Italian Criminal Code) and "*Employment of illegally staying third-country nationals*" (art. 25-*duodecies*).

The Sensitive Processes pertaining to the aforementioned crime mainly refer to service contracts as well as to the use of temporary work agencies or cooperatives of which services the Company avails itself.

5.2.13. Sensitive Processes in connection with *crimes against industry and trade* (Art. 25-*bis* 1)

The only sensitive process that could be identified refers to the risk of "sale of industrial products with false markings" (art. 517 Criminal Code), and manifests itself in the activity of purchasing finished products for purposes of selling or renting them to customers.

5.2.14. Sensitive Processes associated with Tax-related Underlying Offences

The Sensitive Processes that present a risk of committing the Underlying Offences in question concern the following activities: *(i)* issue of accounting documents; *(ii)* receipt of accounting documents; *(iii)* preparation of forms and communications concerning tax matters; *(iv)* submission of forms and communications concerning tax matters; *(v)* payment of taxes.

5.2.15. Sensitive Processes in connection with other Underlying Offences.

With regards to any other Underlying Offences not expressly mentioned in the paragraphs above, the Company has verified that, during the performance of the company business, there are no significant risks of said crimes being committed; nevertheless, constant monitoring will be carried out.

5.2.16. Compliance with regulations

In all Sensitive Processes, the provisions contained in the special sections of the Model must be complied with, as well as the Code of Ethics which contains, among other things, the general principle of behaviour that anyone operating on behalf of the Company is required to observe – when doing business and in relationships with others – in compliance with the regulations in force.

Any violation of the provisions set forth in the Model and in the Code of Ethics shall entail the application of sanctions, as specified below.

6. SUPERVISORY BODY

6.1. Appointment and requirements for the appointment

6.1.1. Establishment of the ODV

The Company, pursuant to art. 6, paragraph 1 of Leg. Decree 231/2001, has appointed a Supervisory Body (ODV) which is assigned the task of overseeing, continuously, autonomously and independently from the Company's top management, the effective functioning and observance of the Model, including the Protocols and the Code of Ethics, as well as of encouraging its update.

The Supervisory Board is a panel composed of three or more members, as resolved by the Board of Directors.

The ODV approves the regulations that govern its own functioning.

The members of the ODV, in their capacity and within the scope of performing their function, are not subject to the hierarchical and disciplinary power of any company function or body.

The Supervisory Body shall perform its tasks with the professionalism and diligence required by the nature of the appointment.

6.1.2. Requirements for ODV members

Without prejudice to the requirements of autonomy an independence, the majority of the members of the ODV must be identified in subjects who are in no way tied by a relationship of dependence to STILL S.p.A. or its subsidiaries.

The members of the ODV must possess suitable professionalism and experience on corporate, legal, accounting and fiscal matters, or in some of them, as well as possess the requisites of independence and integrity provided for by legal provisions applicable to members of the Board of Statutory Auditors.

6.1.3. Incompatibility

The following subjects cannot hold the office of member of the Supervisory Body and, if appointed, they shall forfeit from office:

- individuals who find themselves in the conditions referred to in art. 2382 of the Italian Civil Code ([14]);
- non-independent directors, spouses, relatives and similar up to the fourth degree of the directors of the Company and of the subsidiaries controlled by the Company;
- anyone who has been indicted or convicted, even with non-final sentence or plea bargain, for one of the Underlying Offences.

6.1.4. Technical secretariat

In order to facilitate the performance of its work and ensure coordination with the Company's internal structures, the Supervisory Body may avail itself of a technical secretariat, even of an inter-functional nature, and including Company employees if deemed appropriate.

6.2. Appointment, remuneration, duration, budget

6.2.1. Appointment and remuneration

([14]) This means interdicted and banned persons, disqualified persons, bankrupt persons or persons who have been sentenced to a penalty entailing a ban, even temporary, from public office or the inability to exercise managerial functions.

The Supervisory Body is appointed by the Company's Board of Directors, which also determines any fee for the single members.

The Supervisory Board appoints its own chairman if the chairman has not been appointed directly by the Board of Directors.

Upon accepting the appointment, the members of the ODV declare to possess the requisites and to not find themselves in the conditions of incompatibility referred to in paragraph 6.1.3, being required to promptly communicate to the Board of Directors any loss of said requisites or the onset of conditions of incompatibility.

6.2.2. Duration

The Supervisory Body stays in office for a period of 3 (three) years from its appointment, and its members may be re-appointed in full or in part.

In case one or more members are unable to exercise their functions for a period of more than two months, the ODV notifies the Board of Directors, which will replace the unavailable members or re-appoint the entire ODV.

6.2.3. Budget

On an annual basis, the Board of Directors approves an endowment fund, proposed by the ODV itself, which the latter can use for any need pertaining to performance of the tasks assigned to it, save for any urgent needs that may be defined by the ODV directly with an Executive Director or with the latter's authorized representative.

6.3. Forfeiture, dismissal, resignation - Replacement

6.3.1. Forfeiture

The loss of requisites for appointment in the ODV constitutes a reason for forfeiture from office for the individual members, but not for the entire ODV.

Members who have an employment relationship with the Company automatically cease to hold office in the event of termination of such relationship and regardless of the cause of termination, without prejudice to the possibility of the appointment's confirmation with a specific resolution of the Board of Directors.

6.3.2. Dismissal

The dismissal of the ODV or of its individual members can be ordered by the Board of Directors for justified reasons only.

Just causes for the dismissal of a member of the ODV include but are not limited to:

- a serious breach in the performance of his/her duties;
- failure to inform the Board of Directors of a conflict of interest that can compromise his/her independence;
- breach of confidentiality with regard to news and information acquired in the performance of the Supervisory Board's duties;
- for a member who is linked to the Company by an employment relationship, initiation of disciplinary proceedings.

6.3.3. Resignation

Each member of the ODV may resign at any time from office with written notice sent to the Chairman of the Board of Directors with a copy to the Chairman of the Board of Statutory Auditors and the other members of the Body.

The resignation shall take effect upon receipt of the communication and the person resigning shall be entitled to the remuneration (if due) accrued to that point.

6.3.4. Replacement

Members who have forfeited or dismissed or who have resigned from office shall be replaced by a resolution of the Board of Directors, provided that the latter does not consider reducing the number of the body's members. Replacements shall remain in office for the remaining duration of the Body.

6.4. Tasks

6.4.1. The ODV is assigned the task of overseeing:

a) compliance with the Model and with the Protocols by those subjects required to do so (such as corporate bodies, employees, consultants and partners for various reasons of the Company);

b) the effectiveness and adequacy of the Model and of the Protocols, in connection with the company structure, based on the actual capacity to prevent Underlying Offences from being committed;

c) the updating of the Model and of the Protocols, in the event of a need to adapt it in connection to changed legislative and/or company conditions or in case significant violations of the prescriptions set forth in the Model are ascertained (cf. art. 7 of the Decree).

6.4.2. On a more specific operational level, without prejudice to the power of autonomously governing its own activities, the ODV nevertheless carries out the following tasks:

a) implementing control procedures aimed at verifying the actual operativity of the Model and of the protocols; it being understood that, in any event, control activities fall under the primary responsibility of operational management and are considered integral part of all company processes (known as “line control”).

b) performing reconnaissance activities on the company business in order to update the mapping of areas at risk within the company context;

c) coordinating with the various company functions in order to monitor activities in the areas at risk;

d) verifying the needs to update the Model and the Protocols;

e) carrying out periodical checks on specific acts or transactions conducted in the areas of activity at risk;

f) collecting, processing and retaining significant information in relation to compliance with the Model, as well as updating the list of information that must be mandatorily forwarded to the ODV or always kept available to said

body;

g) checking the actual presence and regular keeping and efficacy of the documentation requested in connection with the provisions of the Model or of the Protocols for the various types of administrative offences and crimes;

h) periodically reporting to the corporate bodies of STILL S.p.A. with regards to the company policies in support of the activity pursuant to Leg. Decree 231/2001;

i) reporting to the Board of Directors any observed non-compliances and proposing the application of sanctions in accordance with the sanctioning system;

j) maintaining any necessary contact, including through the receipt and sending of reports, with the ODV, or (if an ODV has not been appointed) with the control bodies, of the parent companies of STILL S.p.A. or of companies controlled by the latter or subject, together with the latter, to common control.

6.4.3. During the performance of their tasks, each member of the ODV has free access, at any one of the Company functions, to all information, data and documentation deemed necessary for the performance of the assigned tasks, with no need for prior consent.

6.4.4. For the performance of its activities, the ODV may avail itself – under its own direct supervision and responsibility – of the assistance provided by any function of STILL S.p.A. (or of companies belonging to the same Group and based on service agreements) or, in case it deems it necessary, of independent consultants.

6.4.5. The control activities implemented by the ODV cannot be questioned by any other company body or function, in any event without prejudice to the fact that the Board of Directors is in any case called to supervise on the adequacy of said activities, since said Board is the ultimate body responsible for the proper functioning and efficacy of the organizational model.

6.5. Activities and Reporting

The ODV has three reporting lines:

- the first one, on a continuous basis, towards the Executive Directors;
- the second one, on a periodical basis, towards the Board of Directors~~;~~
- the third one, of an event-based nature, towards the Board of Directors in the event that, outside the periodical checking activities, the ODV nevertheless gains knowledge of behaviours that violate the procedures provided for by the Model and/or by the Protocol, or of other behaviours that complete or may complete offences or unlawful administrative acts, or lastly in the case where the ODV deems it necessary or appropriate to proceed with updating the Model.

The ODV is required to periodically draw up a written report on its activities intended for the Board of Directors.

6.6. Periodical Checks

The checks on the Model and on the Protocols will be conducted periodically according to the frequency established by the ODV (Annual verification plan), or even at a time other than the scheduled time.

The ODV will be entitled to carry out more in-depth research, analyses and checks on the existing procedures, on corporate acts and on the more significant contracts in the areas of activity at risk, or other checks and verifications deemed necessary or appropriate.

6.7. Information flows and retaining of information

In addition to the reporting activity envisaged above, the ODV is required to operate through continuous actions, to be ensured also through constant coordination between the ODV and the Executive Directors (or parties authorized by the latter for this purpose) and the set-up of suitable information flows from the Company to the ODV and vice versa, without prejudice to the prescriptions contained in the Model.

6.7.1. Communication flows by the ODV

a) formulates proposals for updating the Model in case suitable corrections, additions or adaptations of the Model itself deemed necessary or appropriate in connection with *(i)* changes in the legislative framework, *(ii)* changes in the corporate situation (concerning, for example, the company type, its organization, business perimeter, production methods), *(iii)* violations of the Model;

b) sends *ad hoc* communications to the Executive Directors in case of need and/or urgency;

c) reports to the corporate bodies any violations of the Model that may be committed by the members of the corporate bodies of which it becomes aware.

6.7.2. Communication flows by the Company

For the purpose of facilitating the supervisory activities on the efficacy of the Model and of the Protocols, the Company is required to promptly implement, vis-à-vis the ODV, information flows pertaining to all facts, information, documents and data that must be brought to the knowledge of the ODV itself, as established by the Model in all its parts, including the provisions of the single procedures.

In particular:

a) executive directors or persons delegated thereby must:

(i) to inform the ODV of any event, fact, situation relevant to compliance with and operation of the Model;

(ii) inform the ODV of the results of any audits and verifications carried out by internal functions, group structures, auditors or external entities that may be relevant for the prevention of the Underlying Offences;

(iii) communicate changes in the organizational structure to the ODV including proxies/issuing of powers of attorney;

(iv) notify the ODV of any changes in the scope of activities (expansion or contraction of existing activities or launch of any new activities);

b) the ODV must be immediately informed by the relevant top management about conduct deemed to constitute violations of the prescriptions contained in the model or the commission of specific types of Underlying Offences, providing evidence of the implemented disciplinary proceedings and of any sanctions applied or dismissal measures, accompanied by the relevant reasons;

c) the ODV must be promptly informed of the following facts by the top management, to the extent of their respective responsibilities:

(i) requests for legal assistance forwarded by executives, employees or other subjects entitled to do so, towards which the judiciary has initiated proceedings for the Underlying Offences provided for by Leg. Decree 231/2001, or for administrative proceedings pertaining to infringements referenced by art. 187-*quinquies* of Leg. Decree 58/1998;

(ii) measures and/or communications coming from judiciary police bodies, or from any other authority, from which one can infer the conduction of investigations, including towards unknown subjects, for the Underlying Offences referred to in Leg. Decree 231/2001, or for administrative proceedings pertaining to the infringements referenced in art. 187-quinquies of Leg. Decree 58/1998;

(iii) reports drawn up by the managers of company functions within the scope of their control activity which may reveal pertinent facts, acts, events or omissions for purposes of compliance with the provisions of Leg. Decree 231/2001;

(iv) news pertaining to any violations of the managerial and control procedures referenced, even indirectly, by the Model and/or the Protocols.

d) the following events relating to the company's activities must be communicated to the Supervisory Board by the Executive Directors or persons delegated by them:

(i) notices of convocation of meetings;

(ii) notices of convocation of meetings of the board of directors;

(iii) constitution of the executive committee and its convening notices;

(iv) establishment of strategic committees and their functions (e.g. appointments committee, strategy committee, investment committee, administration and finance committee and the like);

(v) any conflicts of interest found during meetings of the board of directors or the shareholders' meeting;

(vi) annual financial statements including directors' reports and certification by the auditors;

(vii) transactions concerning the share capital;

(viii) extraordinary transactions, such as, for example, mergers or de-mergers;

(ix) criticalities or conflicts of interest detected within the scope of the management of confidential information;

6.7.3. Other communication flows to the ODV

Based on their respective areas of responsibility and organisational tasks, the company functions are required to provide the ODV with information concerning:

(i) request, disbursement and use of public funds;

(ii) inspections by the Public Administration;

(iii) participation in and awarding of tenders issued by the Public Administration or parties performing public utility functions or Community bodies;

(iv) contracts awarded to STILL S.p.A. following competitive tenders at the national and international level, or following private negotiations with the Public Administration or parties acting as public utilities or community bodies;

(v) anomaly indicators pertaining to management control, administration and treasury activity;

(vi) identification and assessment of occupational health/safety and environmental risks;

(vii) results of the verification activities, non-conformities and specific problems pertaining to health/safety at work and environmental protection;

(viii) the occurrence of accidents (or near-accidents) involving employees, associates or other subjects present, even occasionally, at the industrial sites, warehouses office, local units or other locations where the Company carries out its activity.

In any event, the above is without prejudice to all other obligations to inform the ODV as provided by the Model's Procedures or as requested by the ODV.

6.7.4. Procedure for submitting reports to the ODV

The Company is required to issue a specific procedure to manage information flows from it to the Supervisory Body.

6.7.5. Meetings of the ODV with the Board of Directors and Executive Directors

The ODV may ask to meet with the Board of Directors or executive directors any time it deems it necessary or appropriate, both in connection with the implementation of the Model and in connection with specific situations and/or violations of the Model.

In its turn, the ODV may be convened at all times by the Board of Directors in order to report on special events or situations pertaining to the functioning and implementation of the Model.

6.7.6. Meetings of the ODV with company functions

The various company functions are required to keep all documentation pertaining to information forwarded to the ODV available, as also provided for by the Protocols and by existing operating practices.

The ODV can nevertheless request, in full autonomy, any company function or structure to provide additional information of a periodical nature or news concerning specific situations.

6.7.7. Documentation

a) Minutes

Minutes will be drawn up of all meetings held by the ODV with the aforementioned subjects and bodies. Said minutes shall be retained by the Company, with a copy provided to the ODV.

b) Retention of Documents

The various company functions are required to keep all documentation pertaining to information forwarded to the ODV available, as also provided for by the Protocols and by existing operating practices.

The information, documentation and reports collected by the ODV during the performance of its institutional duties must be filed and retained by the ODV itself, keeping the acquired information and documents confidential, including in compliance with regulations on data processing.

6.8. Subjective qualification of the ODV for privacy purposes

The Data Protection Authority has held that, due to the processing of personal data that the exercise of the duties and functions entrusted to the ODV entails (such as, for example, access to information acquired through information flows or the reports referred to below), the Company, without prejudice to its ownership of the data processing under the GDPR, must designate - as part of the technical and organisational measures to be put in place in line with the principle of accountability (Art. 24 of the GDPR) - the individual members of the ODV as subjects "authorised" to process the data (Art. 4 no. 10, 29, 32 paragraph 4 GDPR and also Art. 2-quaterdecies of the Code). These subjects, in relation to the processing of the data received, must comply with the instructions given by the Data Controller so that the processing takes place in accordance with the principles established by Art. 5 of the GDPR.

The Data Controller, in turn, is required to adopt technical and organisational measures to ensure the protection of processed data, while at the same time ensuring that the ODV is autonomous and independent with respect to the company's management bodies when performing its duties in accordance with the procedures laid down in the aforementioned law ([15]).

6.9. Reporting to the Supervisory Body

6.9.1. Subject matter of the reports

Anyone can inform the Supervisory Body (or the Company) of situations that they may have become aware of due to his/her work and/or his/her relations with the Company in general concerning:

a) commission of or attempts to commit any of the Underlying Offences

([15]) The stated principles are expressed in a communication of the Data Protection Authority issued in favour of the Association of Members of Supervisory Bodies pursuant to Leg. Decree 231/2001 of May 2020; the assumption of the Authority's statement is that the Supervisory Body, regardless of whether its members are internal or external, must be considered "part of the company" in that it operates within the company's organisation (as, after all, established by Art. 6 of Decree 231).

envisaged in Decree 231, even if not expressly listed in the Model,

b) infractions relating to the 231 Model (including the Code of Ethics and Protocols/Procedures),

c) offences in general.

(hereinafter referred to as "Reports").

The possibility of reporting must be understood as a tool for safeguarding a common good ascribable to the stability and proper functioning of the Company.

6.9.2. Channels for submitting reports to the ODV

Reports may be sent to the Supervisory Body, choosing one of the following reserved communication channels:

a) by e-mail to the following address (reserved for the Supervisory Body, outside the company's domain and not accessible by third parties):

organismo.vigilanza@pec.still.it ([16])

b) by "Personal and Strictly Confidential" letter to one of the following addresses:

- Supervisory Body of STILL S.p.A.

  To the kind attention of the Chairman

  Via A. De Gasperi, 7

  20020 Lainate (MI)

- Supervisory Body of STILL S.p.A.

  c/o Crescenzo Pulitanò, Attorney – Chairman of the Supervisory Body

  Via Monte di Pietà, 15

  20121 Milan

Reports can also be made in anonymous form.

6.9.3. Whistleblowing

The email communication channel specified above is also established to comply with the purposes specified in article 6, paragraph 2, letter d) of the Decree (so-called "Whistleblowing") ([17]).

6.9.4. Content of reports

Reports must be detailed and based on factual elements that are precise and consistent. They must comply with confidentiality criteria to protect the effectiveness of the investigations to be carried out and the integrity of the persons specified in the report. They must refrain from reporting facts of generic, confusing

([16]) So updated by the Managing Director on 23 April 2018, with reference to law 30 November 2017 n. 79 (whistleblowing).

([17]) Art, 6 of the Decree was amended in this sense by Law no. 179 of 30 November 2017 containing *Provisions for the protection of those submitting reports of crimes or irregularities they have become aware of in the context of a public or private employment relationship*.

and/or defamatory content.

The detailed description of the facts giving rise to the report shall not contain information that is not strictly relevant to the subject of the report.

6.9.5. Protection of the whistle-blower (prohibition of discrimination)

Those who submit reports ([18]) to the ODV may not suffer any negative consequences as a result of such conduct, except for the case in which it is ascertained that the subject who submitted the report was, at the time of the reporting, aware of the fact that the information provided to the ODV was false or did not correspond to the truth.

In particular, whistle-blowers are protected by the legislative prohibition against retaliatory or discriminatory actions against whistle-blowers on grounds directly or indirectly related to the report: i.e. the whistle-blower may not "be penalised, demoted, dismissed, transferred or subjected to any other organisational measure having an direct or indirect adverse effect on his/her working conditions".

6.9.6. Management of reports

The ODV will assess the reports received and, if it deems it appropriate, will initiate the appropriate investigation, summoning separately – where known – the author of the report and the alleged offender, hearing people informed of the facts and acquiring the documentation deemed appropriate.

All reports shall be managed according to criteria suited to ensuring the utmost confidentiality, both at the time they are received and during the phases of the subsequent investigations by the Supervisory Body, except for anything that may become necessary in order to carry out checks on the reports and without prejudice to the obligations of provide information when so requested by the judicial authority or by other public authorities ([19]).

6.9.7. Sanctions

Penalties, discipline or other sanctions will be taken for non-employees in accordance with the provisions of the Model below for violations of the Model itself:

- against those who violate the protection of the whistle-blower
- against whistle-blowers who, with intent or gross negligence, make reports

([18]) The report referred to in the aforementioned art. 6 of the Decree may be made by any recipient of the Model (including the Code of Ethics and Protocols/Procedures), including:
- all Company employees
- shareholders
- members of the board of directors and members of the board of statutory auditors
- members of the ODV
- auditor
- parties who, while not falling into the category of employees, act on behalf (even if not in the name) of STILL S.p.A. and operate under the direction and control of the Company (including but not limited to: temps, interns)
- persons who, although external to the Company, operate directly or indirectly on behalf of and/or in the interest of the Company and/or with the Company (including but not limited to consultants, suppliers, customers)
- any other person who enters into a relationship with STILL S.p.A.

([19]) Remember that the pursuit of the interests of the integrity of public and private administrations, as well as the prevention and repression of embezzlement, constitutes just cause for disclosure of information covered by the obligation of secrecy established in articles 326, 622 and 623 of the Criminal Code and article 2105 of the Italian Civil Code. There is no just cause for disclosure if the obligation of professional secrecy binds the person who became aware of the information as a result of a relationship of professional consulting or assistance with the body, firm or natural person concerned.
Information and documents that are subject to corporate, professional or official secrecy must not be disclosed in ways that exceed the purposes of eliminating the offence (and, in particular, must be kept within the communication channel specifically set up for this purpose).

that prove to be unfounded.

7. INFORMATION AND TRAINING

7.1. Communication

For Model efficacy purposes, the Company aims to ensure, to the company's human resources as well as to those who may join the company in the future, proper knowledge of the rules of conduct contained herein, with a different degree of understanding depending on the level of involvement of said resources in Sensitive Processes. A similar knowledge, according to similar criteria, must be ensured as far as the Protocols are concerned.

The information and training system is implemented, through the means considered more appropriate and affective, by the Human Resources Manager together with the managers of the other functions involved from time to time in the application of the Model and of the Protocols.

Specific information on the Model is included in hiring letter for all new-hires; moreover, there is a special section on the Company website which is updated periodically based on changes in legislation and/or updates of the Model.

The Company will identify suppliers and customers, including external associates and business partners for various reason to whom to provide information on the topic of the adoption of the Model and on the contents of the Model itself, requesting that they commit themselves to complying with the principles contained in it.

7.2. Training

7.2.1. Training aimed at spreading knowledge of the regulations referred to in Leg. Decree 231/2001 is different, in terms of content and implementation methods, depending on the qualification of the recipients, of the risk level in the area in which they operate, of performance by the subjects of company representation functions and of the granting of powers, if any.

Therefore, the Company provides for different levels of information and training through suitable distribution tools.

7.2.2. Training is mandatory for all recipients.

Training has to be delivered frequently enough and using methods able to measure the recipients' level of participation.

7.2.3. The ODV may be asked to take part in the training.

In any event, *(i)* the Training Plan must be communicated to the ODV for any comments or suggestions, and *(ii)* all documentation related to the training must be retained so that it can be made available to the ODV itself.

7.2.4. Training is delivered according to the following methods.

a) Directors, executives and/or personnel with powers of representation.

The training of executives and personnel equipped with powers to represent the Company is delivered on the basis of an initial workshop and periodic

refresher courses in which all new directors and newly-hired executives, or new hires equipped with representation powers participate.

For the purpose of delivering proper training, the function managers arrange for distributing the Model and, for those subjects concerned by the Sensible Processes, the Protocols.

b) Other personnel.

The remaining personnel are trained *(i)* according to an internal informative statement that, for new hires, is enclosed with the hiring letter, *(ii)* on the basis of an initial training through e-learning, *(iii)* through subsequent periodic updates, including in connection with any changes in the job description or legislative changes.

For the purpose of delivering proper training, the function managers arrange for distributing the Model and, for those subjects concerned by the Sensible Processes, the Protocols.

7.2.5. Documentation

The documentation relating to information and training activities will be kept by Human Resources, which is assigned responsibility for internal training.

8. DISCIPLINARY SYSTEM

8.1. General principles

The effectiveness of the Model is also tied to the adequacy of the sanctioning system for violation of the rules of conduct and, generally speaking, of internal regulations and procedures.

The application of disciplinary sanctions addressing the violation of rules of conduct and failure to comply with company provisions is independent from the criminal sentence or from the administrative one, as well as from their outcome, since these provisions are implemented by the company in full autonomy, regardless of the nature of criminal or administrative offence represented by the conduct.

The sanction shall be commensurate with the seriousness of the violation and whether or not it is the first occurrence; any repeated violations may lead to the employee's dismissal.

Improper interpretation of the principles and rules established by the Model may constitute an exception only in cases of behaviours conduction in good faith in which the limits set by the Model exceed the limits requested of a diligent person.

With regards to employees, the sanctioning system pertaining to violations of the Model will be included in the Company's Disciplinary Code.

8.2. Measures against employees

Employees (executives excluded) are subject to the sanctions provided in the category-specific national collective labour agreement (CCNL), or in the respectively applicable CCNLs, in compliance with the procedures set out in article 7 the Italian Labour Statute (Law no. 300/1970).

In particular, in accordance with provisions pertaining to labour law contained in the National Collective Labour Agreements, it is provided that:

a) Measures such as *written reprimand, fine or suspension,* depending on the seriousness of the violation, shall be applied to employees who violate the internal procedures contained in the Model (for example, fails to comply with the prescribed procedures, fails to communicate to the ODV the prescribed information, fails to carry out checks, etc.) or, in any event, adopt behaviours while performing activities within the scope of Sensitive Processes that do not comply with the Model provisions;

b) The *layoff* measure shall be applied to employees who, during performance of the Sensitive Processes:

- carry out acts that do not comply with the provisions of the Model and are univocally aimed at the commission of an Underlying Offence, as such behaviour implies a breach so serious as to not allow the continuation, not even on a temporary basis, of the work relationship,

or,

- have been finally convicted for any one of the Underlying Offences or subjected to the irrevocable application of the administrative sanction for one of the administrative infringements envisaged by the laws in force.

The system of sanctions refers to the various category-specific labour contracts as applicable.

The challenging of violations, the disciplinary procedures and the application of sanctions fall, within the limit of the assigned tasks, in the attributions of subjects to whom the relevant powers are granted by Top Management.

