

JV RENCO TERNA

**ANTI
CORRUPTION
COMPLIANCE
PROGRAM**

***ANTI-CORRUPTION
PROCEDURE***

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1. INTRODUCTION

1.1 Objectives

The JV RENCO TERNA (hereinafter also "JV"), in accordance with the Anti-Corruption Compliance Program, is committed to conducting its business in order to minimize the corruption risk.

This procedure defines the roles and responsibilities that must be followed by the JV and JV Personnel:

- when selecting Relevant Third Parties and when negotiating, executing and managing the related contracts;
- for managing relations with the Public Administration and Relevant Private Entities, including relations with the Authorities in case of visits and requests of documentation made by the same;
- for managing of entertainment expenses, sponsorship and no profit initiative;
- for managing of gifts, hospitality and entertainment expenses offered to, or received by, the JV Personnel (received gift, hospitality and entertainment expenses) and offered by the JV or JV Personnel to third parties (offered gift, hospitality and entertainment expenses).

Any questions relating to the content or application of anti-corruption laws in specific situations or any issue related to the subject matter dealt with in this procedure must be addressed to the Anti-Bribery Compliance Unit.

1.2 Scope of application

The JV's Steering Committee has approved the adoption of Anti-Corruption Program, which includes the present Procedure, in the resolution of 16th June 2016.

This Procedure is applicable to all the JV's employees involved in field operations and/or in home office activities and to third parties acting for or on behalf of the JV, also with regard to the management of relationship with the Public Administration and Relevant Private Entities, in particular with reference to:

- making initial contact with the Public Administration or Relevant Private Entities;

- requests for measures of competence to be taken by the Public Administration or Relevant Private Entities;
- the negotiation and signing of agreements/contracts with the Public Administration or Relevant Private Entities;
- the fulfilment of obligations in relation to the Public Administration or Relevant Private Entities;
- activities related to verifications and/or checks by the Public Administration or Relevant Private Entities.

Moreover, the issues relating to the management of Relevant Third Parties are applicable to all the JV's Third Parties identified by the JV as "Relevant", namely:

- a. Joint Ventures' Partners;
- b. Agents;
- c. Suppliers and Subcontractors (included Consultants).

For these counterparties, a specific Due Diligence must be performed, when required (see Annex A – Anti-Corruption Flow Chart).

The Anti-Bribery Compliance Unit ensures the undertaking of control activities on Relevant Third Parties, also by periodical monitoring and/or audit activities.

1. DEFINITIONS OF KEY TERMS

The terms defined in the Anti-Corruption Compliance Program have the same meanings in this Procedure. In addition, the following terms are defined as follows:

APPOINTED MANAGER – Manager explicitly appointed by the Company as responsible for carrying out the anti-corruption Due Diligence.

ATTORNEY - an employee to which has been given the power of attorney to represent THE JV towards the Public Administration or the Relevant Private Entities.

AUTHORITIES - for the purposes of this procedure this refers to law enforcement and/or officials of the bodies/authorities also with judicial police powers and/or inspection powers (for example with no exhaustive purpose the Carabinieri, the National Police Force, the Guardia di Finanza, judicial police officers, Authority inspectors, etc.) including also public Regulatory Authorities.

CONTACT PERSON - employee who, even if not an Attorney, liaises with the Public Administration or with Relevant Private Entities in relation to the specific competence and activities.

CONTRACT MANAGER – person responsible for the correct contractual execution and technical-operational and economic control of works, services and supplies carried out by a Third Party. Furthermore, he/she represents the focal point, within THE JV and for third parties, for those stipulated contracts.

DOSSIER - document or aggregate set of documents pertaining to the same operation.

LINE MANAGER - employee who is hierarchically superior to the Contact Person whose responsibilities are described in an organizational document, job description or equivalent document, who liaises with the Public Administration or with Relevant Private Entities in relation to the specific competence and activities.

NON-PROFIT INITIATIVES - donations, gifts, and initiatives characteristic of concessions or subsidy to benefit Beneficiaries, attributable to the following:

- concessions related to initiatives to benefit the locality for social and/or humanitarian purposes;
- grants awarded following the death of an employee.

OFFERED GIFTS, HOSPITALITY AND ENTERTAINMENT EXPENSESE – means:

- 1 any Gifts provided to third parties which are managed by the JV, in particular promotional gifts: objects, usually of low cost (gadgets), suitable at events that contribute to disseminate and promote THE JV's image and logo (trade fairs, conventions, team building events, workshops or similar events) that are offered to third-parties / participating personnel.
- 2 Hospitality: an event (for example, workshop, promotional event, fulfilment of an agreement with a public administration, training seminar etc.) organised by the JV for third parties, including Public Officials, with promotional/informational purpose and strictly related to the JV's business activity.
- 3 Entertainment expenses: expenses of moderate value, such as those related to meals, performed by individual JV employees in favour of third parties, including Public Officials, performing their roles and within the context of professional courtesy.

This type of gifts, hospitality or entertainment expenses must be provided in respect of, and within the limits defined by, the Code of Ethics, the Anti-Corruption Program, and this procedure.

PARTNER - the party that enters into the sponsorship contract with the JV.

PUBLIC ADMINISTRATION: includes all Entities of the Public Administration and Public Officials as defined below:

- *Public Administration Entity*: any central or local body, office or agency, in Italy or abroad, that acts in the public interest and that conducts legislative, jurisdictional or administrative activities by virtue of the rules of public law and of the authorizing acts
- *Public Official*:
 - a) anyone who performs public functions in a legislative, judicial or administrative capacity;
 - b) anyone acting in an official capacity for or on behalf of (i) a national, regional or local government, (ii) an agency, department or instrumentality of the European Union or of an Italian or a non-Italian national, regional or local government, (iii) an Italian or a non-Italian government-owned or government-controlled or government-participated company, (iv) a public international organization such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International

Monetary Fund, the World Bank, the United Nations or the World Trade Organization, or (v) an Italian or a non-Italian political party, member of a political party official or candidate for political office;

c) anyone in charge of providing a public service, i.e. whoever performs a public service for whatever reason, where public service means an activity that is governed in the same way as a public function, except that the power vested in the latter is absent.

Pursuant to Anti-Corruption Laws and in particular jurisprudence deriving from it, the representatives of local communities are treated as Public Officials.

