



**Carraro Drive Tech Italia S.p.A.**

**EXTRACT**  
ORGANISATIONAL, MANAGEMENT AND CONTROL  
MODEL

pursuant to Legislative Decree no. 231 of 8 June 2001

**NOTE- document content:** this document is an extract from the text adopted by the Carraro Drive Tech Italia S.p.A. Board of Directors on September 21, 2023.

**The Recipients of this extract are: Agents, Business Brokers, Dealers and Consultants.**

All parts of the document which are relevant to the aforementioned Recipients, excluding those sections which are relevant only to internal Recipients of the Model (e.g. Employees) or other third parties, have been maintained.

In addition to the data required by law, references to Carraro's internal procedures, instructions and/or operative requirements which, if necessary, are passed on to relevant third parties, have been maintained.

Some clarification to facilitate the understanding of this Document:

- **Special Section, par. 9 Crimes against the Public Administration:** this applies to Recipients only in the case of relations between the same and the Public Administration (the definition of Public Administration extends to the Public Administration of Foreign States).  
Not all natural persons who act in the scope of and in relation to Public Administration Bodies are parties to whom "231 Crimes" may apply (refer to Definitions). Such crimes may apply to Public Officials or Public Service Representatives.
- **Special Section, par. 10 Corporate Crimes and so-called Market Abuse, including Bribery among private individuals and instigation to accept bribes between private individuals:** Corporate Crimes may be defined as such because active individuals may only be "*directors, director generals, liquidators or persons under the supervision of the same*". The Model is deemed a valid tool to promote an awareness among everyone who works on behalf of the Company, including any Consultants (within the scope of their role, activity or competence), so that they may adopt correct behaviour during the course of their activities in order to prevent the risk of "231 Crimes" being committed. For example, the rules of conduct given by letters a) to j) and the relative provisions of the document extend to Consultants (instructed for the preparation of the Financial Statements and other corporate communications). All Recipients may potentially be perpetrators or accessories in crimes of Bribery among private individuals and the instigation to accept bribes between private individuals and must therefore respect the rule of conduct given in letter k), to follow.  
With reference to the prevention of Administrative Crimes and Misconduct of so-called Market Abuse the section "Activities which may affect the Market" may apply to all Recipients who over the course of their activity acquire confidential and/or restricted information.
- **Special Section, par. 11 Crimes relating to Health and Safety in the Workplace, par. 13 Computer Crimes, par. 18 Environmental Crimes:** may apply only to Consultants (within the scope of their role, activity or competence). The scope of activity for Consultants may not be defined a priori, therefore almost the entire special section has been maintained, albeit partly purely for informative purposes. Specific provisions are given in the document in brackets which, although not representing obligations for the Recipients in question, are useful to mention and, if necessary, may be brought to the attention of the relevant third parties.
- **Special Section, par. 12 Crimes relating to Receiving Stolen Goods, Money Laundering and Utilisation of Money, Goods or Benefits of Unlawful Origins, par. 14 Organised Crime, par.21 Tax Crimes, par. 22 Custom Crimes:** apply to Recipients.
- **Special Section, par. 15 Crimes relating to Fraudulent Use or Exploitation of Trademarks, Patents and Distinctive Labels, par. 19 Crimes relating to the Employment of Illegal Workers:** do not apply to Recipients.
- **Special Section, par. 16 Crimes against Industry and Commerce:** applies only to Agents, Business Brokers and Dealers.
- **Special Section, par. 17 Crimes of copyright infringement:** may apply to Consultants (within the scope of their role, activity or competence).
- **Special Section, par. 19 Crimes relating to the Employment of Illegal Workers and Special Section, par. 20 Crimes against the Individual:** do not apply to Recipients.

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## DEFINITIONS

<b>“Consultants”</b>	individuals who act in the name or on behalf of Carraro Drive Tech Italia S.p.A. on the basis of a mandate or other form of collaborative relationship.
<b>“Decree”</b>	Italian Legislative Decree no. 231 of 8 June 2001, also known as “Decree 231”.
<b>“Assignment”</b>	an internal act assigning functions or responsibilities within the company organisation.
<b>“Recipients”</b>	all the parties the Model addresses and, in particular: the company structures and their components, employees, collaborators (including contract workers), agents, brokers, dealers of the Company, the Consultants, Contractors, Service providers as well as the members of the Supervisory Authority that do not belong to the above categories.
<b>“Model”</b>	the organisation, management and control model foreseen by the Decree, adopted by Carraro Drive Tech Italia S.p.A. and represented by this document and its Appendices, forming an integral part of the document.
<b>“OdV”</b>	the Supervisory Authority provided for by the Decree.
<b>“Sensitive Operations”</b>	the set of activities of particular relevance performed by Carraro Drive Tech Italia S.p.A. in the scope of Sensitive Processes.
<b>“Management Body”</b>	the Company Board of Directors.
<b>“Mandate”</b>	the unilateral juridical contract by which the Company assigns power of representation to third parties.
<b>“Sensitive Process/Activity”</b>	the set of company activities and operations organised in order to pursue a specific purpose or manage a particular company sector of the Carraro Drive Tech Italia S.p.A. company, involving potentially at risk of one or more of the Crimes listed in the Decree being committed, as listed in the Special Section of the Model, referred to generically and overall as areas “at risk”.
<b>“Process Owner”</b>	the person who, given the position they hold or the activities they perform, is most involved or has the most visibility in the Sensitive Process in question.
<b>“Public Administration”</b>	for the purposes of criminal law, a “Public Administration Body” is commonly considered as any legal person who is entrusted with the protection of the public interest and who carries out legal, judicial or administrative activities in accordance with public law or authoritative deeds. The following bodies or categories below are given as examples:

- The Leader of the Cabinet;
- Cabinet Ministers;
- House and Senate;
- Italian Antitrust Authority, Italian Electricity and Gas Authority;
- The Bank of Italy;
- Non-economic public bodies (INPS, INAIL, INPDAP, ENASARCO, etc.);
- State monopolies (RAI, ASL, etc.);
- ISTAT;
- The Chamber of Commerce, Industry and Craft Trade and associated bodies;
- Financial administration:
- Customs and monopolies agency

<b>“Crimes”</b>	the types of crime taken into consideration by the Decree, including “231 Crimes” and “Alleged Crimes”.
<b>“Company”</b>	Carraro Drive Tech Italia S.p.A.
<b>“Group Companies”</b>	all companies belonging to the Group controlled by Carraro S.p.A. in accordance with Art. 2359 of the Italian Civil Code.
<b>“Reporting Manager”</b>	collective body appointed by the parent company, also known as the “WB Committee”, whose members are as follows: HR Director, Compliance Officer, Internal Audit Manager and Legal Office. The WB Committee is responsible for managing whistleblowing reports on behalf of each company in Carraro Group.

## INTRODUCTION

The Board of Directors of Carraro Drive Tech Italia S.p.A. (hereinafter also the “Company” or “Carraro”), in the meeting of 16 March 2011 approved the “Organisational, Management and Control Model” in accordance with Legislative Decree no. 231 of 8 June 2001 which introduced the administrative responsibility of legal persons and companies and associations without judicial status (bodies) into the Italian legal system for the first time.

At the same time as the implementation of this Model, the Board of Directors appointed a specific body, the Supervisory Body, which would be entrusted with the supervisory and control tasks required by the Decree.

The Company Board of Directors has made subsequent amendments to the Model:

- on September 10, 2012 in order to comply with the regulatory measures which broadened the scope of crimes included in the Decree and any organisational and company modifications which had taken place, with regards to a preliminary risk assessment.
- on October 29, 2015 following the reorganisation(s) of the Carraro Group during the period and the implementation of new regulatory measures.
- on February 9, 2016 following the change in legislation with Law no. 208/2015 (Stability Law 2016), Art. 1 Paragraph 898, in force from 1 January 2016, which modified the limits for the use of cash, bank or postal bearer or bearer bond deposits (art. 49, Paragraph 1, Legislative Decree no. 231/2007).
- on March 14, 2018 following the inclusion in the Decree of the crimes of illicit brokering and the exploitation of labour (or “illegal recruitment”) and Crimes against the environment (or “eco-crimes”), these were introduced into the Model subsequent to a preliminary risk assessment.
- on April 19, 2018 following the inclusion in the Decree of the following categories of offences incorporated into Legislative Decree no. 231/2001:
  - Bribery among private individuals (as reformulated by Legislative Decree 38/2017) and the instigation to accept bribes between private individuals (Art. 25 *ter* of Legislative Decree 231/2001 by Legislative Decree 38/2017);
  - Illegal immigration (Law no. 161 of 17 October 2017, introduced under Art. 25 *duodecies* of Legislative Decree 231/2001);
  - “Racism and xenophobia” (Law no. 167 of 20 November 2017, introduced the new Art. 25 *terdecies* of Legislative Decree 231/2001).
- On February 27, 2019 following the
  - amendments pursuant to Article 6 of Italian Legislative Decree no. 231/2001 introduced by Law no. 179/2017 on the subject of Whistleblowing
  - introduction in the Decree of the crime of “trading in influence”<sup>1</sup>.

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<sup>1</sup> On 16 January 2019, Italian Law no. 3 of 09 January 2019 “Measures to combat crimes against the Public Administration as well as on the statute of limitations of the crime and on the transparency of political parties and movements” (the so-called Conversion Draft Law on Anti-corruption) was published in the Official Journal. The provision provides for, *inter alia*, the introduction of the crime of trading in influence (Article 346-*bis* of the Italian Penal Code) among the crimes covered by Article 25 of Italian Legislative Decree no. 231/2001.



The Board of Directors of Carraro Drive Tech Italia S.p.A. adopted on August 1, 2020 the Carraro Group Code of Ethics and the Organisational Model pursuant to Legislative Decree no. 231 of June 8, 2001, prepared on the basis of the latest risk assessment carried out by Carraro Drive Tech S.p.A., and, as such, also referred to the activities and organisation of the company branch subject to demerger, considering that, for the purposes of Decree no. 231, there are no significant changes in the organization and into the related risk profiles of the business complex being divided.

- On February 26, 2021, following the update to the Model by reviewing the special part on i) health and safety in the workplace (Article 25-*septies* of Italian Legislative Decree no. 231/2001), also taking into account the 2019 risk assessment and the project undertaken by each plant to adopt the Safety Management System, in order to better guarantee the application of the requirements of Art. 30 of Italian Legislative Decree no. 81/2008;  
ii) corporate crimes and issues of market abuse to implement the update to the Procedure to manage and communicate relevant and privileged information and to establish and update the insider list, approved by the Board of Directors of Carraro S.p.A. on 17/03/2020.
  - on 21 September 2022, following the:
    - new legislation introduced by Law Decree 124 of 26 October 2019, converted by Law 157 of 19 December 2019 (which introduced art. 25 *quinqüesdecies* “Tax offences”), by Law Decree 75 of 14 July 2020 (which modified articles 24, 25 and 25 *quinqüesdecies* and introduced art. 25 *sexiesdecies* “Contraband”), by Legislative Decree 184/2021 (which introduced the new art. 25 *octies*.1 on combating fraud and counterfeiting of non-cash means of payment), by Legislative Decree 195/2021 (anti money-laundering, further extension of art. 25 *octies*), and by Law 22 of 09 March 2022 (which introduced the new articles 25 *septiesdecies* “Crimes against the cultural heritage” and 25 *duodevicies* “Laundering of cultural assets and devastation and looting of cultural and landscape assets”);
    - organizational change: a) the reorganisation of the Carraro Group; b) *delisting* of Carraro S.p.A.; c) changes to the governance of Carraro S.p.A..
  - on 21 September 2023, following the:  
new regulations introduced by
    - Law Decree 150 of 10 October 2022, delegating to the Government for the criminal trial efficiency.
    - Law Decree no.156/2022, intervened on various types of Crimes: - crimes against the Public Administration (pursuant to art. 25 of Legislative Decree no. 231), - crimes of Contraband (pursuant to art. 25 *sexiesdecies* of Legislative Decree no. 231/2001), Tax offences (pursuant to art. 25 *quinqüesdecies* Legislative Decree no. 231/2001).
    - Law Decree no.19/2023, with regard to transformations, mergers and cross-border divisions has intervened by amending art. 25 ter (Corporate Crimes) of Legislative Decree 231/2001.
    - Legislative Decree no. 24 of 2023 concerning the protection of persons reporting breaches of EU law and the protection of persons reporting breaches of Italian law (so-called Whistleblowing directive).
    - Decree no. 59/2023, regulating the waste traceability system.
- Organizational changes following the: – the entry of the Chief Human Resources Officer; - the new strategic Group function, the Public Affairs and Public Fund Management.

This document is divided into a General Section and Special Section.

The **General Section** summarises the content of the Decree, the Supervisory Body and the disciplinary systems adopted by the Company.

