



**PERMASTEELISA
GROUP**

ORGANISATION, MANAGEMENT AND CONTROL MODEL
PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

Content

Approval and management of any and all amendments to the organisation, management and control model of Permasteelisa S.p.A.	4
Definitions.....	5
Structure of the document.....	7
General part	8
1. Legislative Decree no. 231 of 8 June 2001	9
1.1. Characteristics and nature of corporate liability	9
1.2. Types of offences identified in the Decree and in subsequent amendments	9
1.3. Criteria for attributing the entity's liability	10
1.4. Recommendations of the Decree concerning the characteristics of the organizational, management and control Model	11
1.5. Offences committed abroad	12
1.6. Penalties	12
1.7. Events that modify the entity	14
2. Purpose of the Model.....	14
3. The fundamental elements of the Model	15
4. The Group Code of Conduct	15
5. Changes to and updates of the Model.....	16
6. Permasteelisa Group	16
6.1. Corporate Background.....	16
6.2. The Company's corporate governance system	17
7. Adoption of the Model by Permasteelisa S.p.A.....	18
8. Offences relevant to Permasteelisa S.p.A.	18
9. Recipients of the Model.....	20
10. Supervisory Board	20
10.1. Composition and appointment of the Supervisory Board	20
10.2. The essential requirements of the Supervisory Board.....	22
10.3. The identification of the Supervisory Board	23
10.4. The functions of the Supervisory Board	23
10.5. Reporting to corporate bodies	24
10.6. Management of information flow towards the Supervisory Body.....	25
10.7. The powers of the Supervisory Body	27
10.8. The budget of the Supervisory Body.....	28
10.9. Relations between the Supervisory Board and the Internal Auditors.....	28
11. Sanctions and disciplinary measures	28
11.1. Definition and limits of the disciplinary responsibility.....	29
11.2. Recipients of the disciplinary system	29
11.3. General principles	30

11.4. Relevant types of behavior and evaluation criteria.....	30
11.5. Sanctions and disciplinary measures.....	31
12. The training and diffusion of the Model	35
12.1. Communication	36
12.2. Information to third parties	36
13. The Model and intercompany transactions.....	36

Approval and management of any and all amendments to the organisation, management and control model of Permasteelisa S.p.A.

This version of the Organisation, management and control model was **approved** by the Board of Directors of Permasteelisa S.p.A.

Document:	<i>Organisation, management and control model pursuant to Legislative Decree No. 231/2001</i>	
1st Approval:	<i>Board of Directors</i>	12-09-2005
1st Amendment:	<i>Board of Directors</i>	13-11-2007
2nd Amendment:	<i>Board of Directors</i>	28-08-2009
3rd Amendment:	<i>Board of Directors</i>	03-09-2014
4th Amendment:	<i>Board of Directors</i>	15-03-2017

Definitions

- **Sensitive activities:** activities of the Company that entail a real or potential risk of offences under the Decree being committed;
- **Instrumental activities:** activities/processes of the Company that are potentially instrumental to offences under the Decree being committed;
- **Parent Company:** this is Permasteelisa S.p.A., which acts as an operating company that provides Group companies with strategic guidance, coordination and control; it also decides on the system of corporate governance to be adopted by its direct or indirect subsidiaries. It also provides centralized services (IT, finance, etc.) and is a center of expertise for Group companies on the matters handled by the Professional Families;
- **Consultants:** persons who use their professional skills to perform intellectual work for or on behalf of the Company;
- **Employees:** persons who have a permanent or temporary employment contract with the Company;
- **Legislative Decree no. 231/2001 or Decree:** Legislative Decree no. 231 of 8 June 2001 and subsequent amendments and additions;
- **Public body:** an entity is considered a public body, even if it has a private sector structure, in accordance with EU legislation adopted in Italy, if the following three requirements are met:
 - legal personality;
 - the entity was set up to satisfy the specific needs of general interest not of an industrial or commercial nature (for example: the collection and disposal of municipal solid waste, the supply of electricity, gas, district heating services, etc.);
 - alternatively, its activities are financed for the most part by the Government, public territorial entities or other bodies governed by public law, or management is under the control of the latter, or the Government, public territorial entities or other public bodies appoint more than half the members of the administrative, management or Supervisory Board.
- **Subsidiary:** this may be a legal entity or permanent establishment abroad, directly or indirectly controlled by the Headquarter;
- **Group or Permasteelisa Group:** it consists of a series of legal entities including the Parent Company Permasteelisa S.p.A. and the companies that it controls directly or indirectly;
- **Public service employee:** a person who "provides any kind of public service," meaning an activity regulated in the same manner as a public function, but without the usual powers (art. 358 of the Criminal Code);
- **Confindustria Guidelines:** guidance document of Confindustria (approved on 7 March 2002 and updated on 21 July 2014) for the creation of organizational, management and control models as per the Decree;
- **Model:** the Organizational, Management and Control Model pursuant to Legislative Decree no. 231/2001;
- **Corporate bodies:** the Company's Board of Directors and Board of Statutory Auditors;
- **Supervisory Board or SB:** this is the body envisaged in art. 6 of the Decree and responsible for supervising the functioning of the Model and compliance with it;

- **PA or Public Administration:** this includes all government departments, including institutes and schools of all levels, educational institutions, businesses and government departments with autonomous legal status, regions, provinces, municipalities, mountain communities and their consortia and associations, academic institutions, autonomous council housing institutions, chambers of commerce, industry, trade and agriculture and their associations, all non-economic national, regional and local public entities, administrations, companies and institutions of the National Health Service. By way of example and without limitation, it includes:
 - Government administrations: Government, Parliament, Ministries, Judiciary, Consulates and Embassies, Prefecture, Police Headquarters, etc.;
 - Public Territorial Entities: regions, provinces, municipalities;
 - Local Health Authorities (ASL);
 - Institute for Work Safety and Prevention (ISPESL);
 - Regional Agencies for Environmental Protection (ARPA);
 - Provincial Labor Departments (DPL);
 - Labor Inspectorate;
 - Social Security (INPS, INAIL);
 - Customs Agency;
 - Tax Authorities;
 - Italian Society of Authors and Publishers (SIAE);
 - Police (State Police, Carabinieri, including the Health Protection Unit (NAS), Fire Department, Fiscal Police, etc.).
- **Independent Supervisory Authorities:** Guarantor for the protection of personal data (Privacy Watchdog), Competition and Market Protection Authority (Antitrust), Authority for the Supervision of Public Works, etc.;
- **Partners:** these are the Company's contractual partners, whether individuals or legal entities, with whom the Company has any form of contractually regulated collaboration;
- **Public official:** a person who "exercises a legislative, judicial or administrative public function" (art. 357 of the Criminal Code);
- **Company or Permasteelisa:** Permasteelisa S.p.A.;
- **Permasteelisa Group company:** a company directly or indirectly controlled by Permasteelisa S.p.A. pursuant to art. 2359, paragraph 1 and 2, of the Civil Code;
- **Top management:** people who are representatives, directors or management of the Company or its units with financial and functional autonomy, as well as persons who exercise, also *de facto*, management or control of the Company;
- **Subordinated subjects:** persons under the direction or supervision of one of the persons referred to above;
- **Top management of the Company:** Board of Directors, Chairman of the Board of Directors and Managing Directors of the Company.

Structure of the document

This document, split into a General and a Special Part, includes a discussion of the regulations contained in Legislative Decree no. 231/2001, and provides guidelines that describe the process of adoption of the Model by Permasteelisa S.p.A., the offences that are relevant to the Company, the recipients of the Model, the Supervisory Board of the Company, the penalty system to prevent violations, the reporting requirements of the Model and staff training.

The second part indicates the sensitive activities for the Company pursuant to the Decree, i.e. those at risk of crime, the general principles of behavior, elements of prevention in defense of these activities and the control measures essential for the prevention or mitigation of the offences, to be transposed into the operational procedures and corporate practices, so as to make them suitable to prevent the commission of crimes.

In addition to what is expressly stated below, the following are also an integral part of this document:

- the list of sensitive activities identified during the risk and control self-assessment, available on file at the Company, and reported in the individual sections of the Special Part of this document;
- the Code of Conduct that defines the Company's principles and rules of conduct of LIXIL Group;
- all regulations, internal provisions, deeds and operating procedures which go to implement this document. These deeds and documents are available in the manner prescribed for their distribution within the Company.

GENERAL PART

1. Legislative Decree no. 231 of 8 June 2001

1.1. Characteristics and nature of corporate liability

In transposing EU legislation on the fight against corruption, Legislative Decree no. 231 of 8 June 2001 introduces and regulates the administrative liability arising from a crime committed by collective entities, which up until 2001 could only be called upon, jointly, to pay fines, penalties and administrative sanctions imposed on their own legal representatives, directors or employees.

This new form of corporate liability is mixed in nature and its peculiarity lies in the fact that it combines aspects of criminal law with those of administrative law. The entity is punished by means of an administrative penalty as liable for an administrative offence, but the system of penalties is based on the criminal law system: the body that has authority to take legal action against the offender is the public prosecutor, while it is a criminal judge that imposes the penalty.

The administrative liability of the entity is separate and independent from that of the individual who commits the crime, and it continues to exist even if the offender has not been identified, or the crime has lapsed for a reason other than an amnesty. In any case, the liability of the entity is always in addition to and never substituted for that of the individual perpetrator of the crime.

