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MECAER AVIATION GROUP S.p.A.

ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

pursuant to Legislative Decree no. 231 of 8 June 2001

(Approved by the board of directors on 10 June 2011,
subsequently revised on 21 February 2013
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INTRODUCTION

Legislative Decree no. 231 of 8 June 2011 introduced the concept of companies' administrative liability into Italian law. As a result, companies may be held liable, and therefore sanctioned, for certain crimes committed or attempted in their interest or to their advantage.

Liability is excluded if the company has introduced and effectively implemented an organisational, management and control model suitable to prevent the crimes before they are committed (with respect to one or more crimes covered by the above Legislative Decree). The Confindustria¹¹ (the Italian employers' federation) guidelines set out models and standards.

Mecaer Aviation Group ("Mecaer" or the "company") has adopted an Organisational, management and control model to comply with the requirements of Legislative Decree no. 231/2001 and subsequent amendments and integrations.

It has identified activities at risk, the possible ways in which the crimes covered by Legislative Decree no. 231/2001 could be committed and the preventive measures.

Section I describes the current legislative framework (part 1). The data and information is up to date at the date of the Model's approval and are provided for illustrative purposes only.

Section II describes the Model's composition:

- a brief description of the Model (part 2);
- the procedure used to identify activities at risk pursuant to Legislative Decree no. 231/2001 and definitions of the control standards (part 3);
- the characteristics and powers of the supervisory body (part 4);
- the characteristics of the disciplinary system designed to punish non-compliance with the Model's requirements (part 5);
- definition of the methods adopted for communications to employees and training (part 6).

Section III sets out the application elements of the Model:

- the Code of Conduct (part 7);
- the disciplinary system (part 8).

¹ Guidelines for the preparation of organisational, management and control models pursuant to Legislative decree no. 231/2001, approved by Confindustria on 7 March 2002 and revised on 31 March 2008.

SECTION I

**DESCRIPTION OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

**DESCRIPTION OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

PART 1

Legislative framework

1.1 Introduction

Legislative Decree no. 231/2011 implemented proxy law no. 300 of 29 September 2000, adding the administrative liability of companies to the criminal liability of the individual who committed the crime. This approach reflects the US approach and that applicable in the EU.

Although the law governing the criminal liability of individuals has not been formally changed, the regulations set out in Legislative Decree no. 231/2001 complement: a) the possible compensation for the damage; and b) the civil obligation to pay fines or penalties imposed on the individuals committing the crime, should they be insolvent (articles 196 and 197 of the Criminal Code), already provided for in previous legislation. Legislative Decree no. 231/2001 is innovative as the companies are no longer held to be estranged from the possible consequences of criminal proceedings for crimes committed to their advantage or in their interests.

1.2 Nature of the liability

The report presenting Legislative Decree no. 231/2001 emphasises the *"creation of a tertium genus which combines the essential characteristics of the criminal system with the administrative system in order to reconcile the reasons for effective preventive measures with those, even more unavoidable, requesting greater guarantees"*.

This premise is confirmed by the identification of the new forms of companies' administrative liability: a) the afflictive nature of the sanctions imposed on companies; and b) the fact that this liability derives from the commission of a crime is ascertained as part of a criminal proceeding and is, therefore, covered by the guarantees inherent in a criminal proceeding.

1.3 Crimes

The relevant crimes that lead to a company's administrative liability are only those specified by law, pursuant to the concept of legality confirmed by article 2 of Legislative Decree no. 231/2001.

At the date of approval of the Model by Mecaer, these were:

1. crimes against the public administration (articles 24 and 25 of Legislative Decree no. 231/2001);
2. cybercrime and illegal data processing (article 24-*bis* of Legislative Decree no. 231/2001);
3. organised crime (article 24-*ter* of Legislative Decree no. 231/2001);
4. false money, tender and stamp duties (article 25-*bis* of Legislative Decree no. 231/2001);
5. crimes against the industry and commerce (article 25-*bis*.1 of Legislative Decree no. 231/2001);
6. corporate crimes (article 25-*ter* of Legislative Decree no. 231/2001);
7. terrorism or subversion of democratic order envisaged by the Criminal Code or special laws (article 25-*quater* of Legislative Decree no. 231/2001);
8. female genital mutilation (article 25-*quater*.1 of Legislative Decree no. 231/2001);
9. crimes against the individual (article 25-*quinquies* of Legislative Decree no. 231/2001);
10. market abuse (article 25-*sexies* of Legislative Decree no. 231/2001);

11. manslaughter and grievous bodily harm, committed by violating the accident prevention and occupational health and safety regulations (article 25-*septies* of Legislative Decree no. 23/2001);
12. handling stolen goods, laundering and use of cash, assets or other illegally gained goods (article 25-*octies* of Legislative Decree no. 231/2001);
13. copyright crimes (article 25-*novies* of Legislative Decree no. 231/2001);
14. induction to not make statements or to make false statements to the judicial authorities (article 25-*decies* of Legislative Decree no. 231/2001);
15. environmental crimes (article 25-*undecies* of Legislative Decree no. 231/2001).
16. employment of non-Italian citizens with irregular residence permits (article 25-*duodecies* of Legislative Decree no. 231/2001).

Companies' administrative liability also arises in the case of the transnational crimes listed below, as introduced by Law no. 146 of 16 March 2006 (articles 3 and 10): criminal association; mafia-type associations; criminal association for the smuggling of foreign tobacco; association for the illegal traffic of narcotic drugs or psychotropic substances; clandestine immigration; induction to not make statements or to make false statements to the judicial authorities; aiding and abetting.

1.4 Sanctions

The sanctions envisaged by Legislative Decree no. 231/2001 for companies as a result of the commission or attempted commission are:

- fines of up to €1,549,370.69 (and preventive precautionary attachment);
- prohibitions (which can also be applied on a precautionary measure) of between three months and two years, which in turn comprise:
 - o ban on operations;
 - o suspension or withdrawal of authorisations, licences or concessions that were used to commit the crime;
 - o ban on agreeing contracts with the public administration;
 - o exclusion from subsidies, financing, grants or benefits and the possible withdrawal of those already granted;
 - o ban on advertising goods or services;
- seizure (and preventive precautionary attachment);
- publication of the ruling in the case of prohibition.

The criminal proceedings judge decides the fine to ensure its effectiveness (article 11 of Legislative Decree no. 231/2001) using a “unit” system of numbers from between one hundred and one thousand and amounts varying from €258.22 and €1,549.37. The judge decides:

- o the number of units, depending on the seriousness of the crime, the company’s liability level and the activities performed to eliminate or mitigate the effect of the event and to prevent the commission of additional offences;
- o the amount of each unit, based on the company’s financial position and performance.

The prohibitions are only applied to those crimes for which they are specifically provided for, when at least one of the following conditions is met:

- o the company makes a large profit from the crime and the crime is committed by senior management or persons who report to other managers when, in the latter case, the commission of the crime was due to or facilitated by serious organisational weaknesses;
- o the crime is repeated.

The bans on operating, agreeing contracts with the public administration and advertising goods and services may be applied permanently in the more serious cases.

A commissioner appointed by the judge may continue the company’s activities (in lieu of imposing the sanction), pursuant to article 15 of Legislative Decree no. 231/2001.

1.5 Attempted crimes

In the case of an attempt to commit the crimes covered by Legislative Decree no. 231/2001, the amount of the fine and timing of the prohibition are decreased by one third to one half. Sanctions cannot be applied if the company voluntarily impedes the commission of the crime or the occurrence of the event (article 26).