The **Special Section** covers the valid elements of the Model for all Sensitive Processes (see “Definitions”) and, more specifically, for the different categories of “231 Crimes” considered by the Decree which may be considered linked to the Company, the measures and controls required by the same in order to prevent the risk of such crimes being committed.

The **Appendices** form an integral part of this Model.

## **GENERAL SECTION**

### **1 LEGISLATIVE DECREE NO. 231/2001**

#### **1.1 Fundamental Characteristics and Scope of Application**

With the implementation of Legislative Decree no. 231 of 8 June 2001, criminal liability (formally qualified as “administrative liability”) of entities was introduced into the Italian legal system.

The legislation in question relates to the liability of entities in addition to that of natural persons who have physically committed the crime, arising in the case that crimes are committed in the interests or to the advantage of the entities, in Italy or overseas, by:

- persons involved in the representation, administration or management of the company, or of one of its organisational structures with financial and functional autonomy, as well as by persons who act in a managerial or supervisory role for the same (so-called Senior Executives);
- persons under the management or supervision of one of the aforesaid Senior Executives.

Entities’ liability also extends to crimes committed overseas provided that legal proceedings are not initiated in the State in which said crime was committed and that the conditions of Legislative Decree 231/2001 are met.

#### **1.3 The organisational model as a form of exemption from liability**

The Decree provides a specific exemption from this liability provided that the Entity can prove that:

- a) it has introduced and effectively implemented appropriate organisation and management Models to prevent crimes of this kind being committed;
- b) it has assigned the task of supervising the operation and compliance with the Model and the handling of all amendments to an Entity structure with independent powers of initiative and control;
- c) the persons who have committed the crime fraudulently avoided the above mentioned organisational and management models;
- d) there has been no omission or insufficient vigilance on behalf of the structure indicated above.

## 1.4 The Entity Punitive System

The Decree establishes that for the unlawful acts outlined above, entities may incur financial penalties and interdiction measures, judgement may be published and the price and profit of the crime may be confiscated.

The **financial penalties** are applied if an entity commits one of the unlawful acts foreseen by the Decree. These are applied on a quota basis which cannot be below one hundred nor exceeding one thousand (each quota has a minimum value of between € 258.22 and a maximum value of € 1,549.37) and may thus vary between a minimum of € 25,822.00 to a maximum of € 1,549,370.00.

The **interdiction measures** may only be applied to the crimes which specifically provide for this in the Decree and when at least one of the following conditions is met:

- the entity has obtained a considerable profit from the crime and the crime has been committed by subjects in an executive position, or by subjects under the management of others while the perpetration of the crime was caused or facilitated by serious organisational shortcomings;
- if the unlawful acts have been repeated.

The interdiction measures that apply to the entities on the basis of the Decree are:

- ban from carrying out the activities, with ensuing suspension or revocation of the authorisations, licenses or concessions that are essential to the activities in question;
- suspension or revocation of authorisations, licenses or concessions that were instrumental to the perpetration of the unlawful act;
- prohibition from entering into contracts with the public administration, except to obtain public utility services;
- disqualification from any subsidies, funds, contributions or aid and the revocation of any of the same which may have been previously awarded;
- ban from advertising goods or services.

In addition to the above sanctions, the Decree, alongside the conviction, should also require the **confiscation of the price or the profit** earned through the crime as well as the **publication of the judgement** in the presence of an interdiction sanction at the entity's own expense.

## 2 THE COMPANY'S CHOICE AND ADOPTED METHODOLOGICAL APPROACH

### 2.1 The Company's Choice

Carraro Drive Tech Italia S.p.A. belonging to the Carraro Group, is subject to the management and coordination exercised by the parent company and is obliged to observe the directives/Policies issued by the same.

In view of the guiding role carried out by Carraro S.p.A. Carraro Drive Tech Italia S.p.A. has considered it essential to adopt this Model.

The Model is considered a valid tool to raise the awareness of all persons who act on behalf of the Company in order to ensure proper conduct in their activities and to prevent the risk that the crimes provided for by the Decree are committed.

### **3 THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF Carraro Drive Tech Italia S.p.A.**

#### **3.1 Aim and Structure of the Model**

The Model adopted by Carraro Drive Tech Italia S.p.A. is based on a structured and organic organisational system that includes supervisory activities which, in essence:

- identify possible “at risk” areas or processes in Company activities, that is activities which are considered to have the highest possibility of a Crime being committed;
- define an internal regulatory system, aimed at preventing crimes, which includes:
  - a Code of Ethics which expresses the ethical duties and responsibilities for business affairs and company activities;
  - an internal system of mandates and powers which ensures a clear and transparent representation of the training and decision implementation process;
  - implementation procedures and instructions;
- are founded on the assumption of an organisational structure that aims to ensure a clear and organic assignment of tasks and to verify that conduct is correct;
- identifies the management and supervision of financial resources in “at risk” activities;
- assigns the OdV the task of supervising the function and compliance of the Model and making any necessary amendments.

#### **3.2 Characteristics of the Model and the Code of Ethics**

The dispositions contained in this Model are integrated with those of the Code of Ethics (Appendix F) approved by the Company Board of Directors.

#### **3.3 Recipients of the Model**

The provisions of the Model are directed at company entities and their components, the employees, collaborators (including contract workers) **Agents, Brokers, Dealers**, of the Company, the **Consultants**, Contractors, Service providers as well as members of the Supervisory Authority that do not belong to the above categories.

The subjects to whom the Model is directed are obliged to strictly respect and implement all provisions given, including through compliance with the duties of loyalty, correctness and due diligence that arise from legal relations in place with the Company.

The Company disapproves of all conduct which deviates from the law and from the dispositions of the Model regardless of whether it is performed in the interests of the Company or is intended to produce an advantage for the same.

#### **3.5 Guiding Role of the Parent Group**

Carraro Drive Tech Italia S.p.A. has taken the Model of Carraro S.p.A. as a reference, adapting the provisions of each individual crime in accordance with the specific “at risk” areas/activities identified by the risk assessment.

### **4 SUPERVISORY BODY**

#### **4.1 Identification of the OdV**

In order to comply with the Decree, the Supervisory Body charged with overseeing the function and compliance of the Model must be assigned with independent powers of initiative and control.

The Management Body of Carraro Drive Tech Italia S.p.A. considered it pertinent to establish a single structure to assign the role of OdV.

In particular, this single structure is identified in the person of the Risk, Compliance & and Sustainability Manager of Carraro S.p.A.

#### **4.4 Functions and Operational Methods of the OdV**

The OdV must:

- supervise compliance with the Model by recipients of the same;
- supervise the effectiveness and suitability of the Model in relation to the company structure and the effective capacity to prevent crimes from being committed;
- suggest amendments to the Model to the Management Body in the case of changes to the company structure or relevant regulations.

The OdV shall not be assigned operative duties or decision-making powers, even of a preventive kind, relative to the conduct of Company activities.

For the purposes described above the Supervisory Body shall be entitled to:

- a) access each and any company document required to carry out its role in accordance with the Decree;
- b) request information necessary to carry out its role from the various company structures, including at executive level;
- c) carry out periodic assessments based on a plan of action or other activities not scheduled by said plan but which are nonetheless necessary to the fulfilment of its role.

#### **4.6 Obligations to inform the Supervisory Authority**

In order to facilitate the supervisory activities for the implementation and effectiveness of the Model, the OdV must be provided with:

- **“Reports of information”**, namely information that is useful and necessary to the fulfilment of the supervisory roles entrusted to the OdV;
- **“Reports of sensitive operations”**, or reports of identified operations relating to Sensitive Processes (refer to the “Definitions” section).

The **Information** given to the Supervisory Authority may include and is not limited to:

- a) any critical, anomalous or atypical events encountered by company departments during the implementation of the Model;
- b) any proceedings and/or news received from the judicial police authorities or any other authority from which it may be inferred that investigations into the crimes are in progress, even against unknown parties;
- c) the internal and external communications concerning any event which may be connected to a possible crime covered by the Decree;
- d) any investigation committees or internal reports concerning responsibilities for potential crimes covered by the Decree;
- e) any news on disciplinary proceedings carried out in relation to Model violations and any sanctions issued, or any act of dismissal concerning said proceedings with their relative motivations;

this information must be supplied to the OdV by the company departments in accordance with their area of competence.

Sensitive Operations must be brought to the attention of the OdV by the Process Owners or by reporters identified by the same (or “compilers”) through the drafting and submission (via an appropriately traceable means where the sender may be identified) of a **Sensitive Operations Report** form to the OdV.

The OdV shall identify Sensitive Operations and the significant parameters in accordance with the risk assessment conducted, constantly monitoring its effectiveness and communicating this to the Management Body (“Parameters/criteria for the identification of Sensitive Operations” table published on the company Intranet).

In order to facilitate the access of the OdV to the most information possible, the Company shall guarantee the protection of any whistle-blower against any form of retribution, discrimination or penalisation, except for legal obligations and protecting the rights of the Company or persons accused erroneously or in bad faith.

The OdV must be permitted to access all useful information for the purposes of its activities. Consequently, the OdV is obliged to respect the confidentiality of all information it acquires.

All reports must be made in writing and preferably using the designated email address ([info.odv@carrarodrivetech.com](mailto:info.odv@carrarodrivetech.com)).

## **4.9 WRONGDOING DISCLOSURES OR BREACHES OF 231 MODEL**

### **4.9.1 General principles**

Any violations of the 231 Model or conduct that may integrate Crimes provided for by Legislative Decree no. 231/2001 may be reported through the different channels made available by the Company.

To carry out and manage the Whistleblowing reports, the Company has provided specific rules and a whistleblowing process in a specific procedure entitled “Whistleblowing Guidelines, Procedure for the presentation and the management of whistleblowing reports in the Carraro Group” also available in the portal mentioned below.

The procedure related to Reports of violations has been updated by the Company to transpose Legislative Decree No. 24/2023 concerning “the protection of persons who report violations of Union law and containing provisions concerning the protection of persons who report violations of national regulatory provisions”, pursuant to Directive (EU) 2019/1937 (so-called Whistleblowing Directive)

### **4.9.2 Whistleblowing system**

With reference to the scope of the 231 Model, internal and external subjects to the Company (by way of example: employees, collaborators, shareholders, consultants, employees and collaborators of Suppliers/Third Parties), expressly indicated by the applicable legislation (hereinafter, even only “Whistleblowers”), who in the workplace environment, have become aware of or have acquired information on violations of the Model or on illegal conduct relevant to Legislative Decree no. 231/2001, may report only through the internal reporting channel.

The above reports can therefore be submitted through the internal channel, active and available, only and exclusively, as described below:

- **in writing: using a dedicated CarraroWB portal (priority solution)**, whose access is available on the website [www.Carraro.com](http://www.Carraro.com), Corporate governance section (Whistleblowing disclosures) at the link: <https://www.carraro.com/en/who-we-are/whistleblowing>
- **in written form, by sending a registered post to the head office of the Company concerned**, if possible by the whistleblower, marking on the envelope the words "Segnalazione di violazione WB riferita alla Società (da specificare) - riservato e confidenziale /WB disclosure addressed to the Company (indicate company name) – private and confidential" (for the Italian companies: Carraro Spa, Carraro Drive Tech Italia Spa e DriveService Srl, Via Olmo 37, 35011 Campodarsego, Padova; SIAP S.p.A., Via Monfalcone 4, 33085 Maniago, Pordenone; for the foreign companies and the Italian company that have only adopted the Code of Ethics: Carraro Spa, Via Olmo 37, 35011 Campodarsego, Padova).
- **Other forms of submission, orally: messaging system on the CarraroWB portal; face-to-face meeting at the request of the whistleblower**

The CarraroWB portal can be used for the logging and submission of voice messages. It is also possible to request a face-to-face meeting with the Reporting Manager, who must arrange the appointment within a reasonable time.

The reports of wrongdoing may also be anonymous and must describe events and persons involved in adequate detail.

Through the internal channel, with the methods described, in addition to reports related to violations of 231 Model, can also be made reports regarding further violations recalled by the applicable law.

#### **4.9.3 Prohibition on retaliation**

The Company guarantees Whistleblowers in good faith against any form of retaliation, discrimination or penalty for reasons related, directly or indirectly, to the Reporting.

These protective measures shall also apply to:

- people who assist the whistleblower in the reporting process ("the facilitator");
- people within the same working environment as the whistleblower, who are linked to the whistleblower by a stable personal relationship or kinship up to the 4th degree;
- colleagues of the whistleblower, working in the same working environment and who have a current, habitual relationship with that person;
- the Entity owned by the whistleblower, the Entity for which the whistleblower works, and the Entity operating in the same working environment as the whistleblower.

## **5 MODEL DISSEMINATION**

To guarantee the effectiveness of the Model, it is of primary importance that the rules of conduct contained within be fully understood by the company's human resources as well as those that may join the company in the future, with a different degree of understanding depending on the level of involvement in Sensitive Processes and/or responsibility.