The scope of application of the Decree is very broad and covers all entities with legal status, companies, associations without legal status, economic public entities, private sector providers of a public service under concession. The legislation is not applicable to the State i.e. Government entities, public territorial entities, non-profit public entities and entities that perform constitutional functions (for example, political parties and trade unions).

1.2. Types of offences identified in the Decree and in subsequent amendments

The Company's liability should be considered within the extent permitted by law. The first fundamental limit is the number of offences toward which the entity must respond (so called "predicate offences").

The entity may only be held liable for the offences - so-called "predicate offences" - specified in the Decree or, in any case, by a law that came into effect before the offence was committed.

Predicate offences include very different types of crimes, some typical of business, others of criminal organizations. The list of crimes has been extended in various occasions since the original Decree was issued and, at the date of approval of the present Model, the predicate offences belong to the categories listed below):

- **CRIMES AGAINST THE PUBLIC ADMINISTRATION** (art.24 and 25 of the Decree);
- **IT CRIME** (Law no. 48 of 18 March 2008, which introduced art. 24 *bis*);
- **ORGANIZED CRIMINALITY** (Law no. 94 of 15 July 2009, which introduced art. 24 *ter*);
- **COUNTERFEITING MONEY, PUBLIC CREDIT AND REVENUE STAMP OR OTHER IDENTIFICATION INSTRUMENTS OR MARKS** (Law no. 350 of 25 September 2001, which introduced art. 25 *bis*);
- **CRIMES AGAINST INDUSTRY AND COMMERCE** (Law no. 99 of 23 July 2009 - already mentioned - which introduced art. 25 *bis*.1);
- **CORPORATE CRIMES** (Legislative Decree n.61 of 11 April 2002, which introduced art.25 *ter*);
- **CRIMES AIMED TO TERRORISM ACTS AND DEMOCRACY SUBVERSION**, under the Criminal Code and special laws and places crimes committed in violation of article 2 of the International

Convention for the Suppression of the Financing of Terrorism signed in New York on 9.12.1999 (Law no. 7 of 14 January 2003, which introduced art. 25 *quater*);

- **FEMININE GENITALS MUTILATION** (Law no. 7 of 9 January 2006, which introduced art. 25 *quater.1*);
- **CRIMES AGAINST THE INDIVIDUAL** (Law no. 228 of 11 August 2003, which introduced art. 25 *quinquies*);
- **MARKET ABUSE** (Law no. 62 of 18 April 2005, which introduced art. 25 *sexies*);
- **INVOLUNTARY MANSLAUGHTER AND SERIOUS INVOLUNTARY INJURY DUE TO INDUSTRIAL ACCIDENT** (Law no. 123 of 3 August 2007, which introduced art. 25 *septies*);
- **RECEIVING STOLEN GOODS, MONEY LAUNDERING, USE OF ILLICIT CAPITAL, GOODS AND UTILITIES AND SELF MONEY LAUNDERING** (Legislative Decree no. 231 of 21 November 2007, which introduced art. 25 *octies*);
- **COPYRIGHT CRIMES** (art. 25 *novies*);
- **INFLUENCE NOT TO DECLARE OR PROVIDE FALSE DECLARATION TOWARDS CIVIL COURT** (Law no. 116 of 3 August 2009, which introduced art. 25 *decies*);
- **CROSS-BORDER CRIMES** (Law no. 146 of 16 March 2006);
- **ENVIRONMENTAL CRIMES** (Legislative Decree no. 121 of 7 July 2011, which introduced art. 25 *undecies*);
- **EMPLOYMENT OF WORKER WITH IRREGULAR RESIDENCY permit (Legislative Decree no. 109 of 16 July 2012, which introduced art. 25 *duodecies*).**

The entity can be held responsible even assuming that one of the listed offences is only attempted, accordingly to Article 26 of Legislative Decree.

1.3. Criteria for attributing the entity's liability

In addition to committing one of these predicate offences, other regulatory requirements must be satisfied before the entity can be sanctioned under Legislative Decree no. 231/2001. These additional criteria of corporate liability can be divided into "objective" and "subjective".

The first objective criterion is the fact that the offence was committed by a person connected to the entity by a qualified relationship. The following distinction has to be made between:

- those in "senior positions", i.e. those who holds positions of representation, administration or management of the entity, such as, for example, the legal representative, the director, the manager of an autonomous business function, as well as those who run the entity, even if only *de facto*. These are the people who actually have an independent power to make decisions in the name and on behalf of the company. This category also includes all those who are delegated by the directors to run or manage the company or its branches;
- "subordinates", i.e. all those who are under the management and supervision of those in senior positions. Employees and all those who have a task to be performed under the direction and control of those in senior positions, even if they are not part of the staff, specifically belong to this category. Such external persons include co-workers, promoters, agents and consultants, who perform activities in the company's name under a mandate from it. Mandates or contractual relationships with persons who do not belong to the company's staff are also relevant, if these persons act in the name, on behalf or for the benefit of the company.

A further objective criterion is the fact that the offence must be committed in the entity's interest or to its advantage; it is sufficient that at least one of these two conditions exists, as they are alternatives:

- an "interest" exists if the perpetrator acted with the intention of promoting the company, regardless of whether this goal was actually achieved;
- the "advantage" exists when the entity has achieved - or could have achieved - a positive result, economic or otherwise, from the crime.

The liability of the entity exists not only when it has drawn an immediate financial advantage from the offence, but also in the event that the fact was motivated by the company's interest, even if outcome was different. Improving its market position or hiding a financial crisis are cases involving the interests of the company, but without bringing about an immediate economic benefit. It is also important to point out that, if the offence is committed by qualified individuals of a company belonging to a group, the concept of interest can be extended to the detriment of the parent company. The Court of Milan (sentence dated 20 December 2004) has ruled that the distinguishing feature of group interest is that it does not represent the exclusive interest of one of the members of the group, but one that is common to all of its members. This is why they say that the offence committed by the subsidiary could also be charged against the parent company, providing the person who committed the crime - individually or with others - works for it.

As for the subjective criteria of allocation of the offence to the entity, they relate to the tools that it has adopted to prevent any of the offences under the Decree being committed while carrying on business. In fact, the Decree only provides for exclusion of the entity from liability if it can prove that:

- management adopted and effectively implemented, before the commission of the crime, an organizational, management and control model designed to prevent offences of the same kind as those that have been committed;
- the task of overseeing the functioning and observance of the models and their updating has been entrusted to a body with independent powers of initiative and control;
- there has been no omission or insufficient supervision by this body.

The above conditions must jointly contribute to the exclusion of liability on the part of the entity.

Even though the Model acts as grounds for impunity, whether the predicate offence was committed by a person in a senior position, or if it was committed by a subordinate, the mechanism envisaged under the Decree regarding the burden of proof is much more severe for the entity in the event that the offence was committed by a person in a senior position. In the latter case, the entity has to demonstrate that the persons committed the crime by fraudulently evading the Model; the Decree requires stronger evidence of extraneousness as the entity also has to provide evidence of a kind of internal fraud by senior management.

In the event of offences committed by subordinates, the entity may instead be held liable only if it is established that the offence was made possible by non-compliance with management or supervisory obligations, which would in any case be excluded if, before the commission of the offence, the entity has set up an organizational, management and control model designed to prevent offences of the type committed. In this case, it is an organizational fault: the entity has indirectly agreed to the commission of the offence, by not overseeing the activities and the persons at risk of commission of a predicate offence.

1.4. Recommendations of the Decree concerning the characteristics of the organizational, management and control Model

The Decree only covers some general principles concerning the organizational, management and

control Model, without providing any specific characteristics. The Model only acts as grounds for impunity if:

- it is effective, or if it is reasonably capable of preventing the offence or offences committed;
- it is effectively implemented, i.e. if its contents are applied in the business procedures and in the system of internal control.

As regards the effectiveness of the Model, the Decree provides that it has to have the following minimum content:

- it has to identify the activities of the company within which offences could be committed;
- it has to include specific protocols aimed at programming the formation and enforcement of the company's decisions as regards the crimes to be prevented;
- it has to identify how sufficient financial resources are allocated to prevent the commission of crimes;
- it has to introduce a disciplinary system to punish non-compliance with the measures indicated in the Model;
- it has to include reporting requirements to the Supervisory Board;
- in relation to the nature and size of the organization, as well as the type of business, it has to envisage measures to ensure that business is conducted in compliance with the law and to ensure that risk situations are discovered and eliminated quickly.

The Decree lays down that the model has to be periodically reviewed and updated, both if it turns out that there have been significant infringements of the rules, and if significant changes take place in the entity's organization or activities.

1.5. Offences committed abroad

Under art. 4 of the Decree, the entity may be held liable in Italy for predicate offences committed abroad.

However, the Decree subordinates this possibility to the following conditions, in addition to those already mentioned:

- there are general conditions of admissibility laid down in arts. 7, 8, 9 and 10 of the Criminal Code to prosecute someone in Italy for an offence committed abroad;
- the company has its head office in the territory of the Italian State;
- the State where the offence was committed does not take legal action against the entity.

1.6. Penalties

The system of penalties provided for under Legislative Decree no. 231/2001 is split into four types of sanctions that can be inflicted on the entity if it is convicted within the terms of the Decree:

- Fine

A fine is always applied if the court deems the entity responsible. It is calculated using a system based on quotas that are determined by the judge in terms of number and amount: the number of quotas to be applied between a minimum and a maximum that vary according to the facts, depends on the severity of the crime, the degree of liability of the entity, the effort taken to eliminate or mitigate the consequences of the crime or to prevent the commission of other offences; the amount of the individual quota has to be established between a minimum of € 258.00 and a maximum of € 1,549.00, based on the economic and

financial conditions of the entity.