Non-application of the sanctions is justified in this case as the company terminates all relationships with the parties that allegedly acted on its behalf and in its name. This is a special event of the "active withdrawal" procedure, covered by article 56.4 of the Criminal Code.

1.6 Events that modify the company

Legislative Decree no. 231/2001 regulates the property liability of companies with respect to changes thereto (transformations, mergers, demergers and transfers).

Article 27.1 of Legislative Decree no. 231/2001 provides that the company shall pay the fine using its assets or a joint fund, where assets refers to companies and bodies with a legal personality while the concept of the joint fund refers to unincorporated associations.

This provision represents a form of protection for partners of partnerships and members of associations, eliminating the risk that they may be required to draw on their personal assets to meet the obligations arising from the fines. It shows the legislator's intention to identify the independent liability of companies not only with respect to the perpetrator of the crime (see article 8 of Legislative Decree no. 231/2001) but also to the individual members of its ownership structure.

Articles 28 and 33 of Legislative Decree no. 231/2001 cover the impact on liability of events that change the company such as transformations, mergers, demergers and transfers. The legislator has considered two opposing requirements:

- on the one hand, to avoid that these transactions are used to easily evade the company's administrative liability;
- on the other, not to penalise restructurings not undertaken to evade liability.

The report presenting Legislative Decree no. 231/2001 states that: *"The general criterion applied is to calculate the fines in line with the provisions of the Italian Civil Code considering the other payables of the original company while maintaining the connection between the prohibitions and the business unit in which the crime was committed"*.

Article 28 of Legislative Decree no. 231/2001 provides that, in the case of transformations, a company is held liable for crimes committed before the date of the transformation (in line with the nature of this transaction which implies the simple change of the type of company without implying extinguishment of the original legal entity).

In the case of mergers, the company resulting from the merger is liable for crimes for which the companies involved in the merger were liable (article 29). Indeed, the company resulting from the

merger takes over all the rights and obligations of the companies involved in the merger (article 2404-bis.1 of the Italian Civil Code) and, by taking over the business activities, it also takes over those in which the crimes for which the companies involved in the merger will be liable were committed.

Article 30 of Legislative Decree no. 231/2001 provides that, in the case of partial demergers, the demerged company remains liable for crimes committed before the demerger effective date.

The companies benefitting from the demerger (total or partial) are severally and jointly liable for payment of fines due by the demerged company for crimes committed before the demerger effective date, to the extent of the net assets transferred to each company. This limit is not applicable to the beneficiaries if they receive the business unit in which the crime was committed, including only a part thereof.

Prohibitions for crimes committed before the demerger effective date are applicable to the companies which retained or received (a part) of the business unit in which the crime was committed.

Article 31 of Legislative Decree no. 231/2001 sets out common rules for mergers and demergers for calculation of the sanctions if these extraordinary transactions took place before the proceedings were finished. It clarifies the rule that the judge shall calculate the fines pursuant to article 11.2 of Legislative Decree no. 231/2002 considering the originally liable company's financial position and results and not those of the company on which it should impose the sanction as a result of the merger or demerger.

With respect to prohibitions, the company liable after the merger or demerger may ask the judge to convert the prohibitions into a fines if: (i) the organisational weakness that allowed the crime to be committed has been eliminated; and (ii) the company has compensated the damage and made available (for attachment) any profit made.

Article 32 of Legislative Decree no. 231/2001 allows the judge to consider relevant sanctions already imposed on the companies involved in the merger or the demerged company in order to identify any repetition of offences committed by the company created by the merger or benefitting from the demerger, pursuant to article 20 of Legislative Decree no. 231/2001, with respect to crimes committed after the transaction.

Article 33 regulates the transfer or contribution of companies, based on the general provisions of article 2560 of the Italian Civil Code. In the case of the sale of a company in which a crime has been committed, the transferee is jointly and severally liable for payment of the fine with the transferor subject to the following limits:

- (i) its right that payment by the transferor is enforced first;
- (ii) the transferee's liability is limited to the value of the business sold and the fines recorded in the mandatory accounting records or due for administrative offences of which it was aware.

Conversely, the transferee is not liable for the prohibitions imposed on the transferor.

1.7 Persons committing the crime: senior management and parties who report to other managers

According to Legislative Decree no. 231/2001, the company is liable for crimes committed in its interest or to its advantage:

- by *“persons who represent, administer or manage the company or one of its organisational units with financial and operating independence and persons who manage, including de facto, and control the company”* (senior management; article 5.1.a of Legislative Decree no. 231/2001);
- by *“persons managed or supervised by senior management”* (parties who report to other managers; article 5.1.b of Legislative Decree no. 231/2001).

The company is not liable if the above persons have acted solely in their own interests or in the interests of third parties as expressly provided for by law (article 5.2 of Legislative Decree no. 231/2001).

1.8 Crimes committed abroad

Article 4 of Legislative Decree no. 231/2001 provides that the company may be liable in Italy in relation to crimes covered by the Legislative Decree committed abroad. The report presenting Legislative Decree no. 231/2001 emphasises the need not to let frequently committed crimes go unpunished, also to avoid the easy evading of the entire regulatory system.

The assumptions upon which the company's liability for crimes committed abroad are based are as follows:

- (i) the crime shall be committed abroad by a person who reports to the company, pursuant to article 5.1 of Legislative Decree no. 231/2001;
- (ii) the company shall have its headquarters in Italy;
- (iii) the company is only liable in the cases and for the conditions envisaged by articles 7, 8, 9 and 10 of the Criminal Code (when the law establishes that the guilty party - individual - is punished upon the request of the Ministry for Justice, action is taken against the company only if the request has also been made against it). Reference to articles 7 to 10 of the Criminal Code is to be considered in conjunction with the provisions of Legislative Decree no. 231/2001, therefore - also pursuant to the concept of legality as per article 2 of Legislative Decree no. 231/2001 - the company may only be held liable in relation to those crimes within those set out in articles 7 to 10 of the Criminal Code for which its liability is established by an ad hoc legislative measure;
- (iv) if the cases and conditions as per the above articles of the Criminal Code exist, the company is liable provided that the authorities of the country in which the crime took place do not take action against it.

1.9 Procedure to ascertain the offence

As well as in the case when a crime is committed, the company's administrative liability is ascertained as part of the criminal proceedings.

In this respect, article 36 of Legislative Decree no. 231/2001 provides that *"The obligation to obtain information about the company's administrative liability lies with the relevant criminal judge for the crimes related thereto. The rules about the composition of the court and procedures for the crimes to which the administrative liability relates are applicable to ascertain the company's administrative liability"*.

Another rule, based on reasons of effectiveness, consistency and efficient proceedings, is for the mandatory joining of the proceedings: the action against the company shall be joined, as far as possible, with the criminal action against the individual that allegedly committed the crime giving rise to liability for the company (article 38). This rule is balanced by article 38.2 which, on the other hand, covers cases where the proceedings are separated.

The company takes part in the criminal proceedings represented by its legal representative, unless the legal representative is charged with the crime giving rise to the administrative liability. When the legal representative does not appear in court, the company is represented by its legal counsel (article 39.1/4 of Legislative Decree no. 231/2001).

1.10 Organisational, management and control model

A fundamental concept of Legislative Decree no. 231/2001 is its explicit requirement for companies to have an Organisational, management and control model.

The company is not liable in the case of a crime committed by senior management if it can prove that (article 6.1 of Legislative Decree no. 231/2001):

1. management had adopted and effectively implemented, before the crime was committed, organisational and management models suitable to prevent the occurrence of crimes like that committed;
2. a specific internal body has been entrusted with responsibility for supervising the working of and compliance with the models and their updating and this body has independent operating and control powers;
3. the persons committed the crime by fraudulently circumventing the organisational and management models;
4. the supervisory body had been sufficiently vigilant.