### **5.1 Communication**

The Model is made available according to the means and instruments deemed pertinent by the Management Body.

With regard to **Agents, Brokers, Dealers, Consultants** and Contractors and Service providers, **compliance with the Model is guaranteed by “Clause 231”**, inserted into the contract or *addendum* of the same and specifying acceptance of the Model (*including in extract form*) of the Code of Ethics of the Carraro Group, the updated texts of which may be freely consulted on the website *www.Carraro.com*.

## 6 DISCIPLINARY SYSTEM

The Decree establishes that a “*disciplinary system capable of sanctioning any failure to comply with the measures indicated in the Model*” must be introduced both for executives and persons who are managed and supervised by others.

The existence of a system of applicable sanctions in the case of a failure to comply with the internal procedures detailed in the Model is in fact essential in order to guarantee the effectiveness of the Model itself.

The implementation of the sanctions in question must be totally independent of any developments or outcomes of any penal or administrative procedures set in motion by the judicial authorities, in the case that the conduct in question also constitutes a crime in accordance with the Decree. In fact, the rules of conduct imposed by the Model are undertaken independently by the Company regardless of whether any conduct may constitute a crime that the judicial authorities may intend prosecuting.

### 6.1 Violations related to Reporting system

Model violations related to the reporting system consist of:

- any kind of retaliations (reference to par. 4.9.3);
- obstacle or attempt to obstruct the Reporting;
- breach of confidentiality;
- failure to provide a whistleblowing channel;
- absence or non-conformity of the whistleblowing management procedures in accordance with the provisions of articles 4 and 5 Legislative Decree 10 March 2023, no. 24;
- failure to investigate or analyse any disclosures received.

Furthermore, a disciplinary sanction is taken when the criminal liability of the Whistleblower for libel or slander offences or the civil liability of the Whistleblower, for the same reason, in cases of willful misconduct or gross negligence, is established, also by a judgment of first instance.

### 6.2 Violations of the Model

In general, Model violations consist of:

1. conduct that does not comply with the general conduct principles listed in the following paragraph 7.1, the procedures detailed by the Model or the Code of Ethics;
2. conduct that does not comply with the provisions of the Model or required by the Model, in particular:



<b>Types of crime</b>	<b>Model Provisions which must be observed by all Recipients</b>
Crimes against the P.A.	Rules of Conduct given in the Special Section, paragraph 9.3
Corporate crimes, including bribery among private individuals and market abuse	Rules of Conduct given in the Special Section, paragraph 10.3
Crimes relating to health and safety in the workplace	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 11.3 and 11.4
Crimes relating to receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origins	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 12.3 and 12.4
Computer crime	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 13.3 and 13.4
Organised crime	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 14.3 and 14.4
Crimes against industry and commerce and the fraudulent use of trademarks, patents and distinctive labels	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 15.3 and 15.4
Crimes against industry and commerce	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 16.3 and 16.4
Copyright infringement	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 17.3 and 17.4
Environmental crimes	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 18.3 and 18.4
Crimes relating to the employment of illegal workers	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 19.3 and 19.4
Crimes against the individual	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 20.3 and 20.4
Tax crimes	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 21.3 and 21.4
Customs crimes	Rules of Conduct, control procedures and specific provisions given in the Special Section, paragraphs 22.3 and 22.4

3. conduct of a non-collaborative nature towards the OdV (e.g. unjustified failure to participate in scheduled investigations carried out by the OdV, failure to participate in training meetings);
4. refusal to provide the OdV with the information specified in the previous paragraph 4.6.

The seriousness of violations to the Model shall be evaluated based on the following circumstances:

- the presence and intensity of intent;
- the presence and intensity of negligent, careless or reckless conduct;
- the presence and intensity of repeated conduct;
- the extent of the danger and/or the consequences of the violations for the Company;
- the extent of the danger and/or the consequences of the violations for the persons protected by health and safety in the workplace regulations, as well as for the Company;

- the predictability of the consequences of the violation;
- the time and methods of violation;
- the circumstances under which the violation took place.

Any disciplinary action shall be taken in observance of the principle of scale for the sanction and in proportion to the seriousness of the infringement.

### **6.5 Measures taken against Consultants, Collaborators, Agents, Brokers, Dealers and Contractors**

Any violation perpetrated by Consultants, Collaborators, Agents, Brokers, Dealers or Contractors may lead to the termination of the contract, in accordance with the specific contractual clauses included in the letters of appointment or partnership agreements, without prejudice to any possible claims for compensation, if the conduct in question leads to damages being incurred by the Company, as would be the case if judicial measures are applied as provided by the Decree.

## **SPECIAL SECTION**

### **7 CHARACTERISTICS, STRUCTURE AND AIMS OF THE SPECIAL SECTION**

The Special Section for the Types of crime theoretically applicable to the Company, including:

- Crimes against the Public Administration;
- Corporate crimes, including the Crimes of bribery among private individuals and the instigation to bribery between private individuals;
- Crimes relating to health and safety in the workplace;
- Crimes relating to receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origins;
- Computer crimes;
- Organised crime;
- Crimes relating to the fraudulent use of trademarks, patents and distinctive labels;
- Crimes against industry and commerce;
- Copyright infringement;
- Environmental crimes;
- Crimes related to the employment of citizens from third party countries whose stay is unlawful and the Crime of illegal immigration;
- Crime of incitement not to testify or to make false statements to the judicial authorities;
- Crimes of illicit brokering and the exploitation of labour;
- Crimes of racism and xenophobia;
- Tax offences /;
- Contraband offences /

indicates the following preventative measures:

- the general principles of conduct, or rather the rules of conduct; and
- the components of the preventative control system, shared by all types of crime covered by the Decree.

The general aim of this section of the Model is to ensure that all Recipients adopt conduct compliant with the provisions contained herein in order to prevent the occurrence of a crime.

## 7.1 General principles of conduct

Recipients must observe the general principles of conduct indicated below.

Recipients are expressly **prohibited** from:

1. carrying out, participating in or giving cause to any behaviour which may individually or collectively constitute a crime;
2. acting in a way which, even if it does not in itself constitute a crime, may be the cause of the same (e.g. failure to carry out proper checks) or is directed without question to a crime being committed;
3. acting in a way which does not comply with company procedures which regulate activities in the field of Sensitive Operations or which otherwise is not in line with the principles and dispositions provided by the Model and the Code of Ethics.

## 8 THE COMPONENTS OF THE PREVENTATIVE CONTROL SYSTEM

The components (or protocols) of the preventative control system implemented to ensure the effectiveness of the Model are:

- the ethical principles of the Code of Ethics aimed at preventing crimes indicated by the Decree;
- the organisational structure of the Carraro Group and Carraro Drive Tech Italia S.p.A.;
- the authoritative and signing powers with defined organisational and managerial responsibility;
- the operating procedures and/or instructions, information and manuals aimed at regulating the activities in corporate areas “at risk” with appropriate control points in order to ensure the correctness, effectiveness and efficiency of company activities in accordance with the Decree;
- the management control system, including verification mechanisms of the management of financial resources able to ensure the effectiveness and affordability of company activities and the traceability and verifiability of transactions;
- the communications and training system for personnel in relation to all elements of the Model, including the Code of Ethics;
- the disciplinary system able to sanction violations to the Code of Ethics and other dispositions of the Model;
- the rules of conduct, control procedures and specific provisions given in the Special Section of the Model.

## 9 CRIMES AGAINST THE PUBLIC ADMINISTRATION

### 9.1 Types of Crime against the Public Administration;

The Decree envisages a series of crimes against the Public Administration. It is deemed that the following such crimes may be committed in the sphere of activity carried out by Carraro Drive Tech Italia S.p.A.:

- **Embezzlement** (314 of the Italian Penal Code)
- **Bribery of a public official** (Art. 318 of the Italian Criminal Code)
- **Bribery to ensure an act against official duties** (Art. 319 of the Italian Criminal Code)

- **Bribery of a person engaged in public service** (Art. 320 of the Italian Criminal Code)
- **Instigation to accept bribes** (Art. 322 of the Italian Criminal Code)
- **Abuse of office** (323 of the Italian Penal Code)
- **Corruption of judicial proceedings** (Art. 319 *ter* of the Italian Criminal Code)
- **Fraud against the State or other public entity** (Art. 640 of the Italian Criminal Code)
- **Aggravated fraud for the attainment of public disbursements** (Art. 640 *bis* of the Italian Criminal Code)
- **Computer fraud against the State or other public entity** (Art. 640 *ter* of the Italian Criminal Code)
- **Official misconduct** (Art. 317 of the Italian Criminal Code)
- **Official misconduct, bribery and instigation to accept bribes by members of entities of the European Community and representatives of the European Community and Foreign States** (Art. 322 *bis* of the Italian Criminal Code)
- **Misappropriation to the detriment of the State** (Art. 316 *bis* of the Italian Criminal Code)
- **Undue receipt of disbursement to the detriment of the State** (Art. 316 *ter* of the Italian Criminal Code)
- **Undue incitement to give or promise benefits** (Art. 319 *quater* of the Italian Criminal Code)
- **Trading in influence** (Article 346-*bis* of the Italian Penal Code)

### 9.3 Rules of Conduct

This section describes the specific rules of conduct which, as well as the general principles of conduct given above, must be observed by all Recipients in order to prevent the crimes described in paragraph 9.1 from being committed.

#### Recipients may not:

- a. be involved in transactions which conflict or may conflict with the interests of the Company;
- b. carry out behaviour or actions which are or may be interpreted as acts of bribery, unlawful favours, collusive behaviour, direct solicitation or solicitation through third parties of privileges or other ends relating to a crime covered by the Decree;
- c. make or promise to Italian or foreign public officials or their relations, including through an intermediary, monetary donations, gratuities, gifts or benefits of any other nature, which may influence the same public officials' independence of judgement or incite them to provide undue benefits;
- d. exercise undue pressure or solicitation in respect of public officials with a view to bringing to completion activities pertaining to their office;
- e. sign consultancy contracts with individuals within the Public Administration which may compromise the impartiality and the correct functioning of the Public Administration itself, including by awarding them undue benefits;
- f. make or promise services to clients without suitable justification in the context of the contractual relationship with the same;
- g. make payments, to the benefit of the suppliers, Consultants, Agents, Brokers and Dealers and/or Collaborators without due justification in the context of the duty to be carried out and the existing practice of the relative sector.

For the purposes of the implementation of the above prohibitions, the following **provisions** must be observed:

1. all persons who physically engage in **relations with the Public Administration** on behalf of the Company must be suitably **authorised** to do so by the Company (in the form of an appropriate mandate, including a consultancy contract or partnership agreement). Furthermore, all such individuals must observe the principles of transparency and correctness in all dealings with the Public Administration;
2. **agreements with suppliers** and **consultancy mandates** must be defined in writing and specify the conditions implied by the same (with particular reference to any stipulated financial agreements) which are proposed, verified and/or approved by at least two separate individuals belonging to the Company; the **digital signature** guarantees the privacy, integrity and non-repudiation of information that is filed or transferred;
3. the **statements made to Italian or foreign public entities** for the purposes of verification, investigation or inspection of any kind must contain wholly verified elements and be authorised by individuals with the appropriate powers;
4. all **statements** and **communications made to representatives of the Italian or foreign Public Administration** and governed by existing legislation or regulations specifically required by the same representatives (e.g. in the case of an inspection) must be made in observation of the principles of clarity, correctness, completeness and transparency; full collaboration must be given in the case of inspections of any nature by public officials;
5. no **payment** of any kind may be made based on the **exchange of benefits**;
6. any **uncertainty or ambiguity** in terms of **correct behaviour** (including as regards any unlawful or incorrect conduct by the public agent), the interpretation of existing legislation and internal procedures must be brought to the attention of the immediate superior and/or the Supervisory Authority;
7. it is obligatory to **record and document** all **relations with Public Officials and/or Persons Changed with Public Service** in a clear, accurate and precise manner. (Traceability must be ensured by correctly filing available documents at the department. Said documentation may be subject to verification by the Process Owner and in any case must be notified to the OdV in accordance with the provisions of the General Section).

**In the case of judicial dispute** (including ordinary, administrative or labour disputes):

8. the relevant Department, with the eventual support of the Legal Department of the Parent Group, is responsible for instigating **relations with an external Law Firm** and providing any necessary documentation and/or information. The Law Firm must provide **updates** on the case in question;
9. **the Law Firm must also refrain from inciting subjects called to testify before the Judicial Authorities to withhold** the requested statements or otherwise **provide** untruthful information or statements.