Only the entity has to pay for the fine out of its own capital or endowment fund. So, whatever the legal nature of the collective entity, the Decree excludes that the members or associates have to pay directly out of their own assets;

- Interdictive sanctions

Interdictive sanctions are only applied, in addition to fines, if expressly envisaged for the offence for which the entity is convicted and only if at least one of the following conditions applies:

- the entity made a significant profit from the offence and the offence was committed by someone in a senior position, or by a subordinate if commission of the offence was made possible by serious organizational shortcomings;
- in the event of repetition of the offences.

The interdictive sanctions provided for under the Decree are:

- a ban on the entity's activities;
- suspension or revocation of any authorizations, licenses or concessions involved in the offence;
- a ban on any sort of contract with the Public Administration, except to obtain a public service;
- exclusion from benefits, loans, grants or subsidies and revocation of those already granted;
- a ban on advertising goods or services.

While interdictive sanctions may be applicable permanently under exceptional circumstances, they are usually temporary, with a duration ranging from three months to two years, and relate to the specific activities of the entity responsible for the offence. They can also be applied as a precautionary measure, before the verdict, at the request of the Public Prosecutor, where there is real evidence of the entity's responsibility and specific elements that suggest that there is a real danger that other offences of the same kind may be committed;

- Confiscation

On conviction, the amount that the entity gained from the offence (or assets of equivalent value) is always confiscated. The gain made from the offence has been defined by the United Sections of the Supreme Court (see Cass. Pen., U.S., 27 March 2008, no. 26654) as the economic advantage of direct and immediate causal derivation from the offence, and concretely determined net of the effective benefit received by the damaged party under any contractual relationship with the entity; the United Sections have also specified that this definition should exclude any corporate parameter. i.e. the gain cannot be identified with the net profit made by the entity (except in the case of the entity being put into receivership, as provided for by law). For the Court of Naples (sent. 26 July 2007), the concept of gain may also include the savings brought about by non-payment of certain costs that should have been incurred;

- Publication of the conviction

Publication of the conviction may be ordered if the entity is sentenced to an interdictive sanction; this involves publication of the sentence once, in extract or in full, in one or more newspapers indicated by the judge in the sentence and also displayed in the municipality where the entity has its head office, all at the entity's expense.

Although applied in a criminal trial, all of the penalties are of an administrative nature. The system of penalties envisaged in the Decree is very strict, especially as interdictive sanctions can limit normal business activities considerably, excluding the entity from various types of work.

Administrative sanctions against the entity fall into prescription after five years from the date of commission of the offence.

1.7. Events that modify the entity

The Decree lays down the rules on the entity's liability in the event of transformation, merger, spin-off and transfer of the business.

In the case of transformation of the entity, it remains liable for offences committed before the date on which the transformation took effect. The new entity will therefore be the recipient of the penalties applicable to the original entity, for acts committed before the transformation.

In the case of a merger, the entity resulting from the merger, also by absorption, is liable for offences for which the entities taking part in the merger were responsible. If the merger took place before the final sentence determining the liability of the entity, the court has to take into account the economic conditions of the original entity and not those of the merged entity.

In the case of a spin-off (or demerger), the spun-off entity remains liable for offences committed before the date on which the spin-off took effect and the beneficiaries of the spin-off are jointly responsible for the payment of the fines inflicted on the spun-off entity within the limit of the value of net assets transferred to each entity, except in the case of an entity to which the business unit in which the offence was committed has been transferred; interdictive sanctions are applied to the entity (or entities) in which remain or which absorbed the business unit in which the offence was committed. If the spin-off took place before the final sentence determining the liability of the entity, the court has to take into account the economic conditions of the original entity and not those of the entity resulting from the spin-off.

In the case of a sale or contribution of the company in which the offence was committed, without prejudice to the possibility of prior enforcement against the transferor, the transferee is jointly liable with the transferor to pay the fine within the limits of the value of the business transferred and to the extent of the fines recorded in the mandatory accounting records or due for irregularities that the transferee was aware of.

2. Purpose of the Model

By adopting this document, the Company intends to comply with the rules as soon as possible, wanting to be in line with the fundamental principles of the Decree, as well as improve the existing system of internal controls and corporate governance and make it as efficient as possible.

The main objective of the Model is to create a structured and comprehensive system of control principles and procedures designed to prevent the commission of offences under the Decree, where this is possible and genuinely feasible. The Model will be integrated with the Company's system of governance and will help implement the process of spreading a corporate culture based on fairness, transparency and legality.

The Model also has the following purposes:

- to provide adequate information to employees and those delegated to act on behalf of the Company, or those who are linked to the Company by relevant relationships for the purposes of the Decree, about the activities that involve the risk of committing offences;
- to promote a corporate culture that is based on legality, since the Company condemns any behavior that does not comply with the law or internal regulations, particularly the

provisions contained in its organizational model;

- to spread a control culture;
- to implement an effective and efficient organization of the business, focusing in particular on the decision-making process and its transparency, on making sure that prior and subsequent controls are in place and on handling information both internally and externally;
- to implement all the measures needed to eliminate as quickly as possible any situations where there is a risk that offences could be committed.

3. The fundamental elements of the Model

The Model consists of various fundamental related elements. These derive from the way in which the Company's management runs the business and also by how these elements are integrated in daily Company management processes. The fundamental elements are:

- Code of Conduct, which defines the principles and rules of behavior to be adopted;
- Risk self-assessment aimed at identifying sensitive activities in the Company, which here is referenced in its entirety;
- all the instruction orders, internal measures, acts, procedures and Company regulations aimed at implementing the present Model. Such acts and documents can be found on the corporate intranet.

4. The Group Code of Conduct

The Group's Code of Conduct, approved by the Board of Directors of Permasteelisa S.p.A. on September 30th, 2016, has been issued with the participation of all the Companies belonging to LIXIL Group. The Code of Conduct is a summary of the Group's values while carrying out its social activities and it is intended to draw a common line in order to operate according to shared principles of integrity, ethics in business activities, respect in the workplace, proper use of corporate assets and contribution to the community (social responsibility).

The Code of Conduct differs in terms of nature, function and content from the present document. It has general application and is free of procedural implementation. The final purpose of the Code of Conduct is to point out behavioral rules and ethical and social values that should permeate the Company's activities, along with the pursuit of its purposes and its objectives and in line with the present document. In particular, the Code of Conduct includes the description of rules of conduct that have to be adopted from the various recipients and behavioral principles that should be observed with reference to the following aspects:

- market integrity;
- ethics in business activities;
- respect in the workplace;
- correct use of goods;
- contribution to society.

The Model assumes compliance with the provisions of the Code of Conduct, and the two documents define a set of internal rules aimed at spreading a corporate culture based on ethics and corporate transparency.

The Code of Conduct, which here is referenced in its entirety, represents the basis of the Model and the provisions within the Model itself are integrated with the Code of Conduct.

5. Changes to and updates of the Model

The Company's Board of Directors has exclusive competence for adoption and modification of the Model.

This document must always be promptly amended or supplemented by resolution of the Board of Directors, also on the proposal of the Supervisory Board, when:

- there have been violations or circumvention of the provisions contained in it, which have demonstrated that it is not sufficiently effective or consistent to prevent the offences mentioned in the articles listed in the previous section;
- changes have occurred in sensitive areas in view of regulatory developments (e.g. introduction of new predicate offences in the Decree) or changes in the Company's organization or business (e.g. new areas of operations);
- new operational procedures and/or protocols have been adopted or changes have taken place that have a significant impact on the internal control system;
- other governance tools recommended by the Decree (such as codes of conduct, protocols, changes to the disciplinary system) have been adopted.

In the case where changes of a "non-substantial" nature are required, such as explanations or clarifications of the text, which have no impact on the structure of preventive controls, or those due to the reorganization and subsequent reassignment of activities at risk to new functions or those that are purely formal in nature, the Company's CEO can make the changes on his own, after hearing the opinion of the Supervisory Board.

Any other corporate function, on the other hand, must not make any changes to the Model on its own initiative, as responsibility for this has to remain with the Board of Directors and, if necessary, the CEO, within the limits mentioned above.

In any case, circumstances that require changes or updates of the Model must be reported to the Board of Directors in writing by the Supervisory Board.

The changes to corporate procedures needed to implement the Model are made by the functions involved. The Supervisory Board is kept constantly informed of the update and implementation of new operating procedures and has the right to express its opinion on the proposed changes.

6. Permasteelisa Group

6.1. Corporate Background

Permasteelisa Group is a worldwide leading Contractor in the field of engineering, project management, manufacturing and installation of architectural envelopes and interior systems.

The Group brings its Know-How and expertise to all projects, in particular when dealing with Special Features Buildings, beginning with the design and development phases all the way to the completion, achieving customers' expectations.

Permasteelisa started its activity in 1973 in Vittorio Veneto, Treviso, where the Headquarter still is today. In the '90s Permasteelisa grew rapidly and expanded its business through worldwide acquisitions that allowed the Company to become definitively international. As of today Permasteelisa is present in four continents, with a network of approximately 50 companies in 30 countries with a total turnover of about 1.5 billion Euro and more than 3,000 fulfilled projects. The Company counts more than 6.000 employees, divided between Engineering and Design centers and 11 production plants which are equipped with the most modern and advanced technologies.