The report presenting Legislative Decree no. 231/2001 emphasises: *"it is assumed (empirically proved) that, in the case of a crime committed by senior management, the "subjective" requirement of the company's liability [i.e., the company's "organisational fault"] is met, since senior management expresses and represents the company's policies; if this is not true, the company has to demonstrate its uninvolvedness, which it can only do by proving the existence of a number of interrelated requirements."*

The company is not liable in the case of a crime committed by persons who report to other managers if (article 7.1 of Legislative Decree no. 231/2001):

- (i) non-compliance with management or supervisory requirements did not contribute to the commission of the crime ("it was not made possible");
- (ii) non-compliance is excluded if the company, before the crime was committed, adopted and effectively implemented an Organisational, management and control model suitable to prevent the crimes like the one in question.

Legislative Decree no. 231/2001 establishes that that the content of the organisational and management models shall ensure that they, in respect of the scope of the proxies and delegation system and the risk of committing crimes, shall:

- identify the activities at risk;
- include specific checks aimed at programming training and implementation of company decisions about the crimes to be prevented;
- identify how to manage financial resources such to prevent the committing of crimes;
- include disclosure requirements to the body elected to monitor the working of and compliance with the models;
- introduce a disciplinary system suitable to punish non-compliance with the measures set out by the Model.

The legislator has also defined the requirements for the efficient implementation of the above models:

- (i) regular checks and possible amendment of the Model should significant violations of the regulations be identified or changes to the organisation and business activities occur;
- (ii) a disciplinary system suitable to punish non-compliance with the measures set out by the Model.

1.11 Confindustria guidelines

Article 6.3 of Legislative Decree no. 231/2001 states that "*The organisational and management models may be adopted, ensuring compliance with the requirements of point 2, based on codes of conduct prepared by the sector associations, communicated to the Ministry for Justice that, together with the relevant ministries, provides its comments on the suitability of the models to prevent the crimes within 30 days.*"

Confindustria approved the "guidelines for the set up of organisational, management and control models" on 7 March 2002 and revised them on 31 March 2008.

The association provides guidance about the methods to be used to identify areas at risk and the structure of the models.

Its guidelines recommend companies use the risk assessment and risk management processes and set out the following stages for the design of a model:

- risk identification;
- design of a preventive control system;
- adoption of certain general tools, the most important of which are the code of conduct and the disciplinary system;

- selection of criteria to set up a control body.

1.12 Examination of suitability

Ascertainment of the company's liability by the criminal judge takes place with commencement of an *ad hoc* proceeding in which the company is treated similarly to the individual charged, by:

- checking the existence of the predicate crime and, thus, the company's liability;
- checking the suitability of the adopted organisational models.

The judge's examination of the abstract suitability of the Organisational model to prevent the crimes covered by Legislative Decree no. 231/2001 is based on the "postuma prognosis" criterion. In other words, the judge applies an *ex ante* criterion to check the company when the crime took place to decide whether the Model was suitable.

SECTION II

**ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

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PART 2

Organisational, management and control model

2.1 Model elements

Once the company has identified the activities at risk, including organisational and management aspects, it adopts an Organisational, management and control model (the “Model” or the “Organisational model”) suitable to prevent the crimes as per Legislative Decree no. 231/2001.

The Model can be defined as the group of standards, rules, instructions, organisational charts and related duties and responsibilities, to be used to design and diligently manage a system to control and monitor business activities so as to prevent the commission, or attempted commission, of the crimes covered by Legislative Decree no. 231/2001. The Model’s scope includes senior management and parties who report to other managers in Mecaer.

The Model shall:

- i) identify the activities at risk;
- ii) include specific checks aimed at programming training and implementation of company decisions about the crimes to be prevented;
- iii) identify how to manage financial resources such to prevent the committing of crimes;
- iv) include disclosure requirements to the body elected to monitor the working of and compliance with the models;
- v) introduce a disciplinary system suitable to punish non-compliance with the measures set out by the Model;
- vi) include measures suitable to ensure business activities are carried out within the law and timely elimination of risky situations, depending on the nature and size of the company and the nature of its activities.

Adoption of organisational models, suitable to prevent the crimes covered by Legislative Decree no. 231/2001, shall imply their effective implementation, including their timely updating and amendment.

Mecaer’s board of directors approves the Model. The supervisory body makes recommendations about its updating and amendment. The board of directors ensures that such updates and amendments are implemented.

The relevant departments provide for the implementation, updating and amendment of the Model as per the Model.

2.2 Parties covered by the Model

All those persons who work to achieve Mecaer’s objectives and aims are covered by the Model (the “addressees”). They include the directors and statutory auditors, the supervisory body, the employees, managers, contractors, shareholders and any commercial partners, such as suppliers.

**ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

PART 3

Processes at risk and control standards

3.1 Risk analysis: methodology

The analysis of the business processes led to identification of the areas at risk for the committing of the crimes covered by Legislative Decree no. 231/2001 with respect to the three macro categories:

- Crimes against the public administration
- Corporate crimes
- Other crimes

3.1.1 Crimes against the public administration

The company identified the departments at risk, the related processes and possible ways in which the crimes could be committed.

In order to check the company's compliance with the requirements of Legislative Decree no. 231/2001, it performed a gap analysis between the existing controls and the abstract model standards as defined by Legislative Decree no. 231/2001. To aid this analysis, the company drew up control standards consistent with an organisational model compliant with the requirements of Legislative Decree no. 231/2001, based on best practices. As a result, it was possible to define the conduct to be adopted for each process at risk to reduce the risk that the crimes may be committed.

3.1.2 Corporate crimes

The company identified the parties that could potentially commit the crimes, the activities at risk and the related control standards, being the conduct rules to be complied with to prevent crime.

3.1.3 Other crimes

The company analysed the risks, identified the functions potentially at risk and the related processes.

3.2 Control standards

3.2.1 Control standards for crimes against the public administration

The control standards are applied to each identified process at risk, based on the international best practices for fraud and corruption.

The control standards designed to prevent crimes against the public administration are structured on two levels: obligations and bans.

The "obligation" control standards set out the actions to be taken or what has to exist to prevent a crime being committed on a process at risk.

The "ban" control standards identify bans on certain activities that may not be carried out independently.

3.2.2 Control standards for corporate crimes

The control standards are based on international best practices for the corporate crimes described in section 3.1.2.

3.2.3 Control standards for the other crimes covered by Legislative Decree no. 231/2001

The analysis of the company's processes enabled identification of the areas in which the crimes covered by Legislative Decree no. 231/2001, other than those set out in articles 24, 25 and 25-*ter* (crimes against the public administration and corporate crimes), could be carried out.

**ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

PART 4

Characteristics and powers of the supervisory body

4.1 Supervisory body

4.1.1 Appointment

Mecaer's supervisory body (the "body") acts collectively and has "independent powers to take action and carry out checks" as per article 6.1.b) of Legislative Decree no. 231/2001.

It was set up with the relevant resolution taken by the board of directors and will remain in office until the board of directors, which elected it, falls from office.

The current supervisory body, elected with the board of directors' resolution of 30 March 2012, comprises Rocco di Leo, Luisa Marzoli, Guido Riccardi and Corrado Monti. They all meet the independence, professionalism and operating requirements. The body has been given the organisational tools necessary to carry out its activities, as provided for by the relevant legislation and case laws.