With particular reference to Sensitive Operations (*including the consultation and management of reports with agents, dealers and business brokers*), in addition to the provisions given above the following are added:

10. conduct must be carried out in a correct, transparent and collaborative manner in **observance** of the **law**, company **procedures**, operating instructions and/or

- dispositions applicable to the relevant activities **in the scope of Sensitive Operations** and any existing **authorisation systems**;
11. the **insertion of a supplier** (including agents and dealers) into the **system registry** must be given prior authorisation by the Purchasing Manager and/or persons specifically delegated by the same (ref. "Supplier Database Management" procedure)
  12. the **traceability** of the different phases of the decision-making process relative to **financial and corporate relations** (e.g. joint ventures, consortia and similar forms) with third parties must be ensured and all supporting documentation must be duly archived. All safety measures defined and implemented by Carraro S.p.A. or the Company must be observed;
  13. the **search for suppliers and/or Consultants** must be oriented towards third parties who give the highest guarantees of professionalism, organisation, integrity and technical and financial requirements;
  14. the **choice of Consultants** and the **signing of appointments** and/or contracts must be authorised based on the system of powers and mandates;
  15. when **assigning supply or consultancy roles** (including to Agents, Brokers and Dealers), it is necessary to consider the quality of the goods or services in terms of the price; purchased products, assets and/or services must in any case be justified by concrete company requirements motivated by and resulting from internal evidence of the purpose of the purchase;
  16. the **contract** with the **Consultant** must expressly indicate or exclude the **power of representation** of the Company on behalf of third parties and precisely define the obligations and powers of the Consultant in the course of its activities in name and on behalf of the Company;
  17. it must be ensured that the **agreements** with suppliers, Consultants, collaborators and Contractors, agents, brokers and dealers **contain "Clause 231"**, on the basis of which the contractual counterparty declares to have read the content of the Model and the Code of Ethics and agrees to observe the provisions given in the same, failing which the contract will be terminated. For suppliers, this is limited to the Code of Ethics;
  18. any **advance payment** due to the Consultant (including Agents, Brokers and Dealers) may be made only if previously agreed and established in the conditions of the relative contract and must be duly documented;
  19. all **services provided** by Consultants (including Agents, Brokers and Dealers) must be **documented** and the department which engages said services, **before payment** of the relative fees, must be able to demonstrate the **effectiveness** of the service;
  20. it must be ensured that **employee selection** is based on principles which guarantee that candidate evaluation is done in accordance with the principles set forth in the Code of Ethics and that the selection process is traceable in compliance with the "New Recruitments" procedure;
  21. the **payments** must be made on presentation of suitably verified and authorised **documentary evidence** (for example a bill, claim for expenses, debit note etc.), which must correspond in terms of beneficiary, amount, activity, time and payment method with those agreed between the Company and the beneficiary of the payment;
  22. third parties may not be awarded **discounts, premiums, credit notes** or any form of reduction of the owed amount that is not supported by documentary evidence in

- view of the contractual relationship with the same and must be motivated by objective factors;
23. **collections and payments** must preferably be made via **bank transfer**. Collections and payments made in **cash** must be duly **documented**. **Cash payments** must be duly **authorised**;
  24. **current or savings accounts** may not be used anonymously or in a fictitious name in Italy or other foreign states;
  25. **reimbursements for expenses** incurred by internal or external persons may not be requested without suitable **evidence** in view of the **contractual relationship** with the same;
  26. **payment of expense receipts** must be made by a specific and designated company department;
  27. **gifts, donations or sponsorships** may not be made without formal **authorisation** based on the system of powers and mandates.

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## **10 CORPORATE CRIMES AND ISSUES OF MARKET ABUSE**

### **10.1 Types of Corporate Crime**

Within the context of corporate crimes and so-called Market Abuse considered by the Decree, the crimes which may be committed within the context of the activities performed by Carraro Drive Tech Italia S.p.A. are the following:

- **False company statements** (Art. 2621 of the Italian Civil Code)
- **Obstructed control** (Art. 2625, paragraph 2 of the Italian Civil Code)
- **Unlawful restitution of capital contributions** (Art. 2626 of the Italian Civil Code)
- **Unlawful distribution of profits and reserves** (Art. 2627 of the Italian Civil Code)
- **Illicit operations on company or parent company shares or quotas** (Art. 2628 of the Italian Civil Code)
- **Transactions to the detriment of creditors** (Art. 2629 of the Italian Civil Code)
- **Fictitiously paid-up capital stock** (Art. 2632 of the Italian Civil Code)
- **Unlawful distribution of company assets by the liquidators** (Art. 2633 of the Italian Civil Code)
- **Undue influence on the general shareholders' meetings** (Art. 2636 of the Italian Civil Code)
- **Stock manipulation** (Art. 2637 of the Italian Civil Code)
- **Obstructing the activities of public supervisory authorities** (Art. 2638 of the Italian Civil Code)
- **Bribery among private individuals** (Art. 2635 of the Italian Civil Code)

- **Instigation to accept bribes between private individuals** (Art. 2635 of the Italian Civil Code)
- **Stock** (Art. 2637 of the Italian Civil Code) **and market manipulation** (Articles 185 and 187 *ter* of TUF)
- **Abuse of restricted information** (articles 184 and 187 *bis* of Legislative Decree n. 58/1998 of the Unified Finance Document)

### 10.3 Rules of Conduct

This section describes the specific rules of conduct which, as well as the general principles of conduct given above, must be observed by all Recipients in order to prevent the crimes described in paragraph 10.1 from being committed.

In particular, **Recipients are expressly required to:**

- a. engage in conduct based on the principles of integrity, correctness and transparency in the activity of drafting financial statements and other company accounts requested by the Parent Company (such as periodic financial statements) in order to provide the shareholders and third parties with truthful and correct information on the Company's economic, asset and financial situation, in compliance with the law and the relevant accounting regulations (IAS/IFRS);
- b. not engage in activities or operations designed to create extra account funds (e.g. invoices for non-existent operations or over-invoicing), "slush funds" or "secret accounts";
- c. with reference to the Financial Statement, the Company must ensure that all criteria for the preparation of statements comply with the directives of the parent group;
- d. ensure maximum correctness on the part of the directors, auditors and any liquidators in the drafting of all other information required or otherwise foreseen by law and directed to members or the general public, in order that these contain clear, precise, accurate and complete information;
- e. engage in conduct intended to guarantee the regular operation and correct interaction with corporate bodies, ensuring and facilitating each control measure taken by the corporate management via the methods provided by law, as well as the free and regular deliberation of the shareholder's meetings decisions. This being the case, it is prohibited to: a) prevent or in any way obstruct, even by concealing documentation or using other ploys, the execution of the activities of the Board of Statutory Auditors and/or the Audit Company; b) unlawfully determine or influence the decisions made at the Board meetings (e.g. through fraudulent or falsified documents);
- f. ensure the prompt observance of all laws and regulations which protect the integrity and the effectiveness of the share capital, in order to avoid damaging the guarantees given by creditors and, more generally, third parties;
- g. in carrying out transactions of any nature on financial instruments or in the dissemination of information concerning the same, observe the principles of correctness, transparency, completeness of information, protection of the market and compliance with the dynamics of the free determination of the price of securities;
- h. provide all notifications required by law and regulations to the public Supervisory Authorities promptly, correctly and in good faith, refraining from interposing any obstacles to the supervisory functions exercised by the same;
- i. ensure that significant transactions (e.g. purchases and sales), in the case of third parties and intercompany transactions, are made in compliance with the principles of integrity, correctness and transparency;



- j. engage in conduct in compliance with the principles of integrity, correctness and transparency in trading or commercial activities.

The following describes the means of implementation for the rules given above in relation to the different types of corporate crime:

### **Financial Statements and other corporate communications.**

The drafting of the annual financial statement and monthly accounts (monthly management statement) must be based on the following principles:

1. particular attention must be given to **evaluation estimates** for the financial statements: persons who carry out the estimate must respect the principle of reasonableness and clearly express the evaluation parameters employed, providing all supplementary information necessary to ensure the truthfulness of the document;
2. the **determination of the evaluation estimate** for the financial statements shall be the responsibility of the Administrative Manager and the Management Control Director at the Parent Group and is shared with the Administrative Director of the Parent Group and the CFO of the Group, with the involvement of any relevant Consultants;
3. the **financial statements** are prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Union, as well as the provisions issued with the implementation of Art. 9 of Legislative Decree no. 38/2005. The term IFRS extends to all major international standards (IAS) and all interpretations of the International Financial Reporting Interpretations committee (IFRIC);
4. this is without prejudice to the necessary compliance with the provisions of Art. 2391 on the subject of the obligations of **directors to disclose any interests** in Company operations, whether of a personal nature or on behalf of third parties;
5. the **traceability** of operations for the transfer and/or referral of credit positions (through, for example, credit assignment, withdrawal of credit positions, etc.) and the relative motivations of the same;
6. the **traceability** of the process relative to **communications to the Supervisory Authorities** shall be made in compliance with the law and regulations, even in the case of inspections. Refer to the methods given in paragraph 9.3, point 7.

### **Protection of Share Capital.**

All share capital transactions within the Company, including at Group level, which may compromise the integrity of the share capital, must be made based on methods which, in particular, provide for:

7. the obligation of **directors** to disclose to the Management Body any **interests** of a personal nature or on behalf of third parties, in Company transactions according to the provisions of Art. 2391 of the Italian Civil Code and in compliance with the Procedure for Related Party Transactions;
8. the obligation of Recipients **other than company directors** to adequately and promptly give notification of any **conflicts of interest** in terms of the Procedure for Related Party Transactions.

## **Extraordinary Transactions**

Significant transactions (e.g. purchases and sales) must be based on the following provisions:

9. the obligation to conduct a thorough **analysis of the asset** relevant to the investment process, through appropriate due diligence, the results of which shall be reflected in the contractual agreements;
10. the identification and monitoring of any **conflicts of interest**;

## **Activities subject to supervision**

Activities subject to supervision by public authorities must be conducted in compliance with the following provisions:

11. (ref. paragraph 9.3, point 4);
12. (ref. paragraph 9.3, point 7);

## **Activities that may exert an influence on the market.**

All parties must comply with the following provisions:

1. **it is prohibited to engage in simulated transactions or other deceptive acts likely** to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading on a regulated market has been made;
2. **it is prohibited to disseminate false information** likely to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading on a regulated market has been made.

## **Rules of Conduct and Principles of Control and Specific Provisions for the Prevention of Crimes of Bribery among Private Individuals and the Instigation to bribery between private individuals.**

With reference to the management of Sensitive Operations which are theoretically linked to the crime of bribery of private individuals, in addition to the afore-mentioned rules of conduct **Recipients should refrain** from:

- k. engaging in actions or behaviour towards Representatives (Directors, Director Generals, Auditors, etc.), or the persons under private entities (suppliers, consultants, clients, etc.), which may or can be interpreted as acts of bribery, unlawful benefits, collusive behaviour, solicitation, offers or promises through direct means or third parties of benefits for personal gain or for other purposes linked to a crime of bribery among private individuals and the instigation to bribery between private individuals, as specified in the examples below:
  - distribution or offer of gratuities, gifts or benefits to consultants and suppliers of any nature and their employees and/or collaborators which may influence the independent judgement of the same and may compromise the reputation of the company or private entity;
  - offer of payments, bonuses or other incentives to consultants, suppliers, commercial partners of any nature and their employees and/or collaborators without suitable

justification in terms of the duty or activities of the same and the existing practice of the relevant sector;

– provide, offer or promise money or assets of any kind (proposals of employment, etc.), offers (made or received) of business courtesy, unless of a modest value and given in compliance with the existing authorisation procedures and provided that these may not be in any way interpreted by the counterparty as an instrument to influence the same in their duties and therefore violating office and loyalty obligations (by acting or failing to act).

**Recipients must observe the following:**

13. (ref. paragraph 9.3, point 10);
14. **no questionable or unlawful practice** may be in any way justified or tolerated, **even when “customary”** in the sector within which Carraro Drive Tech Italia S.p.A. operates. No provision may be imposed or accepted if it may only be achieved by compromising the ethical standards of the Company;
15. services **without adequate justification in the contractual relationship** with third parties **may not be made, promised or offered** to the same unless otherwise formalised in a contract/order or agreement;
16. (ref. paragraph 9.3, point 22);
17. (ref. paragraph 9.3, point 25);
18. the **managers** of company departments involved in **Sensitive Operations** must ensure a constant level of **awareness** of staff or third parties on the content of this Model and the Code of Ethics, in order to ensure knowledge and effective implementation of the same;
19. ensure the **traceability** of the decision-making process for activities related to Sensitive Operatives that must be ensured and any relevant documentation duly archived;
20. **cash payments** or the offer of **donations** aimed at soliciting unfair treatment for personal gain in any company activity **may not be made**. In particular, this applies to any form of donation towards any Italian or foreign counterparty (including in countries where the offer of donations is common practice) which may influence the independence of the same or solicit any advantage for the Group;
21. (ref. paragraph 9.3, point 5);
22. (ref. paragraph 9.3, point 23);

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## **11 CRIMES RELATING TO HEALTH AND SAFETY IN THE WORKPLACE**

### **11.1 Types of crimes relating to health and safety in the workplace**

Crimes relating to health and safety in the workplace contemplated by the Decree which may be committed within the scope of the activities carried out by Carraro Drive Tech Italia S.p.A. are the following:

- **Culpable homicide** (Art. 589 of the Italian Criminal Code)
- **Serious and very serious culpable personal injury** (Art. 590 of the Italian Criminal Code)

### **11.2 Risk assessment and management process relative to health and safety in the workplace**

With regard to occupational health and safety, the methodological approach adopted for updating the Model is to consider the activities, risks and controls relating thereto as an “**occupational health and safety risk assessment and management system**”.