PRINCIPAL - each owner (partner or shareholder) of the Relevant Third Party, each member of the Board of Directors of the Relevant Third Party, managing director, general director, general authorized representative or equivalent figure of the potential partner, any individual that is effectively owner of the Relevant Third Party, each person capable of exerting control over the Relevant Third Party through any agreement, and each person (employees, collaborators and third parties), that on the basis of an appointment of the Relevant Third Party, is primarily in charge of the activities related to the potential relationship with the JV in relation to which the anti-corruption Due Diligence is performed.

RECEIVED GIFTS, HOSPITALITY AND ENTERTAINMENT EXPENSES - any financial advantages or other benefits, gifts, favourable conditions relating to products or services, discounts or personal credits, tickets for cultural or sporting events, gift vouchers, including hospitality (understood as meals, transport, or other benefits) offered to, or received by the JV Personnel.

Accepting this type of gifts or hospitality is permitted in respect of, and within the limits provided for by, the Code of Ethics, the Anti-Corruption Program, and this procedure.

RECEIVING PERSON - employee who, with regard to relations with the Authorities, works in the workplace/operating unit and is the recipient of visits/inspections/searches required by the same Authorities.

REFERENCE LISTS - the anti-terrorism and anti-money laundering lists managed and published by the Bank of Italy, according to Art. 1 paragraph 4 of Italian Legislative Decree no. 369 of 2001 converted into Law no. 431 of 2001. In accordance with current regulations, the updating of these lists is based on indications from the European Union, the United Nations Security Council, US authorities and information exchanged with other countries.

RELEVANT THIRD PARTY - any individual or entity that acts on behalf of or for THE JV's interest or is likely to have relevant contact with a Public Official during the course of his/her work for or on behalf of THE JV (for example Joint Ventures, Agents, Consultants, etc.).

SPONSORSHIP - promotional and advertising communications initiative through which an entity, referred to as "sponsee" or "sponsored", undertakes, for a consideration, to associate the name or distinguishing sign of the "sponsor" to its own business, in order to positively promote its image, identity, brand, or products/services.

SPONSORSHIP CONTRACT - the contract governing the Sponsorship and which defines, among other things, the fee paid by THE JV and the relevant payment methods, and the benefits received by THE JV in return for this payment in terms of trade and/or image (such as the indication of THE JV as the main sponsor, visibility of the brand, insertion of the logo on advertising posters/brochures, etc.); hereinafter also referred to as "contract".

2. MANAGEMENT OF RELEVANT THIRD PARTIES

3.1 General principles

The JV may be held liable for corruption activities committed by its Relevant Third Parties. Therefore, when selecting, entering into contracts and/or managing relations with Relevant Third Parties, the provisions of the Anti-Corruption Compliance Program, the Organizational, Management and Control Model (so called "Model 231"), the Code of Ethics, this procedure and any other regulations must all be respected.

The Relevant Third Party must undergo an adequate and timely check process aimed to ensure that it complies with ethical and anti-corruption standards established by the JV (so called “Due Diligence”). The Relevant Third Parties must sign written contracts before carrying out any activities in the interest of or on behalf of the JV and must only be paid according to what is provided in the contract provisions.

In any case, checks on the good reputation of the counterparty and checks on anti-terrorism and anti-money laundering lists (so called “Reference List¹¹”) must be carried out for all third parties. Moreover, in case the contract is signed, the third party must expressly accept the Code of Ethics, the “Administrative Responsibility” clause according to Italian Legislative Decree n. 231/2001 and abide by the anti-corruption Law or alternatively it must adopt controls and ethical principles not in conflict with those of the JV.

All contracts or formal relations with one or more Relevant Third Parties must be negotiated, concluded and administered in compliance with this procedure and additional regulatory instruments provided by the JV.

The JV’s employees cannot accomplish or enter in the final negotiation phase of a contract/relationship with a Relevant Third Party, without prior authorization and in accordance with the process described herein.

3.2 Operating procedures

The responsibility of carrying out the Due Diligence is generally attributed to the Manager appointed by the Company to oversee the operation, and he / she must ensure that the contract is negotiated and signed only when the due diligence process is finalized.

Depending on the type of Relevant Third Party, the Manager appointed to perform the Due Diligence is:

¹¹ Reference Lists indicates the lists drafted and published by the Bank of Italy (OFAC list: <https://sanctionssearch.ofac.treas.gov/>; ONU list: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>; UE list: http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm), formerly Art. 1, Clause 4-bis of L.D 369 2001, converted into Law 431 2001. Pursuant to legislation in force, the lists are updated on the basis of information provided by the European Union, the Security Council of the United Nations, American authorities and the exchange of information with other countries.

- Legal Manager: for Joint Ventures and Agents;
- Procurement Manager or Project Manager: for Suppliers and Subcontractors (included Consultants).

If a Due Diligence is necessary (see Annex A – Anti-Corruption Flow Chart), the appointed Manager must perform either a Standard Due Diligence or “Simplified” Due Diligence, when deemed sufficient.

After choosing the most suitable mode for the execution of the Due Diligence, the appointed Manager will collect and verify the relevant information.

The Annex C – Due Diligence Questionnaire Guidelines provide instructions on how to examine, identify and document the due diligence process.

The appointed Manager will ensure the traceability of the checks carried out.

3.2.1 Standard Due Diligence

For the Standard Due Diligence, the appointed Manager must:

- a. verify the presence of the potential Relevant Third Party in specific databases that reveal if there are investigations, indictments or convictions for serious crimes against the Relevant Third Party, with regards to terrorism and money laundering (i.e. Reference List Check) (see Annex C point “Interdicted or restricted parties lists”);
- b. verify that the potential Relevant Third Party has not been excluded during bids because it has been sentenced for corruption (see Annex C point “Companies and individuals barred from taking part in local, national or international contracts”);
- c. if the counterparty is an Italian company, verify compliance with the requisites of current anti-mafia certification regulations. In case of multi-year contracts, this check should be carried out whenever there are any contractual changes and in cases required by the law (e.g. changes in the counterparty's ownership structure). The anti-mafia certification can be also self-certification signed by third party.
- d. send to the potential Relevant Third Party the following documentation:

1. the Third Party Questionnaire, referred to in Annex B, must be filled in by the potential Relevant Third Party;
 2. the Compliance Declaration, referred to in Annex D, must be signed by the potential Relevant Third Party;
- e. once the Third Party Questionnaire filled by the potential Relevant Third Party has been received, verify the relevant information as prescribed within instructions in the Annex C – Due Diligence Guidelines.