4.1.2 Reasons for ineligibility and disqualification

The following qualify as grounds for the ineligibility and disqualification of the supervisory body:

- a) being found guilty, with a final ruling, of having committed one of the crimes covered by Legislative Decree no. 231/2001; or
- b) being found guilty, with a final ruling, of a crime that bans them (including on a temporary basis) from holding public office or the temporary ban from acting as manager in companies and entities.

In particularly serious cases and before the ruling is passed down, the board of directors may resolve to suspend the supervisory body's powers and to appoint a new temporary body

Without prejudice to the possible review of the role and powers of the supervisory body based on the company's experience in implementing the Model, the supervisory body's powers may only be revoked with just cause, as resolved by the board of directors.

4.1.3 Functions and powers of the supervisory body

Pursuant to article 6.b) of Legislative Decree no. 231/2001, the supervisory body monitors the effectiveness, working and compliance with the Model, ensuring that it is up to date. Specifically, it:

- monitors the Model's effectiveness;
- checks the Model's adequacy, i.e., its effectiveness in preventing crime;
- checks that the Model maintains its strength and functionality over time, making any necessary changes that are necessary;
- provides for information flows.

With specific reference to its operations, the supervisory body has the following duties:

- ensuring maintenance and updating of the system used to identify, map and classify areas at risk for supervisory purposes;
- implementing the control procedures envisaged by the Model, checking (periodically and on a sample basis) areas at risk;

- checking the documentation required by the Model is prepared properly;
- encouraging and ensuring preparation of guidelines and receipt of information;
- informing company management of any violations of the Model and monitoring application of the disciplinary measures;
- encouraging and monitoring projects to spread awareness of the Model, employee training and compliance with the Model requirements;
- processing the results of its activities and preparation of the related reports.

The supervisory body may be assisted by legal, accounting and organisational specialists (including external). It requests assistance from other company departments as necessary.

The supervisory body has unlimited access to company information for its investigations, analyses and checks. All employees and/or members of the boards of directors and statutory auditors are required to provide information to it if so requested or if events or circumstances take place which are relevant to its activities. Specifically, the departments with activities at risk shall make available to the supervisory body all documentation prepared or received about such activities, as identified in the Model.

4.2 Information flows

Information prepared by the supervisory body

The supervisory body reports:

- on an ongoing basis to the chairperson of the board of directors;
- at least twice a year to the boards of directors and statutory auditors (immediately in the case of violations of the Model);

about the Model's implementation and the identification of any critical issues: checks performed and findings, possible updating of the Model, disciplinary sanctions applied.

Meetings with the company bodies are written up and the supervisory body files a copy of the minutes.

Information provided to the supervisory body

The supervisory body shall be informed by the parties required to comply with the Model about any events that could generate liabilities for Mecaer pursuant to Legislative Decree no. 231/2001. It has set up an e-mail address for this purpose: odv@mecaer.com.

The supervisory body assesses the information received and the actions to be taken. Any subsequent measures are agreed and applied in accordance with the disciplinary system.

Parties providing information in good faith are protected against any form of retaliation, discrimination or criminalisation and their identity is protected, except when Mecaer is obliged by law or to protect its rights or in the case of persons accused wrongly or in bad faith. In addition to general violations as described above, the supervisory body shall be informed about disciplinary measures enforced for violations of the Model and the related sanctions (including those imposed on employees) or the filing of these proceedings and the related grounds.

4.3 Collecting and keeping information

The supervisory body files all communications, information and reports envisaged by the Model in a special computer and/or hard copy archive. This information may only be made available to third parties after the board's authorisation.

**ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

PART 5

Characteristics and functions of the disciplinary system

5.1 Functions

Article 6.2.e) and article 7.4.b) of Legislative Decree no. 231/2001 establish (both for senior management and parties who report to other managers) the necessary design of *"a disciplinary system suitable to punish non-compliance with the measures set out by the Model"*.

Definition of sanctions that fit the violations of the Model is essential to ensure the Model's effectiveness and the effectiveness of the supervisory body's control actions.

Application of the disciplinary system is unrelated to the performance and outcome of any criminal proceedings commenced with the relevant judicial authorities.

Mecaer informs the addressees about the disciplinary system using the most suitable means. It informs them about the related content and provides training thereon. Specifically, as provided by the Italian Civil Code, the Workers' Statute and trade union agreements, Mecaer's disciplinary system is available for consultation at its registered office.

5.2 Scope of application

Pursuant to Legislative Decree no. 231/2011 and as an example, the following represents a violation of the Model:

- (i) the performance of actions or conduct not compliant with the Model requirements or the non-performance of actions or conduct required by the Model, when carrying out activities related to sensitive processes, which:
 - (a) lay the company open to the objective risk of committing one of the crimes covered by Legislative Decree no. 231/2001; and/or
 - (b) are specifically aimed at committing one or more of the crimes covered by Legislative Decree no. 231/2001; and/or
 - (c) are such to lead to application of the sanctions envisaged by Legislative Decree no. 231/2001 to the company.
- (i) the performance of actions or conduct not compliant with the Code of Conduct or the non-performance of actions or conduct required by the Code of Conduct, when carrying out activities at risk for the committing of crimes covered by the Legislative Decree.

5.3 Mecaer's disciplinary system

Part 8 details the measures and sanctions applied by Mecaer to violations of the Model.

**ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS PER
LEGISLATIVE DECREE NO. 231/2001**

PART 6

Communication and training

6.1 Introduction

Mecaer provides extensive information about the Model standards within and outside the company. Specifically, all the recipients indicated in section 2.2, i.e., all those who work to achieve Mecaer's scope and objectives

6.2 Training and communication programme

As specifically provided for by Legislative Decree no. 231/2001, communication of the Model and training about its content are essential to implement the Model. Mecaer is committed to facilitating and encouraging knowledge about the Model, to different extents depending on the employee's role and position.

6.2.1 Members of the company bodies

The company formally communicates the model to each member of the company bodies after its approval by the board of directors. Upon receipt of the communication, the person signs a form indicating their knowledge of and compliance with the Model. The supervisory body files these forms.

6.2.2 Employees, managers and contractors

The Model is made available to all employees, managers and contractors on the company server. Mecaer ensures that they are provided with suitable training and information.

6.2.3 Third parties

The Model is available to all those parties with which Mecaer does business on its internet site. Third parties indicate their compliance with the Model's standards through specific clauses in the related contracts they sign with the company.

SECTION III

**APPLICATIVE ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS
PER LEGISLATIVE DECREE NO. 231/2001**

**APPLICATIVE ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS
PER LEGISLATIVE DECREE NO. 231/2001**

PART 7

Code of Conduct

Introduction

Since 1996, Mecaer Aviation Group S.p.A. (“Mecaer” or the “company”) has pursued excellence in applications for the national and international aerospace sector with professionalism and dedication.

Mecaer acts with the sense of responsibility which arises from the leading role played in the economic and social environment in which it operates. For this reason, it is committed to preserving and enhancing the relationship of trust it has built with all its stakeholders.

Mecaer has decided to formalise this Code of Conduct (or simply the “Code”) to share its values, principles and rules of conduct with all its stakeholders, in order to create a transparent environment in compliance with the ethical standards which are typical of a mature civil society.

All the addressees of this document should comply with the regulations in force in all the countries in which the company operates, by shaping their actions and behaviour to the principles, objectives and commitments referred to in the Code. Should such regulations fall short of providing consistent rules of conduct, the instructions set out in the Code shall be the addressees’ guidelines.