The risk of the crimes listed above being committed is potentially present in all activities carried out by employees or collaborators within the offices and factories belonging to Carraro Drive Tech Italia S.p.A. and, in particular:

- in places where industrial activities exposed to greater risk factors are carried out (e.g. workshop);
- in workplaces where auxiliary activities to the above (e.g. warehousing) exposed to lower risk factors are carried out;
- in other workplaces (e.g. offices) where the risk factor is almost nil.

Carraro Drive Tech Italia was awarded certification UNI ISO 45001:2018 in November 2021.

Risk assessment and management relating to health and safety in the workplace is delegated to a structured organisational system, made up of identified and qualified internal personnel, supported by other functions and company personnel, as well as by outside professionals. This **system** is called the **Safety Management System**, and abbreviated as SMS.

### **11.3 General Rules of Conduct**

This section describes the specific rules of conduct which, as well as the general principles of conduct given above, must be observed by all Recipients in order to prevent the crimes described in paragraph 11.1 from being committed.

All Company employees and collaborators, including Consultants and Contractors in their respective fields and areas of competence, are obliged to:

- a. observe the regulations and guidelines for health and safety in the workplace;
- b. observe the general rules of conduct, control procedures and specific provisions given in the Model;
- c. promote the observance of said regulations, rules and principles to ensure compliance with all health and safety in the workplace requirements;

- d. adopt conduct of a collaborative and transparent nature and observe the rules of conduct specified in paragraph 9.3 for relations with competent public entities on the subject of health and safety in the workplace (both in the drafting of the same and the notification of any statements in the case of assessments or inspections);
- e. correctly use all machinery, apparatus, instruments, materials, vehicles and other work equipment, as well as any safety devices;
- f. report any violations to health and safety regulations and any potentially or currently dangerous situations to the management or persons in charge.

## 11.4 Risk assessment and management principles relative to health and safety in the workplace

The following control principles and specific requirements support the Safety Management System.

### 11.4.4 Safety Management System

The Safety Management System calls for the completion of the following phases, with the consequent logs to demonstrate the fulfilment of what was planned by the system itself.

Phase	Recording Method
<b>Phase A</b>  Compliance with the technical and structural standards of the law relating to equipment, systems, workplaces and chemical, physical and biological agents  Acquisition of documentation and certifications required by law	Documents referring to equipment and systems: certificates of conformity, instruction booklets, technical annexes, maintenance manuals, etc.  Other documentation and certifications required by law or established by company procedures
	Documents related to the workplace: building permit or occupancy permit, fire prevention certificate or SCIA (certified notice of commencement of construction), etc.
<b>Phase B</b>  Compliance with the technical and structural standards of the law relating to equipment, systems, workplaces and chemical, physical and biological agents  [maintenance and monitoring]	Equipment, system and workplace control and maintenance documentation  Chemical safety data sheets
	Inspection reports, technical reports, economic estimates referring to the workplace, systems, machinery and equipment, in the event of modifications and/or changes
<b>Phase C</b>  Risk assessment activities and preparation of resulting prevention and protection measures	Risk Assessment Document, its annexes and related updates
	Completed activity documentation: process of identifying hazards and identifying the type of risk (working area, job, work equipment), technical evaluation analysis (phonometry, airborne dust, etc.)
	Planning measures deemed appropriate to ensure the improvement of safety levels over time
	Communications to the Prevention and Protection Service in the event of organisational or operational changes relevant to the health and safety of workers, reports relating to organisational, managerial, structural

<b>Phase</b>	<b>Recording Method</b>
	or system deficiencies or criticalities that may affect risk protection and prevention
<b>Phase D</b>  Organisational activities, such as emergencies, first aid, periodic safety meetings, consultations with worker safety representatives	Emergency and evacuation plan
	Management of emergencies and provisions for fighting emergencies, fire prevention and first aid
	Record of the emergency and evacuation drill
	Minutes of periodic Prevention and Protection Service meetings
	Minutes of participation and consultation meetings with worker safety representatives
<b>Phase E</b>  Health monitoring activities	Appointment of the Company Physician
	Health protocol
	Health risk records
	Certificates of eligibility
	Inspection report
	Annual report on health monitoring data
<b>Phase F</b>  Education and training for workers	Annual education and training program
	Information meeting documentation
	Training course documentation
	Completed training documentation
<b>Phase G</b>  Management of personal protective equipment	Documentation certifying the assessment and choice of PPE
	Technical documentation relating to PPE provided to workers
	PPE delivery documentation
	PPE verification and maintenance documentation
<b>Phase H</b>  Procurement Management	Collection and storage of documentation certifying the technical and professional suitability of contractors/freelance workers.
	Consolidated Interference Risk Assessment Document (DUVRI)
	Implementation of cooperation and coordination
	Safety management for service providers
<b>Phase I</b>  Supervision of worker compliance with the procedures and instructions for working safely	Drafting of a periodic supervision and control program
	Performing periodic inspections within the workplace and drafting the relevant report or other reporting document
	Disciplinary measures
<b>Phase L</b>  Periodic checks on the application and effectiveness of the procedures adopted	Annual audit program
	Audit plan and audit execution
	Reporting and action plan
<b>Phase M</b>	Set up and detection, recording and analysis of injuries, incidents and non-conformities

Phase	Recording Method
Detection, recording, analysis of injuries, incidents and non-compliance	Planning and implementation of preventive and protective measures
	Verification of the implementation and effectiveness of the preventive and protective measures carried out
	Setting up and implementing the detection, recording and analysis of injuries, incidents and non-compliance
<b>Phase N</b>  Drafting, management and control of data and documents on health and safety	Setting up the drafting, management and control of data and documents
	Implementation of the drafting, management and control of data and documents
	Control of the drafting, management and control of data and documents

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

## 12 CRIMES RELATING TO RECEIVING STOLEN GOODS, MONEY LAUNDERING AND UTILISATION OF MONEY, GOODS OR BENEFITS OF UNLAWFUL ORIGINS

### 12.1 Types of crime relating to receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origins and self-laundering

The types of crime which may be committed within the sphere of activities carried out by Carraro Drive Tech Italia S.p.A. are given below:

- **Receiving stolen goods** (Art. 648 of the Italian Criminal Code)
- **Money Laundering** (Art. 648 *bis* of the Italian Criminal Code)
- **Utilisation of money, goods or benefits of unlawful origins** (Art. 648 *ter* of the Italian Criminal Code)
- **Self-Laundering** (Art. 648 *ter* 1 of the Italian Criminal Code)

### 12.2 Sensitive Operations

With reference to the new crime of self-laundering introduced by Art. 648 *ter* 1 of the Italian Criminal Code, and inserted into Art. 25 octies of Legislative Decree no. 231/2001 by Law no. 186/2014, entered into force on 1 January 2015, the Company, in the absence of legal and doctrinal interpretations and best practices, favoured a conservative approach and extended the mapping of Sensitive Operations for the purposes of crimes caused by self-laundering to non culpable crimes not included in the 231 Crimes.

### 12.3 General Rules of Conduct

This section describes the specific rules of conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 12.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 12.1 from being committed.

In particular, **Recipients must:**

- a. act in compliance with the principles of integrity, correctness and transparency in the performance of any company activities and in the selection of financial and/or commercial

- partners. Maximum attention must be given to the preventative verification of all information ordinarily available (including financial information) on the counterparty in order to determine that the same has a respectable reputation and engages in lawful activities, both in the establishment of the contract and in the execution of the working relationship;
- b. engage in conduct based on the principles of integrity, correctness and transparency in the activity of drafting financial statements and other accounts requested by the Parent Company in order to provide the shareholders and third parties with truthful and correct information on the Company's economic, asset and financial situation, in compliance with the law and the relevant accounting regulations (IAS/IFRS);
  - c. engage in conduct in compliance with the principles of integrity, correctness and transparency in trading or commercial activities;
  - d. make or promise services to clients only with suitable justification in the context of the contractual relationship with the same;
  - e. make payments to the benefit of the suppliers, Consultants, Agents, Brokers and Dealers and/or Collaborators only with due justification in the context of the duty to be carried out and the existing practice of the relative sector;
  - f. not engage in commercial relations with persons (legal or natural) who are suspected of conducting or known to conduct unlawful activity with reference to the crimes of fencing, money-laundering, the utilisation of money, goods or benefits of unlawful origins and self-laundering;
  - g. ensure the traceability of the different phases of the decision-making process relative to financial relations (e.g. joint ventures, consortia and similar forms) with third parties and retain any supporting documentation;
  - h. not use anonymous instruments for transactions of significant value;
  - i. act in compliance with the principles of integrity, correctness and transparency in taxation management, observing the legal and regulatory provisions for the drafting of tax, income and VAT statements and retain all supporting documentation;
  - j. engage in proper and collaborative conduct with the Supervisory and Judicial Authorities;
  - k. bringing to the attention of the immediate superior and/or the OdV any uncertainties regarding proper conduct, the interpretation of current legislation and operating procedures and/or instructions.

#### **12.4 Control principles and specific provisions of the Processes in question**

This paragraph outlines the control principles and the specific provisions which, combined with the general conduct principles given above and the general rules of conduct given in paragraph 12.3, Recipients must observe for the Sensitive Operations identified in paragraph 12.2 in order to prevent the crimes described in paragraph 12.1 from being committed.

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

1. observe all legislative and regulatory provisions regarding **fiscal and accounting obligations**;



2. comply with **circulars, instructions and resolutions** issued by the competent Public Authorities (Italian Revenue Agency, Ministry of Finance, etc.), if and when applicable, as well as instructions and operating provisions in regards to tax statements, liquidation and payment of taxes.

In addition to the indications given in chapter 9 Crimes against the Public Administration, Recipients are also required to observe the following:

3. it must be ensured that the **obligations to the Italian Customs Agency** are fulfilled with the maximum diligence and professionalism in order to provide clear, accurate, complete and correct information, avoiding and duly recording any instances of conflict of interest. The relative documents must be processed and/or submitted in a prompt, clear and complete manner;
4. in the case that **Public Administration IT or communications systems** are utilised for the fulfilment of obligations or notifications, the use of alternative systems or means of any kind is prohibited;
5. (ref. paragraph 9.3, point 5); (ref. paragraph 9.3, point 23);
6. activities or operations designed to create extra account funds (e.g. invoices for non-existent operations or over-invoicing), "slush funds" or "secret accounts" may not be conducted (ref. paragraph 10.3, letter b);

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

7. (ref. paragraph 9.3, point 13);
8. check the **commercial and professional reliability** of suppliers and commercial/financial partners before formalising any relationship, even based on relevant indicators including and not limited to the following examples:
  - i. the absence of any prejudicial public information (protests, etc.);
  - ii. the acquisition of commercial information/information on the reputation of the company (e.g. anti-mafia certificate, self-declaration of commercial and professional reliability, etc.), the shareholders and directors, including through specialised companies;
  - iii) the proposal of commercial conditions (e.g. price, payment terms/methods) in line with the average market values;
9. (ref. paragraph 9.3, point 11);
10. (ref. paragraph 9.3, point 2);

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

11. no **payment** of any kind may be made i) to internal or external persons without **suitable justification** in view of the contractual relationship with the same, when this is in payment for goods, services, assets etc. actually received by the Company in accordance with the terms of the contract or ii) which is not **owed** by the Company in accordance with the **law**;
12. (ref. paragraph 9.3, point 5);
13. (ref. paragraph 9.3, point 23);

14. (ref. paragraph 9.3, point 24);
15. **no cash payments, nor the transfer of bearer bank deposit books or postal notes**, in Euro or a foreign currency, **for values equal or greater to those provided for by the applicable legislation** (Legislative Decree no. 231/2007) **or by other internal operation regulations** may be made unless through banks, electronic money institutions and Poste Italiane S.p.A.;
16. no **endorsements for the collection** of bank or postal notes issued by the drawer may be made unless on behalf of a bank or Poste Italiane S.p.A.