The main business areas are:

- design, production, construction, installation, maintenance and trade of building components, building equipment and systems, with particular reference to architectural covering;
- turnkey management of construction and sale of buildings which already contain systems, furniture and airport and naval contract activity;
- design, production, construction, installation, maintenance and trade of furnishing and interior fittings;
- design, production and installation of air conditioning and hydrothermal products / systems / services, electrical systems, automation, security, fire protection and domotic systems and related customer support and advisory;
- study, design and construction of machines for construction industry.

Since 2011 the Company is 100% owned by the Japanese industrial Group LIXIL Corporation.

6.2. The Company's corporate governance system

The term "corporate governance" describes the general approach with which Top Management runs and controls the company's organization, through a combination of information management and hierarchical management of the control structure.

The implementation of an effective corporate governance system is therefore the tool used by Permasteelisa Group to manage and control the legal entities which are part of the Group.

The Company has adopted, according with its bylaw, the so-called "traditional" management and control (governance) system.

The Company's by-law defines the following Corporate Bodies:

- the Shareholders' Meeting (body with deliberative functions only, whose powers are by law limited to the most relevant Corporate's decisions, excluding managing issues);
- the Board of Directors (which handles the strategic oversight and management of the company);
- the Board of Statutory Auditors (which monitor the Company's administration).

Strategic oversight refers to the definition of guidelines and company's strategic objectives and the monitoring of their implementation.

Management consists in running daily company's operations in order to implement the aforementioned strategies.

Strategic oversight and management activities, which concern company's administration, are both ascribed to the Board of Directors and to its delegated bodies.

Monitoring consists in verifying the regularity of administration activities and the adequacy of the organizational and accounting structures of the Company.

Such activity is carried out by the Board of Statutory Auditors, the Audit Firm and by the Supervisory Board.

This Organizational Model is therefore part of the overall corporate governance system which has been adopted by Permasteelisa Group. The Model recalls the general principles of the corporate governance system and refers to its fundamental components and to the internal control system's tools which are part of it and can be classified as:

- institutional (Code of Conduct; Board of Directors and Committees; Internal Audit; organizational structure and roles system), since they refer to skills and relationships

between administration and control corporate bodies;

- operational (powers of attorney and proxies; process, policies, guidelines and operating procedures; corporate management; compliance management), since they refer to the concrete ways through which the different business processes - both operational and compliance - are managed.

7. Adoption of the Model by Permasteelisa S.p.A.

In compliance with the provisions of the Decree, the Company has adopted its own organizational, Management and Control Model with a resolution of the Board of Directors. Both the adoption and subsequent modification of this document are the sole responsibility of the Board of Directors.

The Model, also inspired by the Guidelines for the construction of models of organizational, management and control as per Legislative Decree no. 231 of 8 June 2001, issued by Confindustria in the version of 21 July 2014, has been developed taking into account the Company's structure and the activity that it actually carries on, the target market, and the nature and the size of its organization. The Company has conducted a preliminary analysis of its corporate environment and subsequently an analysis of the areas of activity that have potential risk profiles in relation to the commission of the offences specified in the Decree. The analysis involved the following: the history of the Company, the corporate context, the context of the sector, the organization chart, the system of corporate governance, the existing system of proxies, the legal relationship with third parties, also with regard to service contracts governing intercompany transactions, the operational environment, practices and procedures formalized and disseminated within the Company for the conduct of operations.

In preparing this document, the Company:

- identified sensitive activities, i.e. areas where the offences mentioned in the Decree may be committed, through interviews with the Heads of corporate functions, analysis of the company organization charts and the division of responsibilities;
- carried out a risk and control self-assessment of the commission of offences and an internal control system capable of intercepting illegal conduct;
- identified adequate control structures, necessary for the prevention of the offences mentioned in the Decree or to mitigate the risk of committing offences, that either exist already or are to be implemented in operational procedures and corporate practices;

In relation to the possible commission of the offences of involuntary manslaughter and serious involuntary injury due to industrial accident (art. 25 *septies* of the Decree), the Company has carried out an analysis of its business environment and of all the specific activities carried out there, as well as an assessment of the risks connected to it, on the basis of the results from the checks carried out in compliance with the provisions of Legislative Decree 81/2008 and the special rules associated with it.

This document represents the Company's internal rules and is binding on it.

8. Offences relevant to Permasteelisa S.p.A.

The Model of Permasteelisa S.p.A. was drawn up taking into account the structure and specific risks arising from the activities actually carried out by the Company and the nature and size of its organization.

Given these parameters, the Company considers the following predicate offences as relevant:

- Crimes against the Public Administration (Artt. 24 and 25);

- IT crime (art. 24 bis);
- Organized criminality (art. 24 ter);
- crimes of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (art. 25 bis);
- crimes against industry and commerce (art. 25-bis 1);
- corporate crimes (art. 25 ter);
- Involuntary manslaughter and serious involuntary injury due to industrial accident (art. 25 septies);
- Receiving stolen goods, money laundering, use of illicit capital, goods and utilities and self money laundering (art. 25 octies);
- Copyright crimes (art. 25 novies);
- Influence not to declare or provide false declaration towards civil court (art. 25 decies);
- environmental crimes (art. 25 undecies);
- Employment of worker with irregular residency permit (art. 25 duodeces);
- Cross-border crimes (art. 10 of Law 146/2006).

The offence of "Influence not to declare or provide false declaration towards civil court" (art. 377 bis of the Criminal Code), indicated as a Predicate Offence in art. 25 decies of the Decree and referred to in art. 10 of Law 146/2006 (transnational crimes), cannot be linked to any specific sensitive activities actually carried out by the Company. It has not been excluded from the list of offences potentially at risk of being committed as this type of offence could theoretically be committed by senior people and subordinates, not in relation to a specific sensitive activity, but through an indeterminate number of possible execution methods. In addition, specific preventive measures at the level of internal control system cannot be identified, and the corporate governance structures already in place, together with the principles in the Group Code of Conduct, cannot prevent this specific type of offence.

As for the other categories of Predicate Offences envisaged in the Decree, in light of the main activity performed by the Company, it was considered that the socio-economic context in which it operates and the legal and economic relationships usually established by it with third parties, there are no risk profiles that make it probable that they would be committed in the interest or for the benefit of the Company. In this regard, however, steps have been taken to control such risks by including appropriate standards of conduct in the Group Code of Conduct that in any case oblige the recipients to respect essential values such as solidarity, respect for human dignity, morality, fairness and legality.

The Special Part of this document that follows identifies the activities of the Company that are considered "sensitive" because of the risk of the offences listed here being committed; and for each of the sensitive activities, it provides prevention principles and protocols.

In any case, the Model can be quickly integrated or modified by the Board of Directors, on the proposal of, and in any case after consulting, the Supervisory Board in the following circumstances:

- regulatory changes such as the introduction of new offences and/or modification of the current ones;
- changes in the methods of carrying on business;
- any other situation described in paragraph 5 "Changes to and updates of the Model".

9. Recipients of the Model

The Model applies to:

- senior management or persons in senior positions, i.e. those who perform, also de facto, management, administration, guidance or control in the Company or in an independent corporate function, such as members of the Board of Directors (the legal representative the CEO, the directors), the CEO, the members of the Board of Statutory Auditors or the director of an autonomous function or subjects delegated by the Directors to exercise management or guidance activities of the entity;
- employees of Group companies that are assigned temporarily to the Company with functions of management, administration, guidance or control in the Company or in an independent corporate function;
- subordinates belonging to the Company, i.e. anyone who is subject to the guidance and supervision of senior management (e.g. employees), including those who are working for the Company under a temporary employment contract or internship.

All recipients are required to comply with the utmost diligence with the provisions contained in the Code of Conduct, in the Model, and its implementation procedures, also in fulfilment of the duties of loyalty, fairness and diligence arising from the legal relationship established with the Company.

To those who act under mandate or on behalf of the Company or acting in the interest of the Company in the context of sensitive activities as explained in the following Special Section and who maintain a full decision-making and organizational autonomy outside the guidance and supervision of the entity (e.g. self-employed, co-workers, partners, consultants, agents, suppliers of goods and services, with a subcontracted labor contract), the Company requires a commitment to respect the Code of Conduct and a further commitment to comply with the provisions of the Decree. This obligation is included in specific contractual clauses, which also provide for termination of the contract in the event of non-compliance.

The Company condemns any behavior that deviates from the law or from the provisions of the Model and of the Code of Conduct, even if such conduct is in the interest of the Company or with the intention of giving it an advantage.

10. Supervisory Board

Article 6, subsection one, letter b) of Legislative Decree no. 231/01 states that, among the essential requirement for exemption from administrative liability arising from the commission of predicate offences, there is the establishment of the Supervisory Board, which is "an entity vested with autonomous initiative and control powers" with "the task of supervising the functioning and observance of the models and updating them".

10.1. Composition and appointment of the Supervisory Board

The Supervisory Board is appointed by resolution of the Board of Directors, which determines the number of members and composition. The Board of Directors identifies, among the members, the name of the Chairman of the Supervisory Board, assigning him the formal tasks of calling the meeting, setting the agenda, coordinating work and executing the meeting. The SB's appointment by the Board of Directors must be disclosed and formally accepted from each nominated component. The engagement acceptance will be formally communicated by the Board of Directors to all company levels with an internal statement that will outline members, powers, duties, responsibilities of the SB, as well as the purpose of its establishment. All members of the Supervisory Board must personally meet integrity and morality requirements,

along with a professional profile that will allow them to effectively perform their duties without undermining their impartiality of judgment, authority and ethics of conduct.