8.3. Measures against executives

In case the executives, during the performance of activities within the scope of Sensitive Processes, violate the prescriptions of the Model and/or of the Protocols, the Company arranges for applying to those responsible for said violation the measures considered to be most appropriate in compliance with the provisions of the law and of the applicable CCNL, according to the procedure referred to in art.7 of the Labour Statute (Law no. 300/1970).

8.4. Measures against directors

In case any members of the Board of Directors violate the prescriptions of the Model, the ODV shall promptly notify the Board of Directors, which will adopt the necessary measures within the scope of its powers, including proposing to the shareholders' meeting the revocation from office. The relevant communications shall be addressed directly to all members of the Board of Directors, except for the subjects involved in the violation.

8.5. Measures against members of the Board of Statutory Auditors

In case any members of the Board of Statutory Auditors violate the prescriptions of the Model, the ODV shall immediately notify the Board of Directors and the Board of Statutory Auditors, which will adopt the necessary measures within the scope of its powers, including proposing to the shareholders' meeting the revocation from office. The relevant

communications shall be addressed directly to all members of the Board of Directors and of Board of Statutory Auditors, except for the subjects involved in the violation.

8.6. Measures against consultants and partners/suppliers

The commission of Underlying Offences by Consultants or by *Partners*/Suppliers, just like any violation by the latter of the rules contained in the Model shall entail, for the company functions that entertain relationships with the aforementioned subjects, the obligation to adopt all available contractual and legal instruments in order to safeguard the company's rights, including, if necessary, cancelling the contract, and without prejudice for claim compensation.

9. THE SYSTEM OF PROXIES AND POWERS

The ODV must be notified with regards to the system of proxies adopted by the Company, any subsequent modification, as well as with regards to any checks on the system of proxies that may be conducted by the pertinent functions.

10. CERTIFICATIONS

10.1. Certifications

It should be noted in general terms that at present some certifications are cover multiple areas and that the Company intends to proceed with the separation of the certifications between the headquarters/subsidiaries and the factory (Luzzara).

10.1.1. Sole Certificate for Headquarters and Luzzara

a) ISO 9001:2015 (excluding the subsidiaries) valid for the application field. In this regard, the Company has requested two separate certifications with the following respective fields of application: LUZZARA "design and production", LAINATE (no subsidiaries) "sales, marketing and service".

b) ISO 14001:2015 (including Subsidiaries) valid for the field of application: "Design and production and service of forklift trucks through mechanical processing, welding, painting, assembly and shipping".

c) OHSAS (Occupational Health and Safety Assessment Series) 18001:2007 (including Subsidiaries) with the following field of application: "Design and production and service of forklift trucks through mechanical processing, welding, painting, assembly and shipping" ([20]).

10.1.2. Luzzara Plant

d) UNI EN ISO 3834-2:2006 (ISO 3834-2:2005), valid for the application field: production of metal carpentry for warehouse machines used for the handling of loads;

e) UNI EN ISO 14001:2004 (ISO 14001:2004), valid for the application field:

([20]) The new OHSAS certificate for Luzzara will not be issued at expiry (26/02/2020) due to the ongoing transition to ISO 45001.

design and production of forklift trucks through the various phases: machining, welding, painting, assembly and shipment.

10.1.3. Lainate Headquarters and Subsidiaries

The following certifications regard the Lainate headquarters and Subsidiaries:

a) OHSAS 18001:2007 – for STILL S.p.A. Div. SAS - HQ Headquarters and Subsidiaries Adriatica, Emilia, Tuscany, Veneto, Piedmont, valid for the following field of application: sale, marketing and service of forklift trucks; validity period 31 March 2021 (first issue date 26 February 2014)

b) ISO 14001:2015 – for STILL S.p.A. Div. SAS - HQ Headquarters and Subsidiaries Adriatica, Emilia, Tuscany, Veneto, Piedmont, valid for the following field of application: Sale, marketing and service of forklift trucks; period of validity 28 February 2023 (first issue date 28 February 2014)

10.2. Retention of Documents

The Company shall arrange for keeping all system documents up-to-date, as well as to supplement them if necessary, for the purpose of improving the qualities of the offered services and keeping the certification.

The system documentation pertaining to the aforementioned certifications is kept in the certified units and is available on the Company's intranet; together with the procedures included herein, said documentation forms integral part of the Model, along with any changes and additions made from time to time, and is communicated to all personnel required to comply with it.

11. FLEXIBILITY OF THE MODEL

For the performance of activities associated with the Sensitive Processes specific of the individual contexts, STILL S.p.A. reserves itself the right to adopt more specific procedures or procedures that provide greater protection.

In that sense, the Model should not be viewed as a static entity, but instead will be constantly adapted in connection to both the organizational changes of processes that the company will be faced with, and to any legislative changes that may take place.

12. SPECIAL SECTIONS

12.1. Purpose of the Special Sections

The fourteen Special Sections, one for each type of Underlying Offence and administrative infringement the commission of which is deemed likely within the company, indicate the following aspects:

- general company rules;
- the specific types of crimes;

- the Sensitive Processes;
- the general behavioural principles;
- the specific Procedures that govern the subject, which the recipients of the Model have to comply with;
- the checks carried out by the Supervisory Body.

12.2. Content of the Special Sections

The Special Sections concern, respectively: *(i)* Underlying Offences of embezzlement and undue receipt of funds and fraud in public supplies (art. 24 of Leg. Decree no. 231/2001), *(ii)* computer crimes and unlawful processing of data (art. 24-*bis*), *(iii)* Underlying Offences committed against the Public Administration (art. 25), *(iv)* Underlying Offences of counterfeiting of money, public credit cards, revenue stamps and distinctive marks and instruments (art. 25-*bis*), *(v)* corporate offences (art.25-*ter*), *(vi)* crimes and administrative offences of market abuse, *(vii)* crimes of involuntary manslaughter and serious or very serious negligent injury committed in violation of the rules on safety at work (art.25-*septies*), *(viii)* offences concerning receipt of stolen goods, money laundering, use of money, goods or benefits of unlawful origin, self-laundering (art.25-*octies*), *(ix)* Underlying Offences concerning copyright infringement (art.25-*novies*), *(x)* the crime of inducement not to make or to make false statements to the judicial authorities (art. 25-*decies*), *(xi)* environmental crimes (art.25-*undecies*), *(xii)* the crime of employment of foreign workers residing illegally (art.25-*duodecies*), as well as the crime of "Illegal intermediation and exploitation of labour" (art. 25-*quinquies* with reference to art. 603-*bis of the Criminal Code*), *(xiii)* crimes against industry and commerce (art. 25-*bis* 1), *(xiv)* tax crimes and smuggling crimes (art. 25-*quinquiesdecies and art. 25-sexiesdecies*).

SPECIAL SECTION I

- ***Embezzlement to the detriment of the State or of any other public body***
- ***Embezzlement ì to the detriment of the State or of a public body***
- ***Misappropriation of funds, fraud to the detriment of the State or of a public body or of the European Union or for the obtainment of public funds, computer fraud to the detriment of the State or of a public body and fraud in public supplies .***

  (art. 24, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section I

Special Section I refers to conduct of Recipients who are involved in Sensitive Processes concerning the Underlying Offences of embezzlement and misappropriation of funds, fraud to the detriment of the State or of a public body or of the European Union or for the obtainment of public funds, computer fraud to the detriment of the State or of a public body and fraud in public supplies.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of Underlying Offences ascribable to the category of offences of embezzlement and misappropriation of funds, fraud to the detriment of the State or of a public body or of the European Union or for the obtainment of public funds, computer fraud to the detriment of the State or of a public body, and fraud in public supplies deemed to be of significant risk (art. 24, Leg. Decree no. 231/2001)

- **Embezzlement to the detriment of the State or of a public body *(art.* 316-bis of the Criminal Code)**

  This offence is committed by anyone, extraneous to the Public Administration, who, having obtained from the State, from another public body or from the European Community subsidies or funding intended to encourage initiatives aimed at the construction of works or at the performance of activities of public interest, does not use said subsidies or funding for the aforementioned purposes (the unlawful conduct consists in the misappropriation, even in partial form, of the obtained sum, regardless of whether or not the planned activity is nevertheless carried out).

  Taking into account the fact that the crime is committed through the executive phase, the crime can also be committed in connection to funds received in the past.

- **Misappropriation of funds to the detriment of the State or of a public body (art. 316-*ter* of the Criminal Code)**

  This offence is committed by a person who, through the use or presentation of statements or documents which are false or attest untrue things, or through the omission of required information, unduly obtains, for himself or for others, aid, funding, subsidized loans or

other disbursements of the same type, however they are called, granted or allocated by the State, other public entities or the European Communities.

The crime is committed the moment the funding is obtained, and it applies, with residual nature, only in those cases where the conduct does not provide sufficient grounds for the offence referred to in art. 640-bis of the Criminal Code (aggravated fraud for the obtainment of public disbursements).

- **Aggravated fraud for the obtainment of public funds (art. 640-*bis* of the Criminal Code)**

  This offence is committed in case the fraud (committed by a person who, with tricks or deceit and by misleading someone, secures for himself or others an unjust profit to the damage of others: art. 640 of the Criminal Code) is committed for the purpose of unduly obtaining aid, funding, subsidized loans or other disbursements of the same type, however they are called, granted or allocated by the State, other public entities or the European Communities. This type of offence can be committed through tricks or deceit, for example by communicating false data or preparing false documentation for the purpose of obtaining public funding.

- **Computer fraud (art. 640-*ter* of the Criminal Code)**

  This offence is committed by a person who, by altering in any way whatsoever the operation of a computer or telematic system, or by interfering without being entitled to do so in any way whatsoever on data information or programs contained in a computer or telematic system or pertinent to one, secures for himself or for others an unjust advantage to the damage of the others. In fact, for example purposes only, the offence in question may occur in the event that, once a loan has been obtained, the IT system is violated for the purpose of changing the amount of a loan to an amount higher than lawfully obtained.

  The sanction is increased if the crime is committed by abusing one's capacity of system operator ([21]), and it is increased even further if the crime is committed by substituting the digital identity to the damage of one or more subjects.

- **Fraud in public supplies (art. 356 of the Criminal Code) ([22])**

  This offence is committed in the case where a person commits fraud during execution of public supply contracts or when fulfilling the other contractual obligations indicated in the article above ([23]) ([24]) ([25]).

  The typical element of the offence consists in fraud during the performance of one of the contracts referred to in Art. 355 of the Criminal Code. This is a purely conduct-based

([21]) The sanction is increased by the same amount even if the crime is committed to the detriment of the State or of another public entity or with the pretext of having someone exempted from the compulsory military service.

([22])The offence in question was included in the catalogue of Underlying Offences, along with other offences, by Leg. Decree no. 75 of 14 July 2020 "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (known as PIF Directive)

([23]) The non-fraudulent breach of public supply contracts is a separate offence (Art. 355 of the Criminal Code), which does not fall within the scope of Decree 231. This offence is committed when a person, by failing to fulfil the obligations arising from a supply contract concluded with the State, or with another public body, or with a company providing public services or services of public necessity, causes the lack, in whole or in part, of things or works which are necessary for a public plant or a public service. Active subjects of the offence may also be subcontractors, middlemen and representatives of suppliers, when they, in breach of their contractual obligations, have caused the lack of the supply.

([24]) The offence is punished with imprisonment from one to five years and a fine of not less than € 1,032. The punishment shall be increased in the cases provided for in the first paragraph of the preceding article, reported in footnote 22.

([25]) This offence differs from fraud against the State or a public body in that the fraud is characterised by inducement to error.

offence: hence the commission of the offence takes place at the time of the fraudulent performance of the contract, without it being necessary for the supplier to obtain an undue profit or for the commissioning body to suffer a financial loss.

The offence may also be committed by the subcontractor and, more generally, by any person who has taken on the obligation to execute the contract.

The legal asset protected is the proper performance of the P.A., even if the lack of the goods or services covered by the contract does not jeopardise the normal operation of the factory or the service with regard to its corporate purposes.

The prevailing case law holds that fraud is to be identified in any breach of contract, provided that it is the result of bad faith, without the need for artifice and deception towards the other party, and without the assumption of deceptive behaviour, since the offence is deemed to have been committed when there has been a fraudulent delivery of goods which are wholly or partly different from the agreed characteristics, and the fraud may concern both the type, quality and quantity of the goods or works supplied, and the poor execution of the works, without the person responsible trying to conceal or disguise the defects in their own performance. Fraudulent non-performance must be considered in its entirety and not broken down into the individual moments through which it is performed.

From a subjective standpoint, case-law is consistent in deeming general intent sufficient to integrate the psychological element, consisting in the awareness of performing a service other than that which is due, with the use of means, materials and techniques other than those agreed upon or in any event unsuitable for proper performance. Evidence of fraudulent intent, however, cannot be inferred from the mere existence of flaws and defects in the supply; it is also necessary to demonstrate that the flaws are the result of the fraudulent performance of the contract.

3. Sensitive processes

The Company rarely asks for grants, subsidies or public funding. When this happens, the request usually concerns contributions aimed at personnel training and funding for e-commerce services.

The Sensitive Processes that can be hypothesised concern the procedure for the request for grants/financing, the actual use of the amounts received, the control and reporting of the use of the grants, the participation in tenders and the request by customers who – in exchange for obtaining national and European funding for the purchase of capital goods – request to issue estimates at non-market conditions or "without discounts".

Other processes may also concern public supply contracts, during both the conclusion phase and the execution phase.

The Company has deemed it appropriate to regulate the matter.

4. General principles of behaviour

4.1. Company organisation

Individuals who Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Employees and members of corporate bodies who submit requests for public funding on behalf of STILL must have been granted formal power in that sense.

have been granted powers that can be exercised outside the Company must act within the limits of said powers. Individuals not equipped with said powers must request the assistance of individuals to whom the powers have been granted.

Any applications to national or Community public bodies aimed at obtaining subsidised financing or public grants must be signed only by persons with the relevant powers, after verification of the necessary conditions for submitting the application. The question must contain statements that are true. The funds obtained must be used on the basis of clear and specific instructions and exclusively for the purpose they were granted for, and their use must be transparent and monitored. The same transparency must be evident in the reporting.

4.2. Prohibitions

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in contrast with the regulations and/or the Model.

Within the scope of the aforementioned behaviours, it is particularly forbidden to:

a) make monetary donations to Italian or foreign public officials;

b) distribute gratuities and gifts exceeding normal company practice (in other words, any form of gift offer in excess of normal commercial or courtesy practices, or in any event aimed at gaining preferential treatment in the running of any company activity); in particular, it is forbidden to give any kind of gift to Italian and foreign public officials (including in those countries where the giving of gifts represents a widespread practice), or to their family members, in order to influence their independent judgement or induce them to ensure any advantage for the Company. Allowed gifts are always of small value or are designed to promote initiatives of a charity or cultural nature, or the image of the products sold by the Company or by one of the latter's subsidiary (brand image). The gifts offered – except those of modest value – must be adequately documented in order to allow audits to be carried out by the ODV;

c) granting benefits of any nature (promises of employment, etc.) to representative of Italian or foreign Public Administrations that may lead to the same consequences as those set out in the previous item;

d) carry out services in favour of service companies, consultants and suppliers which are not adequately justified within the context of the contractual relationships with said parties;

e) make payments in favour of suppliers of goods or services as well as of consultants which are not adequately justified in connection with the type of assignment to be

carried out and with local practices in force;

f) submit untrue statements to national or European Community public bodies for the purpose of obtaining public grants, contributions or subsidized loans;

g) allocate sums received from public national or European Community bodies in the guise of funds, contributions or grants for purposes other than those for which they were disbursed.

These prohibitions apply to both employees and members of the corporate bodies of STILL S.p.A., directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

4.3. Transparency

When applying for and managing public funding, the Company has to follow rules that ensure traceability and transparency of all choices made, keeping all backup documentation available for the ODV.

5. Specific procedures

5.1. Use of financing

The funds received must be used exclusively for the purposes indicated in the application.

Employment of the funds received must be periodically recorded in detail, including during the use of said funds, and the relevant documentation must be kept available for the performance of internal checks.

5.2. As regards public supply contracts, full reference is made to the provisions set out below for offences against the Public Administration and in particular for participation in public tenders ([26]).**Resorting to third-party services**

5.2.1. <u>Supplier selection</u>

Any consultants must be selected according to transparent methods that allow traceability of the choices when assigning the tasks.

5.2.2. <u>Contracts with suppliers</u>

Contracts stipulated with consultants and suppliers have to include a special statement rendered by the latter specifying:

a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company;

b) have never been sentenced (or pleaded out) and are not at present charged or under investigation in connection with criminal proceedings related to Underlying Offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted. Employees and members of corporate bodies who submit requests for public funding on behalf of the Company must have been granted formal power in that sense.

c) are committed to refrain from carrying out activities that may constitute any

([26]) Special Section III and in particular par. 4.3.

one of the Underlying Offences or that are in contrast with the law and/or the Model.

Moreover, a specific clause must be included in these contracts:

d) the commitment of consultants and suppliers to comply with Still's Model and Code of Ethics, or, in the case of entities, contains the declaration that they have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes contemplated in Still's Model and Code of Ethics;

e) regulating the consequences of their violation of the provisions contained in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); for any contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

5.3. Miscellaneous

5.3.1. Any criticality or conflict of interest that may arise within the scope of the process shall be communicated, in writing, to top management as well as to the ODV.

5.3.2. The procedures aimed at preventing computer crimes must be followed.

5.3.3. The provisions of the KION Group's Code of Compliance must be complied with.

5.4. Controls

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes in question must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

The procedure for reporting to the Supervisory Body must be observed.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section I, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION II

– ***Computer crimes and illegal data processing***

(art. 24-*bis*, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section II

Special Section II refers to the conduct of the Recipients involved in the Sensitive Processes concerning computer crimes and the unlawful processing of data.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offences in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of Underlying Offences ascribable to the category of offences associated with computer crimes and illegal data processing deemed to be of significant risk (art. 24-*bis*, Leg. Decree no. 231/2001)

- **Falsehood in IT documents (art. 491-*bis* of the Criminal Code)**

  This offence is committed in the case of falsehood concerning a public or private electronic document having probatory efficacy.

- **Falsehood in registers and notifications (art. 484 of the Criminal Code)**

  This offence is committed when a person who is required by law to make registrations which are subject to inspection by the public safety authority, or to notify said authority with regards to their own industrial, commercial or professional activities, writes false indications or allows them to be written.

- **Use of false act (art. 489 of the Criminal Code)**

  This offence is committed when a person, while not taking part in the falsification of an act, uses such false act.

- **Improper access to an IT or telecommunications system (art. 615-*ter* of the Criminal Code)**

  This offence is committed by anyone who abusively gains access to a computer or telecommunications system protected by safety measures or retains access thereto against the express or tacit will of any person who is entitled to deny such access.

- **Detention and illegal distribution of access codes to IT or telecommunications systems (Art. 615-*quater* of the Criminal Code)**

  This offence is committed when any person, in order to obtain secure for themselves or for others a profit or to cause damage to others, illegally obtains reproduces distributes,

communicates or delivers codes, keywords or other methods suitable to access a system protected by security measures, or in any event provides indications or instructions suited to the aforementioned purpose.

- **Distribution of equipment, devices or computer programs intended to damage or interrupt an IT or telecommunications system (art. 615-*quinquies* of the Criminal Code)**

  With the recent amendments to the law, this offence is committed by anyone who procures, produces, reproduces, imports, spreads, communicates, delivers, or makes available to others computer equipment, devices or software in order to illegally damage a system or the data and software contained therein or to assist the interruption or the altering of the operation of said system".

- **Illegal interception, prevention or interruption of IT or telematic communications (617-*quater* of the Criminal Code)**

  This offence is committed in case of fraudulent wiretapping of communications within a computer system or telecommunications system or between several systems, or blocking/interrupting such communications. The same crime is committed when the contents of the communications are disclosed to the public by any information means.

- **Installation of equipment suited to intercepting, preventing or interrupting IT or telematic communications (617-*quinquies* of the Criminal Code)**

  This offence punishes the installation of equipment designed to wiretap, block or interrupt communications pertaining to a computer or telecommunications system, other than in the cases allowed by law.

- **Damage of IT information, data and programs (art. 635-*bis* of the Criminal Code)**

  The Company is also punishable in case of offences pertaining to the destruction, damage, deletion, alteration or suppression of computer information, data or software belonging to others.

- **Damage of IT information, data and programs used by the State or by a public body or in any event of public utility (art. 635-*ter* of the Criminal Code)**

  This offence is committed, unless the deed constitutes a more serious offence, when a person commits an act aimed at destroying, damaging, deleting altering or suppressing computer information, data or programs used by the State or by a public body or pertinent to the latter, or in any case of public utility.

- **Damage of IT or telecommunications systems (art. 635-*quater* of the Criminal Code)**

  This offence is committed when a person, by means of the conducts referred to in article 635-*bis*, in other words by introducing or transmitting data, information or software, destroys, damages or makes it impossible, either in whole or in part, to use another person's computer or telecommunications system or seriously obstructs its functioning.

- **Damage of IT or telecommunications systems of public utility (art. 635-*quinquies* of the Criminal Code)**

  This offence is committed when the conduct referred to in article 635-*quater* is aimed at destroying, damaging, making it impossible, either in whole or in part, to use computer or telecommunications systems of public utility or at seriously obstructing its functioning.

- **Computer fraud to the detriment of the State or other public entity (art. 640-*ter* of the Criminal Code)**

  This offence is committed by a person who, by altering in any way whatsoever the operation of a computer or telematic system, or by interfering without being entitled to do so in any way whatsoever on data information or programs contained in a computer or telematic system or pertinent to one, secures for himself or for others an unjust advantage to the damage of the others. In fact, for example purposes only, the offence in question may occur in the event that, once a loan has been obtained, the IT system is violated for the purpose of changing the amount of a loan to an amount higher than lawfully obtained.

  The sanction is increased if the crime is committed by abusing one's capacity of system operator ([27]), and it is increased even further if the crime is committed by substituting the digital identity to the damage of one or more subjects.

- **IT fraud by the person providing certification services for electronic signature (art. 640-*quinquies* of the Criminal Code)**

  This offence is committed by any person responsible for certifying electronic signatures and who, in order to gain an unjust profit for himself or for others or to cause damage to others, violates the legal obligations provided by the law for the issuance of a qualified certificate.

- **Crimes referred to in article 1, paragraph 11 of Decree-Law no. 105 of 21 September 2019 on national cyber security**

  The Decree Law in question – whose wording is not exactly easy to interpret – establishes the perimeter of national cybernetic security in order to ensure a high level of security of networks, information systems and information services of public administrations, national, public and private entities and operators on which the exercise of an essential function of the State depends, namely the provision of a service essential for the maintenance of civil activities, social or economic interests that are fundamental to the interests of the State and whose malfunctioning, interruption, even partial, or improper use could be detrimental to national security. According to the above, the decree of the President of the Council of Ministers, adopted on the proposal of the Interministerial Committee for the Security of the Republic (CISR), identifies the public administrations and national, public and private operators included in the perimeter of national cybernetic security and therefore required to comply with the relevant measures and obligations. More specifically, at least once a year the parties in question are required to prepare, update and submit to the relevant ministries a list of the networks, information systems and computer services of their respective pertinence.

  The conduct constituting an offence consists in providing – in order to hinder or condition the performance of the proceedings referred to in paragraph 2, letter b) (28) or paragraph 6, letter a) (29) or the inspection and monitoring referred to in paragraph 6, letter c) (30) – untrue information, data or factual elements necessary for the preparation or updating of the lists referred to in paragraph 2, letter b) or for the purposes of the communications

([27]) The sanction is increased by the same amount even if the crime is committed to the detriment of the State or of another public entity or for the pretext of exempting someone from compulsory military service.

([28]) Paragraph 2, letter b) sanctions the falsehood or omission of the declarations of the parties in question.

([29]) Paragraph 6, letter a) sanctions the breach of obligations to communicate the award of contracts.

([30]) Paragraph 6, letter c) sanctions the impediment of inspection and monitoring by the bodies in charge.

referred to in paragraph 6, letter a) or for the performance of the inspection and monitoring referred to in paragraph 6), letter c), or omits to communicate the aforementioned data, information or facts by the prescribed deadlines. The offence is punishable with a term of imprisonment of one to five years.

3. Sensitive processes

As regards computer crimes, the relevant Sensitive Processes mainly pertain to: *(i)* management of IT structures, systems and services; *(ii)* installation of equipment to intercept, prevent or interrupt IT or electronic communications; *(iii)* possession and dissemination of passwords and access codes to IT systems; *(iv)* preparation of information documents; *(v)* use of digital identities; *(vi)* data processing with reference to the regulations set out in the GDPR and Leg. Decree no. 101 of 10/08/2018 "Harmonisation of the Privacy Code with European legislation".

In particular, theoretical risks exist in connection with the following Sensitive Processes:

a) management of IT structures, systems and services, including access, alterations and modifications to the Company's system and in particular to confidential files and folders by the system administrator or other parties, including those outside the Company's organization;

b) use of the Company's computer system by both employees or associates, and by the dealers;

c) detention and distribution of passwords and access codes to computer or telecommunications systems;

d) data processing;

e) detention and distribution of access codes to computer or telecommunications systems;

f) use of digital identities;

g) distribution of computer equipment, devices or programs;

h) preparation of information documents;

i) activities entailing the risk of wiretapping, blocking or illegally interrupting computer or telematic communications;

j) access to third-party systems.

The risk of computer fraud by the person responsible for certifying electronic signature is to be excluded, since the Company purchases signature certification services from the outside, without carrying them out on its own.

4. General principles of behaviour

4.1. Recipients

The following rules of conduct apply to Recipients who, for whatever reason, are responsible for the management and maintenance of servers, databases, applications, clients and telecommunications networks, as well as to all those who have access to the company's information system, and in particular those who have been assigned passwords

and access keys.

4.2. Compliance with relevant regulations and requirements

For the purpose of rule compliance and observance of the provisions set out in this Special Section II, the recipients of the Model shall comply with the principles and procedures described here below, as well as with the Rules and General Principles contained in the General Section of the Model, both in Italy and abroad. They must also comply with *(i)* the Code of Ethics and the truth and transparency of the documentation used, in all circumstances; *(ii)* legislation on data processing (EU) Regulation no. 679/2016 "General Data Protection Regulation", or GDPR, and Leg. Decree no. 196/2003 (Privacy Code) as amended by Leg. Decree no. 101 of 10 August 2018, on the adaptation of Italian legislation to the GDPR), including the provisions issued by the Data Protection Authority; *(iii)* ownership of the IT systems of others; *(iv)* the utmost diligence in the processing of IT documentation.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

4.3. Company organization

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

The company organization must ensure compliance with the relevant regulations.

4.4. Summary policy document

The Company will adopt, and the Recipients are required to comply with, a summary policy document aimed primarily at ensuring and regulating the management and monitoring the system for the protection and access to the company's IT and telematic systems at the various functional levels, (including, by way of example, the management of user profiles and the authentication process, the management and protection of workstations, the management of external access, the management and protection of networks, the management of system outputs and storage devices, as well as physical security).

All individuals concerned by the Sensitive Processes referred in this paragraph 2.3. are required to comply with the provisions contained in the aforementioned summary planning document.