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

17. it is **prohibited to offer**, directly or indirectly, **money, gifts or benefits of any nature** to managers, officials or employees of **clients, suppliers or Consultants** for the purposes of influencing the same in the performance of their duties and/or to gain undue benefit;
18. (ref. paragraph 9.3, point 27);

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

19. any **acts** which are contractually binding between Carraro Drive Tech Italia S.p.A. and Agents, Brokers and Dealers must be duly **formalised and signed**;
20. the **commercial and professional reliability** of Agents, Brokers and Dealers must be duly ascertained;
21. the **commissions** due to agents, brokers and dealers must comply with the terms of the contract and must be duly **checked** by a designated company department;

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## 13 COMPUTER CRIME

### 13.1 Types of computer crime

The following lists the types of computer crime foreseen by the Decree which may theoretically occur within the scope of activities carried out by Carraro Drive Tech Italia S.p.A.:

- **Falsification of a public electronic document or a one that carries evidential effectiveness** (Art. 491 *bis* of the Italian Criminal Code)
- **Unlawful access to computer or telecommunication systems** (Art. 615 *ter* of the Italian Criminal Code)
- **Unlawful possession and distribution of access codes to computer or telecommunication systems** (Art. 615 *quater* of the Italian Criminal Code)

- **Distribution of equipment, devices or computer programs designed to damage or interrupt a computer or communication system** (Art. 615 *quinquies* of the Italian Criminal Code)
- **Unlawful tapping, obstruction or interruption of computer or network communications** (Art. 617 *quater* of the Italian Criminal Code)
- **Possession, dissemination and unauthorised installation of equipment and other means of intercepting, impeding or interrupting computer or telematic communications** (art. 617 *quinquies* of the Italian Penal Code)
- **Damage to information, data and software programs** (Art. 635 *bis* of the Italian Criminal Code)
- **Damage to information, data and software programs used by the State or other public entity or in any case of public interest** (Art. 635 *ter* of the Italian Criminal Code)
- **Damage caused to computer and communication systems** (Art. 635 *quater* of the Italian Criminal Code)
- **Damage to computer and communication systems of public interest** (Art. 635 *quinquies* of the Italian Criminal Code)
- **Computer fraud against electronic signature certification systems** (Art. 640 *quinquies* of the Italian Criminal Code)

### 13.2 Computer safety management process

Given the nature of such crimes, the potential risk of the crimes in question being committed is potentially present in all activities carried out by employees or collaborators of Carraro Drive Tech Italia S.p.A. which require the use of Company computer systems and programs (IT).

However, in terms of the actual probability of a computer crime and the relative consequences of the same, the potential risk may be assessed based on the characteristics of the activities and the IT systems.

With particular reference to the organisational and management aspects of the IT service, such activities and systems are predominantly within the sphere of the IT Department of Carraro S.p.A., to which is also entrusted the determination, updating and monitoring of computer security policies.

### 13.3 General Rules of Conduct

This section illustrates the general rules of conduct which, as well as the organisation, management and control system and the general conduct principles outlined above, and the principles of control and specific provisions indicated in paragraph 13.4, must be observed by all Recipients in order to prevent the computer crimes described in paragraph 13.1 from being committed.

In particular, all employees and collaborators, including Consultants of the Company, are required to:

- a. observe the general rules of conduct, control procedures and specific provisions given in this chapter;

- b. observe the regulations, procedures and/or instructions and/or operating or organisational provisions which regulate the access and use of Company computer systems and programs;
- c. promote compliance with the aforesaid regulations, rules and principles.

#### **13.4 Risk management control principles and specific provisions relative to computer security**

**The existence and disclosure of organisational provisions and a formal system of roles, power and delegates** with reference to the computer security management process.

1-2 (organisation)

**The existence of formal operating procedures and/or instructions** which regulate the activities of persons involved in the computer security management process.

3-9 (procedures)

#### **Access and use of IT systems:**

10-12 (user profiles)

#### **Development of IT systems and subsequent updates:**

13. (operating instructions in the context of payment authorisation)

#### **Monitoring, continuous control and traceability:**

14. Company Departments which oversee computer security must be informed of any computer processing problems, to ensure that the safety of proprietary information has not been compromised.

15-17 (monitoring)

#### **Other controls relating to computer security:**

18. (Business Continuity Plan)

19. the introduction of clauses in contracts with third parties aimed at preventing the risks associated with existing system connections with the same;

20. in the case that such services are outsourced, the outsourcing contract shall include a clause which allows the Company to carry out computer safety audits on the outsourcer itself.

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## 14 ORGANISED CRIME

### 14.1 Types of organised crime

The types of crime which may be committed within the sphere of activities carried out by Carraro Drive Tech Italia S.p.A. are given below:

- **Criminal association** (Art. 416 of the Italian Criminal Code)
- **Mafia association** (Art. 416 *bis* of the Italian Criminal Code)
- **Crimes committed taking advantage of the conditions of the previously mentioned Art. 416 *bis* or with the purpose of assisting the activities of the associations pursuant to the same article** (Art. 24 *ter*, Legislative Decree no. 231/2001)

### 14.2 Sensitive Operations

The crimes in question presume **conduct that is detrimental to public order**, intended as a healthy and regular state of civil existence, which strives to protect property and values essential to the peaceful coexistence and the orderly function of the democratic system.

Both crimes described (Articles 416 and 416 *bis* of the Italian Criminal Code) apply even when committed at an international level, in accordance with Art. 10 of Law no. 146 of 16 March 2006.

The Company deemed it preferable, as a precautionary measure, to extend the analysis to the possible occurrence of “end crimes” where crimes of association may be committed within the company.

The potential “**end crimes**” which may occur within the scope of the Company’s activities are the following:

**a) Fraud** (Art. 640 of the Italian Criminal Code)

**b) Crimes relating to income tax and VAT:**

- the issuance of invoices or other documents for non-existent transactions (Art. 8 of Legislative Decree no. 74/2000);
- fraudulent statements through the use of invoices or other documents for non-existent transactions (Art. 2 of Legislative Decree no. 74/2000);
- fraudulent statements through other means, unfaithful statements, omissions (articles 3, 4 and 5 of Legislative Decree no. 74/2000);

**c) Organised activities for unlawful waste trafficking** (Art. 260 of Legislative Decree no. 152/2006).

### 14.3 General Rules of Conduct

This section describes the specific rules of general conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 14.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 14.1 from being committed.

In particular, **Recipients must:**

- a. not engage in commercial relations with persons (legal or natural) who are suspected of or known to conduct unlawful activity with reference to organised crime;
- b. act in compliance with the principles of integrity, correctness and transparency in the performance of any company activities and in the selection of financial and/or commercial partners. Maximum attention must be given to the preventative verification of all information ordinarily available (including financial information) on the counterparty in order to determine that the same has a respectable reputation and engages in lawful activities, both in the establishment of the contract and in the execution of the working relationship;
- c. act in a correct, transparent and collaborative manner in compliance with legislation and procedures, instructions and/or any operating or organisational provisions in the performance of activities relating to Sensitive Operations;
- d. act immediately on any information and/or negative reports on the reputation of any persons involved in business interactions;
- e. not make or promise, to persons with whom a permanent or temporary business arrangement is in place, any services which are not duly justified in view of the same business arrangement within legal parameters;
- f. not make payments, to the benefit of the collaborators, Consultants, Agents, Brokers and Dealers, Contractors and suppliers without due justification in the context of the duty to be carried out and the existing practice of the relative sector.
- g. bringing to the attention of the immediate superior and/or the OdV any uncertainties regarding proper conduct, the interpretation of current legislation and operating procedures and/or instructions.

#### **14.4 Control principles and specific provisions of the Processes in question**

This paragraph outlines the control principles and the specific provisions which, combined with the general conduct principles given above and the general rules of conduct given in paragraph 14.3, Recipients must observe for the Sensitive Operations identified in paragraph 14.2 in order to prevent the crimes described in paragraph 14.1 from being committed.

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 12 Money Laundering, the following requirements must also be observed:

1. all activities to determine the **direct** and **indirect** taxes relative to operating instructions and/or provisions;
2. (ref. paragraph 12.4, point 2);
3. (ref. paragraph 9.3, point 22);
4. (ref. paragraph 9.3, point 23);

In addition to the indications given in chapter 9 Crimes against the Public Administration and chapter 10 Corporate Crimes, the following provisions must also be observed:

5. (ref. paragraph 9.3, point 20);

6. during recruitment, specific profiles and/or duties must be verified and the **integrity** requirements of the selected **resource** must be evaluated.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate Crimes and chapter 12 Money Laundering Crimes, the following requirements must also be observed:

7. (ref. paragraph 9.3, point 13);
8. the commercial and professional reliability of suppliers and commercial/financial partners must be verified (ref. paragraph 12.4, point 8);
9. (ref. paragraph 9.3, point 11);
10. (ref. paragraph 9.3, point 2);
11. (ref. paragraph 9.3, point 19);
12. (ref. paragraph 9.3, point 17);
13. it must be ensured that agreements with third parties contain **clauses** which i) state the existence of the **commercial and professional reliability** requirements (including in the form of a self-declaration); and ii) state the obligation to give notification of any circumstance that may influence the status of the requirements, without causing jeopardy to the same.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate Crimes and chapter 12 Money Laundering Crimes, the following requirements must also be observed:

14. (ref. paragraph 12.4, point 19);
15. (ref. paragraph 9.3, point 15);
16. it must be ensured that agreements with Agents, Brokers and Dealers contain "clause 231", providing for the understanding of and commitment to the Model and the Code of Ethics, at risk of terminating the contract (ref. paragraph 9.3, point 17);
17. it must be ensured that agreements with Agents, Brokers and Dealers contain **clauses** which i) state the existence of the **commercial and professional reliability** requirements (including in the form of a self-declaration); and ii) state the obligation to give notification of any circumstance that may influence the status of the requirements, without causing jeopardy to the same;
18. it must be ensured that **contracts with clients**, if and when signed, are clear, detailed, transparent and consistent with company policy;
19. the **contractual** standards must be systematically updated in line with amendments to existing legislation and in compliance with the format provided by the Legal Department of the Parent Group.

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of

Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## **15 CRIMES RELATING TO THE FRAUDULENT USE OF TRADEMARKS, PATENTS AND DISTINCTIVE LABELS**

### **15.1 Types of crime relating to the fraudulent use of trademarks, patents and distinctive labels**

The types of crime which may be committed within the sphere of activities carried out by Carraro Drive Tech Italia S.p.A. are given below:

- **Counterfeiting, alteration or use of trademarks, or distinctive signs, or of patents, models and drawings** (Art. 473 of the Italian Criminal Code)
- **Introduction into the state and trading of products with false signs** (Art. 474 of the Italian Criminal Code)

*This Special Section does not apply to Agents, Business Brokers, Dealers or Consultants.*

## **16 CRIMES AGAINST INDUSTRY AND COMMERCE**

### **16.1 Types of crime against industry and commerce**

The types of crime which may be committed within the sphere of activities carried out by Carraro Drive Tech Italia S.p.A. are given below:

- **Disruption of the freedom of industry and trade** (Art. 513 of the Italian Criminal Code)
- **Illicit competition through the use of threats or violence** (Art. 513 *bis* of the Italian Criminal Code)
- **Fraud in trade activities** (Art. 515 of the Italian Criminal Code)
- **Sale of industrial products with misleading signs** (Art. 517 of the Italian Criminal Code)
- **Production and sale of goods produced by usurping industrial property rights** (Art. 517 *ter* of the Italian Criminal Code)

### **16.3 General Rules of Conduct**

This section describes the specific rules of general conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 16.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 16.1 from being committed.

In particular, **Recipients must:**

- a. act in a correct, transparent and collaborative manner in compliance with legislation and procedures, instructions and/or any operating or organisational provisions aimed at the management of relations with Italian or foreign suppliers, clients and partners;



- b. not engage in commercial relations with persons (legal or natural) who are suspected of or known to conduct unlawful activity with reference to crimes against industry and commerce;
- c. not violate the industrial property rights of third parties and protect those of the Company;
- d. not interfere, obstruct or disturb the operation of the industry or trade;
- e. act in the case of the negative discovery and/or report of the credibility of persons with whom the business interacts or the effective right of the same to the industrial property rights;
- f. verify the reliability of letters of formal notice received by persons reporting an alleged conduct by the Company which may damage the rights protected by law for crimes against industry and commerce;
- g. seek legal or professional advice to confirm the possibility that conduct by the Company may be interpreted as a crime against industry and commerce;
- h. in the management of relations with third parties, implement all necessary measures to avoid:
  - acts of threat or violence which may cause damage to the freedom of industry or trade and free competition;the sale and purchase to third parties by the Company of counterfeit goods, goods which do not comply with required or agreed specifications or goods with misleading marks which may damage proprietary rights;
- i. bringing to the attention of the immediate superior and/or the OdV any uncertainties regarding proper conduct, the interpretation of current legislation and operating procedures and/or instructions.