In no case shall the pursuit of the company’s interest justify conduct which is against ruling laws and the rules of this Code; indeed, the latter should be considered a tool which is intended to ensure and safeguard Mecaer’s assets and reputation.

Therefore, the addressees should adhere to the principles and standards included in the Code, being inspired by them in their daily business conduct.

1. MISSION AND CORPORATE VALUES

Mecaer is active in the helicopter, business and general aviation markets, integrating style and technology to steadily improve the safety, comfort and quality of each flight.

In pursuing its mission, the company adopts the following values:

- **Integrity:** it acts with integrity and fairness, makes and implements its decisions with respect, and is always bound to the principles of honesty, equity and transparency. It respects the rules established by the laws of the countries in which it operates, it observes the Code and its internal corporate regulations. It ensures full respect of the individual's fundamental rights and equal opportunities. In relationships with parties inside and outside the company, it does not admit conduct that constitutes discrimination based on political beliefs, trade union affiliation, relation, race, nationality, age, gender, sexual orientation, health or, in general, any personal characteristic of an individual.
- **Responsibility:** Mecaer keeps its word and acts fulfilling its commitments with a sense of responsibility, steadily monitoring its performance and guaranteeing the results it promised.
- **Transparency:** Mecaer communicates transparently with its various stakeholders by providing them with complete, consistent and timely information to meet their lawful expectations. We ensure an open and trustworthy work environment, facilitating the exchange and sharing of knowledge and ideas.
- **Customer orientation:** Mecaer listens to its customers' requirements and provides them with innovative, high-quality and fair value products and services on a timely basis, pooling all its resources to achieve the best results.
- **Innovation:** Mecaer is deeply engaged in technological research and innovation. It faces change by contributing ideas and solutions, with flexibility and openness to the new.
The entire workforce works together to continuously improve the company.

2. GENERAL PRINCIPLES

2.1 Nature and objectives of the Code of Conduct

This Code of Conduct is an integral part of the Organisational, management and control model approved by the board of directors with its resolution of 10 June 2011, subsequently revised on 21 February 2013 and on 19 December 2013. Any amendments or integrations to this Code will be approved in advance by the board of directors and communicated to the addressees as set out in point 2.2 below.

The Code of Conduct is an official document establishing the ethical principles respected by Mecaer, with which it identifies and to which all the parties with which it has contact must comply. The Code sets out the commitments and ethical responsibilities of Mecaer's employees and consultants when carrying out their daily jobs.

Its purpose is to make clear and clarify in an unambiguous and comprehensive manner compliance with these ethical standards to all those who work in Mecaer or are linked to it.

2.2 Addressees of the Code of Conduct

The addressees may be split between mandatory and non-mandatory addressees.

The mandatory addressees are obliged to comply with the Code and may be punished if they violate it. They are all those persons who, in any way, act in the name of, or on behalf of, in the interests of or to the advantage of the company, regardless of the legal description of their work relationship, whether they are subject to the company's discretionary authority or they represent the company towards third parties.

Specifically, directors, statutory auditors, employees, managers and contractors as well as any person who manages and controls Mecaer. Other mandatory addressees are persons with any employment contract, including temporary, with Mecaer, such as temporary or project workers, agents, consultants, partners and any other parties who carry out activities in the name of or on behalf of Mecaer or are under its control.

Non-mandatory addressees are those that are not subject to sanctions for violations of the Code of Conduct. They are suppliers, partners and consultants when they do not carry out activities in the name of or on behalf of Mecaer and all beneficiaries of Mecaer's activities and its stakeholders.

Compliance and sharing of the Code of Conduct may be a criterion in selecting parties with which to operate in the case of the non-mandatory addressees. The relevant department obtains assurance that they are willing to comply with the Code of Conduct.

Mecaer prefers those stakeholders who adapt their conduct to ethical principles that can be shared and are in line with those expressed in the document.

2.3 Compliance with the Code of Conduct

Mecaer requires all its personnel to act correctly and transparently when carrying out their duties, thus contributing to affirming and improving the company's reputation, as well as safeguarding its value. Indeed, reputation is considered an extremely important intangible asset as it enables the company to establish and build relationships of trust with all its stakeholders, Therefore, Mecaer expects all those who

act on its behalf or in its interests to represent its style, as best as possible, avoiding behaviour of dubious morality.

Mecaer ensures that its consultants, suppliers, partners and all other parties that work with it comply with the Code of Conduct.

Observing the rules of the Code should be considered an essential part of the obligations assumed towards Mecaer, pursuant to ruling laws. Violating the principles of this Code undermines the relationship of trust established with the company and may lead to disciplinary actions. In the most serious cases, the violation may involve the resolution of the work contract with the company. The body in charge of supervising the Code's application is the supervisory body, set up in compliance with the Organisational, management and control model to prevent crimes as per Legislative Decree no. 231/2001.

Mecaer encourages its personnel and contractors to refer to the supervisory body if they are not sure what is the most appropriate conduct in specific circumstances. All requests for clarifications will be answered on a timely basis.

2.4 General conduct principles

Mecaer acts with integrity, correctly and professionally to attain its by-laws objectives and achieve its mission. It avoids any conduct that may facilitate or give rise to the doubt that it has acted illegally, undermining the confidence, transparency or harmony of the work environment and economic context in which it operates.

All Mecaer personnel are committed to complying with the principles of the Code and acting so that these rules are adequately applied both within the company and, generally, by all its stakeholders.

Furthermore, the directors and managers should be the first ones to set the example with their daily conduct being consistent with the principles of the Code. The rules contained in this Code integrate the conduct that employees are required to observe also in compliance with the rules of ordinary diligence set by ruling legislation.

3. MECAER AND THE PUBLIC ADMINISTRATION

"Public administration" means all those individuals or public bodies which perform a "public function" or "public service". "Public function" means those activities subject to public laws regarding legislative, administrative and judicial functions. "Public service" means activities for the production of goods and services of general interest and subject to a public supervisory authority, as well as activities which are aimed at guaranteeing people's rights to life, health and free communication, including those under concessions and/or agreements.

The following rules are also applicable to foreign public administrations.

3.1 Relations with the Public administration

Mecaer's relations with public officers, public employees (civil servants or others) and with public service operators are based on transparency, legality and correctness.

Mecaer inspires and adjusts its conduct to the principles of impartiality and good performance which the public administration itself is subject to. It shall never be represented in its relationships with the public

administration by personnel and/or third parties in cases where there may be a conflict of interest, including when this is only potential.

To this end, Mecaer shall avoid being represented by a single individual in its relations with the public administration so as to minimise the risk of incorrect interpersonal relationships. If this is not possible, it ensures that the relationship is monitored.

Mecaer condemns any acts performed by any person whatsoever, by promising or offering, directly or indirectly, money or other benefits to Italian or foreign public officers or other persons acting in an official capacity, or to their relatives and family members, in order to possibly obtain an interest or advantage for the company. The above are considered acts of corruption both when performed directly by the company and indirectly through persons who act on its behalf or in its interest.

Persons entrusted by the company to follow any business negotiation, application or institutional relationship with the Italian, EU or other foreign public administration, shall not try to unduly influence, for any reason whatsoever, with acts or omissions, the decisions that public officers or other persons acting in an official capacity may take on behalf of the public administration.

All parties shall comply with the information disclosure requirements with Mecaer and the supervisory body with respect to their relations with the public administration. They shall make available deeds and documents produced as part of their work. They shall not promise money or other benefits, not even to obtain a legal service compliant with the duties of a public officer.