4.5. Communications for the purposes of national cybernetic security

Such communications (when concerning data, information or facts relevant to national cyber security) must be made by an Executive Director or a person expressly delegated by him/her in writing, after verification and approval by the IT manager. If the delegate is the IT manager, the communications must in any case be approved by an executive director.

Communications must in any case be made by the prescribed deadlines and may not be omitted.

4.6. Traceability

The Company is required to obey rules that ensure the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Specific procedures

5.1. General obligations and prohibitions for computer users

System users:

a) may not use connections different from those provided by the Company;

b) can access the information system only through uniquely assigned identification codes;

c) must refrain from any conduct that could compromise the confidentiality and integrity of information and data of Emmelibri and third parties;

d) must refrain from any conduct aimed at defeating or circumventing the protections of the company's computer system;

e) must safeguard their identification codes, not sharing them with any third parties;

f) must not install programs without the authorisations envisaged in internal procedures;

g) must not engage in, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones;

h) must respect the property and ownership of other people's computer systems.

5.2. Minimum security measures

System administrators ([31]) are required to implement measures suited to preventing hacking, such as, for example, the necessary computer firewalls that prevent access from the outside. System administrators have their own authentication credentials.

With the support of the system administrators, the company must prepare the following minimum security measures:

a) computer authentication;

b) adoption of management procedures for authentication credentials;

c) use of a system of authorizations;

d) periodical update of the identification within the scope of the data processing allowed to the individual employees assigned to and in charge of management and

([31]) In the absence of shared regulatory and technical definitions, the system administrator is defined in the Provision of the Privacy Authority of 27 November 2008 as "a professional dedicated to the management and maintenance of processing systems on which personal data processing is carried out, including database management systems, complex software systems like ERP (Enterprise resource planning) systems used in large companies and organizations, local networks and security equipment, to the extent that they allow processing personal data".

maintenance of electronic instruments;

e) periodic updating of servers and PCs (including laptops) according to specific needs;

f) protection of electronic instruments and of the data against illegal data processing, unauthorized access and specific computer programs;

g) adoption of procedures for the safekeeping of backup copies and for restoring the availability of data and systems.

h) inability to replicate passwords and access codes to computer or telematic systems; passwords must be kept in a password-protected container;

i) any access to and exit from the system by the system administrator must be tracked, including for the purpose of allowing the detection of any system alteration by the users, in compliance with regulations on the subject of data processing;

j) prohibition for system administrators – also in accordance with Group policies – to operate outside the perimeter of their tasks, unless authorized to do so by the user concerned;

k) availability of network data replicated on personal computers only to authorized users;

l) protection of networking devices by means of appropriate external access restriction tools (firewalls and proxies);

m) placement of networking devices in dedicated protected areas in order to make them accessible only to authorised personnel;

n) protection of servers, PCs and other electronic devices (like laptops, mobile phones and the like) with automatically updated antivirus programs against the risk of intrusion;

o) protection of the servers in the server room by means of appropriate devices that prevent abnormal behaviour and access to the servers, limited to authorised personnel only in order to guarantee the physical security of the data contained and managed there.

5.3. Inspections

Any inspections on the subject must be attended by individuals expressly authorized by the Company to do so. During the course of any inspections or audits, the Company is required to fully cooperate in the performance of the verifications. In particular, the documents which the inspectors deem necessary to acquire must be promptly and completely made available to them, subject to consent by the company manager in charge of providing assistance during the inspection and authorized to interact with the inspecting Authority. The minutes drawn up by the Public Authorities must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. The ODV must be duly informed of the inspection and, in case any criticalities emerge from the final report, it must be promptly notified accordingly by means of a written communication by the head of the function concerned.

5.4. Data processing

With regard to data processing, the Company must in particular comply with the following provisions:

a) The Company, where applicable (cf. art. 37 of the GDPR) must appoint the Data Protection Officer.

b) The processing of personal data (even partially) must only take place in full compliance with the conditions of lawfulness set out in articles 6 and 9 of the GDPR. In particular, where the data is processed on a consent basis. The Data Controller and or the individuals authorised by the latter must make sure that consent is given freely and specifically with respect to processing that is clearly identified and documented in writing, after the information referred to in the GDPR has been provided to the data subject.

c) The sending of advertising or direct sales material or for carrying out market research or commercial communications can only be done in the following ways:

- any use of automated calling systems without the intervention of an operator requires the prior consent of the recipients [32];
- the prior consent of the recipients must also be obtained for electronic communications by email, fax, MMS (Multimedia Messaging Service), text messages or other means;
- the recipient must be informed of the possibility to object to the processing at any time, easily and free of charge;
- communications must not be made disguising or concealing the identity of the sender or without providing a suitable address to which the data subject may exercise the above rights.

d) Communications and measures from the Data Protection Authority addressed to the Company must be transmitted to the Data Controller or by the latter or to the Data Protection Officer, is one is appointed, who will analyse the prescriptions issued by the Authority and to assist the Company in the adoption of suitable measures in order to act as requested.

e) The processing of data other than “particular” data and data pertaining to criminal convictions and offences that poses specific risks to fundamental rights and freedoms, as well as to the dignity of the data subject, in relation to the nature of the data or the manner in which it is processed or the effects it may have, is permitted in compliance with measures and precautions to protect the data subject, where required by the Data Protection Authority.

f) The disclosure and dissemination of personal data whose deletion has been ordered shall be prohibited, without prejudice to the disclosure or dissemination of data requested by judicial authorities, police forces or public authorities in general for purposes of the State's defence or security or the prevention, detection or prosecution of criminal offences.

g) Except in cases permitted by law, it is prohibited to permanently or temporarily transfer personal data subject to processing outside the territory of the State by any form or means to a country outside the European Union when the law of the country of destination or transit of the data does not ensure an adequate level of protection.

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[32] Without prejudice to point b) above, the data subject's consent may not be required if for the direct sale of its products or services the data controller uses the email information provided by the data subject during the sale of a product or service, provided that the services are similar to those of the sale itself and the data subject, duly informed, does not refuse such use, either initially or in subsequent communications.

5.5. Processing of particular categories of personal data

Where the data processed fall within the category of particular data ([33]), the following additional provisions must also be observed:

a) Particular data may be processed only in compliance with the conditions of lawfulness described in art. 9 of the GDPR and in the Privacy Code, as established by Leg. Decree 101/2018;During the processing, the measures and precautions that may be prescribed by the Data Protection Authority must be observed. In particular, with regard to the processing of particular data within the scope of employment relationships, the Company must comply with the measures set out in the General Authorisation issued by the Data Protection Authority (no. 1/2016 as subsequently amended and supplemented).

5.6. Personal data pertaining to criminal convictions and offences

The processing of personal data pertaining to criminal convictions and offences or associated with preventive measures is allowed only under the control of the public authority or if the processing is authorised by the Law of the European Union or of its Member States and ensuring suitable guarantees for the rights and freedom of the data subjects.

5.7. Data Protection Authority

Notifications submitted to the Data Protection Authority, or communications, acts, documents or statements made or exhibited in proceedings before said Authority, or, during investigations, declarations and documents produced must be truthful.

The measures adopted by the Data Protection Authority must be duly executed.

5.8. Communications to the ODV

Any criticality or conflict of interest that should arise within the scope of the Sensitive Processes must be communicated, in writing, to both top management and to the ODV.

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes in question must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

Generally speaking, the provisions of the Code of Ethics and the procedure for reporting to the Supervisory Body must be complied with.

5.9. Coordination with the provisions of the GDPR and Leg. Decree no. 196/2003 (Privacy Code) as amended by Leg. Decree no. 101/2018 "Harmonisation of the Privacy Code with European legislation"

The Company is aware that the matrix of measures of the 231 Model that concern the prevention of conduct/acts that may occur in the interest or to the advantage of the entity, committed by parties within the network, crosses with the matrix of measures of the separate and different model for adaptation to the GDPR and to Leg. Decree 196/2003 (Privacy Code) as amended by Leg. Decree no. 1012018 ("Harmonisation of the Privacy Code with European legislation") both aimed at the protection of data regardless of whether

([33]) The GDPR defines "particular data" as "personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or membership in trade unions, as well as the processing of genetic or biometric data aimed at univocally identifying a physical person, data pertaining to health conditions, sexual life or the sexual orientation of the data subject".

the breach is made by internal or external parties. In fact, the commission of computer crimes may involve the risk of a data security breach that produces "unauthorised disclosure or access to personal data or its loss, destruction or modification", regardless of whether the breach occurs accidentally or illegally. In any case, the violation may result in heavy penalties of an economic nature, as well as requests for compensation for damages against the Company in terms of sanctions that may be imposed by the Data Protection Authority and of claims for damage compensation.

With reference to the above, the Company has established functional coordination between the two organizational and prevention systems (231 and GDPR), taking into account *(i)* the catalogue of computer predicate offences, *(ii)* the other types of offences whose conduct makes use of computer systems [like computer fraud (art. 640-ter of the Civil Code), certain types of corporate offences (ex art. 25-ter), certain copyright infringement offences (ex art. 25-novies)] and *(iii)* the impact of information technology also on the management of whistleblowing under Law 179/2017.

6. Resorting to third-party services

6.1. If the management of IT services is entrusted to third party suppliers, the relevant contract shall include a statement in which the service provider confirms:

a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company;

b) that its legal representatives and those who operate in the provision of services have never been convicted (or pleaded out) and are not at present charged or under investigation in criminal proceedings pertaining to the *Underlying Offences*; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

This contract must also provide for the supplier's commitment to:

c) refrain from carrying out activities that may constitute any one of the Underlying Offences or that in any event are in contrast with the law and/or the Model;

d) comply with *(i)* the Code of Ethics and truth and transparency of the documentation used, under any circumstance; *(ii)* regulations on the subject of data processing; *(iii)* the ownership and title of third-party IT systems; *(iv)* the utmost diligence when processing computerized information;

e) comply with the provisions of the paragraphs above;

f) adapt the service to any requests made by the Company based on the need to comply with the prevention of Underlying Offences related to IT Crimes envisaged in Leg. Decree 231/2001.

6.2. The service agreement shall also include a special clause governing the consequences of a violation by the supplier of the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific addendum will have to be drawn up for the most relevant cases.

7. Miscellaneous

7.1. Any criticality or conflict of interest that should arise within the scope of the Sensitive Processes must be communicated, in writing, to both top management and to the ODV.

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes in question must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

7.2. Generally speaking, the provisions of the Code of Ethics and the procedure for reporting to the Supervisory Body must be complied with.

The provisions of the KION Group's Code of Compliance must be complied with.

8. Checks carried out by the ODV

8.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

8.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section II, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION III

– ***Crimes against the Public Administration***

(art. 25, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section III

Special Section III refers to the conduct of the Recipients involved in Sensitive Processes concerning offences against the Public Administration.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences
- included in the category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of Underlying Offences ascribable to the category of crimes against the Public Administration, deemed to be of significant risk (art. 25, Leg. Decree no. 231/2001)

- **Extortion in office (art. 317 of the Criminal Code)**

  This crime is committed when a public official or a person in charge of a public service ([34]), abusing of his/her powers or position, forces someone to provide him or a third party with money or other undue benefits. The term forcing is intended as any moral violence implemented through the abuse of position and powers that turns into a threat of unjust evil.

  Since this is a crime "typical" of the public official whereby the private individual takes on the role of the person offended/damaged by crime, there appears to be a residual possibility for said offence to constitute an *Underlying Offence* due to the company's responsibility. Nevertheless, for example purposes only, we can hypothesize the case of a Company employee to contribute to the crime by instigating a public official to hold an extortion behaviour towards a third party, of course without prejudice, to the detail of the

([34]) Below is the definition of public official and person in charge of a public service established by the Criminal Code, also useful for the purpose of interpreting the other articles of the law mentioned below.
Art. 377 of the Criminal Code - Definition of public official
«Pursuant to criminal law, public officials are defined as those who perform a public legislative, judicial or administrative function. Similarly, all administrative functions regulated by norms of public law and authoritative acts, and characterised by the formation and manifestation of the will of the Public Administration or by its implementation by means of authoritative or certifying powers».
Art. 358 of the Criminal Code - Definition of the person in charge of a public service:
«Pursuant to criminal law, all individuals who, in whatever capacity, perform a public service are considered persons in charge of a public service. A public service is intended as an activity regulated by the same forms as the public function, but characterised by the absence of the powers typical of the latter, excluding the performance of routine tasks and purely manual work».

advantage or interest that the Company should gain from said conduct.

- **Bribery of a public official (art. 318 of the Criminal Code)**

  This crime is committed when a public official or a person in charge of a public service (for the latter, cf. art. 320 of the Criminal Code) receives, for his/her benefit or for the benefit of others, money or other advantages, or accepts their promise, in order to carry out deeds within the exercise of its functions or powers. The activity of the public official, in other words, is expressed in a deed in compliance with official duties (for example: issuance of a due authorization).

  The penalty is also applied to the person who gives or promises money or other benefits.

- **Bribery for a deed that goes against official duties (art. 319 of the Criminal Code)**

  This crime is committed when a public official or a person in charge of a public service receives, for his/her own benefit of for the benefit of others, money or other advantages, or accepts their promise, for omitting or delaying, or for having omitted or delayed his/her official duties (thus determining a benefit for the offering subject). The activity of the public official, in other words, can concern either a required act or an act contrary to his/her official duties (for example: issuance of an authorization even the applicant lacks the necessary requisites).

  The penalty is also applied to the person who gives or promises money or other benefits.

  This crime is different from extortion since in the case of bribery there is an agreement between the bribed person and the bribe-giver aimed at obtaining a mutual advantage, while in the case of extortion the private individual is forced by the public official.

- **Judicial corruption (art. 319-*ter* of the Criminal Code)**

  This crime is committed when the corruption facts (see articles 318 and 319 of the Criminal Code) are carried out towards a public official for the purpose of favouring or damaging one of the parties to criminal, civil or administrative proceedings. The crime is also committed in case there is no unfair damage or unfair advantage (the unfairness of the sentence gives rise to an aggravating circumstance). The definition of public official reference by the regulation includes, in addition to the magistrates, their institutional aides as well (e.g., clerks). Unlawful inducement to give or promise benefits (art.

- **Undue inducement to give or promise benefits (art. 319-*quater* of the Criminal Code)**

  This offence is committed when a public official or a public service offer, abusing his title or power, induces someone into unduly giving or promising, to himself or to a third party, money or other benefit. Unlike the provisions concerning corruption, the private party is punishable.

  According to case law, unlawful inducement may consist of an activity of suggestion persuasion or moral pressure carried out by a public official or by public service officer towards a private individual which, perceived as being illegal by the latter, does not annihilate the freedom of choice, making it possible for him to not give in to the demand made by the public official.

- **Instigation to bribery (art. 322 of the Criminal Code)**

  This crime is committed by a private party whose offer or promise of money or of other benefits not due to the public official, or to the person in charge of a public service is rejected.

The instigation is committed both in connection with corruption for the exercise of functions or powers (art. 318 of the Criminal Code), and with corruption to have an official act be omitted or delayed.

- **Penalty increases**

  Law no. 69 of 27 May 2015 increased the penalties for the offences referred to in articles 318 (bribery for an official act), 319 (bribery to omit or delay an official act or commit an act contrary to official duties), 319-*ter* (bribery in judicial acts) and 319-*quater* (undue inducement) of the Criminal Code, mentioned above.

- **Disqualifying sanctions for bribery offences**

  Law no. 3 of 19 January 2019 (amending art. 25 of the Decree) tightened the disqualifying sanctions for bribery offences, differentiating the amount on the basis of the role held within the company by the person who committed the offence: for offences committed by directors the disqualifying sanctions are established at four to seven years, while for offences committed by persons under their supervision or control the sanction is established at two to four years.

- **Voluntary redemption for bribery offences**

  Law no. 3 of 19 January 2019 (inserting a new paragraph 5-*bis* in art. 25 of the Decree) introduced a reduction in the penalty for entities which, before the first instance sentence, take steps to prevent the criminal activity from having further consequences, safeguard evidence of the offences and identify the perpetrators or seize the sums or other benefits transferred and eliminate the organisational shortcomings that led to the offence through the adoption and implementation of organisational models suitable for preventing offences of the type that occurred.

- **Selling of illicit influences (art. 346-*bis* Criminal Code)**

  The offence is committed when "anyone who, apart from cases of complicity in the offences referred to in articles 318, 319, 319-*ter* and in the bribery offences referred to in article 322-*bis*, exploiting or boasting existing or alleged relationships with a public official or a person in charge of a public service or one of the other persons referred to in article 322-bis, unduly gives or promises to himself or others money or other benefits as the price of illicit mediation with respect to a public official or a person in charge of a public service or one of the other persons referred to in article 322-bis or to remunerate him in exchange for the exercise of his functions or powers". The offence is punishable by imprisonment from one to four years and six months.

  The same penalty is also applied to the person who unduly give or promise money or other benefits.

  Penalty increases are envisaged in the case of the involvement of public officials or persons in charge of a public service; the penalty is reduced if the facts are particularly tenuous.

- **Embezzlement (art. 314 of the Criminal Code, Chapter 1),** when the fact harms the financial interests of the European Union ([35])

([35]) The offence in question, together with the offences of embezzlement by profiting from another person's error (art. 316 of the Criminal Code) and abuse of authority (art. 323 of the Criminal Code) referred to below, has been included among the underlying offences contemplated in art. 25 of Decree 231 with the amendment of said article made by Leg. Decree no. 75 of 14 July 2020, provided that the act constituting the offence harms the financial interests of the European Union. In this last regard, it should be specified that the aforementioned Leg. Decree No. 75 was issued in "Implementation of Directive (EU)2017/1371 on the fights against fraud to the financial interests of the Union by means of criminal law" (known as Directive

The offence is committed when a public official or a person in charge of a public service appropriates money or other movable property belonging to another person, which they possess or in any case have access to by reason of their office or service. The provision falls within the scope of Decree 231 when the act arms the financial interests of the European Union ([36]).

Since this is a typical offence committed by a public official or a person in charge of a public service, the Company's liability appears to be configurable (i) in the event of complicity by a person linked to the company by one of the relationships from which the company's liability derives; (ii) for public economic bodies and companies with public shareholdings, in which certain persons may assume public status by virtue of the activity actually carried out.

- **Embezzlement through profiting from another person's error (art. 316 of the Criminal Code),** when the act harms the financial interests of the European Union [(37)]

  The offence is committed when a public official or a person in charge of a public service, in the performance of their duties or service, takes advantage of the error of others, and receives or considers unduly, for themselves or for a third party, money or other benefits. The offence is punished with imprisonment from six months to three years and with imprisonment from six months to four years when the act harms the financial interests of the European Union and the damage or profit exceeds €100,000.

  Since this is a typical offence committed by a public official or a person in charge of a public service, the Company's liability appears to be configurable (i) in the event of complicity by a person linked to the company by one of the relationships from which the company's liability derives; (ii) for public economic bodies and companies with public shareholdings, in which certain persons may assume public status by virtue of the activity actually carried out.

- **Abuse of authority (art. 323 of the Criminal Code),** when the act harms the financial interests of the European Union [(38)]

  The offence occurs, unless the act constitutes a more serious offence, when the public official or the person in charge of a public service, in the performance of functions or service, in breach of specific rules of conduct expressly laid down by law or by deeds with legal force and from which no margin of discretion remains, or by failing to abstain in the presence of a personal interest or that of a close relative or in the other prescribed cases, intentionally procures for themselves or others an unjust financial advantage or causes others unjust damage. Sanction: imprisonment from one to four years.

  The aforementioned Leg. Decree no. 75 of 14 July 2020 has narrowed the scope of the rule, compared to the previous wording, by operating on three distinct factors: a) with respect to the object, the violation committed by the public subject must concern a rule of conduct (and not, for example, a rule of an organisational nature); b) with respect to the source, the rule violated must be specific and expressly provided for by a source of ordinary rank, i.e. by the law or by a deed with legal force; c) with respect to the content, the rule must not leave room for discretionary power..

  Since this is a typical offence committed by a public official or a person in charge of a public service, the Company's liability appears to be configurable (i) in the event of complicity by

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([36])A pecuniary sanction is applied of up to 200 shares is applied to the Company.

([37]) See note 22.

([38]) See note 22.

a person linked to the company by one of the relationships from which the company's liability derives; (ii) for public economic bodies and companies with public shareholdings, in which certain persons may assume public status by virtue of the activity actually carried out.

- **Extension of liability for damage caused to the European Union**

  Generally speaking, Leg. Decree no. 75/2020 provides that in relation to all offences against the public administration referred to in art. 25 of Leg. Decree no. 231/2001, liability is also extended to cases where not only the Italian State and public bodies are damaged, but also the financial interests of the European Union. In the latter case, the penalties are generally increased.

3. Sensitive processes

Through the analysis carried out, STILL S.p.A. has identified a few Sensitive Processes in the activity carried out towards the Public Administration or, towards the European Community (members of Parliament, civil servants), checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The identified Sensitive Processes mainly refer to:

a) participation in competitive public tenders;

b) stipulation of tender contracts, sponsorship contracts and contracts in general with the Public Administration;

c) request and management of licenses permits, concessions, authorizations;

d) relationship with the Inland Revenue Service (Agenzia delle Entrate) and with the Finance Police (Guardia di Finanza) pertaining to the Company's tax position; relationships with local entities in connection with local taxes;

e) relationships with Employment and Labour Inspectorate Offices, during the ordinary management of human resources;

f) relationships with Social Security and Welfare Institutions for the payment of premiums indemnities, contributions and management of workplace accidents;

g) relationships with Public Administration offices concerning safety and hygiene in the workplace;

h) relationships with the Fire Brigade for the obtainment of fire-prevention authorisations and certificates;

i) environmental protection activities;

j) relationships with ministerial, regional, provincial, municipal and Public Administration offices in general; in particular contacts with public officials and public service officers;

k) relationships with the Public Administration in general within the scope of audit activities;

l) mandatory hiring;

m) job placement, job fitness medical check-ups, mandatory hiring;

n) relationships with the Customs Agency for the import/export of goods;

o) resorting to consultants or service providers that come in contact with the Public Administration on behalf of the Company.

The risks are identified in both the activity of the corporate office and of the individual Subsidiaries.

4. General principles of behaviour

4.1. Organization and powers

4.1.1. Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

4.1.2. The members of corporate bodies and employees who have relations with the Public Administration on behalf of the Company must be given formal power to do so. Individuals who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Individuals not equipped with said powers must request the assistance of individuals to whom the powers have been granted.

4.1.3. Any criticality or conflict of interest that should arise within the scope of the relationship with the Public Administration must be communicated, in writing, to the ODV as well.

4.1.4. Recipients shall comply with the General Principles and Rules contained in the General Section of the Model or referred to therein, like the management manuals and system documentation underlying the certifications, the Code of Ethics, as well as the specific procedures, both in Italy and abroad.

4.2. Prohibitions

The general prohibitions specified below apply to all Recipients.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in contrast with the regulations and/or the Model.

Within the scope of the aforementioned behaviours, it is particularly forbidden to:

a) make monetary donations to Italian or foreign public officials;

b) distribute gratuities and gifts exceeding normal company practice (in other words, any form of gift offer in excess of normal commercial or courtesy practices, or in any event aimed at gaining preferential treatment in the running of any company activity); in particular, it is forbidden to give any kind of gift to Italian and foreign public officials (including in those countries where the giving of gifts represents a widespread practice), or to their family members, in order to influence their independent judgement or induce them to ensure any advantage for the Company. Allowed gifts are always of small value or are designed to promote initiatives of a

charity or cultural nature, or the image of the products sold by the Company or by one of the latter's subsidiary (brand image). The offered gives – except those of modest value – must be adequately documented in order to allow audits to be carried out by the ODV;

c) granting benefits of any nature (promises of employment, etc.) to representative of Italian or foreign Public Administrations that may lead to the same consequences as those set out in the previous item;

d) carry out services in favour of service companies, consultants and suppliers which are not adequately justified within the context of the contractual relationships with said parties;

e) allow that (or cooperate so that) public officials or persons in charge of a public service, whether in Italy or within the European Union, appropriate money or other movable property belonging to others which they have in their possession or otherwise have at their disposal by reason of their office or service;

f) allow that (or cooperate so that) public officials or persons in charge of a public service, whether in Italy or within the European Union, may commit abuse of authority as described above;

g) make payments in favour of suppliers of goods or services as well as of consultants which are not adequately justified in connection with the type of assignment to be carried out and with local practices in force;

h) submit untrue statements to national or European Community public bodies for the purpose of obtaining public grants, contributions or subsidized loans;

i) allocate sums received from public national or European Community bodies in the guise of funds, contributions or grants for purposes other than those for which they were disbursed.

4.3. Participation in competitive tenders (and public supplies)

Any applications to national or Community public bodies aimed at participating in tenders or obtaining subsidised financing or public grants must be signed only by persons with the relevant powers, after verification of the conditions necessary for the submission of the application.

The application must contain factual statements, must not omit required information and must not contain misleading or false information.

The responsible function must verify that the Company does not have any reasons for exclusion from participation in the tender as envisaged by current laws [39].

In the period prior to the tender and until the award is made by the contracting authority, it is prohibited to maintain contact with:

a) parties of the contracting authority or traceable to it, aimed at unduly influencing the contents of the tender and/or the requirements for participation in the tender and/or the decision-making process for the award of the tender; or in order to obtain

[39] The following are examples of grounds for exclusion from the tender: having committed serious breaches of health and safety at work or environmental regulations; the existence of a conflict of interest; the existence of situations that distort competition; having been subjected to disqualifying sanctions pursuant to Leg. Decree 231/2001; the non-observance of the regulations on the employment of the disabled; the existence of a situation of control with respect to other participants; the existence of serious professional misconduct as per art. 80, paragraph 5, letter c) of the Public Contracts Code.

confidential information for their own benefit;

b) parties that can be traced back to potential competitors, aimed at influencing the competitor's participation in the tender.

The same criteria as set out above, and in particular fairness and transparency of conduct, must be complied with in the conclusion and performance of public supply contracts as well as in the fulfilment of the related contractual obligations.

4.4. Traceability

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Specific procedures

5.1. Inspections

Any inspections conducted by the Public Administration must be attended by individuals expressly authorized by the Company to do so. During the course of any inspections or audits, the Company is required to fully cooperate in the performance of the verifications. In particular, the documents which the inspectors deem necessary to acquire must be promptly and completely made available to them, subject to consent by the company manager in charge of providing assistance during the inspection and authorized to interact with the inspecting Authority. The minutes drawn up by the public authority must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. The ODV must be duly informed of the inspection and, in case any criticalities emerge from the final report, it must be promptly notified accordingly by means of a written communication by the head of the function concerned.

Consultants and suppliers must be selected according to transparent methods that allow traceability of the choices made when allocating the assignments.