#### **16.4 Control principles and specific provisions of the Processes in question**

This paragraph outlines the control principles and the specific provisions which, combined with the general conduct principles given above and the general rules of conduct given in paragraph 16.3, Recipients must observe for the Sensitive Operations identified in paragraph 16.2 in order to prevent the crimes described in paragraph 16.1 from being committed.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate Crimes, chapter 12 Money Laundering Crimes and chapter 14 Organised Crime, the following requirements must also be observed:

1. (ref. paragraph 12.4, point 19);
2. (ref. paragraph 9.3, point 15);
3. (ref. paragraph 10.3, point 16);
4. (ref. paragraph 12.4, point 21);

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of

Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## 17 COPYRIGHT INFRINGEMENT

### 17.1 Types of copyright infringement

The types of crime which may be committed within the sphere of activities carried out by Carraro Drive Tech Italia S.p.A. are given below:

- **Distribution of creative works via communication networks** (Art. 171, paragraph 1, letter a *bis* and letter 3 of Law no. 633/1941).
- **Software and database crimes** (Art. 171 *bis* of Law no. 633/1941).
- **Crimes relating to creative works intended for radio, television, cinema, literary, scientific and educational purposes** (Art. 171 *ter* of Law no. 633/1941).
- **Violations to the rules of the Italian Authors' and Publishers' Association (SIAE)** (Art. 171 *septies* of Law no. 633/1941).

### 17.2 Sensitive Operations

**The crimes in question** are covered by **Law no. 633/1941 which protects the proprietary interest of the owner or legitimate holder of the copyright**, intended as the decreased economic value due to unlawful use of the work; the protection of personal (or moral) copyright is significantly more limited.

### 17.3 General Rules of Conduct

This section describes the specific rules of general conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 17.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 17.1 from being committed.

In particular, **Recipients must:**

- a. act in a correct, transparent and collaborative manner in compliance with the law, the Code of Ethics and any instructions and/or operating or organisational provisions for the management of relations with external agencies and/or providers and more generally in the use of any copyrighted creative work.
- b. not engage in commercial relations with persons (legal or natural) who are suspected of or known to conduct unlawful activity with reference to copyright infringement;
- c. verify the reliability of letters of formal notice received by persons reporting an alleged conduct, by the Company, which may damage the rights protected by copyright law;
- d. seek legal or professional advice to confirm the possibility that conduct by the Company may be interpreted as an infringement of copyright;
- e. not make available to the public, distribute, duplicate, reproduce, transmit, post online or broadcast on television, radio or communications stations, put on the market in any way or otherwise take advantage of any creative work, image, music, document, parts of cinematographic works or all or part of literary, dramatic, scientific or education work protected by copyright, or use any software or databases protected by copyright legislation.

#### 17.4 Control principles and specific provisions of the Processes in question

This paragraph outlines the control principles and the specific provisions which, combined with the general conduct principles given above and the general rules of conduct given in paragraph 17.3, Recipients must observe for the Sensitive Operations identified in paragraph 17.2 in order to prevent the crimes described in paragraph 17.1 from being committed.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate Crimes (with reference to Bribery of Private Individuals), chapter 12 Money Laundering Crimes and chapter 14 Organised Crime, the following requirements must also be observed:

1. **use of disclaimers** on presentations and technical and commercial documents which clearly indicate the owner of the copyright and the date of publication;
2. in the promotion and/or publicising of brands and products and, in particular, in events management, the **use** and distribution to the public, including through communications network systems, **of protected creative works** must be in accordance with current copyright legislation and/or any other right linked to the same;
3. it must be ensured that relations with third parties are subject to **verifications on the commercial and professional reliability of the counterparty** in order to avoid any implication of activities which may relate to copyright infringement. For the methods of said verification, refer to paragraph 12.4, point 8;
4. in contractual agreements with third parties (such as Consultants, suppliers and agencies), **copyright compliance clauses** must be included;
5. in contractual agreements with third parties (such as Consultants, suppliers and agencies), **insurance or indemnity clauses** aiming to hold harmless the Company from any responsibility in the case of conduct by the third parties which may be in violation of the laws of copyright and intellectual property must be included, including with reference to relations with SIAE;
6. a **preliminary check** on the **reproducibility of the protected creative works** on the Company website or through other communication channels and marketing tools must be carried out.

In addition to the indications given in chapter 13 Computer Crimes, the following provisions are also provided:

7. the **unlawful use of IT tools available to the Company** is prohibited; such prohibitions include and are not limited to the following:
  - i. the use or installation of copied, unauthorised or non-trademarked (SIAE) material;
  - ii. the download and/or use of software covered by copyright laws;
  - iii. unlawful access and reproduction of databases;
  - iv. the introduction of all or part of a protected creative work into the communications system via connections of any kind;

- v. the publication on Company websites, web pages, social network profiles and blogs of audiovisual content, photos, images, designs, musical works and/or sounds protected by copyright without formal authorisation in writing from the owner of the usage rights and/or in violation of said agreements.

Furthermore, the **Head of IT Security must:**

8. (organise IT systems in such a way as to ensure the traceability of each operation);
9. (implement appropriate measures to restrict or prevent illegal downloads);
10. (take an inventory of all programmes installed on Company computers in order to monitor the licences of all software in use).

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

Finally, it is noted that for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions in the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## **18 ENVIRONMENTAL CRIMES**

### **18.1 Types of environmental crime**

The types of environmental crime foreseen by the Decree are the following:

- **The killing, destruction, capture, removal or detention of protected wild animal or plant species** (Art. 727 *bis* of the Italian Criminal Code).
- **The destruction or damage of habitats in a protected site** (Art. 733 *bis* of the Italian Criminal Code)
- **Environmental disaster, including with culpability** (Art. 452 *quater* e 452 *quinquies* of the Italian Criminal Code)
- **Environmental pollution, including with culpability** (Art. 452 *bis* and 452 *quinquies* of the Italian Criminal Code)
- **Aggravated criminal association** (Art. 416 and Art. 452 *octies* of the Italian Criminal Code)
- **Traffic and abandonment of highly radioactive material** (Art. 452 *sexies* of the Italian Criminal Code)
- **Crimes covered by the Environmental Code of Legislative Decree no. 152 of 3 April 2006:**
  - **Water pollution** (Art. 137).
  - **Unauthorised waste management** (Art. 256).
  - **Inadequate remediation of contaminated sites** (Art. 257).
  - **Fraudulent documents and use of falsified waste analysis certificates** (Articles 258 and 260 *bis*).
  - **Unlawful waste trafficking** (Articles 259 and 260).
  - **Atmospheric pollution** (Art. 279).

- **Crimes pursuant to Law no. 150 of 7 February 1992 in relation to the international trade of species of flora and fauna at risk of extinction and the capture of dangerous animals.**
- **Crimes pursuant to Law no. 549 of 28 December 1993 in relation to the protection of the ozone layer and the environment.**
- **Crimes pursuant to Legislative Decree no. 202 of 06 November 2007 in relation to the pollution of the marine environment by shipping vessels**

In consideration of the activities performed by Carraro Drive Tech Italia S.p.A., the areas and activities considered most at risk in view of the risk assessments carried out are the following:

- production;
- management of administrative areas linked to environmental aspects.

In the context of the areas described above, the instances of possible unlawful conduct which may be linked to company activities have been identified, in particular, within the following activities:

<b>Unlawful conduct</b>	<b>potentially applicable crimes</b>
<b>Water pollution:</b> the discharge of industrial waste water in violation of the laws provided by the Unified Document on the Environment and administrative authorisations in place	Art. 137 of Legislative Decree no. 152/2006, paragraphs 2, 3 and 5, first and second section and paragraph 11.
<b>Unauthorised management of waste,</b> the collection, transport, recovery, disposal, trade and intermediation of waste without the necessary authorisation, registration or notification	Art. 256 of Legislative Decree no. 152/2006, paragraph 1, letters a and b, paragraph 3, first section, paragraphs 5 and 6
<b>Inadequate remediation of contaminated sites</b>	Art. 257 of Legislative Decree no. 152/2006, paragraphs 1 and 2
<b>Fraudulent documents and use of falsified waste analysis certificates,</b> the use of a falsified waste analysis certification or fraudulent information in the waste traceability system	articles 258 paragraph 4, second section and 260 <i>bis</i> , paragraph 6 of Legislative Decree no. 152/2006
<b>Unlawful waste trafficking,</b> the unlawful transport of waste	articles 259, paragraph 1 of Legislative Decree no. 152/2006
<b>Atmospheric pollution,</b> violation of the emission limits or regulations established by the administrative authorities	articles 279, paragraph 5 of Legislative Decree no. 152/2006
<b>Environmental pollution,</b> significant and measurable pollution of water, the air, soil and subsoil (*)	Art. 452 <i>bis</i> and 452 <i>quinquies</i> of the Italian Criminal Code
<b>Environmental disaster,</b> irreversible alteration in the balance of an ecosystem (*)	Art. 452 <i>quater</i> of the Italian Criminal Code

(\*) for these crimes to apply, the means by which they are committed is not specified, only the occurrence of the event.

The means of prevention, where possible, of the types of crime not included in this Special Section are included in the principles and provisions of the Code of Ethics.

## 18.2 Management process of environmental risks

The risk of the crimes listed above being committed is potentially present in all operational activities carried out by employees or collaborators within the offices or factories belonging to Carraro Drive Tech Italia S.p.A. and, in particular:

- places where industrial production activities are carried out (including the management of administrative activities connected to environmental aspects) exposed to higher risk factors;
- in workplaces where auxiliary activities to the above (e.g. warehousing) exposed to lower risk factors are carried out;
- in other workplaces (e.g. offices) where the risk factor is almost nil.

The production site of Carraro Drive Tech Italia S.p.A. in Campodarsego has obtained the UNI EN ISO 14001:2004 certification.

### **18.3 General Rules of Conduct**

This section describes the specific rules of conduct which, as well as the general principles of conduct given above, must be observed by all Recipients in order to prevent the crimes described in paragraph 18.1 from being committed.

All Company employees and collaborators, including Consultants and Contractors in their respective fields and areas of competence, are obliged to:

- a. observe the regulations and guidelines for the protection of the environment;
- b. observe the general rules of conduct, control procedures and specific provisions given in the Model;
- c. promote the observance of said regulations, rules and principles to ensure compliance with all environmental protection requirements;
- d. adopt conduct of a collaborative and transparent nature and observe the rules of conduct specified in paragraph 9.3 for relations with competent public entities on the subject of the protection of the environment, both in the drafting and notification of any declarations (in the phases of requesting and obtaining authorisation and in the case of assessments and/or inspections);
- e. contribute to compliance with all obligations imposed by the relevant authorities;
- f. not unlawfully release or deposit waste onto or into the soil;
- g. not unlawfully introduce waste of any kind, in solid or liquid form, into surface or ground water;
- h. not release toxic emissions into the atmosphere;
- i. report any violations to the given regulations and any potentially or currently dangerous situation to management or persons in charge of environmental protection;
- j. directly intervene in emergency situations that could result in potential environmental damage, corresponding with one's competencies and options, and inform the immediate superior or persons responsible;
- k. it is strictly forbidden to carry out operations or manoeuvres on one's own initiative that do not fall within the scope of one's competencies, and without authorisation that could result in environmental damage.

## **18.4 Risk management principles relative to the protection of the environment**

This paragraph, within the framework of the activities carried out by Carraro Drive Tech Italia S.p.A., defines the responsibilities and operative means which must be complied with by the Recipients, as identified in the General Section of the Model, in monitoring the fulfilment of the environmental protection obligations in accordance with Legislative Decree no. 152/2006 and later amendments and additions, in relation to the crimes foreseen by Art. 25 *undecies* of the Decree.

### **Definition and assignments of roles, duties and responsibilities.**

1-3. (organisation)

**The existence of formal procedures and/or instructions and/or operating provisions to regulate the activities of persons involved in the process, in particular** (summaries given in brackets):

4. (The “Policy for the Environment, Health and Safety in the Workplace”)
5. Procedures, operating instructions and/or operating regulations relative to the environment.

**The existence of a periodic training and awareness-raising programme for employees and collaborators involved in the environmental risk management and process and the traceability of staff training.**

### **Monitoring, supervision and operative control activities:**

6. Periodic and ad hoc environmental analyses to monitor the waste produced, atmospheric emissions and the noise impact.
7. The production of appropriate documentation evidencing the details of the performed checks.
8. The submission of copies of the performed checks to the administrative authorities as and when requested.
9. (periodic audits)

### **The *ex-post* traceability and verifiability of flows of information relative to the Process:**

10. each phase relative to environmental risk management must be duly supported by written documentation.
11. flows of information between persons assigned to the protection of the environment, with regards to activities carried out in the sphere of the Process in question, must be duly recorded and archived so as to ensure maximum traceability.
12. (Procedure for the management and control of data and documents).