Mecaer forbids conduct that directly or indirectly influences decisions of the public administration. It forbids the sending of false or artificial administrative or accounting documents, to represent inexistent requirements or provide guarantees that are untrue. It is not allowed to give or promise gifts, money or other benefits to public officers or public servants such to influence their impartial professional opinion or to obtain favourable conditions to the detriment of the public administration. It is also forbidden, in whole or in part, to abscond from contractual obligations with the public administration or to provide services different to those contractually provided for, to obtain any form of profit illegally to the detriment of the public administration for the party or the company, to modify in any way the working of an IT or computerised system of the public administration or to modify, without the right to do so data, information or programs in one of these systems.

No work relationship can be entered into with persons who are working for or have worked for the public administration, their relatives or family members, or who personally and actively take part or have taken part in business negotiations or accepted requests made by the company to the public administration, unless, considering the specific circumstances which characterise said work relationship, there is no connection between the functions performed as public officer and the work relationship in question.

If the relations with the public administration provide for payment of commissions or fees and the person authorising such payments to agents or other brokers has the grounded suspect that part of these commissions or fees may be used to corrupt or influence the decision of a public officer, the person shall immediately inform the supervisory body.

These rules are also applicable to payments made to foreign public administrations.

3.2 Gifts and benefits

All forms of gifts to Italian or foreign public officers or their families, which could influence their conduct, independent judgment or encourage them to give Mecaer an undue advantage, are forbidden.

3.3 Financing and state subsidies

Mecaer condemns any conduct aimed at obtaining, from the Italian government, European Union or other national or international public body, any kind of contribution, financing, facilitated loan or other similar disbursements, through altered or forged statements and/or documents or through the omission of information or, more in general, through artifices or tricks aimed at misleading the financing body.

Any contributions, subsidies or financing obtained from the Italian government, regions, other public bodies or from the European Union, including those with a low value and/or amount, may not be earmarked for purposes other than those for which they were granted.

The persons in charge of managing the financial activities, investments and/or financing received from the national and international public administration shall act in accordance with the principles of fairness and transparency, as well as observe the relevant disclosure requirements.

3.4 Sponsorships and contributions

Mecaer does not grant direct or indirect contributions to political or trade union parties, movements, committees or organisation, or to their officers, agents or representatives both in Italy and abroad. It does not finance or support conventions or events held exclusively for political propaganda purposes. Mecaer forbears from exercising any direct or indirect pressure on political representatives.

Mecaer may support initiatives proposed by non-profit bodies and associations with formal articles and memoranda of association, assessing their reliability, standing and compliance with the values expressed in this Code.

It may also enter into strictly institutional collaborations in order to contribute to events such as studies, researches, conventions, seminars or similar activities. Any contributions paid to the above-mentioned bodies should be in compliance and consistent with the laws in force and duly supported by documentary evidence.

3.5 Judicial and supervisory authorities

Mecaer operates legally and correctly cooperating with the judicial authorities, the police and all public officers that have inspection powers and carries out inspections of the company.

To this end, it insists that its directors, managers, employees and consultants make themselves fully available to any authority carrying out an inspection or controls on behalf of INPS (the Italian social security institution), the Ministry for Labour or any other public body.

If a judicial proceeding, investigation or inspection by a public administration is likely, it is forbidden to destroy or alter recordings, minutes, accounting entries or any type of document, lie or provide false statements to the relevant authorities, induce not to make statements or to make false statements to judicial authorities.

It is forbidden to enter into business transactions, assign professional engagements, give or promise gifts, money or other benefits, to the persons carrying out the inspection or assessment or the relevant judicial authorities.

Any person who receives personally or as part of a work relationship a summons to appear or a notice of legal proceedings shall immediately contact the company's legal advisors and inform the supervisory body.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

3.6 Airworthiness certification authorities

Mecaer undertakes to ensure its greatest cooperation and availability towards national, EU and other foreign airworthiness certification authorities.

Type-approvals and statements of conformity issued by the company, in compliance with ruling laws, are the result of adequate it carried out.

Mecaer also ensures transparent communications to those authorities in charge of supervising the safety of the vehicles on which its components and equipment are installed.

The same provisions relating to the public administration in earlier paragraphs apply in this case too.

* * *

When Mecaer consultants figure as public officers, they may not abuse their positions or powers, leading third parties to illegally give or promise money or other benefits to advantage the company as part of their activities.

If they are subject to pressure, enticements or requests for favours as part of their activities as public officers with respect to either their activities or those of others or they receive proposals doing away with the duty of being impartial, they are required to inform the supervisory body immediately. All persons are required to act impartially and to take decisions in a transparent and correct manner, rejecting any illegal pressure.

* * *

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

4. ACCOUNTING RECORDS AND CORPORATE GOVERNANCE

4.1 Accounting transparency and corporate disclosures

Mecaer keeps its accounts in accordance with the standards, criteria and rules established by the Italian Civil Code and accounting standards. Accordingly, accounting documents shall meet truthfulness, accuracy, completeness and clarity requirements, also to provide shareholders and third parties with a clear view of the company's financial position and performance.

All personnel should ensure the truthfulness, authenticity and originality of the documentation and information prepared when carrying out their activities.

Mecaer condemns any conduct aimed at altering the accuracy and truthfulness of the figures and information disclosed in the financial statements, reports or other corporate communications provided for by law and addressed to the shareholders, the independent auditors and the public. All parties called to draw up the above documents are required to check, with due diligence, the accuracy of the figures and information provided therein.

All Mecaer's directors, statutory auditors, managers, employees and consultants are required to report, disclose and file inaccuracies, omissions or falsifications in the accounting records or supporting documents they become aware of in the company register within the legal terms and to inform the supervisory body promptly.

4.2 Cash flow management

Payments for all transactions in which Mecaer is a party may not be made in cash or through a bearer bank or post office deposit book or using bearer securities, when the amount involved exceeds the limits set by the legislation ruling from time to time.

The following principles shall be complied with to avoid making or receiving illegal payments:

- all payments and other transfers of securities by/to the company, including to/from abroad, shall be correctly and fully recorded in the accounting records and mandatory books;
- all payments shall solely be made to the legitimate recipients and for the contractually provided for activities;
- false, incomplete or misleading records shall not be made and hidden or unrecorded funds shall not be set up. Funds may not be lodged in personal accounts or accounts not belonging to the company;
- unauthorised use of company funds is not allowed.

Mecaer's directors, managers, employees and consultants shall ensure the lawfulness of cash flows, their transparency, traceability and correctness.

4.3 Other management obligations

The company's personnel and, specifically, its directors, managers and employees are required to act correctly and transparently when carrying out their activities, especially in relation to any request made by the shareholders, board of statutory auditors, other corporate bodies and independent auditors, when performing their respective institutional duties. They should ensure their full availability and collaboration with these parties.

In order to correctly manage its assets, Mecaer:

- correctly values its assets, goods, receivables and shares, not giving them a value greater or lower than that due;
- adopts the same criteria when assessing mergers or demergers with other companies and the other transactions necessary for and preliminary to such mergers/demergers;
- does not carry out unlawful share capital operations.

The directors report on their actions performed in good faith and correctly; specifically, they are required to:

- carry out their duties diligently and consistently with the obligation to cooperate with other company bodies;
- inform the supervisory body promptly of any conduct that appears (potentially) contrary to the relevant legislation, safeguarding the company's assets;
- check the company's statement of financial position, checking the correctness and truthfulness of the figures included therein, before resolving how to distribute profits and reserves.

4.4 Protecting shareholders

Mecaer's main objective is to create sustainable value over time, such to remunerate the business risk with a careful policy aimed at safeguarding its soundness.