5.2. Resorting to third-party services

Contracts stipulated with consultants and suppliers have to include a special statement rendered by the latter specifying:

a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company,

b) have never been sentenced (or pleaded out) and are not at present charged or under investigation in connection with criminal proceedings related to Underlying Offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted,

c) a commitment to comply with the Model (and in particular with the provisions of this Third Special Section) and STILL's Model and Code of Ethics, or, in the case of entities, they may have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in STILL's Model and Code of Ethics,

d) are committed in any case to refrain from carrying out activities that may constitute any one of the Underlying Offences or that are in contrast with the law.

e) adapt the service to any requests made by the Company based on the need to comply with the prevention of Underlying Offences against the Public Administration envisaged in Leg. Decree 231/2001.

Contracts entered into with consultants and suppliers must also include a special clause governing the consequences of a violation by the latter the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

5.3. (Non) use of cash

Aside from petty cash management, cash transactions are forbidden, unless fully documented and authorized with justification by the Managing Directors; in any event, cash payments effected to representatives of the Public Administration are prohibited.

5.4. Controls

Those who carry out a control and supervisory function on fulfilments associated with the performance of the aforementioned activities (payment of invoices, allocation of funding obtained from the State or from European Community bodies) must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

5.5. Procedures

In relationships with the Public Administration in particular, the following procedures already issued by the Company and/or by the Parent Company KION AG and, in the latter case, received by the Company:

a) the provisions of the Code of Compliance of the KION Group and general rules of compliance;

b) the cash management procedure;

c) the expense reimbursement procedure;

d) the procedure pertaining to the issuing of orders;

e) the system for granting ad-hoc powers of attorney;

f) the gratuities policy.

The following procedures will have to be introduced:

g) a specific procedure pertaining to relationships with the Public Administration;

h) a treasury procedure;

i) a personnel selection procedure;

j) a procedure for reporting to the Supervisory Body.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section II, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION IV

– ***Money forgery, public credit cards, revenue stamps and identification instruments or signs of recognition***

(art. 25-*bis*, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section IV

Special Section IV refers to the conduct of Recipients who are involved in Sensitive Processes concerning the *Underlying Offences of* counterfeiting money, public credit cards, revenue stamps and distinctive trademarks or signs.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of Underlying Offences ascribable to the category involving the counterfeiting of money, pubic credit cards, revenue stamps and distinctive trademarks or signs, deemed to be of significant risk (art. 25-*bis*, Leg. Decree no. 231/2001)

- **Counterfeiting, altering or use of distinguishing trademarks or logos, or patents, models and drawings (art. 473 of the Criminal Code)**

  The crime is committed when person, despite being able to ascertain that trademarks and other distinguishing signs belong to other parties: *(i)* counterfeits or alters distinguishing signs or trademarks, either national or foreign, of industrial products, or, without having taken part in the counterfeiting or alteration, uses said counterfeit marks and altered trademarks or signs; *(ii)* counterfeits industrial patent, drawings or models, either national or foreign, or, without having taken part in their counterfeiting or alteration, uses said counterfeit patents, drawings or models.

3. Sensitive processes

The risk of counterfeiting, alteration, use of trademarks or distinctive signs or of patents, models and drawings is considered to be small entity. In fact, the Company typically uses its own trademarks and distinctive signs.

The identified Sensitive Processes mainly refer to:

a) Subsidiaries' activity with regards to the case where the Subsidiary sells sweepers, shelves and platform of third-party brand which are purchased and resold or rented out;

b) development of products;

c) introduction in the State and trade of third-party products.

4. General principles of behaviour

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

The recipients of the Model are required to comply with the General Principles and with the Rules contained in the General Section of the Model, with the Code of Ethics as well as with specific procedures, when in Italy and abroad.

The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of STILL S.p.A., directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

5. Specific procedures

5.1. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5.2. Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

5.3. The provisions of the KION Group's Code of Compliance must be complied with.

5.4. The use of third-party know-how for the purpose of developing the Company's products and the introduction and trade in the State of third-party products must take place according to a system that requires verifying beforehand the possible existence of any patents or copyrights, granted to third-party companies, or in any case assisted by specific contractual guarantees.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IV, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION V

– ***Corporate crimes***

(art. 25-*ter*, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section V

Special Section V refers to the conduct of the Recipients involved in Sensitive Processes concerning corporate offences.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of Underlying Offences ascribable to the category of corporate crimes, deemed to be of significant risk (art. 25-*ter,* Leg. Decree no. 231/2001)

- **False corporate reporting (art. 2621 of the Civil Code)**

  The offence referred to in art. 2621 of the Civil Code is committed when «*Apart from the cases provided for by art.* 2622 (Editor's note: concerning listed companies), the directors, chief executive officers, managers responsible for drafting the corporate accounting documents, the statutory auditors and the liquidators, who, for the purpose of securing for themselves or for others an unjust profit, in the financial statements, reports or other corporate communications addressed to the shareholders or to the public, required by law, intentionally report untrue material facts or omit relevant material facts the disclosure of which is required by law on the economic, capital or financial situation of the company or of the group to which said company belongs, such as to mislead the intended recipients».

  The crime is punished with a term of imprisonment from one to five years. The same sentence is applied even if the falsehoods or omissions refer to assets owned or managed by the Company on behalf of third parties.

  The regulation was thus amended by Law no. 69 of 27 May 2015 bearing "Provisions on the subject of crimes against the Public Administration, of mafia-type associations and fraudulent accounting practices" ([40]).

([40]) The mentioned Law no. 69/2015 also introduced in the Italian Civil Code articles 2621-*bis and* 2621-*ter*, which recite, respectively

«Art. 2621-bis (Facts of minor concern). — Unless the facts constitute a more serious offence, the applicable term of imprisonment ranges from six months to three years if the facts referred to in article 2621 are of minor concern, taking into account the nature of and size of the company and the methods or effects of such conduct.
Unless the facts constitute a more serious offence, the same penalty referred to in the paragraph above is applied when the facts envisaged in article 2621 concern companies that do not exceed the limits specified in the second paragraph of article 1 or Royal Decree no. 267 of 16 March 1942 (editor's note, small businesses). In this case, the crime is prosecutable upon action by

- **Obstructions of controls (art. 2625 of the Civil Code)**

  The crime punishes directors that prevent or hinder, by concealing documents or similar actions, the performance of the control or auditing activities legally vested in the shareholders, to other corporate bodies, or to auditing firms, provided the fact has caused damage to the shareholders. Lacking said damage, the fact constitutes an administrative offence and does not make the company directly liable.

  This crime is typical of directors.

- **Undue repayment of contributions (art. 2626 of the Civil Code)**

  In its typical form, this crime occurs when the shareholders' contributions are returned to them, also by means of simulated transactions, or when the shareholders are exempted from the obligation to make such contributions, except for the cases of legal reduction of the share capital.

  This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal distribution of the profits or of the reserves (art. 2627 of the Civil Code)**

  The criminal conduct consists in distributing profits or advances on profits not actually made or which, under the law, should be allocated to reserves, or in distributing reserves, including those not formed through profits, which are legally non-distributable.

  Returning the profits or re-establishing the reserves before the term set for approval of the financial statements extinguishes the crime.

  This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal dealing in the stocks or shares of the Company or its parent company (art. 2628 of the Civil Code)**

  The crime is committed with the purchase or the subscription – apart from the cases allowed by law - of stocks or shares in the company itself or in its parent company which cause damage to the integrity of the share capital or of the non-distributable reserves by law.

  If the share capital or the reserves are restored before the term set for approval of the financial statements for the period during which the crime was committed, the crime is extinguished.

  This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal transactions to the detriment of the creditors (art. 2629 of the Civil Code)**

  This crime is committed when, in violation of the legal provisions protecting creditors, reductions in share capital or mergers with other companies or demerges are carried out, such as to cause damage to the creditors.

  Compensating the creditors for the damage incurred before the judgement extinguishes

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the company, shareholders, creditors or other recipients of the corporate communication».

«Art. 2621-ter (Impunity for facts of particularly minor concern). — For purposes of impunity for facts of particularly minor concern, referred to in article 131-bis of the Criminal Code, the Judge mainly assesses the entity of any damage caused to the company, to shareholders or to creditors as a result of the facts foreseen by articles 2621 and 2621-bis».

the crime. The crime is prosecutable upon action of the injured party, which must be identified as being one of the damaged creditors.

This crime is typical of directors.

- **Fictitious capital formation (art. 2632 of the Civil Code)**

  This offence is committed when the company capital is fictitiously formed or increased by means of *(i)* by assigning a number of stocks or shares for a value that is lower than their nominal value; *(ii)* by mutual underwriting of stocks or shares; *(iii)* by substantially overvaluing contributions made in kind or through receivables or by overvaluing the company's assets in case of company transformation.

  This is a crime typical of directors and contributing shareholders.

- **Improper distribution of the company's assets by its liquidators (art. 2633 of the Civil Code)**

  This crime, typical of liquidators, is committed with the distribution of the company' assets among the shareholders prior to paying off the company creditor or allocating the sums needed to satisfy the creditors' claims, thereby causing damage to the creditors.

  Compensating the creditors for the damage incurred before the judgement extinguishes the crime. The crime is prosecutable upon action of the injured party, which must be identified as being one of the damaged creditors.

- **Private corruption (art. 2635, paragraph 3, of the Civil Code) ([41])**

  The criminal conduct envisaged by art. 2635, paragraph 3 of the Civil Code consists, unless the fact constitutes a more serious crime, in offering, promising or giving money or other utility which is not due;

  - to directors, general managers, financial reporting officers, statutory auditors and receivers, of companies or private entities,
  - to those who, within the organizational scope of the company or of the private entity, carry out executive functions other than those assigned to the figures referred to in the previous item ([42]),
  - to those who are subject to the direction or supervision of one of the subjects indicated in the first paragraph,

  in order to arrange for carrying out or for omitting an act in violations of the obligations pertaining to one's office or to loyalty obligations.

  This is known as "active corruption" ([43]) ([44]).

([41]) The current wording of art. 2635 of the Italian Civil Code is the result of two subsequent legislative changes: the first one established by Law no. 190 of 6 November 2012 (art. 1, paragraph 76), and the second one by Leg. Decree no. 38 of 15 March 2017.

([42]) Extension put into effect with the aforementioned Leg. Decree no. 38/2017.

([43]) The punishing provision actually has a wider scope: in fact, art. 2635, paragraph 1 of the Civil Code states that the soliciting or receiving, for oneself or for others, of money or other utility not due also constitutes a crime, along with accepting its promise ("passive" corruption). Moreover, this provision has no effect on Leg. Decree no. 231/2001, since the company's liability is stated only "*in the cases referred to in paragraph three of article 2635 of the Civil Code",* meaning that, in the case of active corruption (offering, promising or giving money or other utility not owed). Nevertheless, without prejudice to the personal responsibility of the natural person, also with the application of the additional sanction of temporary disqualification from the managerial posts of legal persons and companies.

([44]) The company (*for the crime of private corruption, in the cases envisaged by paragraph three of article 2635 of the Civil Code*), is applied a monetary fine from four hundred to six hundred shares. The disqualifying sanctions envisaged by article 9,

Corruption is punished even if perpetrated vicariously.

The crime also to those that carry out the functions de facto.

The offence is prosecutable ex officio (art. 1, paragraph 5, Law no. 3 of 9 January 2019).

The violations of official obligations consist in the breach of institutional obligations laid down by the law (e.g., obligations the breach of which consists in corporate crimes) or in the breach of regulatory provisions (e.g., articles of incorporation, resolutions adopted during shareholders' meetings, formal obligations relating to functional tasks). The violation of loyalty obligations refers in turn to duties contained in legal, regulatory or conventional provisions such as Civil Code regulations (e.g. art. 2105, art. 1175, art. 1375 of the Civil Code), including refraining from taking action in case of a conflict of interest.

- **Solicitation to private corruption (art. 2635-*bis* of the Civil Code)**

  The offence is committed when the corruptive offer or promise referred to above is not accepted ([45]).

  The offence is prosecutable ex officio (art. 1, paragraph 5, Law no. 3 of 9 January 2019).

- **Unlawfully influencing the Shareholders' Meeting (art. 2636 of the Civil Code)**

  The typical conduct involves obtaining a majority during the shareholders' meeting by simulation or fraud, in order to obtain an unfair profit for the offender or for other.

  The offence is perceived as a common offence that may committed by "anyone" adopting such criminal conduct.

- **Market rigging (art. 2637 of the Civil Code)**

  This offence is committed by spreading false information or by setting up simulated transactions or the use of other devices, likely to significantly alter the price of financial instruments which are not listed or for which no application for listing on a regulated market has been made, or likely to have a significant impact on public confidence in the financial stability of banks or banking groups.

  This is also considered as a common offence that can be committed by "anyone" who adopts a criminal conduct.

- **Obstruction to the duties of Public Supervisory Authorities (art. 2638 of the Civil Code)**

  This crime can be committed in two different ways:

  - In the first way *(i)* through the reporting of material facts, in the mandatory reports to the Public Supervisory Authorities, that do not conform to the truth even if subject to valuation on the economic, capital or financial situation of entities subject to supervision (with the intent of obstructing the activities of said authorities) or *(ii)* by concealing, with other fraudulent means, in whole or in part, facts which should have been reported and concerning the said situation. The responsibility exists even in the case where the

paragraph 2 are also applied.
For natural persons, the crime is punished with a term of imprisonment from one to three years. For entities subject to the direction and supervision of others, the punishment is a term of imprisonment up to one year and six months. The punishments are doubled in the case of companies listed on the Italian stock exchange or on the stock exchanges of other Member States of the European Union or diffused among the public to a significant extent pursuant to art. 116 of the Consolidated Law on the subject of financial brokerage, referred to in Leg. Decree no. 58 of 24 February 1998, as subsequently amended.

([45]) A monetary fine from four hundred to six hundred shares is applied to the company. The disqualifying sanctions envisaged by article 9, paragraph 2 are also applied.

information concern assets owned or managed by the company on behalf of third parties;

- the second occurs through the simple obstruction of the exercise of the supervisory duties by public Authorities, implemented deliberately and in any form whatsoever, even omitting communications due to the same Authorities.

Active parties in this crime are the directors, the general managers, the executives in charge of drafting the company accounting records, the auditors and the liquidators.

- **Rules concerning listed companies**

For completeness purposes, please remember that the following regulations only refer to listed companies: *(i)* art. 2622 of the Civil Code (False corporate communications of listed companies), in the new text as amended by the aforementioned Law no. 9/2015 ([46]), *(ii)* art. 173-*bis* of TUF (False statements in a prospectus) ([47]) and *(iii)* art. 2629-bis of the Civil Code (Omitted communication of the conflict of interest) ([48]).

3. Sensitive processes

3.1. Through the analysis carried out, STILL S.p.A. has identified several Sensitive Processes involving the risk of committing corporate crimes, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be

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([46]) Below is the new text:

«Art. 2622 (False corporate communications of listed companies). — The directors, managing directors and managers in charge of drafting company accounting documents, the statutory auditors and liquidators of issuers of financial instruments admitted to negotiation on an Italian stock market or on a stock market of another Member State of the European Community who, with the intension of procuring for themselves or for others an just profits, in the financial statements, reports or other corporate communications aimed at shareholders or the public, intentionally present material facts which do not correspond to the truth or who omit to communicate information required by law about the economic, capital and financial situation of the company or the group to which the company belongs, in such a way as to lead the addressee into error, are punished with a term of imprisonment of between three to eight years.
The following companies are equal to those indicated in paragraph above:
1) issuers of financial instruments for which a request has been presented for admission to a regulated stock market in Italy or in another Member State of the European Union;
2) issuers of financial instruments admitted to negotiation in an Italian multilateral negotiation system;
3) companies that control issuers of financial instruments admitted to negotiation on a regulated stock market in Italy or in another Member State of the European Union;
4) companies who appeal to public saving or that nevertheless manage them.
The provisions referred to in the paragraphs above apply even if the falsehoods or omissions concern assets owned or managed by the company on behalf of third parties».

([47]) TUF = Legislative Decree no. 58 of 24 February 1998.
173-*bis* of the TUF (Falsehoods in prospectuses) consists in disclosing false information, or in hiding data or information inside prospectuses (meaning the documents required for the purposes of soliciting investment or of listing on regulated markets, or of publication at the time of tender offers or exchange offers) in a manner likely to mislead the recipients of the prospectuses.
Please note that: *(i)* there must be an intention to mislead the recipients of the prospectuses; *(ii)* the conduct must be aimed at securing an unjust profit for themselves or for others.
The offence is perceived as a common offence that may committed by "anyone" adopting such criminal conduct.

([48]) Failure to disclose a conflict of interest (art. 2629-*bis* of the Civil Code)
This offence consists in the violation of the obligations provided for by art. 2391, paragraph 1, of the Civil Code by a director of a company listed on Italian regulated markets or those of other Member States of the European Union, or of companies in which the public holds a significant shareholding, pursuant to art. 116 of the TUF (or by other persons subject to supervision), if damages to the company or to third parties derive from the aforementioned violation.
Art. 2391, paragraph 1, of the Civil Code requires directors of joint-stock companies to inform the other directors and the board of statutory auditors with regards to any interest which, on their own behalf or on behalf of others, they may have in a certain company transaction, specifying the nature, terms origin and scope. The managing directors must also refrain from carrying out the transactions, leaving the board to deal with it. The sole director must disclose any conflict of interest during the first useful shareholder meeting.

subjected to constant verification and duly updated, if necessary.

3.2. The identified Sensitive Processes mainly refer to:

a) keeping the accounting books (accounting records, entry of accounting data in the system);

b) preparing documents made available to the shareholders and communications for the shareholders (and for the market, as the case may be) pertaining to the economic, capital and financial situation of the Company (financial statements for the period and, if preferred, consolidated financial statements, quarterly and half-yearly reports, etc.);

c) detection of conflict of interest;

d) management of relationships with the Board of Statutory Auditors and with the auditors with regards to accounting audit and preparation of the Company's capital, economic and financial situation;

e) management and communication of external information/data relating to the Company and/or its shareholders;

f) management of alert procedures under the crisis and insolvency code

g) invoicing of accounts receivable and collection management;

h) payable cycle management;

i) purchasing and procurement management;

j) treasury management, home banking;

k) warehouse management;

l) personnel management;

m) transactions pertaining to share capital and distribution of dividends;

n) mergers, de-mergers and other extraordinary transactions;

o) fiscal/tax fulfilments;

p) restructurings of an organizational nature.

q) Preparation of communications to Supervisory Authorities, if any, and managing relationships with said Authorities.

3.3. In particular, with reference to the Underlying Offence of corruption between private individuals, the risk may also exist in the following processes:

a) determination of discounts by the sales force;

b) activities implemented by the dealers;

c) procurement.

d) relations with competitors;

e) relations with private third parties of any kind, like, for example, purchases, sales, brokerage, use of third party services and contractual relations in general, relations with competitors.

On the other hand, the risk of committing the offence is excluded in the management of receivables.

4. General principles of behaviour

4.1. Recipients

The recipients of the rules of behaviour and of the procedures are the members of the corporate bodies, as well as all employees of STILL S.p.A. and its associates, not necessarily employed by the latter. These individuals are required to comply with the principles of behaviour and with the prohibitions set out in the existing Procedures adopted by the Company (or received from the Group to which the Company belongs), with the Company's Code of Ethics and, generally speaking, with the provisions of this Model.

4.2. Organization and powers

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

4.3. Obligations and prohibitions

4.3.1. Rules

When performing operations pertaining to company management, in addition to the rules contained in the Model and, in particular, to those indicated in the paragraphs below, the members of the corporate bodies of STILL S.p.A. (and the employees and consultants within the scope of the activities carried out by them) are required to know and comply with:

a) generally speaking, applicable Italian and foreign regulations;

b) national and international accounting standards;

c) the principles of Corporate Governance adopted by the Board of Directors of STILL S.p.A.;

d) the company organizational structure and the management control system;

e) rules pertaining to the Company's administrative, accounting, financial and reporting system;

f) the Code of Ethics;

g) the company procedures/guidelines, the documentation and the pertinent provisions;

h) the laws, rules and regulations of market control agencies.

4.3.2. Obligations

It is forbidden for members of the corporate bodies and for employees and

consultants (within the scope of the activities carried out by the latter) to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

Consequently, the aforementioned subjects are expressly required to:

a) maintain a correct, transparent and collaborative conduct, in compliance with the law and internal company procedures in all activities aimed at the preparation of the financial statements and other company communications, in order to provide the shareholders and third parties with true and correct information as to the Company's economic, capital and financial situation;

b) maintain a correct conduct, in compliance with legal provisions and internal company procedures, placing the utmost attention and precision when acquiring, processing and presenting data and information pertaining to the financial instruments issued by STILL S.p.A., needed to allow investors to come to a well-founded opinion on the Company's capital, economic and financial situation, as well as on its financial instruments and related rights;

c) strictly observe all the obligations imposed by the law to safeguard the integrity and consistency of the share capital, in order to not impair the interests of the creditors and of third parties in general;

d) ensure the regular operation of the Company and of the Corporate Bodies, guaranteeing and facilitating the adoption of any internal control procedure concerning company management, envisaged by the law, as well as the unhindered and proper decision-making process by the shareholders;

e) refrain from simulating transactions or disclosing false news suited to cause a significant change in the price of financial instruments;

f) carry out in a timely and proper manner and in good faith, all communications required by the law and by the regulations to the supervisory authorities, and to refrain from obstructing in any way the supervisory functions exercised by such bodies.

4.3.3. <u>Prohibitions</u>

Within the scope of the aforementioned duties, it is particularly forbidden to:

a) present or transmit for processing and presentation in the financial statements, reports and prospectuses or other company communications, false or incomplete data or, in any event, information that has not been verified with the administrative structures or that does not correspond with the actual Company's actual economic, capital and financial situation;

b) omit data and information required by the law on the Company's economic, capital and financial situation;

c) alter data and information intended for the preparation of informative prospectuses;

d) illustrate data and information used in such a way as to provide a presentation that does not correspond to the actual opinion acquired on the Company's capital, economic and financial situation, as well as on the

financial instruments and related rights;

e) reimburse paid-in capital to the shareholders or release the latter from the obligation to contribute such capital, expect for the case of legitimate reduction of the share capital;

f) distribute profits or make advance payments on profits that have yet to be earned or required by law to be set aside as non-distributable reserves;

g) purchase or underwrite shares of the Company or its subsidiaries, other than in those cases envisaged by the law, to the detriment of the integrity of the share capital;

h) effect reductions in the share capital, mergers or de-mergers, in violation of legal provisions aimed safeguarding the creditors, thus damaging their interests;

i) proceed with the fictitious formation or increase of share capital, through the issuance, during the share capital increase process, of shares at a value that is lower than their nominal value;

j) act in such a manner as to materially impede, through the concealment of documents or the adoption of other fraudulent means, or to nevertheless obstruct the performance of the control and auditing activity by the Board of Statutory Auditors or by the auditing firm, or in any event of other subjects in charge of control activities;

k) determine or influence the deliberations of the Shareholders' meeting, through the commission of simulated or fraudulent acts aimed at altering the normal decision-making process at the Shareholders' meeting;

l) publish or disclose false information, or simulate transactions, or behave in a fraudulent or misleading nature on the subject of listed or non-listed financial instruments, and suited to significantly alter their price;

m) omit the issuance, with due completeness, accuracy and timeliness, of all the periodic communications required by the law and applicable regulations, necessary for the control by the Supervisory Bodies of the company's activities, or to omit the transmission of data and documents required by the law and/or specifically requested by the aforementioned Bodies;

n) present, in the aforementioned communications and transmissions, untrue information or conceal significant matters concerning the Company's economic, capital or financial conditions;

o) adopt any form of conduct that obstructs the performance of the supervisory functions, including during inspections by public supervisory authorities (express opposition, refusal as a pretext, or even obstructive behaviour or lack of cooperation, such as delaying communication or availability of documents).

4.4. Transparency

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Procedures

5.1. Specific procedures

For the purpose of implementing the rules listed above, in addition to the general principles contained in the General Section of the Model, the specific procedures indicated here below must also be complied with:

a) procedures regulating the preparation of Financial Statements;

b) manual of accounting standards and the Group's guidelines;

c) procedures regulating the flow of accounting data;

d) Group's Code of Compliance;

e) system of powers and observance of the issued powers of attorney;

f) cash pooling procedures;

g) reporting procedures aimed at preventing the risk of corporate crimes being committed;

h) drafting of a risk report according to the Group's directives;

i) procedures aimed at checking discounts applied by the dealers;

j) procedures concerning the authorization and subscription of orders and the payment of the relevant invoices;

k) procedure for product certification (which requires approval of the product development manager and of the quality manager).

5.2. Procedures relating to Corruption between private individuals

With special reference to the Underlying Offence of corruption between private individuals, the following procedures must also be followed:

a) petty cash procedure;

b) invoice payment procedure, to both suppliers and service providers or professional free-lancers;

c) receivables management procedures;

d) guidelines for the awarding of contracts;

e) supplier selection procedure.

Moreover, the following provisions must also be complied with.

5.3. Disclosure of information/data to the outside world relating to the Company and its shareholders

Communications to shareholders and/or to the market concerning the Company's economic, capital and financial situation (such as, for example purposes, financial statements with annexed report on operations, quarterly and half-yearly reports, etc.) must be drawn up based on specific existing company procedures, practices and logics, in order to:

a) clearly and completely determine the data and information that all functions concerned are required to provide and the accounting criteria used to process the

data;

b) identify the aforementioned functions and the topics which will be the subject of communication and information, indicate suitable deadlines, provide for organizing the relevant flows and the release, if necessary, of special certifications;

c) provide for the transmission of data and information to the function in charge through a system (including an IT system) that allows tracking of the single steps and the identification of the people who enter data in the system;

d) provide for criteria and methods for processing financial statements data;

e) provide for shared mechanisms when elaborating statistical data and estimates.

The accounting data contained in the Company's statements intended for the general public or third parties (e.g., communications subsequent to meetings of the Board of Directors, informational prospectuses), must be verified beforehand with the C.F.O.

5.4. Relations with the Board of Statutory Auditors and Auditors

The following measures are adopted in relationships between STILL S.p.A. and the Board of Statutory Auditors or the auditing firm:

a) compliance with company procedures that regulate the selection phase of proposals made by the auditing firms;

b) without prejudice to the tasks and duties assigned by law, it shall not be possible to assign other different tasks to the auditing firm of STILL S.p.A. unless authorized beforehand in writing by the Managing Director.

5.5. Confidential information

Without prejudice to compliance with the guidelines and basic principles indicated in the Code of Ethics, company information considered "confidential" and "price-sensitive" must be communicated in compliance with the specific internal procedure for the management of confidential information.

5.6. Transactions involving the share capital.

All transactions involving the share capital of STILL S.p.A., as well the incorporation of companies, purchase and sale of equity interests, mergers and de-mergers must be carried out in compliance with the rules of *Corporate Governance* and with the company procedures drawn up for that purpose.