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

## 19 CRIMES RELATING TO THE EMPLOYMENT OF ILLEGAL WORKERS

### 19.1 Types of crime relating to the employment of illegal workers and illegal immigration

The types of criminal offence provided by Art. 25 *duodecies* of the Decree are given below:

- **The employment of citizens from third party countries whose stay is unlawful** (Article 22, paragraph 12 *bis* of Legislative Decree no. 286 of 25 July 1998).
- **Abetting unlawful immigration** (Art. 12 Legislative Decree no. 286 of 25 July 1998, including the aggravated cases pursuant to paragraphs 3, paragraphs a), b), d), 3 *bis* and 3 *ter*, letter b)).
- **Abetting the unlawful stay of foreigners on Italian territory** (Art. 12 Legislative Decree no. 286 of 25 July 1998, including the aggravated cases pursuant to paragraph 5).

*This Special Section does not apply to Agents, Business Brokers, Dealers or Consultants.*

## 20 CRIMES AGAINST THE INDIVIDUAL

### 20.1 Crimes against the individual

The following lists the types of crimes against the individual pursuant to the Decree which may theoretically occur within the scope of activities carried out by Carraro S.p.A.:

- **Illicit brokering and the exploitation of labour (603 *bis* of the Italian Criminal Code).**

*This Special Section does not apply to Agents, Business Brokers, Dealers or Consultants.*

## 21 TAX OFFENCES

### 21.1 Tax offences

The following lists the types of tax offences foreseen by art. 25 *quinquiesdecies* of the Decree which may theoretically occur within the scope of activities carried out by Carraro Drive Tech S.p.A.:

- **Fraudulent tax return through the use of invoices or other documents for non-existent transactions** (art. 2 of Legislative Decree 74/2000);
- **Fraudulent tax return via other deceptive schemes** (art. 3 of Legislative Decree 74/2000).
- **Misleading tax return, and Undue compensation** (articles 4 and 10 *quater* of Legislative Decree 74/2000, introduced into art. 25 *quinquiesdecies* of Legislative Decree no. 231/2001 by Legislative Decree 75/2020).

These offences fall within the scope of the offences contemplated by Legislative Decree 231/2001 when two elements coincide: the commission in the context of fraudulent cross-border systems; VAT evasion of over € 10,000,000.

- **Issuance of invoices or other documents for non-existent transactions** (art. 8 of Legislative Decree 74/2000);
- **Concealing or destroying accounting documents** (art. 10 of Legislative Decree 74/2000)



- **Fraudulent evasion of tax payments** (art. 11 of Legislative Decree 74/2000).

### **21.3 General Rules of Conduct**

This section describes the specific rules of general conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 21.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 21.1 from being committed.

In particular, **Recipients must not** engage in conduct:

- a. that does not comply with laws, circulars, instructions and resolutions issued by the competent public authorities (Italian Revenue Agency, Ministry of Finance, etc.), if and to the extent applicable, in order to avoid conduct that may fall within the scope of the types of offences described above;
- b. that, while not constituting the types of offences described above per se, may potentially become such;
- c. that does not comply with this Model, with the Code of Ethics and with company procedures.

In particular, **Recipients must**:

- a. not engage in commercial relations with entities (legal or physical) which are known or suspected to belong to criminal organisations or are otherwise operating unlawfully and, in particular, in violation of tax regulations;
- b. act immediately on any information and/or negative reports on the reputation of any persons involved in business interactions;
- c. abstain from conduct that materially prevents, or otherwise obstructs - through the concealment of documents or the use of other fraudulent means, the performance of institutional audit activities, including audits by the Financial Administration;
- d. ensure that agreements with suppliers and consultancy mandates are defined in writing and specify the conditions implied by the same (with particular reference to any stipulated financial agreements) which are verified and/or approved in line with the internal system of mandates;
- e. not make payments, to the benefit of the suppliers, consultants and/or collaborators without due justification in the context of the task to be carried out and the existing practice of the relative sector;
- f. ensure that cash transfers are directed to counterparties that are effectively involved in the transactions;
- g. ensure that only invoices for services effectively received and authorised by the competent department are recorded in the accounts;
- h. not engage in simulated or fraudulent transactions.

### **21.4 Control principles and specific provisions applicable to the Sensitive Processes in question**

This paragraph outlines the control principles and the specific provisions which, combined with the general conduct principles given above and the general rules of conduct given in paragraph 21.3, Recipients must observe for the Sensitive Process identified in paragraph 21.2 in order to prevent the crimes described in paragraph 21.1 from being committed.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate crimes, chapter 12 Money laundering crimes and chapter 14 Organised crime, the following requirements must also be observed:

1. (ref. paragraph 9.3, point 5);
2. (ref. paragraph 9.3, point 17);
3. (ref. paragraph 12.4, point 8);
4. (ref. paragraph 9.3, point 11);
5. (ref. paragraph 9.3, point 4);
6. (ref. paragraph 9.3, point 7);
7. **guarantee**, also in collaboration with consultants, audits on the **completeness, correctness and veracity of the data/information** contained in the loan application, the **conformity of the expenditure** sustained and reported, and the eligibility of the same in compliance with the requirements of the tender and/or of the applicable regulations, as well as for the issue of **assessments and/or statements** regarding the projects being reported;
8. the **requirements** for the **selection of financial institutions** are defined and updated by the Group CFO with the support of the Finance Department. The selection of financial institutions is endorsed by the CFO;
9. **guarantee verification of registration** on the Registry of Lawyers and compliance with the Code of Conduct;

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate crimes, chapter 12 Money laundering crimes and chapter 14 Organised crime, and in addition to the above, if applicable, the following requirements must also be observed:

10. (ref. paragraph 12.4, point 1);
11. guarantee the **correctness, completeness and promptness** of the **Master file** which includes a description of intragroup transactions and the principles and rules for determining the prices applied to the same and of the “Country Life”, considering the limits of applicability;
12. **guarantee** that **foreign tax credits**, entered onto the tax return by the companies that use them, refer to taxes effectively and definitively paid and that the documentation proving the entitlement to the credit is true and consistent with what has actually been paid;
13. comply with the **procedures for preparing, verifying and authorising tax return forms**, before they are sent to the tax authorities, defined by the Company to ensure the completeness, correctness and accuracy of the information transmitted;
14. ensure legal controls on the **compliance** of tax returns with the **applicable regulations**.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate crimes, chapter 12 Money laundering crimes and chapter 14 Organised crime, chapter 20 Crimes against the individual, and in addition to the above, if applicable, the following requirements must also be observed:

15. guarantee **controls on the subjective and objective effectiveness** of the relationship underlying the payable invoices received and the correct reporting and accounting thereof.

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate crimes, chapter 12 Money laundering crimes and chapter 14 Organised crime, chapter 16 Crimes against industry and commerce, and in addition to the above, if applicable, the following requirements must also be observed:

16. comply with the **“Management of non-compliant products” procedure**;
17. ensure controls on the **correct issue, application of VAT rates and accounting of sales invoices** and their correspondence to sales orders;

In addition to the indications given in chapter 11 Crimes relating to health and safety in the workplace, chapter 14 Money laundering crimes and chapter 20 Crimes against the individual, and in addition to the above, if applicable, the following requirements must also be observed:

18. (ref. paragraph 9.3, point 2);
19. the **contract or sub-contract is prepared** according to the **contract format** defined by the Legal Office, if prepared by third parties subject to audit by the same. The contract must include the technical-economic specifications and the Consolidated Interference Risk Assessment Document (DUVRI);
20. (ref. paragraph 12.4, point 8);
21. (ref. paragraph 9.3, point 11);
22. during the **supplier selection** phase, if possible, ensure that in the case of multiple offers the **comparison, evaluation and selection is tracked and conducted based on objective criteria**, ensuring the orientation towards counterparties offering the greatest guarantees, from an ethical, organisational, technical, economic and financial point of view, in accordance with the Procurement Management Procedure, which also includes the code of conduct of the Procurement Department (ref. Database Management Procedure);
23. **access** to the company's premises is **subject to the control** by the competent corporate department of the **documents uploaded** by the **Contractor** onto the online portal established by the Company for contract management (ref. Procurement management instructions: verification of technical-professional suitability, list of workers of the contractor and relevant occupational health and safety training);
24. **DURC** (single insurance contribution payment certificate) and **DURF** (single tax contribution payment certificate) are subject to periodic monitoring and automatic control via the online portal established by the Company for contract management;
25. **in the course of the relationship**, controls are in place that enable the detection of any **critical issues and/or anomalies** (ref. Procurement management, “231 anomaly indicators” table or in the context of occupational health and safety); **if the relationship with the supplier is definitively compromised**, take steps to **replace** the supplier by launching the selection phase;

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 10 Corporate Crimes, chapter 12 Money Laundering Crimes and chapter 14

Organised Crime, chapter 16 Crimes against industry, the following requirements must also be observed:

26. (ref. paragraph 9.3, point 15);
27. (ref. paragraph 9.3, point 17);
28. (ref. paragraph 9.3, point 19);
29. (ref. paragraph 12.4, point 20);
30. **invoices to be paid** are **authorised** by the Sales Manager; furthermore, payment is subject to the regular existence of an invoice or other advance request for payment;
31. (ref. paragraph 12.4, point 1).

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

It is underlined that, for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions of the Code of Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

## **22. CONTRABAND OFFENCES**

### **22.1 Contraband offences**

The following lists the types of contraband offences foreseen by art. 25 *sexiesdecies* of the Decree which may theoretically occur within the scope of activities carried out by Carraro Drive Tech S.p.A.: **Smuggling of goods across land borders and customs areas** (art. 282 of Presidential Decree 43/1973).

### **22.3 General Rules of Conduct**

This section describes the specific rules of general conduct which, as well as the general behaviour principles given above and the specific control principles and provisions indicated in the following paragraph 22.4, must be observed by all Recipients in order to prevent the crimes described in paragraph 22.1 from being committed.

In particular, **Recipients must not** engage in conduct:

- a. that does not comply with laws, circulars, instructions and resolutions issued by the competent public authorities (Italian Customs Agency, etc.), if and to the extent applicable, in order to avoid conduct that may fall within the scope of the types of offences described above;
- b. that, while not constituting the types of offences described above per se, may potentially become such;
- c. that does not comply with this Model, with the Code of Ethics and with company procedures.

Therefore, **Recipients are prohibited** from the following:

- a. entering untrue information in shipping documents or in all further declarations and communications to be made to representatives of the Public Administration;
- b. managing customs operations in a manner that does not comply with the regulations in force;
- c. engaging in, promoting, or collaborating in fraudulent conduct such to enable the recording of false documents in the accounting records;
- d. recording in the accounts transactions at values that are not consistent with the reference documentation, or that refer to transactions that do not exist in whole or in part, or without adequate supporting documentation to allow proper accounting and, subsequently, accurate representation.

## 22.4 Control principles and specific provisions applicable to the Sensitive Processes in question

In addition to the indications given in chapter 9 Crimes against the Public Administration, chapter 12 Money Laundering Crimes and chapter 14 Organised Crime and chapter 21 Tax crimes, the following requirements must also be observed:

1. (ref. paragraph 9.3, point 2);
2. customs representation mandates, e.g. to transporters, are formalised in writing and signed by persons with appropriate powers;
3. ensure the systematic **archiving of relevant documentation** in order to allow **traceability** and in the aftermath **representation of business transactions**;
4. ensure conformity checks between the data in the **invoice** (e.g. value, quantity, etc.) **and** in the **customs documentation**, in particular at the time of import, to guarantee the **correctness and accuracy of the data entered in the customs declarations**;
5. ensure the performance of the activities necessary to **maintain specific customs certifications** (e.g. AEO, customs export certificate);
6. ensure the completeness and correctness of the **documentation to be sent** to any **third party contractor** (e.g. shipment agents, customs operators);
7. comply with the **methods to collect, verify and approve the documentation to be sent to the customs authorities** for the purposes of the return and/or repayment of customs duties **defined by the Company**;
8. comply with the **procedures established to guarantee the physical security of the production facilities of the Company** (e.g. "Surveillance and guarding regulations", "Receipts", physical stock inventory" and "Shipments" procedures);
9. promote internal **information** and **training** and/or acknowledge the information/training provided, by actively participating in the initiatives promoted by the Company and complying with the same, in particular for invoicing and shipping personnel, also with the support of consultants, internal specialists and/or the Legal Department.

Where applicable, the provisions introduced in the other chapters of the Special Section of the Model should be applied.

It is underlined that, for all matters not expressly covered by the provisions contained in this Model or the company operating procedures and instructions, the provisions of the Code of

Ethics shall apply. In any case, in the event that one of the provisions of the Code of Ethics conflicts with the provisions under internal regulations or company procedures, the Code of Ethics shall prevail.

#### APPENDICES

APPENDICES
Appendix F Code of Ethics - Carraro Group