The company provides shareholders with all the information that enables them to make informed and conscious investment decisions, ensuring fair, clear and equal access to information.

Mecaer has voluntarily adhered to and adopted a corporate governance system in line with the contents of the Code of Conduct for listed companies and the best international practices.

This corporate governance system is aimed at maximising value for shareholders, controlling business risks, offering transparency to the market and reconciling the interests of the various shareholders, paying particular attention to the smaller ones.

Based on these principles, by way of example but not limited to, the directors are not allowed to:

- voluntarily act in such a manner as to damage the integrity of company assets;
- perform any fictitious or fraudulent act to influence the will of the shareholders during a general meeting in order to obtain the irregular formation of a majority and/or a different resolution;
- perform any type of corporate transaction that could damage creditors.

4.5 The proxies and delegation system

Apart from the specific proxies and the authorisation and approval system in place to take operating, financial and investment decisions already in place in the company, no powers to represent or manage the company are given.

All activities performed by Mecaer or by third parties on its behalf and in its name shall be conducted, on a confidential basis:

- within the law and compliant with regulations and procedures;
- available for objective checking, with the concise identification of the parties involved;
- based on correct and complete information.

Specifically, the proxies and delegation system shall ensure that:

- no one party is given unlimited powers or functions that cannot by law be delegated;
- no one party is concurrently given spending and control powers;
- the content of proxies complies with the responsibilities delegated and do not give rise to overlapping or conflicts (including partial or potential) with proxies given to other parties;
- the supervisory body is aware of the powers and delegations.

Proxies may be given to non-company personnel, for example, to consultants. In this case, the consultant accepts the principles set out in the Code of Conduct when they accept the delegated functions or duties.

4.6 Conflict of interest

All personnel should ensure that each decision is taken in the interest of the company. Therefore, they should avoid any situation involving a conflict of interest between their personal or family economic activities and the office held within the company, which may compromise their independent judgment and choice.

Accordingly, Mecaer has banned those with interests (including only partial) conflicting with those of the company to undertake to participate in transactions involving goods owned or managed by them.

By way of example but not limited to, the following situations may determine a conflict of interest:

- holding economic and financial interests, also through family members, with partners, financial institutions, customers, suppliers, competitors or the public administration;
- performing work activities, also by family members, for partners, financial institutions, customers, suppliers, competitors or the public administration;
- accepting money, gifts or favours of any nature whatsoever from individuals, companies or bodies which have a business relationship with the company or intend to enter into one with it;
- utilising one's position held in the company, or the information acquired during the performance of one's job, in a manner such to create a conflict between one's own interests and those of the company.

4.7 Safeguarding company assets

Mecaer ensures that the use of its available resources, in line with current regulations and the content of the by-laws and the principles of this Code, takes place to guarantee, develop and strength the company's assets, safeguarding the company, its shareholders, creditors and the market.

The directors, employees, managers and consultants are directly and personally responsible for the safeguarding and legitimate use of (tangible and intangible) assets and resources entrusted to them to carry out their functions.

The company's owned assets may not be used for purposes other than those established thereby or for illegal purposes.

All the company's assets shall be recorded in the accounting records, unless the legislation provides otherwise.

Each personnel member should act with diligence in order to safeguard the company's assets through conscious behaviour, in accordance with the internal guidelines. For this purpose, each personnel member is responsible for looking after and preserving the company's assets and resources assigned to them within their activities and shall use them for the corporate interest, preventing any improper use that may damage or reduce their effectiveness and efficiency or which is nevertheless in contracts with the company's image.

4.8 Press relations

Relations with the press, means of communication and information and, more in general, interaction with the public, are based on principles of truthfulness, correctness, transparency, prudence and may only be held by the persons with specific proxies.

All personnel members are required to maintain maximum confidentiality and, therefore, not to disclose or incorrectly ask for information about documents, know-how, projects, company transactions and, in general, any information that they become aware of during their working activities.

It is forbidden to provide external parties with content, effects, terms or scopes of application of measures or provisions with external relevance, before they have been formalised and formally communicated to the relevant parties. It is forbidden to make statements or communications to the public that may damage or present incorrectly the company's position or activities.

Third parties may not access internal documents (neither formalised or in draft) except in the cases provided for by law and the internal rules in force from time to time.

To protect its image and the correctness of information released to the public and in line with the principles set out above, Mecaer has established that no employees and/or consultants (unless authorised) may give interviews or any form of statement on behalf of or about the company to unqualified third parties or journalists.

* * *

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

5 GIFTS AND BENEFITS

5.1. General principles

Mecaer does not allow its personnel to promise or offer, including as a result of unlawful pressures, gifts and/or benefits (for example, money, objects, services, favours or other) to third parties (for example, the public administration, partners, customers or suppliers) to draw undue advantage for themselves or the company.

Likewise, Mecaer does not allow its personnel to receive, including as a result of unlawful pressures, gifts and/or benefits from third parties to influence potential or actual relationships with the company.

Acts of courtesy and hospitality towards third parties are allowed when, due to their size and value, they do not compromise the integrity and reputation of either party and may not be interpreted, by an impartial observer, as being aimed at acquiring improper advantages.

Part 3 covers gifts and benefits when the counterparty is a public administration.

5.2 Gifts and benefits between individuals

Relations with parties connected to other companies, such as directors, CEOs, managers in charge of specific functions, statutory auditors, liquidators and their subordinates shall comply with the principles of



Organisational, management and control model as per Legislative decree no. 231/2001

legality, correctness and transparency in accordance with Italian legislation about the prevention of corruption between individuals.

Therefore, Mecaer's personnel shall not violate the obligations and duties inherent in their office, giving or promising money or other benefits to parties connected to other companies to induce them not to act correctly.

When agreeing commercial negotiations for the company, it is forbidden to give or promise, directly or indirectly, cash or another benefit to a person who is a manager or employee of a private company in order that they perform an action or omit an action violating their duties.

To protect its image, Mecaer forbids its personnel to receive money or promises of money or other benefits, without prejudice to the application of the disciplinary measures as per Legislative Decree no. 231/2001 solely in the case in which its personnel instigated the corruption.

When allowed by their duties, Mecaer's personnel may offer gifts and benefits of a modest value as long as such gifts and benefits meet the following conditions:

- they are not cash;
- they cannot be reasonably interpreted to be bribes, compensation or other illegal payments;
- they take place as normal commercial transactions;
- they do not violate the law and are made in compliance with generally accepted ethical standards;
- the costs of such gifts and benefits are adequately documented.

* * *

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

6. EMPLOYEE SAFETY AND PROTECTION OF THE NATURAL ENVIRONMENT

Mecaer ensures the health and safety of its employees and consultants as part of its activities.

The company ensures a work environment in compliance with ruling safety and health regulations, by monitoring, managing and preventing occupational risks.

With respect to health and safety, Mecaer ensures:

- role planning and organisation;
- the systematic existence of operating proxies;
- risk identification, measurement and management;
- information and training activities;
- the correct and systematic management of company assets;
- preventive and remedial checks and actions.

Mecaer's personnel are expressly obliged to:

- act correctly and transparently in accordance with the law and internal procedures;
- scrupulously comply with all the safety rules imposed by the law and applied by the company.

With respect to this conduct, the following is specifically requested:

- assessment of all risks for health and safety;
- scheduled prevention;
- elimination of risks and/or actions to minimise them;
- medical check-ups for employees;
- removing employees from exposure to risk;
- informing and training employees properly;
- utilisation of warning and security signs.