5.7. Preparation of communications to Supervisory Authorities and managing relationships with the latter.

In the event that the Company's activities become subject to the supervision of Public Authorities based on specific applicable regulations, for the purpose of preventing the commission of crimes related to false statements to the authorities and obstruction of supervisory functions, the activities subject to supervision must be carried out by the functions specifically assigned to said task and identified in the company organizational provisions containing the assignment of specific responsibilities in connection with:

- periodical reporting to the authorities as required by laws and regulation;
- the transmission to said authorities of the documents required by laws and regulations (e.g., financial statements and minutes of the meetings of corporate bodies);
- the transmission of data and documents specifically requested by the supervisory

authorities;

- how to behave during the course of inspections/audits.

These procedures entail the following activities:

a) implementation of all measures of an organizational/accounting nature needed to extrapolate data and information for proper filling in of the reports and for their timely transmission to the supervisory authority, according to the methods and within the terms established by applicable regulation;

b) adequate formalization of the procedures in question and subsequent documentation proving that the fulfilments indicated in the procedures have been executed, with special reference to the data processing activity;

c) provision by the audited organizational functions and departments, during the course of the audit, of the utmost cooperation in performing the audits. In particular, the documents which the persons in charge of the audit deem necessary to acquire must be promptly and completely made available to the requesting individuals, subject to consent of the company manager in charge of providing assistance to the audit and authorized to communicate with the proceeding authority;

d) participation in the audits of individuals expressly authorized to do so. The minutes drawn up by the public authority must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. In case any criticalities emerge from the final report, the ODV must also be promptly notified accordingly by means of a written communication by the head of the function concerned.

5.8. Other rules aimed at preventing corporate offences in general.

In addition to the rules of *Corporate* Governance, of procedures/guidelines, and the defined organizational responsibilities, the following additional measures shall be complied with:

a) Implementation of a periodic training-information system for relevant personnel with regards to the rules of *Corporate Governance* and corporate offences;

b) Planning of periodic meetings between the ODV and the Board of Statutory Auditors and the body in charge of internal control in order to verify compliance with the regulations concerning corporate law and Corporate Governance;

c) Formalization and/or updating of internal rules and procedures concerning compliance with corporate law.

Among the Sensitive Processes concerning the prevention of corporate offences, the following must also be complied with:

a) the Code of Ethics;

b) the petty cash and treasury procedure

c) the Procedure concerning investments

d) the purchasing procedure

e) the procedure, if any, for relationships with related parties as may be necessary.

6. Internal Control

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies to their managers and the ODV.

7. Checks carried out by the ODV

7.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

7.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section V, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VI

– ***Market abuse***

(art. 25-*sexies*, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section VI

Special Section VI refers to the conduct of the Recipients involved in Sensitive Processes concerning possible market abuse.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviours to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of Underlying Offences ascribable to the category of administrative crimes and infringements concerning market abuse, deemed to be of significant risk (art. 25-*sexies*, Leg. Decree no. 231/2001)

- **Insider trading ([49]) (art. 184 TUF)**

  The offence is committed when a person, having (directly) gained possession of privileged information by virtue *(i)* of his position as member of an administrative, management or control body of the issuing company, *(ii)* or in the quality of shareholder of that company, or *(iii)* during the exercise of a work activity, a profession or function, even public, of an office:

  a) purchases, sells or carries out other transactions, directly or indirectly, on his own behalf or on behalf of others, on financial instruments using the same privileged information (known as *trading*);

  b) communicates such information to others, outside the normal execution of his/her duties, profession, function or office for which he is responsible, regardless of whether or not the parties receiving the information use it to carry out transactions (known

([49]) The information is privileged if, in case it is made public, it can significantly affect the prices of financial instruments (*price-sensitive information*), in other words information that a reasonable investor would presumably use as one of the elements on which to base his/her investment decisions.
Privileged information, pursuant to art. 181 of the TUF, has to possess the following characteristics:
- it must be of a precise nature, in the sense that (i) it must refer to a set of existing circumstances or circumstances the occurrence of which one might presumably foresee; or it must refer to an event that has taken place or that can be reasonably presumed to take place in the future; and (ii) it must be sufficiently specific so as to allow conclusions to be drawn on the possible effect of the set of circumstances or of the event referred to above on the price of financial instruments;
- it must not have been made public yet;
- it has to concern, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments (pursuant to art. 180 of the TUF, the term "financial instruments" means the financial instruments referred to in art. 1, paragraph 2 of said to TUF (to which you can refer for additional details).

as *tipping*);

c) recommends or induces others to undertake any of the transactions indicated in letter a) above, based upon such privileged (known as tuyautage).

- **Market rigging (art. 185 of TUF)**

  The crime is committed when a person circulates false information (known as manipulation of information) or sets up simulated transactions or other tricks capable of causing a sensible change in the price of financial instruments (known as trading manipulation).

  This category also includes those cases in which the creation of misleading indications derives from the non-communication of mandatory information by the issuer or by other obligated subjects.

  Alongside the *Underlying Offences* described above, art. 187-*quinquies* TUF introduced a specific assumption of administrative liability of companies also for administrative offences concerning the same subjects.

- **Administrative infringement of Insider Trading (art. 187-*bis* TUF)**

  The infringement is different with respect to the corresponding offence described above since the act due to the fact that the active subject is not requested the subjective element of the criminal intent. Moreover, the infringement is also committed by persons who, having gained possession of privileged information, were aware or could become aware based on ordinary diligence, of the privileged nature of said information (known as secondary insiders).

- **Administrative infringement of market manipulation (art. 187-*ter* TUF)**

  As regards administrative infringement related to market manipulation, the definition is more detailed compared to the one provided for the criminal offence since it includes, as specific, non-mandatory cases: *(i)* transactions and purchase and sale orders which provide or are likely to provide false or misleading indications in regards to the offer, demand or price of the financial instruments; *(ii)* transactions and purchase and sale orders which, through the activity of one or more persons acting in cooperation, allow the market price of one or more financial instruments to be fixed at an abnormal or artificial level; *(iii)* transactions or purchase and sale orders that use devices or any other form of deceit or expedient; *(iv)* other devices capable of providing false or misleading information in regards to the offer, demand or price of the financial instruments.

3. Sensitive Processes

The analysis carried out revealed that the risk of commission of the Underlying Offences and of administrative infringements listed above exists since, although the Company is not listed on the stock exchange or on other regulated markets, it is however part of a Group ("KION Group") the Parent company of which, KION AG, is listed on the Frankfurt Stock Exchange.

Hence, sensitive processes may occur with regards to the processing and management of privileged information.

4. General principles of behaviour

4.1. Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

4.2. The recipients of the Model are required to comply with the General Principles and with the Rules contained in the General Section of the Model, with the Code of Ethics as well as with specific procedures, when in Italy and abroad.

4.3. The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of STILL S.p.A., directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

5. Specific procedures

5.1. All company functions are required to comply with the procedures adopted by the KION Group for the processing of privileged and confidential information, and for the safekeeping of the relevant documentation, thus guaranteeing process traceability and keeping all backup documentation available for the ODV.

Should it become necessary in connection with the issuing of listed financial instruments owned by it or by other Group subsidiaries, the Company shall arrange for implementing any additional procedures aimed at preventing the risks of commission of the Underlying Offences and of the administrative infringements in question.

5.2. The provisions of the KION Group's Code of Compliance must also be complied with.

5.3. Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section VI, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VII

– ***Manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on the protection of health and safety in the workplace***

(art. 25-*septies*, Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section VII

Special Section VII refers to behaviours implemented by Recipients involved in Sensitive Processes concerning the crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of the regulations on the protection of health and safety in the workplace.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific Underlying Offences ascribable to the category of crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on the protection of health and safety in the workplace, deemed to be of significant risk (art. 25-*septies*, Leg. Decree 231/2001)

- **Manslaughter (art. 589 of the Criminal Code)**

  The crime is committed when someone causes the death of a person with violation of rules for the prevention of accidents in the workplace and of occupational diseases.

- **Serious personal injury or grievous bodily harm (art. 590 of the Criminal Code)**

  The crime is committed when someone causes serious or very serious personal injuries, with violation of rules for the prevention of accidents in the workplace and of occupational diseases.

  The injury is considered <u>serious</u> (art. 583 of the Criminal Code, paragraph 1) in the following cases: *(i)* if the event causes an illness which endangers the life of the injured person, or an illness or incapacity to attend to the normal activity for a period exceeding forty days; *(ii)* if the injury produces the permanent weakening of a sense or organ.

  On the other hand, the injury is considered <u>very serious</u> if the event causes (art. 583 of the Criminal Code, paragraph 2): *(i)* an illness that is certainly or probably incurable; *(ii)* the loss of a sense; *(iii)* the loss of a limb or mutilation that renders the limb useless, or the loss of the use of an organ or the incapacity to procreate, or the permanent and serious difficulty of speech; *(iv)* deformation or permanent disfigurement of the face.

  For offences committed with violation of rules on accident prevention in the workplace or pertaining to workplace hygiene or that have determined an occupational disease, the

crime is prosecutable ex officio.

The common element to both types of offences is culpability, as defined by art. 43 of the Criminal Code, referred to the occurrence of the manslaughter or of the injuries. With regards to this, an offence is a misconduct or not intended when the event, even if foreseen, is not intended by the agent and occurs due to negligence, carelessness or inexperience, or due to failure to abide by the laws, regulations, orders and discipline.

These types of offences may be committed, for example, in the case where, in order to obtain an advantage (e.g., savings in terms of money or time), all the measures and checks required by the regulations in force on the subject of workplace safeties have not been implemented.

The violation of regulations on the topic of health and safety in the workplace, on the other hand, may be intentional or negligent without distinction.

3. Sensitive processes

3.1. The Sensitive Processes relevant to the crimes of manslaughter and grievous or very grievous bodily harm committed in violation of occupational health and safety regulations can be identified in those specified in article 30 of Leg. Decree no. 81 of 2008, and in particular:

a) compliance with technical-structural standards relating to equipment, systems, workplaces, physical, chemical and biological agents;

b) risk assessment and preparation of the consequent prevention and protection measures;

c) organizational activities such as emergencies, first aid, contract management, periodical safety meetings, consultations with the workers' safety representative;

d) health monitoring;

e) workers' information and training;

f) supervising activities in relation to the workers' observance of all safe working procedures and instructions;

g) acquisition of documentation and mandatory certifications pursuant to the law;

h) periodic checks of the implementation and effectiveness of the adopted procedures.

3.2. With regard to these Sensitive Processes, through the analysis carried out STILL has identified the company processes specified below as being relevant and has verified the existence of procedures that regulate them or has identified the need to expand them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The relevant company processes identified by STILL on the basis of the documentation pertaining to the risk assessment process mainly refer to:

a) the entire production activity;

b) the entire maintenance and repair activity of forklift trucks;

c) the use or handling of forklift trucks, including at third-party facilities.

d) product storage and handling;

e) the performance of general daily office work, including the use of personal computers with video terminals, printers, faxes, photocopying machines;

f) management of Local Units (Branches);

g) occupational diseases.

The Company arranges for drawing up specific risk assessment documents for each company unit.

4. General principles of behaviour

4.1. Policy

In view of the activity which it carries out, the Company attributes particular and primary importance – the same as it attributes to its own employees and associates – to protecting the health and safety of its customers, for the purpose of preventing any damages to individuals who use the Company's products.

4.2. Specific recipients

Recipients of the rules of conduct and procedures include, aside from the corporate bodies, the Employer(s) and their delegates, the Prevention and Protection Service Manager (RSPP) and all STILL S.p.A. employees. The recipients of the rules of conduct and procedures are also associates, including those who are not employees, service companies, consultants, suppliers and partners involved in various ways in the Company's activities, who must be bound for this purpose by specific contractual clauses.

All the aforementioned subjects are required to refrain from implementing, contributing to or causing behaviours that may integrate the species of crime indicated above; they are also required to comply with the principles of behaviour and prohibitions set out in the Company's Code of Ethics and, generally speaking, with the provisions of this Model.

4.3. Company organisation

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

4.4. Compliance with relevant regulations and requirements

4.4.1. The Recipients, each for their respective area of responsibility, must know and comply with or, in any case, as far as the corporate bodies and the Employer(s) are concerned, make known and enforce the following in addition to the rules set out in the Model:

a) the regulations and the instructions of the authorities in charge, on the topic of health and safety in workplaces, with particular reference to Leg. Decree no. 81/2008;

b) the Company's Code of Ethics;

c) the Company's guidelines and regulating procedures of topics on the subject of health, hygiene and safety in the workplace.

4.4.2. The company organization, as required by Leg. Decree 81/2008 as subsequently amended and supplemented, must guarantee compliance with regulations on the topic of protecting the health and physical integrity of the workers (safety and prevention, work hygiene) and of environmental protection, as well as to ensure, generally speaking, as safe and healthy work environment, suited to the performance of the activity, through:

a) the assessment of health and safety risks, for employees and associates as well as for the customers;

b) the planning of prevention, including for the purpose of ensuring an improvement in the levels of safety over time;

c) the elimination of risks or, if this is not possible, their reduction to a minimum in connection with the knowledge acquired based on technological progress;

d) the compliance of ergonomic principles when organizing the work (workstations and choice of equipment) and when defining the work and production methods, in order to mitigate the effects of monotonous and repetitive work on the workers' health;

e) limiting to a minimum the number of workers who are, or might be, exposed to the risk;

f) the definition of priority for collective protection measures in parallel with individual protection measures;

g) the health monitoring of workers, with special focus on specific risks, including moving the workers away from exposure to the risk, in case of healthcare reasons pertaining to their person and their reassignment, if possible, to another task;

h) the activity of information, training, consulting and participation of the workers or of their representatives, of the executives and of the persons in charge on matters concerning health and safety in the workplace;

i) the formalizing of adequate instructions to the workers;

j) the definition of adequate emergency measures to be implemented in case of first aid, of fire-fighting, of workers evacuation and of serious and immediate danger;

k) the use of warning and safety signals;

l) the regular maintenance of premises, equipment, machinery and systems, with special focus on safety devices in compliance with the manufacturers' instructions.

Measures pertaining to safety, hygiene and health on the job shall under no circumstance entail financial charges for the workers.

When choosing suppliers of goods and services, the primary aspects to be taken into account should be the supplier's reliability and capacity to properly fulfil the undertaken obligations, in addition to the quality/price ratio of the good or the service being offered.

4.5. Obligations

The Recipients must:

a) care for their own safety and health as well as for the safety and health of the people present in the workplace and of the customers of their own Local Units, in accordance with their training and with the instructions and means received;

b) operate in a manner that is consistent with the needs arising from the social contexts, safeguarding basic human rights;

c) comply and make sure that others comply with the regulations and with the provisions of authorities on the subject of the environment and of hygiene and safety in the workplace, including in connection with provisions that govern the access to and the presence at the Company's premises of third parties extraneous to the Company itself;

d) comply with legal provisions and regulations, with the provisions of healthcare authorities and of the agencies in charge, with self-regulation provisions and with the principle of the Code of Ethics;

e) acquire full knowledge of legislative provisions on the subject of hygiene, health and safety in the workplace, including through the participation in courses held by the Company, also taking into account the specific assigned tasks;

f) observe the provisions and instructions received for purposes of collective and individual protection;

g) adopt all measures necessary for the health and safety of the workers and customers of the Local Units, as well as measures aimed at controlling risk situations in case of emergency;

h) periodically update the prevention measures in connection with organizational and production changes which are relevant for purposes of workplace health and safety, or in connection with the degree of evolution of prevention and protection technique;

i) undergo the required healthcare checks;

j) appoint the managers and assigned workers as required by the laws in force ensuring, generally speaking, a safe and healthy work environment suited to performance of the activity;

k) assign jobs in connection with the workers' skills and conditions in relation to their health and safety;

l) equip themselves with the necessary tools in order to prevent the conduct of individuals from determining the liability of the legal person;

m) properly use the machinery, the equipment, the work instruments, any hazardous substances, means of transport and other work tools, as well as the collective and personal protective equipment, and promptly report to the Employer any shortcomings or problems with said equipment, as well as any other dangerous conditions they may gain knowledge of, directly making every effort, in urgent cases and within the scope of one's skills and possibilities, to eliminate or reduce said shortcomings or dangers;

n) identify and mark off the perimeter of work areas concerned by activities at risk of maintenance or newly constructed, so as to prevent access to these areas by

unauthorized subjects;

o) follow the safety rules distributed by the Prevention and Protection Service when drafting, signing and executing contracts;

p) promptly executing legal fulfilments or contributing to the fulfilment of all obligations imposed by the pertinent authority or in any event necessary for safeguarding the safety and health of workers as they perform their job;

q) implement measures aimed at protecting and preventing risks in the workplace that affect the contracted work, as well as coordinate protection and prevention operations for the purpose of eliminating risks due to interference between jobs carried out by the different contractors involved in the execution of the overall work;

r) allow access to areas that expose individuals to serious and specific risks only to those workers who have received adequate instructions and specific training with regards to said risks.

The suppliers for whatever reason and the installers of systems, machines or other technical means, as well as the design engineers of the workplaces/workstations, must be requested, in connection with the nature of the supplied good or of the rendered service, to ensure compliance with regulations pertaining to workplace safety and to safeguarding the health of individuals.

4.6. Prohibitions

It is expressly forbidden to:

a) remove or modify, without being authorized to do so by company management, the safety or warning or control devices, as well as to deactivate or make even partially ineffective the collective or personal protective equipment;

b) carry out operations or manoeuvres that have not been assigned to them or that may jeopardize their safety or the safety of other workers;

c) access work areas without proper authorization;

d) manufacture, purchase, rent or use systems, machinery, equipment or other technical means, including collective and personal protective equipment which are not appropriate or do not comply with the provisions in force on the subject of safety.

5. Specific procedures

5.1. Corporate safety management system

The company system for plant management and for the management of activities in any event associated with production (such as, for example, maintenance, storage and transport) a use of the products entails the adoption of specific procedures aimed at preventing and in any case minimizing as much as possible the risk of individual workers, including third-party employees.

Generally speaking, the Company adopts measures which are best suited to preventing internal and external environmental risks, biological risks, physical and psychological risks, both in terms of its employees and external associates for whatever reason, and of those who, for whatever reason, use of handle the Company's products.

The company system for managing the safety and safeguarding workplace hygiene and workers' health is aimed at ensuring the fulfilment of all juridical obligations pertaining to:

a) compliance with technical-structural standards relating to equipment, systems, workplaces, chemical, physical and biological agents;

b) activities of risk assessment and preparation of the consequent prevention and protection measures;

c) organizational activities such as emergencies, first aid, contract management, periodical safety meetings, consultations with the workers' safety representative;

d) health monitoring activities;

e) workers' information and training activities;

f) supervising activities in relation to the workers' observance of all safe working procedures and instructions;

g) acquisition of documentation and mandatory certifications pursuant to the law

h) environmental protection and disposal of special waste;

i) periodical checks of the implementation and effectiveness of the adopted procedures.

5.2. Identification of responsibilities

For purposes of compliance with the rules and observance of the principles, prohibitions and indications listed in the paragraph above, the Model recipients are required, within the scope of the company safety management system, to comply with the provision described here below, as well as with the rules and general principles of behaviour contained in the General Section, when in Italy and abroad.

5.2.1. Employer and other guarantee positions

The Company formally identifies, through organizational notices and specific proxies issued by the subjects identified in the relevant regulations, the internal responsibilities on the subject of workplace health and safety, with particular reference to: the Employer, the Head of and employees assigned to the Prevention and Protection Service (RSPP), the Workers' safety representatives, employees assigned to the implementation of fire-prevention and fire-fighting measures, evacuation in case of serious and immediate danger, rescue, first aid and, in any event, to emergency management. These responsibilities – formally assigned within the scope of the work relationship or, in the case of individuals outside the company, through a suitable contract of appointment – must be promptly and timely communicated to the third parties concerned as the case may be (e.g., ASL or Local Healthcare Agency, Labour Inspectorate, INAIL). In particular, the appointment of Workers' Safety Representatives must be communicated to the relevant bodies.

5.2.2. Prevention and the Prevention Service

The Heads of and employees assigned to the Prevention and Protection Service, be they internal or external, have to: *(i)* possess professional skills and requirements suited to the nature of the risks present in the workplace and pertaining to the work activities; *(ii)* possess at least a secondary (high) school diploma as well as a certificate of attendance, with final exam of the level achieved, in specific training courses suited the nature of the risks present in the workplace

and pertaining to the work activities; *(iii)* be of a sufficient number with respect to the Company's characteristics and possess means and times suited to the performance of their task.

5.2.3. Delegation of functions

The assignment of tasks by the Employer must be carried out and accepted in writing and specifically dated. During the process of delegating tasks, the requisites of professionalism and experience of the person to whom the tasks are delegated must be verified, said requisites being requested by the specific nature of the delegated tasks. The person to whom the tasks are delegated must be granted all powers of organization, management and control required by the specific nature of the delegated tasks, as well as the power of expenditure necessary for performance of the delegated tasks, also taking into account possible emergency and urgent situations, in any case without prejudice to the obligation of the delegate to report promptly to the delegating party on his/her actions.

5.2.4. Company Physician

The Employer appoints the Company Physician, who is assigned the task of overseeing and supervising the individual workers' compliance with *(i)* their obligations deriving from the law, *(ii)* company provisions on the subject of health and safety in the workplace and the use of collective and personal protective equipment. The Company Physician has to possess the requisites required by the law and, when performing its tasks, is required to follow the principles of occupational medicine and of the ethical code of the International Commission on Occupational Health (ICOH).

5.2.5. Safety managers and Supervisors

The constant supervision of compliance with the regulations on health and safety at work, the specific procedures and the principles of conduct set out in this Special Section are entrusted to the Safety Supervisors and Managers who are responsible for the organization of work and the assignment of tasks to workers, the coordination and management of operations, the verification of the implementation of the provisions and company procedures, as well as the maintenance over time of the health and safety conditions of the workplace, machinery, plant and equipment made available to workers. Supervisors and managers receive specific training for this purpose, as required by current regulations.

5.2.6. Workers' safety representatives

The Company takes the necessary steps to elect workers' safety representatives.

5.3. Information flows

The Company ensures adequate and timely information flows between the Employer, the Company Physician and the Prevention and Protection service in connection with processes and risks associated with the Company's activity, for the purpose of allowing them to collaborate in the assessment of risks, in the planning of health monitoring activities, in the preparation of the implementation of measures aimed at protecting the workers' physical-psychological integrity and heath, in the training and information activity aimed at workers and in the organization of the first-aid service.

5.4. Risk assessment

The company identifies and evaluates all risks to the safety and health of workers, including those concerning groups of workers that may be exposed to particular risks.

The risk assessment must be documented through the drafting of a formalized report ("*Risk assessment document as per Leg. Decree 81/2008*", DVR) that contains the following basic elements:

a) the assessment of safety and health risks associated with production and use of the Company's products, including with regards to third-party users of the same products, indicating the criteria adopted for the assessment;

b) the indication of prevention and protection measures and of the personal protective equipment deemed appropriate as a result of the aforementioned assessment. The Personal Protective Equipment made available to the workers must conform to legal requires, kept in conditions of efficiency, used for the intended uses only, and the subject of specific training and information activities; the workers must use them in all cases in which they are required, duly caring for them and without making any changes to them of their own initiative, reporting any defect or inconvenience that may be detected in said equipment;

c) the program of measures considered appropriate for the purpose of improving the levels of safety over time;

d) the identification of procedures for implementation of the measures to be carried out, as well as the company functions called to arrange for said measures, to which only individuals possessing adequate skills and powers must be assigned;

e) the indication of the name of the Head of the Prevention and Protection Service, of the Workers' safety (or local) representatives and of the Company Physician who took part in the risk assessment;

f) the indication of any tasks that might expose workers to specific risks and that require an acknowledged professional ability, specific experience, as well as adequate training and information.

The Risk Assessment Document must be dated and be approved by the Employer, by the RSPP and by the Company Physician, after having consulted with the Workers' safety representatives (to which a copy must be provided), and it must be kept at the reference production unit.

The risk assessment must be carried out according to transparent, comprehensive and easy-to-use methods and criteria.

In case of changes in the production process and/or in the work organization which are relevant for purposes of safeguarding worker health and safety, and/or in connection with the degree of evolution of prevention and protection techniques, and/or following serious accidents, and/or when the results of the health monitoring activities reveal the need, the Risk Assessment Document must be promptly updated with the introduction of measures suited to regulating the new situation that has taken place.

All parties involved in the Sensitive Processes referred to in this Special Section must comply with the provisions of the DVR and the DUVRI set out below.

5.5. Safety and emergency management plan

The Prevention and Protection Service is required to adopt measures aimed at dealing with emergency situations, with the drafting, periodical update and scheduled drills, of the Emergency Management and Safety Plan, which contains instructions and procedures to be complied with in case of (i) fire, (ii) evacuation of residential buildings, (iii) injury or fainting fit, (iv) first aid.

The Plan must contain the following basic elements:

- description of the workplaces and fire risk assessment,
- measures for the organization of emergency operations (assigned personnel and relevant tasks),
- a general emergency plan.

The Company guarantees prompt intervention of the pertinent public services on the subject of first aid, rescue, fire-fighting and emergency management.

A summary of the Emergency Plan, as well as the relevant procedures and instructions, must be distributed and/or made available to all workers concerned.

5.6. Fire risk

As regards the fire risk in particular, a Workplace Fire Risk Assessment Document must be prepared and promptly updated, if necessary in connection with changes in the risk, pursuant to Italian Ministerial Decree of 10 March 1998. This document, to be drawn up by the Prevention and Protection Service, must contain:

a) the assessment of the risk of fire in the workplaces, illustrating the identified dangers and indicating the adopted criteria and methodology;

b) the location of the production unit and the identification of the type of building and of the systems at risk of fire, specifying the construction characteristics, the escape routes and the fire-fighting devices;

c) the identification of employees and of other people exposed to the risk of fire,

d) the adopted fire protection measures, with special reference to: *(i)* the adoption of adequate fire-prevention equipment, systems and devices; *(ii)* the supply of adequate first-aid measures; *(iii)* the identification of one or more rescue squads, made up of a suitable number of people duly trained on the subject of fire-fighting, first aid and evacuation; *(iv)* the definition of the evaluation plan of the premises and the implementation and documentation of periodical escape drills; *(v)* the training of assigned personnel; and *(vi)* the supply of information to the personnel concerned.

After consultation with the Workers' Safety Manager, the document must be approved by the Employer and by the RSPP and it must be kept at the reference production unit.

5.7. Transfers

During internal and external transfers, using either the company's or one's own vehicle, all the necessary and appropriate precautions must be observed for the purpose of protecting the physical integrity of the workers (for example: verifying that maintenance is regularly carried out on the motor vehicles, complying signs, verifying regular insurance coverage, using collective of personal protection equipment, etc.).

5.8. Assignment of contracts (Risk of interference - DUVRI)

In the event of the awarding of works or service contracts, both in the planning and

execution phases, adequate prevention and protection measures must be taken, assessing any risks of interference as envisaged in art. 26 of Leg. Decree no. 81/2008. Measures must also be taken to ensure the necessary collaboration and cooperation on the part of the contractor for the proper performance of the activities in compliance with the current regulations.

When opening construction sites (temporary and mobile), compliance with the specific regulations concerning temporary construction sites is required (Title IV of Leg. Decree 81/2008) and the adoption of all the measures envisaged therein.