Members of the SB mustn't have any operational proxy, any kinship link with top management, nor should they be linked to the Company by economic interests (e.g. relevant shareholdings, etc.), except from all remuneration aspects, or by any situation which could lead to a conflict of interest.

It is necessary for the Supervisory Board, as a whole, to have the following characteristics:

a) Skills:

- knowledge of the organization and of key typical business processes of the industry in which the Company operates;
- legal knowledge in order to allow the identification of issues that may cause criminal offences;
- ability to identify and assess impacts, deriving from applicable regulations, on company operations;
- knowledge of Internal Auditing principles and techniques and of techniques related to "inspection" and "consulting" activities.

In case of lack of any of the above mentioned requirements with reference to one or more members, the SB may avail itself of resources within and / or outside of the company.

b) Personal characteristics:

- an ethical profile of unquestionable value;
- objective expertise credentials.

The following characteristics are grounds for ineligibility / forfeiture:

- when a component is declared interdicted, incapacitated or bankrupt;
- when a component has reported a conviction - even if not conclusive – for crimes:
 - committed in the execution of his duties;
 - that significantly affect his professional conduct;
 - which involve the banning from public offices, from management offices of companies and legal persons, from a profession or an art, as well as the inability to negotiate with Public Administration;
 - pursuant to Legislative Decree 231/2001.

The appointment of the SB has a maximum duration of three years, which can be renewed with a resolution of the Board of Directors.

The Supervisory Board expires at the date in which the Shareholders Meeting which approves the financial statements of the year occurs, but it still continues to carry out its duties until the new appointment of its members.

The appointment must also provide for a remuneration of the members, except if a designated component of the SB belongs to other organs or functions which already monitor the adequacy and the actual functioning of the internal control system as a predominant part of their duties, since the adopted Model - according to the most authoritative doctrine – is an essential part of the internal control system.

The members of the Supervisory Board expire their role in case of renounce, forfeiture, sudden incapacity, death or justified dismissal.

Revocation of members of the SB can only take place with a resolution of the Board of

Directors and only for just cause, with immediate warning towards Board of Statutory Auditors. The following are an example of lawful conditions for revocation with just cause:

- failure to fulfil the obligations as a member of SB or unjustified inactivity;
- imposition of sanctions against the Company for committing Predicate Offences, facilitated by the inactivity of SB's members;
- initiation of a criminal proceeding with commitment for trial with reference to an SB's member.

The following events represent conditions for forfeiture of SB members:

- loss of the above mentioned integrity, morality and professionalism requirements;
- the occurrence of one of the above mentioned causes of ineligibility.

In case of renounce, forfeiture, sudden incapacity or death of a member of the Supervisory Board, the Chairman of the SB shall promptly notify the Board of Directors which will take the necessary decisions in a timely manner.

In the event of renounce, sudden incapacity, death or revocation of the Chairman of the Supervisory Board, the most senior active member will takes over its role, and he will remain President of the SB until the Board of Directors will appoint the new one.

10.2. The essential requirements of the Supervisory Board

Considering the specific nature of the tasks it is entrusted with, the provisions of the Decree and the indications contained in the Guidelines issued by Confindustria, the choice of the internal body was made in order to ensure that the Supervisory Board fulfills the autonomy, independence, professionalism and continuity of action qualifications that the Decree requires for this delicate role.

In particular, also according to the above mentioned Guidelines, the requirements may be described as follows:

Autonomy and Independence

The Supervisory Board's position in the entity "must ensure the independence of control activities from any form of interference and / or conditioning by any component of the entity itself" (including the governing body). The Supervisory Board must, then, report from a hierarchical and informational point of view to the Board of Directors. In addition, in order to ensure the necessary freedom of initiative and independence, the SB is not involved in any operational activity, and doesn't take part in management activities. "Operational activities", for the purposes of the Model and of the Company's activity, can be defined as any activity that may impact on strategic or financial aspects of the company. The activities carried out by the Supervisory Board cannot be influenced by any other Company organ or structure.

The SB is also autonomous from a regulatory point of view, and has the ability to determine its own behavioral and procedural rules within the powers and the functions determined by the Board of Directors.

Professionalism

The Supervisory Board is professionally capable and reliable.

Therefore technical and professional skills, in coherence with the activities it performs, must be guaranteed from a collective point of view; skills in the field of law, accounting, business and management are required.

In particular, specific skills related to inspection and advisory activities must be guaranteed, such as expertise regarding statistical sampling, analysis and risk assessment techniques,

interviewing techniques and processing of questionnaires, as well as methodologies for fraud detection.

Continuity of action

In order to ensure efficient and effective implementation of the Model, the Supervisory Board operates without interruption. Therefore the Supervisory Board, while performing its duties, must guarantee a predominant commitment, although not necessarily exclusive, in order to effectively and efficiently fulfill its institutional commitments.

10.3. The identification of the Supervisory Board

Applying all the above mentioned principles to the daily Company activities, and taking into consideration the specific nature of the tasks which the Supervisory Board must fulfill, it was considered appropriate to establish a collegial body organism.

This composition is recognized as adequate to ensure that the Supervisory Board holds the requirements regarding autonomy and continuity of action mentioned within the Guidelines.

The members of the Supervisory Board were selected within persons who possess the required specific skills, in relation to the peculiarities of the duties of the Supervisory Board and the professional expertise required.

10.4. The functions of the Supervisory Board

The Supervisory Board, according to Articles 6 and 7 of Legislative Decree no. 231/01, performs the following tasks:

- constant monitoring regarding the compliance to the Model by corporate bodies, employees and consultants of the Company and Recipients of the Model generally speaking;
- constant monitoring on the effectiveness of the Model regarding the actual ability to prevent the commission of the offences pursuant to the Decree, also specifically considering the Company's organization;
- monitoring on the effective implementation of the provisions of the Model and of the Code of Conduct and on the compliance by the Recipients with those requirements with reference to the sensitive activities that expose the Company to the risk of committing predicate offences considered significant for the Company;
- periodic monitoring of the single sensitive areas, overseeing the effective adoption and proper implementation of the protocols, the preparation and regular safe keeping of documentation provided for in such protocols, as well as overall monitoring regarding the efficiency and functionality of the measures and precautions taken in the Model with respect to the prevention and the obstacle of committing the offences envisaged by Legislative Decree no. 231/01;
- adjustment and updating of the Model to in case of changes in the company's structure and organization or in the regulatory framework;
- periodic reporting to the corporate bodies;
- management of the information flow to the Supervisory Board itself.

The Supervisory Board must:

- verify the effective adoption and proper application of the control protocols listed in the Model. It is however noted that the control activities are delegated to the responsibility of the operational management and are considered an integral part of every business process

("line" control), which means a personnel training process is important;

- carry out periodic analysis on certain operations or specific acts carried out within sensitive activities. Relative results are summarized in a separate report which will be explained in the context of communications to the corporate bodies, as described below;
- develop control and monitoring systems for the reasonable prevention of irregularities pursuant to the Decree;
- collect, develop and store the information and documentation which is relevant in order to verify the compliance with the Model;
- monitor the initiatives for spreading the knowledge and comprehension of the Model (i.e. to promote and / or develop, in collaboration with Company departments in charge of doing so, information and internal communication programs with reference to the Model, to the behavioral standards, to ethical principles and to procedures pursuant to the Decree which have been adopted);
- make sure that the necessary documentation containing instructions, clarifications or updates that may be required for the operational functioning of the Model is issued by the company's management;
- coordinate itself with other Company functions (also through special meetings) to ensure better monitoring of the activities with reference to the behavioral principles and control protocols established in the Model.

The Supervisory Board will coordinate itself, time by time, with company's functions in order to acquire any additional relevant information.

The Supervisory Board plays an important proactive and constructive critic role, since it analyzes and technically determines the changes to be made to the Model, by formulating appropriate recommendations to the Board of Directors that may become necessary as a result of:

- significant violations of the provisions of the adopted Model;
- important changes to the Company's organization or activities workflow;
- regulatory changes, primarily as a result of legislative integration of the number of Predicate offences.

In particular, the Supervisory Board is responsible for:

- updating itself and constantly reviewing the adequacy of the internal control system according with the new regulatory requirements and of the related Guidelines;
- verifying the existence of requirements for updating Model.

10.5. Reporting to corporate bodies

It is necessary that the Supervisory Board constantly relates to the Board of Directors and maintains adequate and periodic communication with the Board of Statutory Auditors.

The Supervisory Board reports to the Board of Directors:

- when necessary, regarding proposals of updates or amendments of the Model, to be implemented with changes and additions;
- immediately, with regards to verified Model infringements, when such violations could give rise to a liability for the Company, so that appropriate actions can be taken. When it is necessary to take appropriate measures against directors, the Supervisory Board is required to immediately inform the entire Board of Directors and the Board of Statutory Auditors by

written notice. The Board of Directors arranges the deposition, which is attended also by the SB and by the Board of Statutory Auditors, acquires any deductions from the person interested and carries out any further investigation deemed appropriate;

- the Supervisory Board must immediately report to the entire Board of Directors and to the Statutory Auditors in writing form. The Board of Directors hears the involved person, also involving the SB and the Statutory Auditors, acquiring any deduction of the involved person and carrying out any further investigation deemed appropriate;
- annually, providing a testing and control plan for the following year;
- periodically, at least on a half-year basis, issuing an information report concerning audit and control activities and their outcome, as well as any arisen problem in terms of behaviors or events that may have an effect on the adequacy and effectiveness of the Model;
- during the above mentioned reporting activities, the SB summarizes the updates that have been proposed with reference to the Protocols and information flows, in order to enable the Board of Directors to take a decision regarding such issues.