3.2.2 Simplified Due Diligence

In case a Simplified Due Diligence is sufficient, the appointed Manager must only:

- a. verify the presence of the potential Relevant Third Party in specific databases that reveal if there are investigations, indictments or convictions for serious crimes against the Relevant Third Party, with regards to terrorism and money laundering (i.e. Reference List Check);
- b. verify that the potential Relevant Third Party has not been excluded during bids because it has been sentenced for corruption;
- c. ensure that there are no conflicts of interest with the Relevant Third Party; if such situation does exist, it must abstain from the specific activities and delegate it to another Function;
- d. if the counterparty is an Italian company, verify compliance with the requisites of current anti-mafia certification regulations. In case of multi-year contracts, this check should be carried out whenever there are any contractual changes and in cases required by the law (e.g. changes in the counterparty's ownership structure). The anti-mafia certification can be also self-certification signed by third party;
- e. request for the potential Relevant Third Party to fill in only Point F – “Additional Relevant Information” of the Third Party Questionnaire, referred to in Annex B;
- f. request for the potential Relevant Third Party to sign the Compliance Declaration, referred to in Annex D.

3.2.3 Evaluation Note

All data and information collected for the purpose of carrying out a standard due diligence must therefore be adequately formalized in an Evaluation Note (see Annex E – Due Diligence Evaluation

Note) of the Relevant Third Party, which should be brought to the attention of Anti-Bribery Compliance Unit.

The Evaluation Note of the Relevant Third Party must contain, at least, the following information:

- a. the reasons why the Relevant Third Party's operations are considered essential or, in any case, useful for the pursuit of THE JV's objectives, also based on the actual capacities and skills of the Relevant Third Party;
- b. the description of operations that will be performed by the Relevant Third Party and the reasons why the compensation agreed with the Relevant Third Party may be considered reasonable (e.g. experience and the professional qualifications of the Relevant Third Party; the Country in which the latter will operate; the service object of the contract; the quantity and the difficulty of the work to be carried out);
- c. the express declaration that the Due Diligence has been completed and that checks were performed in line with the principles contained in this procedure, in the Anti-Corruption Policy and in any other JV's regulations and applicable laws;
- d. the description of any red flags that emerged or were identified during the Due Diligence;
- e. a list of the sources used to verify the information contained in the Third Party Questionnaire and to carry out the Due Diligence.

The Note, including all reference documents, must be sent by the appointed Manager to the Anti-Bribery Compliance Unit.

During the evaluation phase, the appointed Manager can ask the Anti-Bribery Compliance Unit for further clarifications, if necessary.

Having assessed the results of the anti-corruption Due Diligence and the existence of any red flags, the Anti-Bribery Compliance Unit will reply to the appointed Manager, proposing, if necessary, possible actions and solutions.

The appointed Manager cannot enter in the final phase of the negotiation with the Relevant Third Party without first having received this reply from the Anti-Bribery Compliance Unit.

3.3.4 Contract Requirements

The contract with the Relevant Third Party must be drawn up in writing and signed in compliance with this paragraph.

The appointed Manager must ensure that the compensation amount is reasonable and appropriate as well as proportional to the subject of the contract, the Relevant Third Party's experience and qualifications, the Country where the job will be performed, the quantity and the difficulty of the work to be carried out.

The contract with the Relevant Third Party must contain:

- a. the name of the Relevant Third Party (If it is a company, then the name of the legal representative or his/her delegate must also be included. In the case of delegation, the documentation granting signing authority must also be included.);
- b. the detailed description of what the Relevant Third Party will provide and the timeframes for the performance;
- c. currency and the amount to be paid;
- d. the terms for invoicing (or methods for collection/payment) and the conditions for payment, taking into consideration that (i) payment must be strictly commensurate to the service indicated in the contract; (ii) payments must be made directly and exclusively to the Relevant Third Party and cannot in any way be made to a party other than the counterparty of the contract or in country other than the party's country or where the contract will be performed; payments must be made exclusively to an account in the name of the Relevant Third Party, as indicated in the contract and never to a numbered account or in cash;
- e. the clause regarding "Administrative Responsibility": *"The JV has adopted a Model of Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and an Ethic and Compliance Program, in order to ensure adherence to the law, fairness and transparency in the conduct of its business and the compliance to international anti-bribery principles. One of the building blocks of this model is that the Code of Ethics, which can be overviewed also on the JV's corporate website, and which the Intermediary declares to be aware of. Consequently, the [Relevant Third Party] shall assume the obligation,*

within and for the purposes of this contract, not to engage in conduct or carry out actions that can determine legal consequences for the [Relevant Third Party], in accordance with Legislative Decree no. 231/2001 and the international principles of anti-bribery.

The [Relevant Third Party] understands that compliance with this provision of law is an essential element of this agreement and in case of not fulfillment CONTRACTOR may terminate the CONTRACT”.

- f. The JV's right to perform an audit on the Relevant Third Party should the JV have a reasonable suspicion that the Relevant Third Party may have violated anti-corruption Laws or contractual provisions regarding compliance and right to verify if the Relevant Third Party effectively implements a compliance program in line with international regulations (e.g. FCPA and UK bribery act);
- g. the Relevant Third Party commitment to:
 - 1. inform the JV promptly of any potential critical issues, including pending criminal proceedings filed against it as well as pending criminal proceedings involving Principals, at the enquiry phase, or in relation to which there have been summons to trial, or request of indictments, convictions or application of the penalty under the request of the parties, or in relation to which there have been precautionary measures or preventive measures, also according to anti-mafia regulations in force;
 - 2. promptly report to the JV any request or demand for any undue financial or other benefits received in connection with the performance of the contract and promptly report to the JV any change regarding information - including changes in ownership - provided during the selection process and/or when the contract was signed;
 - 3. guarantee that the sum of money payable under the contract is the amount due only for the services provided and that no part of the amount will be paid, either directly or indirectly, to a Public Official or the family member of a Public Official or any private party for the purpose of corrupting them and in any case in violation of applicable laws;
 - 4. make all documentation and information available that is reasonably requested for the audits mentioned in point “f. 1.” and to file and store that documentation, regarding each service performed under the contract, for ten years;

5. not transfer to third parties the contract or part of the rights and obligations included in the contract, without prior written authorization from the JV;
6. in case of subcontracting, to:
 - prior to signing the contract, perform checks that the subcontractor meets the compliance requirements that are requested by the JV's internal regulations, including those of this procedure;
 - obtain prior authorization from the JV for any subcontracting;
 - guarantee that any subcontractors perform services related to the contract only on the basis of a written contract that imposes comparable conditions to those taken on by the Relevant Third Party with the subcontractor and comply with anti-corruption Laws.