The Interference Risk Assessment Document (DUVRI) must be drawn up for each contract.

The preparation of the DUVRI is carried out by the person in charge of the contract with the support of the RSPP, assessing all the risk factors inherent in the activity being performed. Once the DUVRI has been drawn up, the person in charge sends the Employer a communication stating that he/she has analysed the contents of the DUVRI, confirming its completeness and correctness. Finally, the Company sends the DUVRI by registered letter with return receipt to the service provider concerned, who in turn examines it and returns it signed to the Company, again by registered letter with return receipt.

Professionals with specific tasks in the field of health and safety at work will be assigned, both during the planning and execution stages. In particular, a safety manager must be appointed.

5.9. Certificates

For all workplaces, the Fire Prevention Certificates and the certifications pertaining to technical installations (such as the power plant, lifts, electrical systems and any other installation) must be obtained, and if necessary updated, and retained according to the provisions of the law; moreover, the reports of the relevant periodical checks and any conformity reports submitted to the pertinent entities must be retained.

5.10. Health monitoring

Health monitoring is carried out by the Company Physician through healthcare protocols defined in relation to specific risks, and considering the most advanced scientific orientations; the monitoring must be carried out in compliance with the regulations in force, with European Directives, as well as with the indications provided by the Consulting Commission and in the event the worker requests it and Company Physician considers the monitoring to be correlated to the occupational risks.

In particular, health monitoring includes the following activities: *(i)* preliminary medical check-up at the time of hiring for the purpose of verifying that the worker is fit for the assigned task, *(ii)* periodical medical check-up, *(iii)* medical check-up at the worker's request for the purpose of expressing an opinion of fitness for the specific task, (iv) medical check-up during a change in the assigned task in order to verify fitness to the new task, (v) medical check-up upon termination of the work relationships, in those cases required by regulations in force. For each worker subject to health monitoring, a healthcare and risk folder must be immediately prepared and promptly updated as needed.

The monitoring and surveillance activities of the Healthcare Monitoring Plan must be documented through a special Medical Report, drawn up by the Company Physician on a yearly basis and transmitted to the Prevention and Protection Service and to the Human Resources Dept.

5.11. Accidents

Accidents on the job that require the injured worker to be absent from the job for at least one day must be recorded in a special register, which must be kept according to the instructions provided by the control authorities.

A similar register must be kept in which to record accidents that may have happened to individuals extraneous to the Company.

The acquisition and transmission of data and information pertaining to the accidents must be carried out on the basis of and in compliance with specific formalized internal procedures.

"Near misses", i.e. those situations where an accident could have occurred due to organizational and management deficiencies, must be reported and examined for possible organizational and management actions.

5.12. Information and training

The Company implements a program aimed at informing employees and associates on the subject of safeguarding hygiene and safety in the workplace, with regards to: risks to health and safety associated with the company activity; the adopted prevention and protection measures and activities; the specific risks to which workers are exposed in connection with the activity carried out, dangers associated with the use of hazardous substances and preparations on the basis of the material safety data sheets required by the regulations in force and by good practices; measures and activities that concern first aid, fire-fighting, evacuation of workers; appointment of the RSPP and of the Company Physician; names of the employees assigned to safety; applicable reference legislation; company policies and procedures on the subject of health and safety in the workplace.

For those workers and associates who are assigned specific responsibilities on the subject of hygiene and safety in the workplace, a specific training and professional refresher program is implemented, differentiated based on the assigned tasks and on the different risk profiles present at the Company. The execution and participation in courses on the subject of health, hygiene and safety in the workplace must be monitored and duly documented, including through the retention and safekeeping of the relevant programs and attendance certificates.

The Workers' Safety Representatives are guaranteed free access to the relevant company documentation and information.

5.13. Group rules

The provisions of the KION Group's Code of Compliance must be complied with.

6. Producer's warranty and instructions for using the products

The Company is required to grant the Producer's legal guarantees.

The Company must provide customers with instructions for proper use of its products and for regular maintenance, including in relation to the users' safety.

The Company must also request the customers at which facilities it carries out maintenance on the products to make available suitable premises that comply with regulations on the subject of workplace safety and hygiene.

7. Safety costs

Safety costs must be separately and clearly stated in tender contracts in accordance with the law.

8. Reporting of new risks

The Company ensures the possibility to report any new risks by the control bodies and company structures as well as by individuals, and arranges for collecting these reports in a specific database that is periodically updated through a monitoring system (also at the Group level) and a "to do" list.

9. Safety budget

With respect to its budgets, the Company agrees to refrain from making decisions affecting safety, health and hygiene at work based exclusively on a policy of cutting costs and investments.

The Company must inform the ODV of the budget allocated for safety.

10. Resorting to third-party services

10.1. Should the Company decide to outsource the management of services on the subject of workplace hygiene and safety, the relevant contract shall provide for the outsourcer's commitment to comply with all the provisions contained in this Section VII of the Company's Model and with the Code of Ethics.

The contract shall also include the commitment by the service provider to refrain from carrying out activities that may constitute any one of the Underlying Offences or that are in contrast with the law.

10.2. The scope of the assignment and of the proxy granted to the service provider, as well as any powers of expenditure to be granted to said provider, and the actual exercise of said powers must be approved beforehand by an Executive Director of the Company.

10.3. Moreover, the contract will have to include a statement in which the service provider attests:

a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company,

b) are familiar with the regulations referred to in Leg. Decree 81/2008;

c) to a commitment to comply with these regulations and to enforce them with respect to its employees and associates;

d) its commitment to comply with the provisions contained in this Special Section;

e) that its legal representatives and those who operate in the provision of services have never been convicted (or pleaded out) and are not at present charged or under investigation in criminal proceedings pertaining to the *Underlying Offences*; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

The service contract must also include a specific clause that:

f) establishes that the commitment of consultants and suppliers to comply with the Group's Model and Code of Ethics or, in the case of entities, contains the declaration that they have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in the Group's Model and Code of Ethics;

g) regulates the consequences of the violation by the supplier of the provisions contained in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.).

11. Sanctions

The infraction of regulatory requirements and company rules on the protection of health and safety in the workplace constitute a violation of the Model, and therefore a disciplinary offence punishable according to the provisions of the General Section

12. Internal Control

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies to their managers and the ODV.

13. Checks carried out by the ODV

13.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

13.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with

the Protocols referred to in this Special Section VII, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VIII

– ***Receiving of stolen goods; money laundering;***

employment of money, goods and utilities of illegal origin; self-money laundering

(art. 25-*octies*, Leg. Decree 231/2001)

1. Purpose and structure of Special Section VIII

Special Section VIII refers to the conduct of the Recipients involved in the Sensitive Processes concerning the offences of receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin and self-laundering.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *Underlying Offences* ascribable to the category of crimes of receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering (art. 25-*octies*, Leg. Decree no. 231/2001)

- **Receiving of stolen goods (art. 648 of the Criminal Code)**

  The offence is committed when any person, for the purpose of obtaining a profit for himself or for others, purchases, receives or conceals money or goods deriving from any crime whatsoever, or in any case concurs in their purchase, receipt or concealment.

- **Money laundering (art. 648-*bis* of the Criminal Code)**

  This offence is committed when a person substitutes or transfers money, goods or other assets deriving from an intentional offence, or carries out other transactions in respect of such money, goods or assets, so as to hinder the identification of their criminal origin.

- **Employment of money, goods or utilities of illegal origin (art. 648-*ter* of the Criminal Code)**

  This offence is committed when, outside of the cases of receiving stolen goods and money laundering indicated above, any person uses money, goods or other utilities deriving from a crime in economic or financial activities.

- **Self-money laundering (art. 648 – *ter*.1.) ([50])**

  This offence is committed when a person – <u>having committed or contributed to the commission of a crime without criminal intent</u> – uses, substitutes, transfers, in economic,

([50]) Self-money laundering was included among the *Underlying Offences* by Law no. 186 of 15 December 2014, which became effective on 1 January 2015, bearing «Provisions on the disclosure and repatriation of capital held abroad as well as for waging further war against tax evasion. Provisions on the subject of self-money laundering».

financial, entrepreneurial or speculative activities, money, goods or other assets deriving from said crime intentional offence, or carries out other transactions in respect of such money, goods or utilities, so as to materially hinder the identification of their criminal origin ([51]).

Conducts for which the money, goods or other utilities are intended for mere utilization or personal enjoyment are not punishable.

For example, the offence of self-money laundering may be committed following other criminal activities – such as tax evasion, bribery and the appropriation of company assets, in the event that the proceeds deriving from said offences are used in economic, financial, entrepreneurial or speculative activities of the person who committed or contributed to the commission of the aforementioned offences.

- **Prerequisite common to money laundering and self-money laundering**

  The provenance from intentional crime of the utilities that came into the possession of the author

- **Difference between money laundering and self-money laundering**

  Money laundering: except for the cases of concurring in the "source offence"

  Self-money laundering: in the case of commission or contributing to the commission of the "source offence"

- **Typical conduct**

  The typical conduct of money laundering or self-money laundering offences is described here below:

  - *"substitution"* ("dirty" money or goods deriving from the crime are received and legal utilities are returned)
  - "transfer" (transfer of the assets to third parties, through fictitious registrations or different legal instruments)
  - "other transactions...are carried out"
  - with methods suited to hindering identification of the [...] illegal origin, in other words with an *attitude that obstructs traceability of the illegal origin*.

3. Sensitive Processes

Through the analysis carried out, STILL S.p.A. has identified a few Sensitive Processes within the scope of the offences of receiving stolen goods, money laundering, employment of money,

([51]) The offence is punished with a term of imprisonment from two to eight years and with a fine from € 5,000 to € 25,000. A term of imprisonment from one to four years and a fine from € 2,500 to € 12,500 if the money, goods or other utilities derive from the commission of an offence with criminal intent punished with a term of imprisonment that cannot exceed five years.
In any event, the penalties set forth in paragraph 1 are applied if the money, goods or other utilities derive from the commission of a crime under the conditions or for the purposes referred to in article 7 of Law Decree no. 152 of 13 May 1991, converted, with amendments, by Law no. 203 of 12 July 1991, as subsequently amended (Urgent measures in the fight against organised crime and transparency and proper performance of the administrative activity).
The penalty is increased when the offences are committed during the exercise of a bank or financial activity or of another professional activity. The penalty is decreased by up to half for those who have effectively acted for the purpose of preventing conducts from having additional consequences or for ensuring proof of the offence and the identification of assets, goods and other utilities deriving from the offence.

goods or utilities of illegal origin, self-money laundering, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk assessment process mainly and theoretically refer to:

a) corporate transactions on share capital / acquisition of loans;

b) investments;

c) purchases;

d) sales;

e) customer relations;

f) counterparty assessment, with particular reference to cooperatives or labour placement companies;

g) minor maintenance work;

and, in particular with regards to self-money laundering,

h) fiscal/tax fulfilments;

i) accounting of company transactions, in the event that the irregular keeping of the accounting books may result in the set-up of slush funds.

The interviewed subjects believe that the occurrence of the offences in question is impossible/unlikely due to measures adopted by the Company.

4. General principles of behaviour

4.1. Company organisation

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

4.2. Compliance with specific legislation

The recipients of the Model are required to comply with regulations on the subject of money laundering (Leg. Decree 231/2007) as well as observe the General Principles and with the Rules contained in the General Section of the Model, the Code of Ethics as well as specific procedures, when in Italy and abroad.

4.3. Prohibitions

The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of STILL S.p.A., directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses. Consultants must be bound to comply with STILL's Model and Code of Ethics, or, in the case of entities, they may have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in STILL's Model and Code of Ethics.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in the Model.

4.4. Transparency

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Specific procedures

5.1. With regards to the Sensitive Processes in question, the Company has adopted the following procedures, which all individuals involved in said processes are required to follow:

a) procedures drawn up within the scope of preventing corporate crimes;

b) Group procedures concerning investments;

c) customer reliability procedures;

d) petty cash and treasury procedure;

e) budget procedure;

f) the Code of Ethics;

respecting, in any event, the accounting standards and the legal-fiscal regulations on the subject of proper bookkeeping.

5.2. The provisions of the KION Group's Code of Compliance must be complied with.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section VIII, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION NINE

– ***Offences concerning copyright violation***

(art. 25-*novies*, Leg. Decree 231/2001)

1. Purpose and structure of Special Section IX

Special Section IX refers to the conduct of the Recipients involved in Sensitive Processes concerning copyright infringement offences.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of *Underlying Offences* ascribable to the category of crimes of copyright violation, deemed to be of significant risk (art. 25-*novies*, Leg. Decree no. 231/2001)

- **Art. 171, paragraph 1, letter a), a-*bis*), c) and d), Law no. 633 of 22 April 1941**

  The offence is committed when a person: *(i)* reproduces, transcribes, recites in public, disseminates, sells or offers for sale, or otherwise commercial distributes the work of another person, or reveals the contents of such work before it is made public, or introduces or circulates within the territory of the State copies produced abroad contrary to Italian law [art. 171, paragraph 1, a)]; *(ii)* makes available to the public a protected intellectual work, or a part thereof, by placing it in a system of telecommunications networks through connections of any kind [art. 171, paragraph 1, a-*bis*)]; *(iii)* commits the acts indicated above by means of any form of transformation referred to in this law [art. 171, paragraph 1, c)]; *(iv)* reproduces a number of copies or carries out or represents a number of executions or representations in excess of the number which he has the right to reproduce or perform [art. 171, paragraph 1, d)].

- **Art. 171-*bis* Law no. 633 of 22 April 1941**

  The offence is committed when a person unlawfully duplicates, for profit, software programs or, always for profit, imports, distributes, sells, holds for commercial or business purposes or rents out programs contained in media not marked by the Italian Association of Authors and Publishers (Società italiana degli autori ed editori or SIAE). The crime is punished with imprisonment from six months to three years and with a fine from € 2,582 to € 15,493. The same penalties shall apply if the fact concerns any means intended exclusively to enable or facilitate the arbitrary removal or functional dodging of devices applied in order to protect software programs. The penalty shall not be less than a term of imprisonment of two years and a fine of € 15,493 if the offence is particularly serious.

The offence is also committed when a person, in order to obtain an unfair profits, transfers onto another media that does not bear the SIAE markings, or reproduces, transfers onto other media, distributes, communicates, presents or shown in public the content of a database in violation of the provisions contained in articles 64-*quinquies* and 64-*sexies*, or extracts or reuses the database in violation of the provisions referred to in articles 102-*bis* and 102-*ter*, or distributes, sells or rents out a database.

- **Art. 171-*ter*, paragraph 1, b) and c) Law no. 33 of 22 April 1941**

  The offence is committed when a person, for non-personal use: *(i)* illegally reproduces, transmits or discloses to the public, by any process, as a whole or in part, literary, dramatic, scientific or educational, musical or dramatic-musical, or multimedia works, even if included in collective or composite works or databases [art. 171-*ter*, paragraph 1, b)]; *(ii)* holds or distributes the works referred to above, without having participated in the duplication or reproduction [art. 171-*ter*, paragraph 1, c)].

- **Art. 171-*ter*, paragraph 2, a), a-bis), b) and c) Law no. 633 of 22 April 1941**

  The offence is committed when a person, for non-personal use: (i) reproduces, duplicates, broadcasts or illegally distributes, sells or otherwise places on the market, disposes of for whatever reason or illegally imports more than fifty copies of works protected by copyright and neighbouring rights [art. 171-*ter*, paragraph 2, a)]; (ii) in violation of article 16, in order to obtain a profit, discloses to the public an intellectual work protected by copyright or part thereof, by entering it into a telecommunications networks system, using any kind of connection [art. 171-*ter*, paragraph 1, a-*bis*)]; (iii) by carrying on a business activity the reproduction, distribution, sale or marketing, import of works protected by copyright and neighbouring rights, is guilty of the acts referred to in paragraph 1 [art. 171-*ter*, paragraph 1, b)]; (iv) promotes or organizes the illegal activities referred to in paragraph 1 [art. 171-ter, paragraph 1, c)].

3. Sensitive Processes

Through the analysis carried out, STILL S.p.A. has identified a few Sensitive Processes within the scope of the offence of copyright violation, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk assessment process mainly refer to the purchase and use of software.

The interviewed subjects believe that the occurrence of the offences in question is impossible/unlikely due to measures adopted by the Company.

4. General principles of behaviour

4.1. Company organization

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the

granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

4.2. Obligations

Recipients of the Model are required to comply with regulations on the subject of copyright (Law no. 633/1941) and with the Rules contained in the General Section of the Model or referred to therein like the management manuals and system documentation underlying the certifications, with the Code of Ethics as well as with specific procedures, when in Italy and abroad. Consultants and suppliers must be committed to comply with STILL's Model and Code of Ethics, or, in the case of entities, they may have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in STILL's Model and Code of Ethics.

4.3. Prohibitions

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

4.4. Traceability

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Specific procedures

In particular, the following provisions must be complied with:

5.1. Software

a) it is forbidden to use software programs without the necessary authorizations/licenses;

b) it is forbidden to use software programs outside the purchased utilization rights;

c) the IT Function is responsible for managing the authorizations/licenses and for checking the use of the related software programs;

d) the company functions assigned to the purchase of software programs are required to obtain from their licensors contractual guarantees concerning (i) the transferor's ownership of economic utilization rights, (ii) the originality of the works and the non-existence of any violations of third-party rights;

e) it is forbidden to install and use software programs that have not been made available by the functions authorized to do so by the Company and which are not functional to the tasks carried out by the users;

f) it is forbidden to install and use, in the Company's IT systems and on the individual PCs supplied by the Company, software programs (such as Peer to Peer) by means

of which it is possible to exchange files (regardless of the type) with other subjects on the Internet (such as videos, documents, songs, virus, etc.) with no possibility to control by the Company;

g) within the scope of their work activity, personnel must not duplicate and/or distribute software programs in any form;

h) the personnel are not authorized to reproduce media subject to user license.

5.2. Duties

The Code of Ethics and the procedures of the Quality Manual that envisage activities of an IT nature must be complied with, as well as the provisions contained in the Code of Compliance of the KION Group.

Individuals involved in sensitive processes are required to prevent their associates from improperly using the purchased utilization rights.

5.3. Prohibitions

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in contrast with the regulations and/or the Model.

5.4. Databases

Individuals who find themselves in the position to be able to manage databases ([52]) are required to comply with the provisions contained in articles 64-quinquies ([53]) and 64-sexies ([54]), and to refrain from carrying out the extraction or reuse of the database, in violation of the provisions referred to in articles 102-bis and 102-ter ([55]), as well as from

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([52]) According to art. 102-*bis* *(i)* the maker of a database is the person who makes significant investments in order to create a data base or to verify or present it, committing, for said purposes, financial resources time or work; *(ii)* extraction, the permanent or temporary transfer of all or a substantial part of the contents of a database on another medium with any means or in any form whatsoever; *(iii)* re-use, any form whatsoever of making available to the public all or a substantial part of the contents of a database through the distribution of copies, rental, broadcast carried out with any means and in any form. Regardless of the protection of the database according to the copyright or other rights, and without prejudice to the rights on the content or parts of it, the maker of a database is entitled to prohibit the extraction or reuse operations of all or a substantial part of the database.

([53]) According to art. 64-*quinquies* the author of a database is granted the exclusive rights to carry out or authorise
a) the permanent or temporary reproduction, in full or in part, using any means and in any form;
b) the translation, adaptation, a different arrangement and any other change;
c) any form of distribution to the public of the original or of copies of the database; the first sale of a copy in the territory of the European Union by the holder of the right or with the latter's consent exhausts the right to check, within the EU itself, subsequent sales of the copy;
d) any presentation, demonstration or communication in public, including the broadcast carried out using any means and in any form;
e) any reproduction, distribution, communication, presentation or demonstration in public of the results of the operations referred to in letter b).

([54]) According to art. 64-*sexies,* the activities indicated in article 64-*quinquies* and carried out by the legitimate user of the database or one of its copy are not subject to the author's authorisation, if said activities are necessary for the purpose of accessing the content of the database and for its normal use; if the legitimate user is authorised to use only a part of the database, this paragraph applies to that part only.
The article in question also points out that other activities are also not subject to the authorisation referred to in article 64-*quinquies* by the holder of the right, the mains ones being access and consultation of the database exclusively for didactic or scientific research purposes, not carried out within the scope of an undertaking as well as the use of the database for public security purposes or as a result of administrative or jurisdictional proceedings.

([55]) According to art. 102-*ter*, the legitimate user of the database made available to the public must not cause damage to the holder of the right and cannot carry out operations which are contrary to regular database management or that cause an unjustified damage to the maker of the database. The activities of extraction or reuse of non-substantial parts, evaluated in both qualitative and quantitative terms, of the content of the database for any purpose whatsoever carried out by the legitimate user are not subject to the authorisation of the maker of the database made available to the public for whatever reason.

distributing, selling or renting out a database.

5.5. Information and training

With regards to the Sensitive Processes in question, the Company arranges for deliver proper training to its employees and associates.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IX, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION X

– ***Inducement not to make or to make false statements before judicial authorities***

(art. 25-*decies*, Leg. Decree 231/2001)

1. Purpose and structure of Special Section X

Special Section X refers to the conduct of the Recipients involved in Sensitive Processes concerning the crimes of inducing people not to make statements or to make false statements to judicial authorities.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *Underlying Offences* concerning inducement not to make or to make false statements to judicial authorities (art. 25-*decies* Leg. Decree no. 231/2001)

- **Inducement not to make or to make false declarations to judicial authorities (art. 377-*bis* of the Criminal Code)**

  This offence is committed when anyone uses violence or threats, or offers or promises money or other benefit to induce not to make statements, or to make false statements, any person who is called before the judicial authorities to make statements in connection with criminal proceedings, if such person has the right to remain silent.

3. Sensitive processes

Through the analysis carried out, STILL S.p.A. observed that the offence in question may be committed anytime a person, employed or not employed by the Company, is called to testify, or knows a witness, in lawsuits which involve a Company interest.

4. General principles of behaviour

Generally speaking, the recipients of the Model must comply with the principle of not interfering with the due course of justice, refraining from putting, or having others put, pressure on the witnesses; in the event they gain knowledge of third party's intentions in that sense, they have

to take action in order to discourage said behaviour.

The principle specified above applies to members of the corporate bodies and to all employees of STILL S.p.A.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones.

The Company encourages compliance with the Code of Ethics and respect for truth and transparency of the documentation used, under any circumstances.

5. Specific procedures

Any disputes before the Judicial Authority must be traceable, and the responsibility of the relevant management must be identified.

With regards to the Sensitive Processes in question, the Company's corporate bodies and employees are required to comply, and to make any third parties involved comply, in addition to the general principles, with the Code of Ethics and the provisions of the Code of Compliance of the KION Group.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section X, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION XI

– ***Environmental crimes***

(art. 25-*undecies*, Leg. Decree 231/2001)

1. Purpose and structure of Special Section XI

Special Section XI refers to the conduct of the Recipients involved in Sensitive Processes concerning environmental crimes.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of Underlying Offences ascribable to the category of environmental crimes, deemed to be of significant risk (art. 25-*undicies*, Leg. Decree no. 231 of 8 June 2001)

- **Breach of rules regulating discharges (art. 137 Leg. Decree no. 152 of 3 April 2006)**

  The offence is committed by anyone who opens or otherwise produces new discharges of industrial wastewater, without authorization, or continues to make or maintain said discharges after the authorization has been suspended or revoked. The offence is punishable with a term of imprisonment from two months to two years or a fine from € 1,500.00 to € 10,000.00 ([56]).

  Failure to comply with the discharging prohibitions provided for by articles 103 and 104 is punished with a term of imprisonment of up to three years.

- **Discharges to the soil (art. 103 Leg. Decree no. 152 of 3 April 2006)**

([56]) More serious penalties apply when the behaviours described above concern:

- discharges of industrial wastewater containing the hazardous substance included in the families and in the groups of substances indicated in tables 5 and 3/A of Annex 5 to section three of Decree 152/2006 (term of imprisonment from three months to three years);
- the discharge of industrial wastewater containing the hazardous substances included in the families and in the groups of substances indicated in tables 5 and 3/A of Annex 5 to section three of this decree without complying with the prescriptions of the authorisation, or with other prescriptions of the pertinent authority (term of imprisonment of up to two years);
- the discharge of industrial wastewater that, in connection with the substances indicated in table 5 of Annex 5 to section three of Decree no. 152/2006, exceeds the limit values set in table 3 or, in the case of discharge to the soil, in table 4 of Annex 5 to section three of the same decree, or the stricter limits set by the regions or by the autonomous provinces or by the pertinent Authority in accordance with article 107, paragraph 1 (term of imprisonment up to two years and a fine from € 3,000.00 to € 30,000.00; if the limit values set for the substances contained in table 3/A of said Annex 5 are also exceeded, term of imprisonment from six months to three years and fine from € 6,000.00 to € 120,000.00).

The legal provision prohibits discharge to the soil or to the surface layers of the subsoil, except for certain special cases ([57]).

Apart from the cases provided for above, existing discharges to the soil must be channelled in surface water bodies, in sewers or recycled in compliance with prescriptions set with the decree referred to in article 99, paragraph 1. In case of failure to comply with the specified obligations, the discharge authorization is considered revoked for all intents and purposes.

Discharges referred to in letter c) of paragraph 1 must comply with the limits indicated in Table 4 of Annex 5 to section three of this decree. This is nevertheless without prejudice to the prohibition to discharge to the soil the substances listed in item 2.1 of Annex 5 to the third section of the decree.

- **Discharges to the subsoil and underground water (art. 104 Leg. Decree no. 152 of 3 April 2006)**

  The legal provision forbids all direct discharges to underground water and the subsoil ([58]).

  Apart from certain cases ([59]), discharge in the subsoil and in underground water, already existing and duly authorized, must be channelled into surface water bodies or intended, where possible, for recycling, reuse or agronomic use. In case of failure to comply with the indicated obligations, the discharge authorization is revoked.

- **Discharges into sewers (art. 107 Leg. Decree no. 152 of 3 April 2006)**

  Without prejudice to the obligation to comply with emission limit values ([60]), discharges of industrial wastewater into sewers are subject to technical rules, to regulatory prescriptions and to the limit-values adopted by the pertinent local Authority based on the characteristics of the system, and in such a way to safeguard the receiving water basin and to comply with regulations on the discharge of city wastewater defined pursuant to article 101, paragraphs 1 and 2.

- **Authorization to emissions into the atmosphere (art. 269 Leg. Decree no. 152 of 3 April 2006) and relevant Sanctions (art. 279 of the same decree)**

([57]) The exceptions concern:
a) the cases provided for by article 100, paragraph 3;
b) overflow discharging equipment servicing the sewers;
c) discharges of city and industrial wastewater for which the technical impossibility or excessive cost, in exchange for the obtainable environmental benefits, of delivering into surface water bodies, as long as said bodies comply with the criteria and with the emission limit values set for that purpose by the regions pursuant to article 101, paragraph 2. Until new regional regulations are issued, the emission limit values indicated in Table 4 of Annex 4 to section three of this decree shall apply;
d) discharges of water coming from the processing of natural stone as well as from the washing systems of mineral substances, as long as the relevant sludge consists exclusively of water and natural inerts and do not entail damage to the water-bearing layers or instability of the soil;
e) discharges of rainwater channelled in separate sewer networks;
f) water coming from overflowing water tanks, from maintenance operations of water-potable networks and from the maintenance of aqueduct wells.