The Supervisory Board reports to the Board of Statutory Auditors:

- immediately, with regards to verified Model infringements, when such violations could give rise to a liability for the Company;
- periodically, transmitting the annual activities' plan and the periodic report prepared for the Board of Directors.

The Supervisory Board may be called at any time by the aforementioned organs or could also submit such request in order to report with regards to the functioning of the Model or to specific situations.

10.6. Management of information flow towards the Supervisory Body

In order to facilitate the control and monitoring activities of the Supervisory Board, it is necessary to put into effect and guarantee information flows towards the SB from corporate bodies and departments which are experts in the relative subject.

It is indeed necessary that the Supervisory Board is kept informed of what happens in the Company and of any other relevant aspect.

The information requirements towards the Supervisory Board ensure an adequate execution of monitoring activities with reference to the effectiveness of the Model and are referred, on a periodic basis, to the information, the data and the news specified in detail in each Preventive Protocol, or further identified by the SB itself and / or requested to the single Company functions.

Such information must be submitted on time and in the manner that has been defined by the Supervisory Board (the so-called information flows).

The information requirements towards the Supervisory Board are also seldom referred to any other information, of any kind, with regard to the implementation of the Model in the sensitive activities' areas, as well as the compliance with the provisions of the Decree, which could be useful for the fulfillment of the tasks of the Supervisory Committee (the so-called reports). In particular, the following information requirements are considered compulsory:

- news on the effective implementation of the Model, at all corporate levels, with evidence of violations, or alleged violations, detected upon completion of audits arranged by internal functions which shall include any responsibility for crimes covered by the Decree;
- the unmotivated deviations from the norms of conduct and principles described in the Code of Conduct issued by the Company;

- the arisen of new risks in the areas directly managed by the various company managers;
- reports eventually made available by the various managers within their control activities, from which facts, actions or omissions, anomalies or unusual situations observed may arise that can reveal critical issues with respect to the compliance with the provisions of the Decree or prescriptions of the Model;
- measures and / or information from the judicial police, or from any other public Authority, which reveal investigation activities of interest to the Company with reference to offences specified in the Decree, also if initiated against unknown persons;
- the establishment of Commissions of Inquiry or internal reports from which some responsibilities regarding the Predicted offences can emerge;
- reports or legal assistance requests forwarded to the Company from senior managers or subordinates, in the event of a legal proceeding against them for one of the offences envisaged by the Decree;
- the dismissal of such proceedings and the reasons therefor;
- reports by senior managers or subordinates of other companies of Permasteelisa Group companies that perform services for, or on behalf of, the Company within the areas of so-called sensitive activities, with reference to potential violations and breaches of specific behavioral aspects, or of any suspicious attitude with reference to the offences envisaged by the Decree; decisions relating to the request, distribution and use of public funds;
- any relevant emission, modification and / or integration of the Company's organizational system (e.g. with reference to the operating procedures, granting of powers of attorney, changes in risk or potentially at risk, situations);
- reports of possible Model violations with regards to employees, agents and representatives, consultants and, generally speaking, to persons who perform self-employment activities, to suppliers and partners (including temporary association of companies or joint ventures) and, more generally, to all those who, for whatever reason, operate with areas of so-called sensitive activities on behalf or in the interest of the Company;
- copy of the periodic reports on health and safety at work;
- any communication of the auditors concerning issues related to the organizational system.

The Supervisory Board is required to evaluate every report which has been received, issuing follow-up actions, where necessary, in order to verify the described issues and to examine the truthfulness and relevance of the information contained in the report.

Any assessment on the relevance of the specific reported cases and the consequent decision to activate more detailed assessments and measures is left to the discretion and responsibility of the Supervisory Board.

In the event that, following the preliminary investigations, the Supervisory Board considers as not relevant the reports and not subsisting the violations, the decision not to proceed will have to be motivated; on the other hand, in case a breach was to be found, the Supervisory Board has to immediately inform the holder of disciplinary power, which shall proceed with disciplinary proceedings within its jurisdiction for the purpose of the disputes and possible sanctions' application.

With reference to the modality of information transmission by senior management or subordinates, it is underlined that the obligation to inform the employer of any action put in place not in compliance with the adopted Model, is part of a wider duty of diligence and loyalty of the work lender. Consequently, the proper fulfillment of the obligation requirement regarding information from the employee cannot result in the application of disciplinary sanctions. On the

contrary, any improper disclosure, both in terms of content and form, determined by a libelous intention, will be subject to appropriate disciplinary sanctions.

In particular, the following provisions apply:

- all reports, including those related to any violation or suspected violations of the Model, of general principles and principles described in the Code of Conduct, must be in written form;
- information and reports must be sent from the involved person directly to the Supervisory Board at the following e-mail address: organismodivigilanza@permasteelisagroup.com;
- the Supervisory Board acts in order to protect reports' submitters from any form of retaliation, discrimination or penalization, or from any consequence arising from the reports, assuring the confidentiality of their identity, in compliance with legal obligations and protecting the Company's rights or of persons who have been wrongly accused and / or in bad faith;
- the SB independently evaluates received reports; all recipients of the disclosure requirements are required to cooperate with the Statutory Board itself, in order to enable the collection of all additional information deemed necessary for a correct and complete assessment of the report.

The information flows and reports are filed by the Supervisory Board in a specific computerized and / or paper database. The data and information stored in the database are made available to persons who are not part of the SB only if preventively authorized by the Supervisory Board itself, unless the access is mandatory under law. The SB defines, with a specific internal disposition, criteria and access conditions to the database, as well as conservation and protection criteria of data and information, in accordance with local regulations.

10.7. The powers of the Supervisory Body

The main powers of the Supervisory Board are:

- self-regulation and definition of the internal operating procedures;
- monitoring and control.

With reference to the powers of self-regulation and the definition of internal operating procedures, the Supervisory Board of Permasteelisa S.p.A. has exclusive authority with reference to:

- the convening;
- the organization of meetings, including the agenda;
- the deliberation and taking minutes of meetings, or attending meetings with the Board of Directors and the Board of Statutory Auditors;
- the way of communicating and having a direct relationship with all company functions, and the way of acquiring information, data and documentation from company functions;
- the coordination with the Board of Directors and the Board of Statutory Auditors and the way to participate in the meetings of the aforementioned bodies, on the initiative of the SB itself;
- the organization of the monitoring and control activities, as well as the representation of the results of such activities.

With reference to the powers of monitoring and control, the Supervisory Board:

- has free and unconditioned access to all the Company's functions - without the need for any prior consent - in order to obtain any information, document or data deemed necessary for carrying out the tasks provided for in the Decree;

- may inspect and take copies of Company's books, main contracts and delegations of authority;
- can dispose freely, without any disturbance, of its initial budget and of the one of the reference period, in order to meet all the necessary requirements for proper fulfillment of its duties;
- may, if deemed necessary, make use of - under its direct supervision and responsibility - all Company's functions;
- in the same way, the SB can autonomously decide, if specific skills are necessary and in any case to fulfill its professional duties, to take advantage of professionals which are not part of the Company, as well as of the professionalism of the Group's Internal Auditing function, using for this purpose its own period budget. In these cases, external parties operate under the direct supervision and responsibility of the Supervisory Board;
- may, after the necessary investigations and assessments have been carried out, and after talking with the violator, report the event according to the rules provided for in the Disciplinary System which has been adopted pursuant to the Decree, provided that the formal protests and the imposition of the sanction are carried out by the Competent Function.

10.8. The budget of the Supervisory Body

In order to further strengthen the autonomy and independence requirements, the Supervisory Board has an adequate initial and period budget, previously approved by the Board of Directors.

The Supervisory Board will be completely autonomous in using these financial resources, taking into consideration that the SB is required to report the use of the budget on an annual basis, as well as to motivate the presentation of the budget for the next period in the periodical information report towards the Board of Directors.

In cases of urgencies and necessities, and in case the SB needed additional financial resources compared to the ones initially defined within the budget in order to fulfill its duties, the Supervisory Board will be able to autonomously obtain the extra resources without limits of expenditure, but must successively timely report the issue to the Board of Directors for approval.

10.9. Relations between the Supervisory Board and the Internal Auditors

The Supervisory Board is a company's internal organ which has been issued by the company itself in compliance with the Decree.

Nonetheless, in order to obtain a synergic effect and to reduce operating costs, the Supervisory Board, in order to fulfill its monitoring tasks regarding the functioning and compliance of the adopted Model, may rely on the professional resources of the Internal Auditing function of the Company.

External parties that may possibly support the Supervisory Board – whether represented by resources of the Group Internal Audit function or by external professional resources - operate only as a technical and specialist advisory support towards the Supervisory Board.

11. Sanctions and disciplinary measures

Under Article 6, subsection 2, letter e), and article 7, subsection 4, letter b) of the Decree, the Organizational Management and Control Models, of which the adoption and implementation is a condition sine qua non for the exemption of the company liability in the event of committing offences under the Decree (together with other situations provided for by the aforesaid Articles 6

and 7), can be considered effectively implemented only if an appropriate disciplinary system is provided for to punish non-compliance with respect to measures contained in them.

The application of disciplinary sanctions is independent from the beginning or the outcome of any criminal proceeding, as the Model and the Code of Conduct constitute binding rules for recipients, and the violation of that rules can be punished regardless of the actual realization of a crime or its punishability.

The rules of conduct imposed by the Model are adopted by the company with autonomy, in order the better respect the law for which the company is responsible for.