Depending on the circumstances of each transaction, the appointed Manager shall also ensure that the Anti-Bribery Compliance Unit is consulted before waiving or modifying any of the commitments, rights or conditions provided in this paragraph, specifying in writing the reasons for the request and the content to be modified or waived. The Anti-Bribery Compliance Unit will evaluate this request and recommend, if necessary, possible actions/ solutions to the appointed Manager with, in any case, a written reply.

If, during the course of the Due Diligence, it is detected that the Relevant Third Party, or one of its shareholders, is a former employee of the JV, the appointed Manager must submit the contract to the Human Resources Manager for prior approval, in order to assess it from a labor legislative perspective or make any other necessary assessments.

3.2.5 Contract Manager

A Contract Manager must to be appointed for each contract signed by the JV, and he/she is responsible for:

- a. appropriately and continuously monitoring services provided by the Relevant Third Party to ascertain the correct performance of the contract;

- b. monitoring press news regarding for example corruption, fraud, abuse of office, money laundering of the Relevant Third Party during the performance of the contract and communicating any issues to the appropriate legal unit;
- c. monitoring that the Relevant Third Party always acts in compliance with criteria of the highest diligence, honesty, transparency, integrity and in compliance with anti-corruption Laws, the Code of Ethics, Model 231, the Anti-Corruption Policy, the Anti-Corruption Procedures and contractual provisions;
- d. taking specific circumstances and the type of the Relevant Third Party into consideration, ascertaining and ensuring that the latter, if a legal entity, has adopted an Anti-Corruption Program and that it is maintained for the entire duration of the contract;
- e. signaling any possible red flags in the operations carried out by the Relevant Third Party and immediately alerting the Anti-Bribery Compliance Unit of any inadequacy, gap or suspected violation;
- f. ensuring the traceability of the contractual relations, also as evidence that the services have been carried out correctly.

3. RELATIONS WITH THE PUBLIC ADMINISTRATION AND RELEVANT PRIVATE ENTITIES

4.1 General principles

In line with the provisions of the JV's Anti-Corruption Compliance Program, all relations of the JV Personnel with the Public Administration or Relevant Private Entities must respect the following principles:

- relations with the Public Administration and Relevant Private Entity must be performed with transparency, honesty and traceability of behavior and are reserved exclusively to the competent functions and positions;
- collusive behavior, favors, direct solicitation and/or solicitation through third parties in order to obtain personal gain or gain for the JV are prohibited;
- the JV Personnel must not try to improperly influence decisions of the Public Administration or Relevant Private Entities, including those of public officials and representatives of Relevant

Private Entities that negotiate or make decisions respectively on behalf of the Public Administration and the Relevant Private Entities, during a negotiations, a request or any relationship with them;

- it is forbidden to give or offer, directly or indirectly, cash or gifts or any benefit to the Public Administration and Relevant Private Entities or their Family Members, to compensate them for the performance of any act of his/her office;
- for all relations with the Public Administration and Relevant Private Entity must be arranged, and properly archived, an appropriate written reports;
- in the main phases of the negotiation or proceedings, contact between the Public Administration and Relevant Private Entities with the JV Personnel must be maintained, by at least two people from different units or the same;
- it is prohibited, in any case, to make induce or encourage false statements to the Authorities.

The traceability of all relations with the Public Administration or Relevant Private Entities described in this procedure is ensured by drafting minutes/reports/explanatory notes and by the properly filed and stored of such.

Minutes/reports/explanatory must contain the information necessary to guarantee a complete and exhaustive account of the event and must include, by way of example but not limited to, the following:

- date and place of the meeting/contact with the Public Administration and Relevant Private Entities;
- the subject and purpose of the meeting;
- names and roles of the meeting participants;
- topic discussed and conclusions.

It is not required to draft minutes/reports/explanatory notes in case Public Administration or Relevant Private Entity prepares itself the related document and makes it available to the company. In this case, the Contact Person or the Attorney must verify its accuracy and completeness and declare if it is sufficient to ensure the traceability of the activities and if it contains all the minimum information required as outlined above.

Attorney and Line Managers must take particular care to:

- diffuse and illustrate this procedure to all their collaborators, requesting to comply with the same;
- represent with their behavior in dealing with the Public Administration and Relevant Private Entities a proper behavior model for all their collaborators;
- inform any third parties appointed by the JV to have relation with the Public Administration or Relevant Private Entities of the processes and controls defined in this procedure and require the same to comply with procedures and controls present in it. In line with the provisions of the paragraph 3 "Management of Relevant Third Parties" and the Anti-Corruption Compliance Program, said third parties must be subjected to an adequate due diligence process, they must enter into written contracts before beginning any activity for, or on behalf of, the JV and they must be remunerated only in accordance with the stipulated contractual conditions. All contracts with Relevant Third Parties must be negotiated, entered into and managed in compliance with the anti-corruption provisions that regulate such contracts;
- ensure that all the documents and reports are filed ensuring the traceability of relationships with the Public Administration and Relevant Private Entities.

4.2 Operating procedures

4.2.1 Making initial contact with the Public Administration or Relevant Private Entities

Before making contact with, or following up contact, with the Public Administration or Relevant Private Entities the Contact Person must:

- check if he/she has the responsibilities and/or powers (conferred him/her by a power of attorney, service order, organizational notice or other appropriate organizational instrument or power of attorney) to perform the activities;
- in case his/her responsibilities and/or powers are not sufficient to perform the activities in question, before starting or proceeding with the above contact, he/she must inform his/her Line Manager and obtain written authorization to perform the activity.