([58]) As an exception to the ban, the pertinent authority, after performing a preliminary survey, may authorise discharges in the same water-bearing stratum of the water used for geothermal purposes, of the infiltration water of mines or quarries or of the water pumped during the course of specific civil engineering jobs, including those of thermal exchange systems.
As an exception to the ban, the pertinent authority, after performing a preliminary survey also aimed at verifying the absence of foreign substances, may authorise discharges in the same water-bearing stratum of water used for the washing and processing of inerts, provided the relevant sludge consists exclusively of water and natural inerts and their discharge does not cause any damage to the water-bearing stratum. To this end, the local Regional Agency for Environmental Protection (ARPA) ascertains, at the expense of the entity requesting the authorisation, the quantitative and qualitative characteristics of the sludge and the absence of any possible damage to the water-bearing stratum, expressing a binding opinion with regards to the discharge authorisation.

([59]) Provided for by paragraphs 2, 3, 5 and 7 of art. 104 of Leg. Decree no. 152 of 3 April 2006,

([60]) Referred to in table 3/A of Annex 5 to section three of Leg. Decree no. 152 of 3 April 2006 n. 152 (limited to the parameters indicated in note 2 of Table 5 of the same Annex 5, in Table 3).

The need for authorization for emissions into the atmosphere is established by art. 269 of the Consolidated Environmental Law, which states that – except for the provisions of article 267, paragraph 3, by paragraphs 14 and 16 of this article and by article 272, paragraph 5 - «*for all systems that produce emissions, proper authorization must be requested pursuant to section five of this decree*».

To this end, «*The operator that intends to install a new system or move an existing system from one place to another shall presents to the pertinent authority an authorization request, accompanied by:*

a) the project of the system describing the specific activity for which the system is intended, the technical solutions adopted in order to limit emissions and the quantity and quality of said emission, the operating methods and the quantity, type and characteristics of the fuels which will be used, as well as, for systems subject to this condition, the technical minimum defined through the system parameters that characterize it, and

b) a technical report that describes the overall production cycle which the specific activity the system is intended for is part of and that indicates the foreseen time interval between the commissioning of the system and its operation at full capacity. »

Art. 279 punishes those who, during operation of a plant, violates the emission limit values or the prescriptions established in the authorization, in Annexes I, II, III or V to Section V of this decree, by the plans or programs or by the provisions referred to in article 271 or the prescriptions otherwise laid down by the pertinent authority.

- **Discharges of hazardous substances (Article 108, Leg. Decree no. 152 of 3 April 2006)**

For the substances listed in Table 3/A of Annex 5 to section three of Decree no. 52/2006, deriving from the production cycles indicated in the same table, the authorisations also establish the maximum quantity of the substance express in unit of weight per unit of element characteristic of the polluting activity, in other words per raw material or per product unit, in compliance with the contents of the same Table. The discharges containing the hazardous substances referred to in paragraph 1 are subject to the prescriptions contained in item 1.2.3. of Annex 5 to section three of the aforementioned decree.

- **Unauthorised waste management (Article 256, Leg. Decree no. 152 of 3 April 2006)**

The offence is committed when an activity of collection, transport, recovery, disposal, trade and brokerage of waste without the permit, registration or communication provided for by articles 208, 209, 210, 211, 212, 214, 215 and 216.

The offence is punished with a term of imprisonment from three months to one year or with a fine from € 2,600.00 to € 26,000.00 in case of non-hazardous waste; in case of hazardous waste, the term of imprisonment is from six months to two years and with a fine from € 2,600.00 a € 26,000.00.

The penalties are applied to owners of enterprises and to the persons in charge of entities, when they abandon or deposit waste in an uncontrolled manner or insert it in surface water or groundwater, in violation of the prohibition laid down in article 192, paragraphs 1 and 2.

It is forbidden to set up or manage unauthorized landfills.

It is forbidden to carry out banned waste mixing activities.

- **Prohibition to abandon waste (art. 192 Leg. Decree no. 152 of 3 April 2006)**

  The uncontrolled abandonment or deposit of waste on or in the ground is forbidden.

  It is also forbidden to insert waste of any kind, in solid or liquid form, in surface water or groundwater.

- **Reclamation of sites (Article 257, Leg. Decree no. 152 of 3 April 2006)**

  The offence is committed by anyone who causes pollution of soil, subsoil, surface water or groundwater, exceeding the risk concentration thresholds.

- **Violation of the obligations of communication, of maintenance of mandatory registers an of forms (art. 258 Leg.**

  The provision punishes those companies that collect and transport their own non-hazardous waste referred to in article 212, paragraph 8, and which do not voluntarily adhere to the waste traceability control system (SISTRI) referred to in article 188-bis, paragraph 2, letter a), and transport waste without the special form indicated in article 193 or fill in said form with incomplete or inaccurate data.

- **Illegal shipment of waste (art. 259 Leg. Decree no. 152 of 3 April 2006)**

  The regulation punishes anyone who carries out a shipment of waste constituting illegal trafficking pursuant to article 26 of (EEC) Regulation no. 259 of 1 February 1993, or carries out a shipment of waste listed in Annex II of the aforementioned regulation in violation of article 1, paragraph 3, letters a), b), c) and d), of said regulation ([61]).

- **Activities organized for the illegal trafficking of waste (art. *452-quaterdecies* of the Criminal Code) ([62])**

  This provision punishes anyone who, for illicit gain, with multiple operations and through the fitting of vehicles and continuous organized activities, sells, receives, transports exports, imports or, in any event, illegally manages significant quantities of waste.

- **Sanctions for violation of emission limits (art. 279 Leg. Decree no. 152 of 3 April 2006)**

([61]) Article 26 of Regulation (EEC) no. 259/93 of the Council of 1st February 1993 concerning the supervision and control of shipments of waste within, into and out of the European Community states that any shipment of waste:

a) effected without notification to all competent authorities concerned pursuant to the provision of this Regulation, or
b) without the consent of the competent authorities concerned pursuant to the provisions of this Regulation, or
c) effected with consent obtained from the competent authorities concerned falsification, misrepresentation or fraud, or
d) not specified in a material may in the consignment note, or
e) which results in disposal or recover in contravention of Community or international rules, or contrary to the provisions of articles 14, 16, 19 and 20 shall be considered illegal traffic.

([62]) The offence was originally envisaged by art. 260 of Leg. Decree no. 152 of 3 April 2006 (Environmental regulations), abrogated by Leg. Decree no. 21 of 1 March 2018 (art. 7), and was transposed from the latter with no amendments into the new article of the Criminal Code indicated above (based on the principle of what is known as "reserve code" in criminal matters). Below is the text of the regulation:
«Criminal Code art. 452-*quaterdecies*
Activities organised for the illegal trafficking of waste
Anyone who, for illicit gain, with multiple operations and through the fitting of vehicles and continuous organised activities, sells, receives, transports exports, imports or, in any event, illegally manages significant quantities of waste is punished with a term of imprisonment from one to six years.
omissis».
The transposal of the criminal offence into the new regulation also entails the amendment of article 25-*undecies* of Leg. Decree 231/2001 (Environmental crimes), paragraph 8, which now states: «If the company or one of its organizational units are stably used for the sole or main purpose of allowing or facilitating the commission of the offences referred to in art. 452-*quaterdecies* of the Criminal Code [editor's note: instead of to abrogated art. 260] and in article 8 of Leg. Decree no. 202 of 6 November 2007, the applied sanction is the definitive disqualification from exercising the activity pursuant to art. 16, paragraph 3, of Leg. Decree no. 231 of 8 June 2001».

This provision punishes anyone who, during factory operations, exceeds the emission limit values or the prescriptions established by the authorization, by Annexes I, II, III and V to section five of this degree, by plans and programs or by the regulations referred to in article 271 or the prescriptions otherwise issued by the pertinent authority.

- **Termination and reduction of the use of harmful substances – Measures to protect the stratospheric ozone layer and the environment (art. 3 Law no. 549 of 28 December 1993)**

  The provision establishes the production, consumption, import, export, possession and trade of harmful substances listed in Table A annexed to the law and governed by the provisions contained in (EC) Regulation no. 3093/94 *(of the Council, of 15 December 1994, concerning substances that reduce the ozone layer)*.

- **Law no. 68 of 22 May 2015, bearing "Provisions on the subject of crimes against the environment"**

  It should be noted that Law no. 68 of 22 May 2015, bearing "Provisions on the subject of crimes against the environment" (which became effective on 29 May 2015) has included in the "Catalogue of Offences" as per Leg. Decree 231/2001 the offences specified below, the risk of commission of which was considered extremely remote by the Company:

  - Environmental pollution (art. 452-*bis* of the Criminal Code)
  - Environmental disaster (art. 452-*quater* of the Criminal Code)
  - Culpable crimes against the environment (art. 452-*quinquies*, in connection with articles 452-*bis* and *quater*, of the Criminal Code)
  - Organised crimes aggravated by the fact that they are aimed (including concurrently) at the commission of crimes present in Title VI-b*is* of the Criminal Code (art. 452-*octies* of the Criminal Code)
  - Traffic and abandonment of highly radioactive materials (art. 452-*sexies* of the Criminal Code)

3. Sensitive processes

Through the analysis carried out, STILL S.p.A. has identified several Sensitive Processes within the scope of environmental crimes, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

3.1. General sensitive processes

The risk assessment process has highlighted that Sensitive Processes within the scope of which the risk of committing environmental crimes is identified can be found both in connection with the Headquarter and with the Subsidiaries.

The identified Sensitive Processes mainly refer to:

a) discharges in water

b) discharges into the atmosphere

c) the management (collection, transport, recovery, disposal) of waste

d) the management of waste within the scope of office activities.

3.2. Waste management and disposal

These risks include:

a) identification, characterisation and classification of waste;

b) management of waste collection, transport, recovery, disposal, trade and brokering, including the disposal of inks (toner) and electronic equipment;

c) management of temporary waste storage;

d) contracting waste management activities and checks on the proper performance of the relevant assignment, including verification of the necessary permits;

e) management of waste loading, transport, control and use of transport documentation.

The Sensitive Processes include the disposal of inks/toners (of photocopying machines and printers) and of electronic equipment in general.

Sensitive Processes have also been identified with regards to waste produced by the Company's technicians at customer facilities.

3.3. Management of atmospheric emissions

a) applications for the granting and renewal of administrative permits for air emissions;

b) measurement and monitoring for the purposes of controlling compliance with the limits and requirements established in current legislation and specific authorisations.

3.4. Wastewater management

a) applications for the granting and renewal of administrative authorisations for discharges of industrial wastewater;

b) measurement and monitoring to check compliance with the limits and requirements established in current legislation and by measures taken by the relevant authorities;

c) At the Subsidiaries, there is a risk of pollution of the soil or of the water sumps as a result of the seepage of oily or ferrous substances from the forklift trucks and from the cylinders which are stored outdoors, in the Subsidiaries' yards (63). A theoretical risk is also present in washing activities. There is also the risk of loss of electrolytes from the batteries.

d) Again, at the Subsidiaries, Sensitive Processes have been identified in the disposal of spent batteries, in particular when the Subsidiaries resort to so-called battery recharging operators, so that the latter verify whether or not the batteries can be recharge or, if not, they arrange for their proper disposal.

At the Luzzara plant, there are Sensitive Processes concerning the treatment of wastewater and the emulsions of machine tools, spent oils and varnishing waste.

3.5. Management of potentially contaminating events

a) requirements (including reporting to the authorities) relating to accidental events that have the potential to contaminate soil, subsoil, surface water and/or

(63) Usually, the Subsidiary's outdoor can be used to park machines intended for scrapping as well as those without the CE mark or bearing the CE mark but in poor conditions.

groundwater;

b) control of the execution of any reclamation.

3.6. Management of equipment and installations containing ozone depleting substances

Contracting out the inspection and maintenance of equipment containing ozone-depleting substances and controls on the proper performance of the relative task.

3.7. Other sensitive processes

a) the management of applicable noise legislation;

b) the management of applicable regulations and requirements related to the management of F-Gas.

4. General principles of behaviour

4.1. Environmental protection

In view of the activity which it carries out, the Company attributes particular and primary importance – the same as it attributes to its own employees and associates – to environmental protection. In this view, the following must be complied with:

a) regulations and provisions issued by the authorities on the subject of discharges in water and emissions into the atmosphere;

b) regulations and provisions issued by the authorities on the subject of waste collection, transport, recovery, disposal, trade and brokerage.

4.2. Company organisation

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and those having powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

The main recipients of the rules of behaviour and of the procedures are subjects equipped with powers and proxies on the matter. The corporate bodies and all employees and associates, even if non-employees, as well as service providers, are also recipients.

4.3. Prohibitions

All the aforementioned subjects are required to refrain from implementing, contributing to or causing behaviours that may integrate the species of crime indicated above; they are also required to comply with the principles of behaviour and prohibitions set out in the Company's Code of Ethics and, generally speaking, with the provisions of this Model.

Specifically, it is forbidden to:

a) Pursue the goal of saving costs and times to the detriment of environmental protection;

b) adopt conducts aimed at unduly influencing the opinion of the control authorities and bodies.

4.4. Duties

4.4.1. The procedures for monitoring the Sensitive Processes must be observed, with particular reference to those on the assessment of environmental aspects, water discharges and underground tanks, waste management, storage and handling of chemicals and spillage or leaks of substances (64).

4.4.2. The provisions of the KION Group's Code of Compliance must be complied with.

4.4.3. The heads of environmental compliance are required to make sure that others are familiar and comply, in addition to the rules contained in the Model, with the regulations and instructions issued by the authorities in charge of environmental protection.

4.4.4. The Company undertakes, within the limits of its budgets, to adopt the best available technology and to refrain from taking decisions on environmental matters by referring exclusively to a cost and investment cutting policy.

4.5. Traceability

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Specific procedures

5.1. Quality-Safety-Environment Integrated Management System

One of the Company's strengths is the quality-safety-environment integrated management system. The management of the activities is based on consolidated practices defined in the procedures aimed at preventing the risk of offences, and therefore the company processes are under control.

5.2. Discharges

The Company must not make any discharges in water or emissions into the atmosphere without having first obtained the necessary authorizations. Investments requiring discharges of the type in question must be approved by the Managing Director equipped with relevant proxy or by a person authorized by the latter.

5.3. Industrial activities

The Plant Manager or a person authorized by the latter has to arrange for periodically checking the limits specified in the authorizations held by the Company.

A procedure needs to be defined for the formalizing and handling of any criticalities pertaining to the Luzzara plant that may be reported by the RSPP to the plant manager.

5.4. Waste management

(64) The complete and updated list of the procedures in the Company related to environmental offences is set out in a separate document that will be constantly updated and made available to the ODV

The Company has to comply with Group policies and procedures that regulate methods for the collection, transport, recovery, disposal, trade and brokerage of special waste and of hazardous waste, even in the case of Company assets held at third-party facilities ([65]). The disposal must be entrusted to specialized suppliers equipped with the prescribed authorizations.

It is forbidden to:

a) Pursue the goal of saving costs and times to the detriment of environmental protection;

b) exhibit or prepare false waste analysis certificates;

c) exceed the limits of time and/or quantity for the temporary storage of waste;

d) adopt conducts aimed at unduly influencing the opinion of the control authorities and bodies.

If the Company transports its own waste, it must comply with all the procedures set up to monitor the Sensitive Processes and must use authorised vans.

The legal obligations and regulations on the subject of traceability of waste must be complied with, including obligations deriving from membership in the waste traceability electronic system (obligations of communication and of keeping mandatory registers and forms).

5.5. Spent batteries

Moreover, the Company is also required to comply with the provisions of procedures pertaining to the replacement or disposal of spent batteries.

The disposal of spent batteries by battery recharging operators must be prohibited in case said operators are not equipped with the prescribed authorizations.

5.6. Wastewater

Wastewater must be disposed of in a tank; emulsions of machine tools, spent oils and varnishing waste must be disposed of in special collection basins, and taken from these basins by external companies, after making sure that they possess the prescribed authorization.

6. Resorting to third-party services or supplies

6.1. Supplier assessment

When outsourcing the job, the supplier's reliability and capacity to properly fulfil the undertaken obligations, in addition to the quality/price ratio of the good or the service being offered, must be evaluated.

The suppliers of services or goods for any reason, just like the installers of systems, machines or other technical equipment, must be requested in relation to the nature of the good supplied or of the service rendered, to ensure their compliance to regulations on the subject of environmental protection.

([65]) For example purposes, with regards to the forklift trucks held at the Customers' facilities, the waste is disposed of according to the special procedure, recording the in/out quantities in a special logbook).

Prior to assigning the job, the possession of the require authorizations/permits must be ascertained.

6.2. Contract with suppliers

6.2.1. The contract entered into with third-party suppliers shall indicate the supplier's commitment to comply with all provisions contained in this Special Section of the Model and with the Code of Ethics.

The contract shall also include the commitment by the service provider to refrain from carrying out activities that may constitute any one of the Underlying Offences or that are in contrast with the law and/or the Model.

6.2.2. The contract shall also include a statement in which the service provider attests:

a) having the necessary authorisations;

b) are familiar with the regulations referred to in Leg. Decree 231/2001;

c) to be aware of environmental legislation, with specific reference to the assigned service, as well as with its implications for the Company,

d) to comply with the aforementioned regulations and with the provisions contain in this Special Section;

e) that its legal representatives and those who operate in the provision of services have never been convicted (or pleaded out) and are not at present charged or under investigation in criminal proceedings pertaining to the Underlying Offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

f) Also required:

- the supplier's commitment to adapt the service to any requests from the Company based on the need to comply with the prevention of the Underlying Offence of Environmental Crimes envisaged in Leg. Decree 231/2001;
- the commitment of consultants and suppliers to comply with the Group's Model and Code of Ethics or, in the case of entities, the declaration that they have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in the Group's Model and Code of Ethics.

The service contract must also include a special clause regulating the consequences of the violation by the supplier of the provisions contained in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.).

7. Checks carried out by the ODV

7.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

7.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IX, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION XII

- ***Use of third-country nationals residing illegally (art. 25-duodecies, Leg. Decree 231/2001)***
- ***Unlawful intermediation and exploitation of labour (art. 25-quinquies, Leg. Decree 231/2001)***

1. Purpose and structure of Special Section XII

Special Section XII refers to the conduct of the Recipients involved in Sensitive Processes concerning the crime of employing third-country nationals.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific type of Underlying Offence concerning the employment of workers in violation of special legal provisions (art. 25-*duodecies* and art. 25-*quinquies*, Leg. Decree 231/2001 deemed to be of significant risk

- **Employment of illegally staying third country nationals (Art. 22, paragraphs 12 and 12-*bis*, Leg. Decree no. 286 of 25 July 1998)**

  The crime is committed when the Employer hires foreign workers lacking the staying permit or whose permit has expired – and for which application for renewal was not made within the terms of the law-, revoked or cancelled.

  In order for the company to be sanctioned, one of the aggravating circumstances listed below, which entail an increase in sanctions, have to exists: (i) the employed workers are more than three; (ii) the employed workers are minors in non-working age; (iii) the employed workers are subjected to further conditions of exploitation (as specified in paragraph 3 of article 603-*bis* of the Criminal Code). The conditions of special exploitation are, in addition to the ones indicated in items *i)* and *(ii)*, having committed the offence exposing the workers to situations of serious danger, having regard to the characteristics of the jobs to be carried out and the work conditions.

- **Unlawful intermediation and exploitation of labour (art. 603-*bis* of the Criminal Code)**

  The offence is committed by anyone who:

  1) recruits workers for the purpose of assigning them to work at third-party facilities under conditions of exploitation, taking advantage of the workers' needy condition;
  2) uses, hires or employs workers, including through the intermediation activity referred to in item 1), subjecting the workers to conditions of exploitation and taking advantage of their needy condition.

In order for the offence to exist, the existence of one or more of the following conditions constitutes exploitation:

a) the reiterated payment of wages in a manner that is blatantly different with respect to national or local collective labour agreements entered into by the most representative trade unions at the national level, or in any event disproportionate with respect to the quantity and quality of the work carried out;

b) the reiterated violation of regulations pertaining to work hours, rest periods, weekly break, mandatory leave, vacation time;

c) the existence of violations of regulations on the subject of safety and hygiene in the workplace;

d) subjecting the worker to degrading work conditions, methods of supervision or housing conditions. ([66])

The following constitute specific aggravating circumstances and entail an increase in the punishment from one third to one half (i) the fact that the employed workers are more than three; *(ii)* the fact that the employed workers are minors in non-working age; *(iii)* having committed the fact by *exposing the exploited workers to situations of serious danger, considering the characteristics of the jobs to be carried out and the working conditions.*

3. Sensitive processes

Through the analysis carried out, STILL S.p.A. has identified a few Sensitive Processes within the scope of employment of illegally staying third-country nationals, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk assessment process mainly refer to the use of labour through temporary employment agencies or cooperatives.

The individuals interviewed believe that the occurrence of the offence in question, in case of direct hiring by the Company, is basically impossible.

4. General principles of behaviour

4.1. Company organisation

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the

([66]) The offence is punished with a term of imprisonment from one to six years and a fine from € 500 to 1,000 for each recruited worker, unless the fact constitutes a more serious offence.
If the facts are committed by means of violence or threat, the term of imprisonment is from five to eight years and the monetary fine is from € 1,000 to 2,000 for each recruited worker.

request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Individuals who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

4.2. Duties and prohibitions

The recipients of the model shall comply with regulations on the subject of employment of third-country nationals, as well as with the General Principles and with the Rules contained in the General Section of the Model, with the Code of Ethics and with specific procedures, both in Italy and abroad.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in contrast with the regulations and/or the Model.

4.3. Transparency

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the ODV.

The Company promotes compliance with the Code of Ethics.

4.4. Principle of equality

The Company rejects any discrimination based on race, language, sex, religion, political beliefs and social status and guarantees principles of transparency and impartiality when carrying out personnel search and selection.

5. Specific procedures

5.1. General rule

The employment (intended as the actual performance of the job) of labour, both hired directly by the Company and through resorting to temp agencies or cooperatives, in the event of third-country nationals, has to concern workers who possess a stay permit, or who have applied for renewal of their stay permit within the limits of the law; or whose work permit has not been revoked or cancelled.

5.2. Contracts with temporary employment agencies or cooperatives

Contracts with temp agencies or with cooperatives have to contain specific guarantees with regards to the above.

In particular, the aforementioned contracts have to include a special statement by the contracting parties specifying that they:

a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company;

b) are familiar with the regulations referred to in Leg. Decree no. 1998 of 25 July 1998, with special reference to art. 22;

c) to be familiar with art. 603-*bis* of the Criminal Code as amended by Law no. 199 dated 29 October 2016;

d) its commitment to comply with the provisions contained in this Special Section;

e) have never been sentenced (or pleaded out) and are not at present charged or under investigation in connection with criminal proceedings related to Underlying Offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted;

f) are committed to refrain from carrying out activities that may constitute any one of the Underlying Offences or that are in contrast with the law and/or the Model.

Consultants and suppliers must be committed to comply with STILL's Model and Code of Ethics, or, in the case of entities, they may have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in STILL's Model and Code of Ethics.

Contracts entered into with consultants and suppliers must also include a special clause governing the consequences of a violation by the latter the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

When hiring non-EU staff, the functions involved in the hiring process must carry out appropriate checks and inspections with regard to the residence permit.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section XII, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION XIII

– ***Crimes against industry and trade***

(Article 25-*bis*. 1 Leg. Decree 231/2001)

1. Purpose and structure of Special Section XIII

Special Section XIII refers to the conduct of the Recipients involved in Sensitive Processes concerning crimes against industry and trade. Of these processes, the only one deemed significant is the "sale of industrial products with false trademarks" (art. 517 of the Criminal Code) ([67]).

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- describe the Underlying Offence;
- identify the sensitive processes;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of STILL S.p.A. are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The Underlying Offence of "sale of industrial products with false trademarks" (art. 517 Criminal Code) (art. 25-*bis* 1 Leg. Decree no. 231/2001)

- **Sale of industrial products with false trademarks (art. 517 Criminal Code)**

  Art. 517 Criminal Code punishes "*anyone who sells or otherwise puts original works or industrial products into circulation with distinguishing names, brands or signs, national or foreign aimed at deceitfully misleading the buyer with regards to the origin, place of origin or quality of the work or product*" ([68]) ([69]).

([67]) The relevance of said offence in terms of the Company's business was excluded during the first risk assessment since the company at that time sold, as it does to this day, almost exclusively products supplied by the German parent company. However, an episode which occurred in July 2018 and related to an isolated purchase from a different foreign supplier, resulted in this offence being included in the list of underlying offences provided in the Model.

([68]) If the fact is not considered an offence by another provision of the law, then it is punished with a term of imprisonment of up to two years and a fine of up to twenty thousand euro.

([69]) Similar infringements are envisaged by art. 4 of Law 350/2003, respectively in paragraph 49 and paragraph 49-bis, which provide, respectively, for an offence and for a mere administrative offence.
Art. 49 provides for an offence, punished pursuant to the aforementioned article 517 of the Criminal Code, consisting in the « *... import and export for marketing purposes, in other words the marketing, of products bearing false or misleading indications of provenance...».* To this regard *«The "Made in Italy" stamping constitutes a false indication if it is affixed to products and goods not originating from Italy pursuant to European Regulations on the origin; the use of marks, figures or other signs that may induce the consumer to consider the product or good to be or Italian origin also constitutes a misleading indication, even if the foreign origin and provenance of the product is indicated. The offences are committed from the time of presentation of the products or goods at Customs for marketing or free circulation and up to their retail sale. The false indication of the goods can be rectified at the administrative level by removing, at the offender's care and cost, the signs and figures and anything else that may induce one to believe that it is a product of Italian origin. The false indication of the origin or the provenance of products and services can be rectified at the administrative level by correctly indicating the origin or removing the "made in Italy".»*
Art. 4, paragraph 49-*bis* provides for an administrative offence that is committed when, due to insufficient or imprecise, but not deceiving, indications of provenance, a consumer is misled on the actual origin of the products (e.g., omitting the indication of the place of manufacture - for example – China - constitutes a case of false indication that creates uncertainty with regards to

For the offence to be considered committed, it is sufficient to use or imitate the brand of another entrepreneur (brand which may not be necessarily counterfeit ([70]), nor registered or recognized) which is suited to misleading the consumer with regards to the quality of the product and its origin or provenance from a specific manufacturer, regardless of whether or not the product was sold and delivered to the final consumer.

By "marketing" it is meant any activity of offer to the public.

By "putting in circulation" it is meant the actual potential availability for the buyers, the simple storage by the seller being of no consequence, albeit in view of marketing the goods.