Furthermore, timeliness and immediacy principles make it inadvisable to delay the imposition of disciplinary sanctions while awaiting a final ruling of the Courts.

11.1. Definition and limits of the disciplinary responsibility

This section of the Model identifies and describes the relevant offences pursuant to Legislative Decree no. 231/2001 and subsequent amendments, the corresponding imposable disciplinary sanctions and the objection of proceedings.

The Company is aware of the need to respect laws and regulations in this field, and it ensures that imposable penalties according to the disciplinary system comply with the provisions of collective agreements and national labor law applicable to the sector, in this case the CCNL of Private Metalworking industry and systems installation of January 20, 2008 and CCNL for managers of industrial companies of November 25, 2009, and the company's supplementary bargaining; it also ensures that the formal procedures for objecting the offence and to impose the related sanction is in line with the provisions of Article 7 of Law n. 300 of 30 May 1970 (so-called "Workers Charter").

For recipients with agreements other than an employment relationship (administrators and third parties in general) the measures and procedures for sanctions have to be in accordance with the law and contractual conditions.

11.2. Recipients of the disciplinary system

Recipients of the Model and of the Code of Conduct are also recipients of the disciplinary system, in particular those who are representatives, directors or managers of the company or one of its organizational units which has financial and functional autonomy, as well as those who de facto manage and control it, and all those who are subject to the management or to the supervision of one of the aforementioned subjects.

In particular, within the first category there are:

- the Chairman of the Board of Directors;
- the Chief Executive Officer;
- members of the Board of Directors;
- executives.

Within the second category there are all employees to which the current national labor contract of the sector applies:

- Blue collar employees;
- white collar employees;
- Management.

Consultants, external contractors, business partners such as the contractual parties, the Board of Statutory Auditors, and the Audit Firm have to be considered also as recipients of the disciplinary system.

11.3. General principles

Any alleged violation of the Model or the procedures established to implement it, committed by anyone, must be reported immediately, in writing, to the Supervisory Board, subject to the procedures and measures pertaining to the holder of the disciplinary power.

All recipients of the Model referred to in the paragraph have the duty to report violations.

On receiving a report, the Supervisory Board must immediately put the necessary checks in place, after maintaining the confidentiality of the person involved. The penalties are adopted by the competent corporate bodies, in accordance with the powers conferred on them by the Articles of Association or internal regulations of the Company. After the appropriate evaluation, the Supervisory Board will inform the holder of the disciplinary power that will start the process of contesting the violation and presumed application of the sanctions.

11.4. Relevant types of behavior and evaluation criteria

The violation (or even attempted violation) of the provisions contained in the Model, in the procedures that constitute implementation of the Model, and/or in the Group Code of Conduct adopted by the Company may also be perpetrated through omissions of action or behavior, recognized as relevant for the application of the related sanction.

The following types of behavior constitute disciplinary offences:

- behavior, including omissions, aimed unambiguously at committing an offence under the Decree;
- violation, including omissions of behavior, also in collaboration with others, of the principles of conduct prescribed by the Model, of corporate operating procedures which constitute implementation of it and of the Group Code of Conduct;
- omission of controls on sensitive activities or phases of them as envisaged in the Model;
- preparing untrue documentation, also in collaboration with others;
- facilitating the preparation of false documentation by others;
- theft, destruction or alteration of documents regarding a corporate operating procedure to circumvent the system of controls envisaged in the Model;
- omission of checks prescribed by the Model and the relevant procedures for the protection of the health and safety of workers;
- omission of checks prescribed by the Model and the related procedures in environmental matters;
- behavior to obstruct or elude the supervisory activities of the SB;
- impeding access to information and documentation requested by the persons in charge of checking procedures and decisions;
- any other conduct to evade the system of controls provided for by the Model;
- failure to supervise the work of subordinates in the field of sensitive activities according to the Model;
- failure to report violations found to the SB;

- failure to assess and failure to take timely measures with regard to reports and indications of the need for interventions on the part of the SB.

In order to identify the proper sanction in accordance with the criteria of proportionality and appropriateness, possible violations are assessed according to their severity in the light of the following criteria:

- if the behavior was intentional;
- the degree of neglect, incompetence and recklessness;
- the number and importance of the Model's principles of behavior that have been disregarded;
- the duties, qualification and level of the employee, managerial position held or corporate body to which the person belongs;
- the presence of previous disciplinary measures;
- multiple violations within the same conduct;
- collaboration on the part of several persons in carrying out the unlawful conduct;
- the existence of aggravating or mitigating circumstances;
- a relapse in the last three years;
- the extent of the damage caused to the Company and to property and/or persons, including customers;
- the severity of the damage to the prestige of the Company.

The commission of an offence under the Decree and the behavior to obstruct the SB's functions always constitute a serious violation that can lead to the application of the maximum disciplinary sanction established for each category of recipients referred to in the next section.

Persistent recurrence of any of the behaviors listed above makes the violation serious and can lead to the application of the maximum disciplinary sanction established for each category of recipients referred to in paragraph 11.5.

Other violations will be evaluated by the corporate function who has the disciplinary power in the light of the specific circumstances and the evaluation criteria set out above, for the application of a penalty that is both proportionate and a sufficient deterrent.

If a single act or behavior includes more offences liable to various sanctions, the most severe applies.

11.5. Sanctions and disciplinary measures

The Model and the Code of Conduct together represent a set of rules that all employees must comply with, also under their national labor contract in the field of standards of conduct and disciplinary sanctions. Violation of the provisions of the Model and the Code of Conduct and its implementation procedures therefore involves the application of the disciplinary proceedings and sanctions, in accordance with the law and the labor contract of reference. Compliance with the provisions of the Model and the Code of Conduct forms part of employment contracts of any kind and nature, including those with management, those with increasing levels of protections, those that are part-time, as well as collaboration contracts falling within the so-called "parasubordination" category.

Measures against employees

Behavior of employees in violation of any rule of conduct described in this Model are defined as disciplinary offenses.

With reference to the sanctions applicable to blue collar employees, white collar employees and executives, they fall within the provisions of the company disciplinary system and / or the system of penalties provided for by the CCNL, in accordance with the procedures under Article 7 of the Workers Statute and any special applicable regulations.

The Model refers to the categories of punishable acts, and to the measures envisaged by the disciplinary and sanctions apparatus within the framework of existing national collective bargaining agreement, in order to connect any violations to the Model to the cases already provided for by those provisions.

In particular, in application of the CCNL of Private Metalworking industry and systems installation of December 5, 2012 (Title VII Article 8. - Disciplinary measures), it is expected that the employee incurs on these disciplinary measures, when it occurs one of the following cases:

a) verbal warning measures:

- minor non-compliance with rules of conduct of the Code of Conduct and Preventive Protocols contained in the Model;
- minor non-compliance with Company procedures and/or with the Internal Control System;
- Tolerance of minor non-compliance or irregularities committed by subordinates or by others staff members pursuant to the Model, the Protocols, the Internal Control System and the Company Procedures.

The term "minor non-compliance" describes cases of conduct not characterized by intent or serious negligence which did not cause risk of sanctions or damage to the Company.

b) Written warning:

- involuntary non-compliance with rules of conduct of the Code of Conduct and Preventive Protocols provided by the Model;
- involuntary non-compliance with Company procedures and/or of the Internal Control System;
- tolerance of involuntary non-compliance committed by subordinates or other staff members with respect to Preventive Protocols provided by the Model, the Internal Controls System and Company Procedures.

The term "involuntary non-compliance" describes cases of conduct not characterized by fraud or if they generated potential risk of sanctions or damage to the Company.

c) Fine (up to a maximum of 3 hours of remuneration):

- recurrence of misconduct punishable by a written warning;
- non-compliance with the rules of conduct contained in the Code of Conduct and in the Model for activities at risk of offences;
- failure to notify or tolerance of non-compliance committed by subordinates or by others staff members pursuant to the Model;
- failure to comply with requests of information or with the exhibition of documents from the SB, except motivated justifications.

d) Suspension of remuneration (up to a maximum of 3 days of remuneration):

- behaviors that may be punishable with previous mentioned penalties (warnings and fines), but due to objective circumstances, specific consequences or recidivism, they are considered the most serious;
- serious or repeated non-compliance with the rules of conduct of the Code of Conduct

and Preventive Protocols provided by the Model;

- serious or repeated non-compliance with Company Procedures and / or with the Internal Control System;
- failure to notify or tolerance of serious failures committed by subordinates or other staff members pursuant to the Model, the Protocols, the Internal Control System and Company Procedures;
- repeated non-compliance to requests for information or submission of documents by the Supervisory Board, unless motivated justifications.

e) Dismissal with notice:

In case of non-compliance to provisions of the Model and referred to a criminal offence sanctioned by the Decree, noting in the behavior a serious infringement of the rules and of the obligations of the office, so as not to allow, even if provisional, continuation of employment.

f) Dismissing without notice

Serious violation (intentional or with gross negligence) of the rule of conduct, provided by the Model, by the Code of Conduct and by protocols and procedures, so serious to cause material and moral damage to the Company and to stop the continuation of employment relationship, not even provisionally. For example, this refers to conduct including one or more crimes or offenses that represent conditions of crimes including but not limited to:

- Intentional non-compliance with company regulations pursuant to Decree no. 231/2001 so serious to not allow the continuation of the employment relationship not even a provisional continuation, for the underlying intention, or for criminal or pecuniary consequences or for recidivism or for its particular nature;
- Intentional non-compliance of not due acts or omission of due acts pursuant to the Model or related to Protocols, that have caused, to the end of a judicial process, fine for the Company and / or interdiction for having committed crimes related to the Legislative Decree no. 231/2001;
- Intentional non-compliance with Company procedures and / or with the Internal Control System so serious to not allow the continuation of the employment relationship not even a provisional continuation, for the underlying intention, for the technical, organizational, legal pecuniary and reputational consequences, for recidivism or for its particular nature.