After the check above, the Contact Person can proceed with making contact with the Public Administration or Relevant Private Entities.

In case the Attorney is different from the Contact Person, following these contact activities, the Contact Person must draft an explanatory note with any attachments to be sent to the Attorney for its acknowledge and/or any remarks.

4.2.2 Requests for measures to be taken by the Public Administration or for certification/attestation by Relevant Private Entities²

An attorney must sign all the requests addressed to the Public Administration or Relevant Private Entities related to activities of interest to the JV.

Upon signing the request, the Attorney must:

- check that he/she has the appropriate power of attorney to sign the documentation relating to the request;
- check that the request has been checked/validated in terms of the technical aspects by a specialist unit in the matter or a person competent for the matter;
- verify, in order to ensure the segregation of duties, that the request has been checked/validated by a unit or figure other than the unit/figure that prepared it;
- check that the sources (units, persons, archives, databases, etc.) of the information contained in the request have been clearly identified.

The Attorney must then file and store a copy of the signed request and any eventual attachments.

4.2.3 Negotiation and signing of agreements/contracts with the Public Administration or Relevant Private Entities

A. Negotiation phase

Prior to beginning negotiations, the Contact Person must:

- check if he/she has the responsibilities and/or powers (conferred him/her by a power of attorney, service order, organizational notice or other appropriate organizational instrument or power of attorney) appropriate for the negotiation activities to be performed;

² For example in the case of relations with bodies for the assessment and certification of conformity and/or in the case of the award of ratings by qualified agencies, etc.

- in case his/her responsibilities and/or powers are not sufficient to perform the activities in question, before start with the negotiation, he/she must inform his/her Line Manager and obtain written authorization to perform the activity;

During the negotiation phase, the Contact Person must:

- be accompanied by another the JV's employee (if possible from a different unit) in the moment considered significant for the purposes of the negotiation;
- after each meeting/conversation that is significant for the purposes of the negotiation, prepare a detailed report, submit it to his/her Line Manager for supervision purposes and/or for any indications and then ensure they are filed.

On completion of the negotiations, the Contact Person must:

- prepare a detailed report of the operation, send it to his/her Line Manager for supervision purposes and/or for any indications and then ensure that the final report, formally validated by the Line Manager, is filed.

B. Signing phase:

An attorney must sign all the Agreements/contracts with the Public Administration or with Relevant Private Entities. In order to guarantee the segregation, the Attorney signing the agreement must be different from the person that conducted the negotiation phase.

At the end of the negotiations and prior the contract/agreement signature, the Attorney, verified that he/she has the necessary formal powers to sign the contract/agreement, must:

- verify the report describing the operation and any attached documentation provided by the Contact Person;
- check that the text of the contract/agreement has been shared with the competent units/persons on the matter;
- check that the sources (archives, databases, etc.) of the information contained in the contract/agreement have been clearly identified.

The Attorney must also ensure that the contract/agreement and any attached documentation is filed and stored.

4.2.4 Notification of the fulfilment of obligations towards the Public Administration or Relevant Private Entities

Notification of the fulfilment of obligations/services towards the Public Administration or Relevant Private Entities (for example, the completion of works, implementation of provisions, performance of checks, transmission of data/information, etc.) or any objections must be signed by the Attorney that before signing must:

- check that he/she has the appropriate power of attorney to sign the notification;
- check that the notification has been checked/validated in terms of the technical aspects by a unit specialist on the matter or person competent on the matter;
- check, in order to ensure the segregation of roles, that the notification has been checked/validated by a unit or figure other than the unit or figure that prepared it;
- check that the sources (persons, archives, databases, etc.) of the information contained in the notification have been clearly identified.

The Attorney must then file and store a copy of the signed notification and any attachments.

4.2.5 Activities related to audits and/or other checks by the Public Administration or Relevant Private Entities in order to obtain certification

In occasion of visits/audits and other checks performed by the Public Administration or Relevant Private Entities in order to obtain certification, the Contact Person must:

- inform the Line Manager, if possible prior to the start of the inspection;
- maintain the traceability of all the incoming and outgoing documentation during the visit, the audit and/or the check;
- collect and send to the Line Manager all the documentation produced during the visit, audit or checks, and a written note attaching, if available, the minutes drafted by the Public Administration or the Relevant Private Entity.

4.2.6 Requests for information and/or for the production of documents by the Authorities

In case of requests for information and/or documents by the Authorities, the JV Personnel must promptly submit it to the attention of the Legal Department and must respond in writing providing

truthful and complete information, in collaboration with the same Legal Department and any other JV units competent on the matter.

4.2.7 Visits by the authorities

The Authorities generally have the power to perform un-planned inspections/searches of company premises. In carrying out these visits, the officials/representatives of the Authority in question, also with the help of the judicial police if required, may:

- freely access all areas of the companies that are subject to the inspection/search;
- examines and requires any documents useful to their investigation.

Any JV Personnel required to manage a visit by the Authorities must, on arrival of the officials of the authority in question, immediately contact the security staff who:

- checks the identities of the inspectors by examining the identification documents/badges of the officials and records the time of their entry and exit;
- asks to know, in observance of the investigation procedures and the protection of judicial data, the reasons and the prerogatives under which the visit by the official of the Authority is to be carried out;
- asks with whom they intend to confer and to which office they intend to go;
- immediately informs the Legal Department and the manager of the unit concerned³, who must go as soon as possible to the offices subject to the inspection so as to be on hand to provide assistance during the visit;
- if the visit is taking place on the order of the Authorities, asks to see a copy of the authorizing/ordering warrant of the action and, eventually gets a copy of all the documentation.

During the visit/inspection/search, JV Personnel must:

- not hinder the activities, facilitating, as per his/her competence, its regular and effective execution;

³ If, and only if, at the time of the visit the manager of the unit concerned is not present in the office or at the site in question, or it is not possible for him/her to get there in time, the manager in question delegates the responsibility, in writing, to someone of a suitable level in the company organization. The delegated person must keep in contact with the manager of the unit concerned during the visit to ensure the prompt provision of information.