By "provenance and origin of the goods" it is meant not their provenance from a given place of manufacture, but rather its provenance from a specific manufacturer which is legally, financially and technically liable for the production, thus becoming a guarantor for the quality of the product vis-à-vis the buyers (Cassation, Section III, 27.1 of 24.5.2012, no. 19650).

In the case of supplies coming from abroad, the moment in which the offence is committed has been determined to be the simple presentation of the products at Customs for marketing purposes (art. 4, paragraph 49 of Law no. 350/2003, "2004 Finance Law") (Cassation, Criminal Section III, no. 3352 of 21/10/2004).

From a subjective standpoint, the offence is punishable as general malice: hence, the awareness and the willingness to display on sale or the putting in circulation of product with false markings suffices (in other words, products with regards to which one is aware of the false and misleading nature of the sign being used).

This is a common offence, since it is not necessary for the subject to be an entrepreneur. There are no obstacles in recognizing the responsibility, in addition to that of the entrepreneur, of also its associates, both for aiding and abetting, in case they contribute to the commission of the offence, and for acting autonomously, in case they commit the offence of their own exclusive initiative.

The interest safeguarded by the regulation is identified in protecting the general consumers through the prevention of deceit, in other words by pursuing honesty in trade exchanges against the danger of fraud in the circulation of the goods.

3. Sensitive processes

By analysing the case that led to the identification of the need to arrange for updating the Model, STILL S.p.A. believes that the only sensitive process in question may be the one involving the purchase of finished products for purposes of reselling or renting them to customer.

The above case constitutes an exception in regular company operations, and absolutely remote at that.

4. General principles of behaviour

the foreign origin or provenance of the product).

(70) In order for the offence to exist, the counterfeiting and alteration of distinguishing signs and marks is not necessary, since the latter is separately sanctioned by articles 473 and following of the Criminal Code.

4.1. Company organisation

Generally speaking, the Company's organization system has to comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Members of the corporate bodies and employees equipped with powers that can be exercised outside the company are required to act within the limits of the granted powers. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

4.2. Duties

The recipients of the Model shall

a) Ensure that the "provenance and origin of the goods" is indicated and clearly shows the provenance not from a given place of manufacture, but rather from a specific manufacturer who is legally, financially and technically liable for the production, thus becoming a guarantor for the quality of the product vis-à-vis the buyers;

b) Refrain from using names, trademarks, or distinctive signs in general, of products for which there is no entitlement to availability;

c) Refrain from selling or otherwise putting into circulation industrial products bearing names, trademarks or distinctive signs, national or foreign, capable of misleading the buyer on the origin, the provenance (in the sense indicated above) or the quality of the manufacture or of the product;

d) Take the most appropriate precautions and affix on the products the necessary indications so that the consumer is not misled – due to insufficient or inaccurate indications (although not misleading) – about the actual origin and provenance (in the sense indicated above) of the products;

e) Comply with the Rules and General Principles contained in the General Section of the Model, with the Code of Ethics and with specific procedures, when in Italy and abroad.

4.3. Prohibitions

4.3.1. The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of STILL S.p.A., directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

4.3.2. It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in the Model.

4.4. Transparency

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup

information available for the ODV.

5. Specific procedures

5.1. Subjects equipped with purchasing powers, in addition to complying with the purchasing procedures implemented by the Company, must make sure that the purchase contracts/orders – to either Italian and foreign suppliers – of products intended for resale or rental contain:

a) the supplier's commitment that for the supplied products the "provenance and origin of the product" (in the sense specified in paragraph 2.3.2 letter (a) preceding) is always clearly indicated, as well as, if deemed necessary or appropriate in order not to mislead the buyer, the name of the manufacturer and/or the place of manufacture;

b) the prohibition for the supplier to remove, modify or in any way alter markings or distinguishing signs in general, which were originally present on the products;

c) the supplier's guarantee that the markings (and any other distinguishing signs present on the products) are not such as to mislead the dealer or retailer and/or the end users as regards the quality of the product and/or its origin or provenance (in the indicated sense) from a specific producer;

d) the prohibition for the supplier, without prejudice to the above, to affix markings of the Company or of the KION Group without prior agreement with the Company,

5.2. Any supplies of products from abroad lacking the aforementioned information must be rejected at Customs.

5.3. The provisions of the KION Group's Code of Compliance must be complied with.

6. Checks carried out by the ODV

6.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

6.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IX, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION XIV

- ***Tax offences referred to in Legislative Decree no. 74 of 10 March 2000 "New rules on offences relating to income and value added tax, pursuant to article 9 of Law no. 205 of 25 June 1999".***

  (art. 25-*quinquesdecies*)

- ***Smuggling***

  (art. 25-sexiesdecies)

1 Purpose and structure of Special Section XIV

Special Section XIV refers to the conduct of the Recipients involved in Sensitive Processes concerning tax-related Underlying Offences, which is not exhaust the full category of offences in this area ([71]). It also refers to the smuggling-related offences set out in Presidential Decree no. 43 of 23 January 1973.

A first group of tax-related offences was added to the catalogue of offences referred to in Decree 231 by the inclusion in said decree of article 25-*quinquiesdecies* (Tax offences), which attributes direct responsibility to the entity/company for the commission in the interest or to the advantage of the entity/company itself of certain tax offences referred to in Legislative Decree no. 74 of 10 March 2000 "New rules on offences relating to income and value added tax, pursuant to article 9 of Law no. 205 of 25 June 1999". Art. 25-*quinquiesdecies* was subsequently supplemented by the addition of further tax-related offences through Leg. Decree no. 75 of 14 July 2020 previously mentioned above ([72]).

Smuggling-related offences were introduced by the aforementioned Leg. Decree no. 75/2020 through the addition of art. 25-*sexiesdecies* in Decree 231.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the Underlying Offence in question.

In particular, below we will proceed to:

- list the Underlying Offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of the company are required to comply with in order to properly apply the Model;
- equip the ODV and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. Specific types of tax-related Underlying Offences considered to be of significant risk (art. 25-*quinquiesdecies*)

2.1. Definitions

For an appropriate reading and comprehension of the provisions of the law as set forth below, it should be noted that for the purposes of the tax legislation referred to

([71]) Please note that "underlying offences" are defined as offences for which the body/company is directly liable.

([72]) Please note that the aforementioned Leg. Decree was issued in "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law" (known as PIF Directive).

in the aforementioned Leg. Decree no. 74/2000 the following definitions of a general nature are applicable to all tax-related Underlying Offences:

a) by "invoices or other documents for non-existent transactions" are meant invoices or other documents of similar evidential significance under tax law, *(i)* issued for transactions not actually carried out in whole or in part or *(ii)* which specify the consideration or value added tax in excess of the actual amount or *(iii)* which relate the transaction to parties other than the actual ones;

b) "asset or liability items" means (i) components, expressed in figures, which contribute positively or negatively to the determination of income or taxable amounts relevant to the application of the income or value added tax and (ii) components which affect the determination of the tax due;

c) "tax returns" shall also include forms submitted in the capacity of director, liquidator or representative of companies, entities or natural persons or of substitute tax, in the cases envisaged by law;

d) the "purpose of evading taxes" and the "purpose of allowing third parties to evade taxes" also include, respectively, (i) the purpose of obtaining an undue refund or recognition of a non-existent tax credit and (ii) the purpose of allowing third parties to evade taxes;

e) with regard to acts committed by those who act as directors, liquidators or representatives of companies, entities or individuals, the "purpose of evading taxes" and the "purpose of evading payment" refer to the company, entity or individual on whose behalf they act;

f) "evaded tax" means the difference between the tax actually due and the tax specified in the tax return or the entire tax due in the event of failure to submit a tax return, net of any amounts paid by the taxpayer or third parties as an advance payment, withholding tax or in any case in payment of said tax before the submission of the tax return or the expiry of the relevant deadline; tax evaded is not considered to be the theoretical tax not actually due connected with an adjustment to reduce losses for the year or previous losses due and usable;

g) the punishability thresholds referred to the tax evaded are also extended to the amount of the undue refund requested or of the non-existent tax credit shown in the tax return;

h) "objectively or subjectively simulated transactions" means (i) apparent transactions, other than those governed by article 10-*bis* of Law no. 212 of 27 July 2000, executed with the intention of not carrying them out in whole or in part or *(ii)* transactions involving fictitiously interposed parties;

i) by "fraudulent means" is meant artificial active conduct as well as omissive conduct in violation of a specific legal obligation, which leads to a false representation of reality.

2.2. Increased penalties for the entity/company

Again in general terms, it should also be noted that the financial penalties specified below are increased by one third if, following the commission of the crimes in question

(specified in paragraph 1 of art. 25-*quinquiesdecies* and considered in detail below) the entity has made a significant profit.

2.3. Disqualifications

In the cases referred to in paragraphs 1 and 2 of article 25-quinquiesdecies, the disqualification sanctions referred to in article 9, paragraph 2, letters c), d) and e) are applied.

2.4. Specific types of tax-related Underlying Offences

- **Fraudulent tax return through the use of invoices or other documents for non-existent transactions** (art. 2, paragraph 1 and paragraph 2-*bis*, Leg. Decree no. 74 of 10 March 2000)

  The offence is committed by those who, in order to evade income or value added taxes report in one of the tax returns relating to such taxes fictitious expenses, using invoices or other documents for non-existent transactions ([73]).

  The fact shall be deemed to have been committed using invoices or other documents for non-existent transactions when such invoices or documents are recorded in the mandatory accounting records or are held as evidence with respect to tax authorities.

  Art. 2 of Legislative Decree no. 75/2020 ([74]) introduced punishability of the attempt to commit an offence when the acts intended to commit the offences are also carried out on the territory of another Member State of the European Union for the purpose of evading the payment of VAT for a total amount of at least € 10 million, provided that the act already constitutes the offence of issuing invoices for non-existent transactions.

  The cause of non-punishability under Art. 13, paragraph 2 of Legislative Decree no. 74/2000 (voluntary disclosure) is applied to the offence, as specified below.

- **Fraudulent tax return by means of other artifices** (art. 3 of Leg. Decree no. 74 of 10 March 2000)

  The offence is committed when, apart from the cases envisaged in article 2 (above), in order to evade income or value added taxes the person committing the offence – *(i)* by carrying out simulated transactions objectively or subjectively or *(ii)* by using false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities – reports in one of the tax returns relating to such taxes *(i)* income for an amount lower than the actual amount or *(ii)* fictitious expenses or *(iii)* fictitious receivables and withholding taxes, when, jointly:

([73]) The entity shall be punished with a fine of up to 500 shares. The offender is subject to imprisonment for a period of between four and eight years (paragraph 1 of the aforementioned art. 2 of Leg. Decree no. 74/2000)
If the amount of the fictitious expenses is less than one hundred thousand euros, the entity is punished with a sanction of up to 400 shares and the individual is punished with imprisonment from one year and six months to six years (paragraph 2-*bis* of the cited art. 2 of Leg. Decree no. 74/2000).
([74]) Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (known as PIF Directive).

a) with regard to some of the individual taxes, the tax evaded is higher than thirty thousand euros;

b) the total amount of the assets subtracted from taxation, also by indicating fictitious taxable items, *(i)* is greater than five per cent of the total amount of the income specified in the tax return, or in any case, *(ii)* is greater than one million five hundred thousand euros or *(iii)* if the total amount of the fictitious credits and withholding tax is greater than five per cent of the amount of the tax, or in any case thirty thousand euros. ([75])

The fact shall be deemed to have been committed using false documents when such documents are recorded in the mandatory accounting records or are held as evidence with respect to tax authorities.

For the purposes of the application of the rule, the mere violation of the obligations to invoice and record income in accounting records or the mere indication in invoices or notes of income that is lower than actual income shall not constitute fraud.

Art. 2 of Leg. Decree no. 75/2020 ([76]) introduced punishability of the attempt to commit an offence when the acts intended to commit the offences are also carried out on the territory of another Member State of the European Union for the purpose of evading the payment of VAT for a total amount of at least € 10 million, provided that the act already constitutes the offence of issuing invoices for non-existent transactions.

The cause of non-punishability under Art. 13, paragraph 2 of Legislative Decree no. 74/2000 (voluntary disclosure) is applied to the offence, as specified below.

- **Issue of invoices or other documents for non-existent transactions** (art. 8, paragraph 1 and paragraph 2-*bis*, Leg. Decree no. 74 of 10 March 2000)

  The offence is committed when a party issues invoices or other documents for non-existent transactions in order to allow third parties to evade income or value added tax ([77]).

  For the purposes of the above, the issue of more than one invoice or document for non-existent transactions during the same tax period is considered a single offence.

- **Concealment or destruction of accounting documents** (art. 10 Leg. Decree no. 74 of 10 March 2000)

  The offence is committed when a party *(i)* in order to evade taxes on income or value added or *(ii)* in order to allow the evasion of third parties conceals or

([75]) The entity shall be punished with a fine of up to 500 shares. The offender is punishable with imprisonment for a term of between three and eight years.

([76]) Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (known as PIF Directive).

([77]) The company shall be punished with a fine of up to 500 shares. The offender is punishable with imprisonment for a term of between four and eight years. If the amount not corresponding to the truth specified in the invoices or documents per tax period is less than one hundred thousand euro, the company is punished with a fine of up to four hundred shares and the offender is punished with imprisonment from one year and six months to six years.

destroys all or part of the accounting records or documents whose conservation is mandatory, so as not to allow the reconstruction of income or turnover ([78]).

- **Fraudulent evasion of the payment of taxes** (art. 11 of Leg. Decree no. 74 of 10 March 2000)

  The offence is committed when:

  a) a party – *(i)* for the purpose of evading the payment of taxes on income or value added tax or *(ii)* interest or administrative penalties relating to such taxes totalling more than 50,000 euros – falsely disposes of or commits other fraudulent acts on its own or others' property which render the compulsory collection procedure wholly or partially ineffective ([79]).

  b) a party – in order to obtain for itself or others a partial payment of the taxes and related accessories – reports in the documentation submitted for tax purposes (i) income for an amount lower than the actual amount or (ii) fictitious expenses for a total amount higher than fifty thousand euros. If the amount referred to in the previous period exceeds two hundred thousand euros, imprisonment from one year to six years is applied ([80]).

  Leg. Decree no. 75 of 14 July 2020 "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (known as PIF Directive) introduced in the catalogue of underlying offences for which companies are liable the following additional offences concerning the VAT..

- **Untrue tax return (art. 4 of Leg. Decree no. 74/2000), if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million**

  The offence of "untrue tax return" (paragraph 1 of the law in question) is committed by anyone who, in order to evade income or value added taxes ([81]), reports in one of the tax returns relating to such taxes assets for an amount that is lower than the actual amount or non-existent liabilities, when at the same time: 1) the amount of the evaded tax is higher than € 100,000; 2) the total amount of the assets for which the relative tax was evaded, including through the indication of non-existent liabilities is higher by 10% of the total amount of the assets indicated in the tax return or exceeds € 2 million. Both parameters must refer to each single tax, and the specific offence referred to is committed when the two conditions described above occur at the same time. The moment in which the offence is committed coincides with the annual

([78]) The company shall be punished with a fine of up to 400 shares. The offender is punishable with imprisonment for a term of between three and seven years.
([79]) The company shall be punished with a fine of up to 400 shares. The natural person offender is punished with imprisonment from six months to four years, while if the amount of the taxes, sanctions and interest is higher than two hundred thousand euros imprisonment from one year to six years applies.
([80]) The entity company shall be punished with a fine of up to 400 shares. The natural person offender is punished with imprisonment from six months to four years, while if the amount of the taxes, sanctions and interest is higher than two hundred thousand euros imprisonment from one year to six years applies.
([81]) Even if without a fraudulent scheme, but knowingly and voluntarily.

income tax or VAT return ([82]).

Art. 2 of Legislative Decree no. 75/2020 introduced punishability of the attempt to commit an offence when the acts intended to commit the offences are also carried out on the territory of another Member State of the European Union for the purpose of evading the payment of VAT for a total amount of at least € 10 million, provided that the act already constitutes the offence of issuing invoices for non-existent transactions.

The cause of non-punishability under Art. 13, paragraph 2 of Legislative Decree no. 74/2000 (voluntary disclosure) is applied to the offence, as specified below.

- **Omitted tax return (art. 5 of Leg. Decree 74/2000) if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million**;

  The offence, punished with a term of imprisonment from two to five years, is deemed to committed when someone, for the purpose of evading the payment of income taxes or VAT, fails to file, although there is an obligation to do so, one of the returns pertaining to said taxes, when the evaded tax amount is higher, with reference to any of these taxes, than fifty thousand euros. Declarations submitted no later than ninety days after the expiry of the term for submission of said declarations or not signed or not drawn up on a printed form conforming to the prescribed form will not be considered as omitted tax returns.

  The cause of non-punishability under Art. 13, paragraph 2 of Legislative Decree no. 74/2000 (voluntary disclosure) is applied to the offence, as specified below.

- **Undue offsetting (art. 10-quater of Leg. Decree 74/2000) if the VAT-related fraud is transnational in nature and the evaded amount is not less than € 10 million**

  This offence is committed when someone fails to pay the sums due, through the offsetting of receivables not due or even non-existent, for an annual amount higher than € 50,000.

- **Voluntary disclosure (cause of non-punishability) for offences concerning "returns"**

  The non-punishability cause referred in art. 13, paragraph 2, Leg. Decree no. 74/2000 shall be applied to the following offences: Fraudulent tax return through the use of invoices or other documents for non-existent transactions; Fraudulent tax return by means of other artifices; Untrue tax return and Omitted tax return. Said cause consists in the fact that the taxpayer settles the tax debt, including interest and penalties, by means of a voluntary

([82]) Paragraphs 1-bis and 1-ter of this Article provide for circumstances to be disregarded in applying the rule and situations of non-punishability respectively. The provisions are set out below.
Paragraph 1-bis. For the application of the provision of paragraph 1, the correct classification, the valuation of objectively existing assets or liabilities, in respect of which the criteria concretely applied have in any event been indicated in the financial statements or in other documentation relevant for tax purposes, the violation of the criteria for the determination of the accrual period, the non-inherence, the non-deductibility of real passive elements shall not be taken into account.
Paragraph 1-ter. Except for the cases referred to in paragraph 1-bis, valuations which, taken as a whole, differ by less than 10 per cent from the correct ones shall not give rise to punishable acts. The amounts included in this percentage shall not be taken into account when verifying whether the thresholds of punishability provided for in paragraph 1 (a) and (b) are exceeded).

amnesty, before having formal knowledge of any access, inspection or audit, or of the commencement of any administrative assessment or criminal proceedings.

3. Sensitive processes

The Sensitive Processes that present a risk of committing the Underlying Offences in question concern the following activities: *(i)* issue of accounting documents; *(ii)* receipt of accounting documents; *(iii)* preparation of forms and communications concerning tax matters, including VAT-related statements; *(iv)* submission of forms and communications concerning tax matters, including VAT-related statements; *(v)* payment of taxes.

4. Rules of conduct

4.1. Recipients

The following rules of conduct apply to Recipients who, for whatever reason, are involved in the Sensitive Processes mentioned above.

4.2. Compliance with relevant regulations and requirements

The Recipients above, each for their respective area of responsibility, must know and comply with or, in any case, as far as the corporate bodies are concerned, make known and enforce: *(i)* the regulations and the instructions of the relevant authorities in tax matters; *(ii)* the rules set out in the Model; *(iii)* the Code of Ethics; *(iv)* the procedures.

The company organization must ensure compliance with the relevant regulations.

4.3. Organization and powers

4.3.1. Generally speaking, the Company's organization system for the management of the matter in question must comply with the basic requirement of formalization and clarity, of segregation of duties and roles so that a single person cannot manage an entire Sensitive Process on their own, in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

4.3.2. The members of the corporate bodies and employees who have relations with the Inland Revenue and the tax authorities on behalf of the Company must be given formal power to do so. Individuals who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Individuals not equipped with said powers must request the assistance of individuals to whom the powers have been granted.

4.3.3. Any criticality or conflict of interest that should arise within the scope of the relationship with fiscal authorities must be communicated in writing to the ODV as well.

4.4. General obligations and prohibitions

4.4.1. The Recipients must not pursue the evasion of income or value added taxes or other taxes in general, neither in the interest or advantage of the Company nor in the interest or advantage of third parties.

4.4.2. In the tax returns relating to said taxes and in their preparation, the Recipients must not introduce fictitious expenses using invoices or other documents for non-existent transactions. In this regard:

(i) they must check that the invoices and accounting documents refer to services actually performed by the issuer of the invoices/documents and actually received by the Company;

(ii) they must not enter in the mandatory accounting records or hold invoices or other documents for non-existent transactions as evidence for the tax authorities;

(iii) they must verify the regular application of value added tax.

4.4.3. Recipients must refrain from (i) carrying out objectively or subjectively simulated transactions and (ii) using false documents or other fraudulent means capable of hindering audits and misleading the financial administration.

4.4.4. Recipients must refrain from reporting in income or value added tax returns: (i) income less than the actual amount or (ii) fictitious expenses or (iii) fictitious receivables and withholding taxes.

4.4.5. Recipients must refrain from issuing invoices or other documents for non-existent transactions in order to allow third parties to evade income or value added tax.

4.4.6. Recipients must refrain from concealing or destroying all or part of the accounting records or the documents whose conservation is mandatory, so as not to allow the reconstruction of income or turnover in order to evade income or value added taxes or to allow third parties to evade.

4.4.7. Recipients must refrain from simulating selling or performing other fraudulent acts on their own or on other people's assets that could render the procedure for the forced collection by the tax authorities totally or partially ineffective, with the aim of evading the payment of income or value added taxes or interest or administrative sanctions relating to such taxes.

Recipients must also refrain from reporting in the documentation submitted for tax purposes *(i)* income for an amount lower than the actual amount or *(ii)* fictitious expenses for a total amount higher than fifty thousand euros, with the aim of obtaining for themselves or others a partial payment of the taxes and related accessories.

4.5. Approval by the top manager of accounting and tax management

Tax returns and disclosures relating to income or value added tax must not be made without the prior approval and authorization of the Chief Financial Officer.

4.6. Traceability

The Company is required to obey rules ensuring compliance with the regulations on the subject as well as the traceability and transparency of the choices made, keeping all backup information available for the ODV.

5. Resorting to third-party services

If the preparation of tax returns and communications regarding income or value added taxes is entrusted to third parties external to the Company, such third parties must be contractually bound to comply with the obligations and prohibitions set out in paragraph 4.4 above.

In particular, these contracts must contain a statement that the counterparties:

(i) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company;

(ii) agree to comply with said regulations and to enforce them with its employees and associates;

(iii) have never been sentenced (or pleaded out) and are not at present charged or under investigation in connection with criminal proceedings related to Underlying Offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted;

(iv) commit to comply with the Model (and in particular with the provisions of this Special Section) and the Company's Model and Code of Ethics, or, in the case of entities, to have adopted their own similar Model and Code of Ethics that regulate the prevention of the crimes included in the Company's Model and Code of Ethics;

(v) are in any case committed to refraining from carrying out activities that may constitute any one of the Underlying Offences or that are in contrast with the law and/or the Model;

(vi) adapt the service to any requests made by the Company based on the need to comply with the prevention of the related Underlying Offences.

Moreover, contracts entered into with consultants and service providers must also include a special clause governing the consequences of a violation by the providers of the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.).

6. Procedures

The procedures relating to the keeping of accounts and the management of tax matters, as well as the treasury procedure, must be followed.

7. Controls

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes in question must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

8. Specific types of Smuggling-related Underlying Offences (art. 25-sexiesdecies ([83])

8.1. Definition of smuggling and list of offences

Smuggling can be defined as the offence committed by a person who, with malicious intent, removes (or attempts to remove) foreign goods from the control system set up for the assessment and collection of Customs duties and, in particular, border duties, as well as that what is equivalent to the latter for the purposes of sanctions.

Smuggling offences are provided for in Presidential Decree no. 43 of 23 January 1973 "Consolidated text of the legislative provisions on customs matters", under Title VII Customs Violations, Chapter 1. Smuggling, listed under the following headings.

Art. 282 (Smuggling in the movement of goods across land borders and customs areas)

Art. 283 (Smuggling in the movement of goods in border lakes)

Art. 284 (Smuggling in the maritime movement of goods)

Art. 285 (Smuggling in the movement of goods by air)

Art. 286 (Smuggling in non-Customs areas)

Art. 287 (Smuggling for undue use of imported goods with Customs facilitations)

Art. 288 (Smuggling in Customs warehouses)

Art. 289 (Smuggling in cabotage and circulation)

Art. 290 (Smuggling in the export of goods admitted to the refund of rights)

Art. 291 (Smuggling in temporary import or export)

Art. 291-bis. (Smuggling of foreign-processed tobacco)

Art. 291-ter. (Aggravating circumstances in the offence of smuggling foreign-processed tobacco)

Art. 291-quater. (Criminal conspiracy aimed at smuggling foreign-processed tobacco)

Art. 292 (Other cases of smuggling)

Art. 293 (Equating the attempted offence to the committed one)

Art. 294 (Punishment for smuggling in case of failed or incomplete detection of the object of the offence)

Art. 295 (Aggravating circumstances in smuggling)

Art. 295-bis. (Administrative sanctions for minor violations)

Art. 296 (Repeated smuggling-related offences)

([83]) Smuggling-related offences were included in the catalogue of Underlying Offences by Leg. Decree no. 75 of 14 July 2020 "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (known as PIF Directive).

Art. 297 (Habitual smuggling)

Art. 298 (Professional smuggling)

Art. 299 (Habitual or professional smuggling according to the Criminal Code)

Art. 300 (Non-custodial personal preventive measures. Probation)

Art. 301 (Patrimonial preventive measures. Confiscation)

Art. 301-bis. (Allocation of seized or confiscated assets as a result of anti-smuggling operations)

In view of the general principle set out above, a detailed description of the specific offences is not deemed necessary at this point.

8.2. Sensitive processes, Rules of conduct and Procedures.

The Sensitive Processes relating to smuggling offences concern all transactions of purchases from abroad and the payment of taxes on those purchases.

The Rules of Conduct are laid down in Presidential Decree No. 43 of 23 January 1973 "Consolidated Laws on Customs Matters".

Compliance with said law must be verified before the goods are collected from Customs.

9. The checks carried out by the Supervisory Body

9.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the ODV with any information and documentation which the latter may require.

The ODV is granted full and free access to all the relevant company documentation.

9.2. Activities of the Supervisory Body

The ODV conducts specific checks in full autonomy and, periodically, random checks on the activities related to the Sensitive Processes and on compliance with the Protocols referred to in this Special Section, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The ODV will report to the Company's top management any anomalies or criticalities it may detect.

For the Board of Directors

ANNEXES

Annex "A"

- Leg. Decree no. 231 of 8 June 2001, entitled "*Rules governing the administrative liability of legal persons, companies and associations, including those without legal personality*", at the approval date of the update of the Model.

Annex "B"

- Catalogue of Underlying Offences, at the approval date of the update of the Model.

Annex "C"

- Code of Ethics, at the approval date of the update of the Model.