An immediate and widespread information about the introduction of any new provision will be given to all workers by issuing an internal letter explaining the reasons and summarizing its content.

Measures against Managers

Violation of the rules of conduct contained in the Code of Conduct and the Model by Managers, whose employment relationship is governed by the current national labor contract, determines the most appropriate application of sanctions, including, in serious cases, dismissal in accordance with the procedures laid down in art. 7 of Law 300/1970; this without prejudice to the Company's right of evaluating and formulating a request for compensation to recover the damages caused as a result of such conduct, including damages caused by the court's application of the measures envisaged in the Decree.

The disciplinary measures applicable, which can vary according to the intensity and possible recurrence of the behavior, may include:

- a) a written warning in the case of infringements considered of lower severity considering the evaluation criteria referred to in paragraph 12.2 above (e.g. with a subjective culpable element with a slight degree of negligence, no previous disciplinary measures, no or low damage

caused to the Company or to third parties, particular mitigating circumstances);

- b) fine for a maximum of one day's standard pay in the case of infringement involving an appreciable or significant exposure to the risk of committing one of the offences referred to in the Model;
- c) suspension from work and salary, up to a maximum of 3 days in the case of multiple repetitions of the conduct referred to in letter a) or in the case of repetition of the acts or omissions referred to in letter b);
- d) termination for just cause in the event of conduct uniquely directed to the commission of an offence under the Decree or otherwise of violations committed intentionally or by fault so severe as to preclude even provisional continuation of the employment relationship. This penalty is also applied if the person, during his work, deliberately prevents the application of the requirements and procedures and/or protocols and principles of behavior laid down in the Model and/or the Group Code of Conduct.

Measures against Directors

In the case of violation of the rules of conduct laid down in the Group Code of Conduct and the Model by the Directors, the Supervisory Board informs the Shareholders' Meeting, which takes the appropriate initiatives as foreseen by law. Depending on the seriousness of the conduct, penalties can include:

- a) a written warning that is kept on record in the case of violations of mild severity;
- b) suspension of pay in the case of violations involving an appreciable exposure to the risk of offences according to the Model being committed or in the presence of multiple repetition of the conduct referred to in letter a);
- c) revocation of office if the violation of a director is so serious as to affect the Company's confidence in him, such as infringements which involve the commission of an offence as per Legislative Decree no. 231/2001 or that damage the Company and/or the shareholders (in terms of assets or otherwise).

Measures against Statutory Auditors

In the case of violation of the rules of conduct laid down in the Group Code of Conduct and the Model by a member of the Board of Statutory Auditors, the Supervisory Board has to report the matter immediately in writing to the Board of Directors. The Board of Directors organizes a meeting with the person involved, with the SB in attendance, acquires any deductions made by the latter and completes any further investigations deemed necessary. In the case of serious violations likely to represent just cause for the termination of employment, the Board of Directors proposes revocation of the Statutory Auditor to the Shareholders' Meeting. If the behavior of a member of the Board of Statutory Auditors prejudices the Company's confidence in the reliability of the entire Board of Statutory Auditors, the Shareholders' Meeting can revoke and replace the entire Board.

Measures against external parties

In the case of violations of the rules of conduct laid down in the Group Code of Conduct by third parties (e.g. self-employed, co-workers, business partners, consultants, agents, suppliers of goods and services, labor contractors or subcontractors), the SB sends a written report to the Chairman of the Board of Directors, who will consider how to proceed in assessing the violation in line with the terms of the contract.

The Chairman informs the Board of Directors, which, having heard the Head of the function to which the contract or relationship refers, can proceed as follows, depending on the type of contract:

- a) it can demand strict compliance with the provisions of the Group Code of Conduct and of the applicable regulations in force; otherwise, it will apply the sanction indicated below or

- terminate the business relationship with the Company;
- b) it can apply a sanction according to the economic value of the contract and the seriousness of the violation;
 - c) it can claim for any damages caused to the Company;
 - d) in case of serious or repeated violations, it can immediately terminate the contract or interrupt any outstanding commercial agreements.

12. The training and diffusion of the Model

Internal training is a fundamental tool for the effective implementation of the Model and for a widespread diffusion of the principles of conduct and control adopted by the Company, in order to obtain a reasonable prevention of offences from which the Decree brings forth the administrative liability.

The head of the Group Internal Audit function is responsible for the proper training of the personnel on the application of the Organizational, Management and Control Model, which is subject to verification by the SB, who will share the training programs.

The requirements that a training program should address are the followings:

- to be appropriate to the position held by the person within the organization (new employee, employee, manager, director, etc.);
- the contents must be differentiated according to the activity that the subject does within the company (risk activities, control activities, not to risk assets, etc.).
- the periodicity of the training must be functional to the evolution in the external environment in which the company acts, as well as the learning skills of the staff and the level of commitment of the management in order to bestow authoritativeness to the training activities carried out;
- the supervisor should be authoritative and competent to ensure the quality of the content covered, as well as making explicit the importance that education plays for the Company and for strategies that it wants to pursue;
- participation to training programs should be mandatory, and a special mechanism to monitor the presence of the parties should be defined;
- it should introduce control mechanisms to verify the learning levels of the participants.

Training can be classified in general or in specific way. The general education must involve all levels of the organization, in order to allow each individual to become aware of:

- the rules contained in Legislative Decree no. 231/2001 on the administrative liability, of criminal offences and sanctions provided for therein;
- the standards of conduct established by the Code of Conduct;
- the Disciplinary System;
- guidelines and the principles of control contained in the internal operating procedures and standards of conduct;
- the powers and duties of the SB;
- the internal reporting system on the SB.

Specific training, on the other hand, affects all those individuals who, because of their activities, require specific skills in order to handle the peculiarities of the asset itself, as the staff working in sensitive activities. These individuals will have to receive training, both general and specific. The specific training will allow the subject to:

- be aware of the potential risks associated with its business, or in specific control mechanisms to be activated in order to monitor the activity itself;
- know the data for assessing risks inherent to the activity which it carries on and the exact modalities of the same and / or procedures that govern, in order to acquire the ability to identify any anomalies and report them in the ways and times useful for the implementation of possible corrective actions.

In case of changes and / or significant updates of the Model, it will be organized training modules targeted to the knowledge of these changes.

By the way, specific training is integrated with coordination of operational activities and carried out by the hierarchical superiors of the individual workers, in light of its function of direction and control towards their subordinates (the so-called training "on the job").

12.1. Communication

Accordingly with the provisions of the Decree and the Guidelines, the Company will give full publicity to this Model, in order to ensure that all personnel are aware of all its elements.

Communication needs to be widespread, effective, clear and detailed, with periodic updates related to the Model changes, in compliance with the provisions of the Guidelines.

Mostly, the communication, to be effective, has to:

- be sufficiently detailed in relation to the hierarchical level of destination;
- use the most appropriate channels of communication and easily accessible to the addressees in order to provide the information in a useful time, enabling the recipient to use the same personal communications effectively and efficiently;
- be "qualitatively higher" in terms of content (include all the necessary information), timely, updated (should contain the most recent information) and accessible.

Therefore, the actual level of communication relating to the essential components of this Model should be developed in line with the principles defined above, through the media means considered most appropriate, such as, for example, sending e-mail, publishing on the corporate intranet or the posting on the bulletin board.

12.2. Information to third parties

Further recipients, in particular suppliers and consultants, were provided with, by the function having institutional contacts with the same and under the coordination of the Supervisory Board, some special contractual clauses that inform about the policies and procedures adopted by the Company on the basis of the Model and the Code of Conduct, as well as the consequences that behavior contrary to these documents may have with regard to contractual relations.

Where it is possible, in the contractual clauses are included some terms specifically designed to regulate these consequences, such as termination clauses or termination rights in the event of conduct contrary to the rules of the Code of Conduct and / or the Model Protocols.

13. The Model and intercompany transactions

Permasteelisa S.p.A. makes the greatest possible effort in order to limit the so called "Verticalization phenomenon of interest", based on the extensive mechanism of administrative responsibility according to which it is assumed the existence of the Group's interest, intended as the interest of more companies.

In this context, whenever within the Group, the Company provides services in favor of the

Group companies, and at the same time it receives some services that can affect sensitive activities referred to "The Risk Assessment Outcomes", each service must be governed by a written contract.

These contracts also must include specific clauses that indicate clear responsibilities regarding the failure to comply with the Code of Conduct and Legislative Decree no. 231/01.

The Supervisory Board of Permasteelisa S.p.A., also will coordinate with the competent business functions of the Company that shall be responsible for managing relations with the companies belonging to the Group in order to ensure that the service activities of the latter are in line with the Code of Conduct and with the organizational Model of the Company.

Finally, within the wider context of legislation on corporate criminal liability in force, in the foreign jurisdictions in which they operate the companies controlled directly or indirectly by the Parent Company Permasteelisa S.p.A., the Parent Company itself intends to adopt specific guidelines in order to indicate organizational principles and behavior that each foreign company of the Permasteelisa Group must follow in order to ensure, regardless of the locally applicable regulations, a corporate governance system based on legality.



**PERMASTEELISA
GROUP**