- allow the Official of the Authority access to all the documentation (paper and electronic) requested, as long as pertinent to subject of the visit/inspection/search and allow the Officials to take the documents requested and, if possible, to copy them;
- oppose, with the support of the Legal Department, any requests by the Authorities to examine any correspondence that has taken place with external legal representatives. If there is any disagreement with the officials of the Authority regarding the confidentiality of certain documents, the JV Personnel must, with the support of the Legal Department, make the appropriate objections to protect the company's interests, making sure that the objection is noted in the reports on the operations performed;
- not modify, remove or destroy any documents;
- respond to requests for information made by the Officials of the Authority in relation to facts or documents subject of the visit/inspection/search, requesting to report the activities in accordance with the applicable regulations.

Moreover, at the end of the visit/inspection/search, it is necessary to:

- cooperate with the Officials of the Authority in preparing the reports, verifying that all the information contained therein corresponds to the activities actually carried out;
- request a copy of the report from the officials of the Authority, in which must be analytically indicated the documentation effectively taken and the statements made, as well as any feedback provided;
- in case it is necessary to provide further information/data/documents, even after the visit/inspection/search, the JV Personnel, with the support of the Legal Department, must ensure its collection in order to promptly satisfy the needs of the Authority's request.

4.2.8 Payments to the Public Administration/Relevant Private Entities

Payments to the Public Administration are permitted only as required by obligations of law, executive orders or regulation or agreements signed by the company. Payments addressed to Relevant Private Entities are permitted only in accordance with agreements signed by the company.

Furthermore:

- payments made in cash or equivalent payment instruments (bank/post passbook, Bank/postal cheques) and payments to anonymous numbered accounts are not permitted;
- payments must be made using the bank or post office current account indicated in the agreement signed by the company or formally indicated by the Public Administration/Relevant Private Entity;
- it is not permitted to make payments to any party other than to the beneficial Public Administration/Relevant Private Entity or in any country other than the one of the beneficiary Public Administration/Relevant Private Entity;
- payments must be recorded in the books and records of the company in a clear and transparent manner.

When payments have to be performed, the Contact Person must:

- prepare the payment request containing the reason for the payment, the amount, the beneficiary and all the other necessary information, and sent it to the Attorney for the authorization. After the authorization the request is sent to the department designated to make the payment;
- file the authorized payment request and any eventual supporting documentation for the financial resources used.

4. GIFT, HOSPITALITY AND ENTERTAINMENT EXPENSES

5.1 General principles

In line with the provisions of the JV's Anti-Corruption Compliance Program, the JV Personnel is not authorized to accept any form of gift, hospitality and entertainment expenses from third parties, whether for themselves or for others, even those that are not financial, that aim at obtaining an improper advantage, personal or business related, or that could be interpreted so.

Gifts, hospitality and entertainment expenses can be granted or received if they belong in the context of a commercial courtesy act and cannot compromise integrity and/or reputation of either party and if they cannot be interpreted by an external observer as aimed at creating an obligation of gratitude or to obtain an improper advantage.

Then, the only forms gifts, hospitality and entertainment expenses, offered or received, must be:

- made in relation to legitimate business purposes, in good faith and in accordance with morality principles;
- recorded accurately and transparently within the company financial records according to the JV regulations;
- supported by appropriate documentation in order to identify the name and title of each beneficiary, as well as the purpose of the expenditure in question (included organisational aspects);
- strictly of limited value that is commensurate with the position and circumstances of the beneficiary and not luxurious;
- granted in good faith;
- compliant with generally accepted professional courtesy standards (e.g. Christmas gift) or having promotional/informational purposes;
- not granted in payment form;
- compliant with the local laws and regulations that apply to the Public Official and private party, including when existing, codes of conduct of the organizations or entity to which they belong;
- compliant with the Code of Ethics, the Anti-Corruption Model, and this procedure.

These principles cannot be derogated and are applicable with regard to the JV's employees and third parties, even in countries where it is usual to offer gifts and hospitality or any other benefits.

5.2 Operating procedures: offered gifts, hospitality and entertainment expenses

5.2.1 Gifts offered by the JV Personnel to third parties

Gifts offered by the JV Personnel to third parties are only promotional gifts, usually of low cost (gadgets).

The Managing Director defines annually the type of gifts which is offered by the JV Personnel to third parties and entrust the Procurement Department to perform the purchase.

The Procurement Department communicates to the JV's Function concerned the availability of gifts which may be offered to third parties, and for information to Anti-Bribery Compliance Unit.

5.2.2 Requests for measures to be taken by the Public Administration or for certification/attestation by Relevant Private Entities⁴

Any hospitality must be strictly related to the JV's business activities and for promotional/informational purpose and must be authorised by the Managing Director.

Hospitalities planned during the public holiday are prohibited as well as to organise them in vacation spots. Moreover, invite family member or acquaintances of the guests is prohibited.

The JV employee who organises the hospitality must send a request for authorization to Managing Director, and for information to Anti-Bribery Compliance Unit, in which must:

- a description of the event (for example, workshop, promotional event, fulfilment of an agreement with a public administration, training seminar, etc.)
- define the program activities and the agenda for each day of the event;
- define the attendee list;
- ensure that costs and type of hospitality are in line with the expenses amount defined by the Company.

The employee must send the evidence that the event has taken place (e.g. pictures, brochure of the event, etc.) and the attended list signed by the entrants to the Anti-Bribery Compliance Unit, once the event has been concluded.

To obtain reimbursement, the employee must:

- fill out the "Expenses sheet" form (Annex F) and sign it;
- attach supporting documentation for expenditure to the Expenses Sheet;
- submit the Expenses Sheet, which has been authorised by the Managing Director, to the Administration Department for subsequent reimbursement;
- send a copy of "Expenses sheet" authorised by the Managing Director to Anti-Bribery Compliance Unit for recording in the "Offered hospitality and entertainment" (Annex G) register.

⁴ For example in the case of relations with bodies for the assessment and certification of conformity and/or in the case of the award of ratings by qualified agencies, etc.

In the event that the recipient of Hospitality is a Public Official, the “Expenses sheet” must contain an explicit statement prepared by the requester in which attest that any expenses offered respected the criteria specified under the JV regulations, as well as any regulations applicable to the Administration to which the Public Official belongs, including any codes of conduct of the Administration’s, and did not intended to exert improper influence, create a debt of gratitude, or seek to gain an advantage in an improper way.

5.2.3 Entertainment expenses offered in favour of third parties

Any entertainment expenses, which shall be based on the business activities performed by the employee, must be carry out only with Corporate Credit Card and are prohibited entertainment expenses made in cash. In the JV entertainment expenses are mainly meals may be offered during business meetings.

Once the expenditure is made, the employee must:

- fill out the “Expenses sheet” form (Annex F) and sign it, specifying the name and title of each beneficiary in favour of whom the expenses have been incurred and the purpose of such expenses;
- attach supporting documentation for expenditure to the Expenses Sheet;
- submit the Expenses Sheet, which has been authorised by the Managing Director, to the Administration Department for subsequent reimbursement;
- send a copy of “Expenses sheet” authorised by the Managing Director to Anti-Bribery Compliance Unit for recording in the “Offered hospitality and entertainment” (Annex G) register.

In the event that the recipient of entertainment expenses is a Public Official, the “Expenses sheet” must contain an explicit statement prepared by the Requester that any expenses offered respected the criteria specified under the JV regulations, as well as any regulations applicable to the Administration to which the Public Official belongs, including any codes of conduct of the Administration’s, and did not intended to exert improper influence, create a debt of gratitude, or seek to gain an advantage in an improper way.

5.2.4 Offered hospitality and entertainment expenses" register

The "Offered hospitality and entertainment expenses" register allows Company to guarantee the traceability of hospitality and entertainment expenses offered by the JV or the JV employees in favour of third parties.

The register has two sections:

A. "Hospitality offered in favour of third parties", in which are reported the following information:

- description of the event (for example, workshop, promotional event or an explanation of products or services, fulfilment of an agreement with a public administration, training seminar etc.);
- value of the hospitality has been offered;
- recipients of the hospitality has been offered with explicit details of the name, title and Company/Public Administration to which they belong (i.e. attendance lists).

B. "Entertainment expenses offered in favour of third parties", in which are reported the following information:

- name, title and Company/Public Administration to which they belong of each beneficiary in favour of whom the expenses have been incurred;
- purpose of such expenses;
- value of the expenses.

Anti-Bribery Compliance Unit is in charge for maintaining the register.

In addition, the expenditure detailed in the "Offered hospitality and entertainment expenses" register, must also be recorded in an accurate and transparent manner in the Company's financial information with the related supporting documentation in order to identify the name and title of the beneficiaries, as well as the purpose of such expenses.

5.3 Operating procedures: received gifts, hospitality and entertainment expenses

5.3.1 Gifts, hospitality and entertainment expenses offered to, or received by the JV Personnel

Gifts, hospitality and entertainment expenses offered to, or received by the JV Personnel should be addressed to the Company. In any case, who is being offered, or who receives it must check the consistency of it with the requirements specified in this procedure and:

- a) if they not considered it as an act of commercial courtesy must:
 - refuse it,
 - immediately inform the Anti-Bribery Compliance Unit, and
 - request their recording in the "Received gifts, hospitality and entertainment expenses" (Annex H) register, as specified in the following paragraph 5.3.2;
 - if they consider it as commercial courtesy, but its actual or estimated value exceeds (or probably exceeds) individually or cumulatively (when received from or offered by the same individual or entity within a one year period) threshold of € 200, the JV Personnel must request their recording in the "Received gifts, hospitality and entertainment expenses" register, as specified in the following section 5.2, regardless of whether this is accepted or rejected.

5.3.2 "Received gifts, hospitality and entertainment expenses" register

Any gift or hospitality offered to, or received by, the JV Personnel (even if refused) whose value exceed threshold of € 200 must be recorded in the "Received gifts, hospitality and entertainment expenses" register in an accurate and transparent manner.

Gifts and hospitality must be recorded even if does not exceed the single threshold specified above, if there are gifts or hospitality offered or received by, the same person or entity more than once during a calendar year, and the aggregate value of that gifts or hospitality is equal to or greater than € 200 throughout the calendar year (cumulative threshold).

The register includes the following information:

- the name of the JV Personnel who has been offered or who has received gifts, hospitality or entertainment expenses (the beneficiary);

- the name of the Company and the individual who has made such an offer or provided gifts, hospitality or entertainment expenses;
- the date the gifts, hospitality or entertainment expenses was offered to the JV Personnel (beneficiary);
- a brief description of the gifts, hospitality or entertainment expenses (e.g. a present, hospitality or other benefits) and details of the actual or estimated value;
- an indication of whether it was accepted or refused and related reasons.

Anti-Bribery Compliance Unit is in charge for maintaining the register.

5. SPONSORSHIP AND NO PROFIT INITIATIVE

6.1 General principles

In line with the provisions of the JV's Code of Ethics and the Anti-Corruption Policy, the Company may grant sponsorships to private and public entities and non-profit organizations made on a regular basis, especially if aimed at social, cultural or solidarity objectives, in accordance with the requirements of applicable accounting, financial reporting and tax legislation.

Sponsorship activities and no profit initiatives are sensitive to matters related to anti-corruption laws. The JV pays attention to any possible personal or corporate conflict of interest for any sponsorship activity and no profit initiative, which may represent a risk to the Company if configured as a corruption act.

The JV prescribes that sponsorships, in order to be carried out, have to be initiatives that exclusively aims to brand's promotion, activities or services and similar of the JV.

All sponsorship activities must be formalized in written contracts, in order to prevent being considered as an illusory form of conferring a benefit to a third party for company's advantage.

Whereas no profit initiatives (i.e. Donations and charitable contributions), in favor of a Public Official or individuals, represent a risk for the Company if these have the purpose of obtaining or retaining business or ensuring an unfair advantage to the Company. Charitable contributions and donations must belong to the initiatives that have the exclusive aim of social solidarity for

disadvantaged people. The JV is committed to offering assistance to organizations and charitable causes that improve the quality of life of the communities in which the JV operates.

Any request coming from a Public Administration representative or from an employee of a specific organization is an alert. Similarly, there is an alert if a director or a manager of the proposed beneficiary is a Public Official or a Public Official's relative.

Moreover, all contributions must be performed using traceable and non-transferable payment instruments and accompanied by an official Company letter, confirming that the Company is aware that the purpose of the contribution is legitimate. If the JV intended to grant contributions in kind (supplying of building materials or building for charitable purposes), in addition to the above described principles and requirements, contributions must be adequately accounted by means of all the necessary administrative and accounting supporting documentation. If appropriate, declarations and guarantees may be required from the contribution recipient, with reference to the use of funds/donated goods or, if necessary, the provision of other reporting tools in order to monitor the donated funds.

6.2. Operating procedures

6.2.1 Sponsorship activities

All the JV's sponsorship activities are authorized by the Managing Director.

Once the sponsorship activity has been authorized, the Anti-Bribery Compliance Unit must perform a due diligence on potential partners of the sponsorship contract, as defined at paragraph 6.2.3 "Due Diligence".

Once the check above are performed, the sponsorship contract can be concluded and must include:

- an adequate description of the nature and purpose of the single initiative, amount, terms and conditions of payment;
- a statement of the counterparty that the amount paid is used exclusively for the purpose of the initiative;

- a clause for the counterparty to comply with anti-corruption laws and applicable laws;
- an “Administrative Responsibility” clause for the counterparty by which the latter is committed to act in accordance with the Code of Ethics, the Organizational Model and the Anti-Corruption Compliance Program of the JV;
- the right for the JV to terminate the contract, stop payments or receive compensation for damages in case of violation by the counterparty of the obligations and statements listed above or in the event of violation of the anti-corruption laws or anti-corruption commitments required by the contract;
- the right for the JV to perform audits on the counterparty, in the event that it has a reasonable suspect that the latter may have violated the provisions required by the legislative instrument and/or the contract.

All sponsorship contracts are signed by the Managing Director and sent to Anti-Bribery Compliance Unit for information, and before to perform the payment, the Anti-Bribery Compliance Unit must obtained evidence that the sponsorship has taken place (e.g. brochure of the initiative sponsored, etc.).

6.2.2 No profit initiatives

All no profit initiatives must be verified and approved in advance by the Anti-Bribery Compliance Unit and authorized by the Managing Director.

Once the no profit initiatives has been authorized, the Anti-Bribery Compliance Unit must carry out a due diligence on potential beneficiary of the no profit initiatives, as defined at paragraph 6.2.3 “Due Diligence”.

The Function responsible for the implementation of the no profit initiative sends a progress report at least annually and a final report when the initiative is concluded to Managing Director and to Anti-Bribery Compliance Unit. The progress and final report must contain the detail of expenses incurred and specify if the total cost is in line with expenditure authorized or not.

6.2.3 Due Diligence

The Anti-Bribery Compliance Unit must perform either a Standard Due Diligence, if the partner/beneficiary is new, or “Simplified” Due Diligence, if the partner/beneficiary has a regular business relations with the JV with no problem arouse or if it is a well-known international body.

After choosing the most suitable mode for the execution of the Due Diligence, the Anti-Bribery Compliance Unit collect and verify the relevant information, in particular:

- in case of standard Due Diligence, the Anti-Bribery Compliance Unit must:
 - f. control the presence of the potential partner/beneficiary in specific databases in order to verify if there are investigations, indictments or convictions for serious crimes against partner/beneficiary, with regards to terrorism and money laundering (i.e. Reference List Check);
 - g. verify, if required (e.g. for ONG) and if the partner/beneficiary is Italian, the compliance with the requisites of current anti-mafia certification regulations. The anti-mafia certification can be also self-certification signed by third party;
 - h. send to the potential partner/beneficiary the Due Diligence Questionnaire (Annex I) to be filled and returned to the JV;
- in case of simplified Due Diligence, the Anti-Bribery Compliance Unit must:
 - g. control the presence of the potential partner/beneficiary in specific databases in order to verify if there are investigations, indictments or convictions for serious crimes against the partner/beneficiary, with regards to terrorism and money laundering (i.e. Reference List Check);
 - h. verify, if required (e.g. for ONG) and if the partner/beneficiary is Italian, the compliance with the requisites of current anti-mafia certification regulations. The anti-mafia certification can be also self-certification signed by third party;
 - i. ensure that there are no conflicts of interest with the potential partner/beneficiary (e.g. the potential partner/beneficiary is a family member of an the JV employee);
 - j. request for the potential partner/beneficiary to fill in only Point F – “Additional Relevant Information” of the Due Diligence Questionnaire, referred to in Annex I.

Having assessed the results of the Due Diligence and the existence of any red flags, the Anti-Bribery Compliance Unit will communicate to the Managing Director, proposing, if necessary, possible actions and solutions.

6. REPORTING VIOLATIONS

Any known or suspected violation of anti-corruption legislations or of this procedure must be immediately reported in one or more of the following ways:

- a. to the direct supervisor of the employee (or to the main contact in the JV of the business partner, when the violation is reported by a business partner);
- b. to the Anti-Bribery Compliance Unit;
- c. to the Supervisory Body, in accordance with Section 3.4.3 of Model 231 and art. 55 "Alerts" of the Code of Ethics of the JV.

The direct superior, the Anti-Bribery Compliance Unit and the Human Resources Department will consult with one another to identify the most appropriate way to proceed, including the application of adequate disciplinary measures.

7. DISCIPLINARY MEASURES

The JV makes every reasonable effort to prevent any conduct that could violate anti-corruption Laws, the Anti-Corruption Compliance Program and/or policy and procedures as well as to stop and sanction any misconduct by recipients of this procedure.

Any employee or collaborator, who is not acting in compliance with this policy, or who does not report known or suspected illegal actions, will be subject to disciplinary action, commensurate with the seriousness of the violation carried out, as set out in paragraph 6.3. of Anti-Corruption Compliance Program.

8. CONTROLS, FILING AND BOOKKEEPING

The Anti-Bribery Compliance Unit and the Supervisory Body, based on its annual program, verify the respect of the provisions of this procedure.

The Units involved in the activities regulated by this procedure, each within their own competence, must ensure the documentation is filed and stored in order to enable the necessary checks to be performed and the correct application of the provisions contained herein.

All documentation, relating to this procedure, must be kept for a minimum of 10 years. Accounting records, relating to the activities subject of this procedure, must accurately and fully reflect all operations made by the Company. All costs and charges, income and revenues, receipts and payments, as well as obligations, must be represented in the accounting records in a truthful and correct manner, in compliance with applicable accounting standards and the general Company accounting rules, and must have adequate supporting documentation issued in compliance with the applicable laws.