Mecaer carefully assesses all those situations that could generate environmental impacts, such as atmospheric emissions, waste and noise pollution.

Protection of the environment and natural resources are key objectives. Thanks to its personnel's commitment, Mecaer ensures that its activities are carried out to protect the environment and steadily improve its environmental performance. The company's environmental management system guarantees compliance with the law and defines high compliance standards.

During product development, primary objectives are environmentally friendly designs, technical safety and health. Each employee shall contribute through their correct conduct in attaining these objectives.

Anyone who becomes aware of inefficiencies in the protection devices or safety protection methods adopted by Mecaer shall inform the Prevention and Protection Manager and the supervisory body.

7. RESPECT FOR THE INDIVIDUAL

It is expressly forbidden for personnel to behave in such a way that may even only potentially damage the personal integrity of any individual who works on behalf of or in the name of the company.

Mecaer forbids anyone who through violence, threats, deception, abuse of a situation of physical or mental inferiority or a situation of necessity or through the promise or giving of money or other benefits exercises any of the power attaching to the ownership over a person or that reduces or maintains a person in continued subjectivity. Specifically, Mecaer:

- does not circulate, distribute, communicate or advertise in any manner child pornographic material with any means, including by computer, nor does it disclosure news or information aimed at child grooming or sexual exploitation;
- does not use low cost labour by using immigrants, including underage children, coming from underdeveloped countries or who are not in a position to be able to refuse this work.

Macaer recognises the central role played by its human resources being convinced that the key success factor for each company is the human and professional contribution of its personnel based on a mutually loyal relationship of trust. Therefore, personnel selection, recruitment and career advancements are based exclusively on assessments made by matching expected profiles with objective, transparent and verifiable merit considerations, avoiding any form of discrimination and patronage. Corruption practices, unlawful favours and collusive behaviour are unacceptable and, therefore, forbidden. Pressing for personal and career advantages for oneself or others within the group is equally forbidden, including through third parties.

Mecaer does not employ persons without residence permits or with irregular residence permits.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

8. INDUSTRIAL AND INTELLECTUAL PROPERTY

“Industrial and intellectual property” means all information, owned exclusively by Mecaer or belonging to third parties, held by the company, containing critical know-how for its business activities. By way of example, this includes: trademarks, drawings, models, copyrights, patents, as well as research, innovation and creativity findings, know-how and software.

Industrial and intellectual property also includes all information covered by official secret or bound by confidentiality requirements set by military laws used at Mecaer due to the nature of its activities.

The above-mentioned exclusively owned or third party (for example, partners, customers or suppliers) information is of strategic importance for Mecaer. Unauthorised disclosure, damage, leakage or unauthorised use of such data, although involuntary, may damage the company’s tangible and intangible assets causing, by way of example but not limited to, a loss of competitive advantage, business volumes, image and know-how, and implying additional work for their re-establishment and the likely deterioration of relationships within the company and with the involved stakeholders.

All personnel are required to maintain the strictest confidentiality regarding strategic and confidential information or information on the intellectual property of the company and its partners, customers and suppliers which are expected to do the same.

No data or information may be disclosed, including after the termination of the relevant relationship with Mecaer, without the prior express authorisation of the competent corporate functions or unless they have been made public. Mecaer adopts all appropriate measures to identify the counterparty and ensures that the latter uses the transferred data and information for the agreed purposes and undertakes not to disclose their contents to third parties without specific approval by Mecaer.

In case of authorised disclosure, particular attention shall be given to the addressees of certain data and information; the company shall always ascertain that the stakeholders are not acting, directly or indirectly, in the name, on behalf or in the interest of unlawful organisations.

Mecaer forbids its personnel to counterfeit or alter trademarks, distinguishing marks, patents, models and designs in full compliance with its industrial and intellectual property and that of third parties. It similarly forbids the use of altered or counterfeit trademarks, distinguishing marks, patents, models and designs or the importing and selling of products with false labels.

Whoever becomes aware of violations of industrial and intellectual property is required to inform the supervisory body promptly.

9. COMPETITION AND LOYALTY IN RELATIONSHIPS WITH PARTNERS, CUSTOMERS AND SUPPLIERS

9.1 Respect for competition

Mecaer recognises the fundamental importance of a competitive market based on fair competition. Therefore, its personnel are committed to observing the relevant laws in force, in any jurisdiction, and to cooperating with the antitrust authorities.

Obtaining information on competitors, including industrial and intellectual property rights, using unlawful or unethical means (for example, theft, corruption, false statements or espionage) is forbidden.

9.2 Partners

The complexity of the company's business activities increasingly requires it to participate in initiatives with other parties, either by setting up joint ventures with another or other venturers or acquiring investments in companies that have other owners.

Mecaer develops partnerships with counterparties with a strong reputation and experience; these relationships are always established in compliance with ruling laws and the principles set out in this Code.

When developing such initiatives, Mecaer should:

- establish relationships with partners or associates which carry out lawful activities only and are inspired by ethical principles compatible with those of the company;
- ensure that no excessively favourable treatment is granted to any partner or associate compared to its contribution and that no advantage is taken from the subordinate position or weakness of the counterparty;
- establish frank, open and collaborative relationships with partners or associates, which enhance synergies;
- avoid entering into confidential pacts or agreements which are against the law or adversely affect the other partners' or associates' rights.

Collaborations with public administration partners are also subject to the principles of conduct referred to in paragraph 3.

9.3 Customers

Mecaer's success is mainly based on its ability to meet its customers' expectations, by maintaining high quality, performance and reliability levels. For this purpose, its priority objective is to identify customer needs, striving to use its resources and synergies as best as possible, in a correct and honest, as well as professional and transparent, manner.

Mecaer provides accurate and exhaustive information on its products and services so that its customers can make conscious decisions. Moreover, it makes sure that it duly discusses with and listens to its customers, promising to always provide feedback to their suggestions and claims in order to strengthen its relationship with them in the long term.

Mecaer negotiates and draws up its contracts with customers under the principles of fairness, completeness and transparency, trying to prevent circumstances which could significantly impact the established relationship. Should any unexpected events or situations arise, Mecaer carefully considers the customers' expectations and fairly executes the contracts without taking advantage of the counterparty's weaknesses or incompetence, if any.

Mecaer actively cooperates with its customers so that the verifications, on-site inspections and any other checks carried out at the company's premises, preliminary to or implementing any contracts, enable them to achieve the objectives for which they were performed. Specifically, the qualification procedures which Mecaer is subject to, are facilitated by a collaborative and honest attitude towards customers. For this purpose, the company takes all the measures which are necessary to preserve such

acknowledgement over time, by steadily monitoring critical aspects and immediately reporting any significant changes in its qualification requirements to customers.

Likewise, the activities performed by company personnel at customer premises should comply with this Code, the instructions and procedures they received and avoid that the respective conduct give rise to customer or Mecaer liabilities.

At the same time, when fulfilling its contractual obligations towards customers, Mecaer's conduct is aimed at safeguarding the safety of the vehicles on which its products are installed or services are performed, in compliance with ruling aerospace industry regulations.

The provisions of the customer's Code of Conduct, which the counterparty asks to comply with, will be observed if not in contrast with those of Mecaer. Should the customer's Code of Conduct and, specifically, the sections regarding the relationships under examination be less rigorous than the company's document, the conduct of Mecaer personnel shall be inspired by the principles of the latter.

If the customer is a public administration, Mecaer is required to ensure conduct in accordance with the provisions of paragraph 3.

9.4 Suppliers

The role of suppliers is essential for improving the overall competitiveness of Mecaer. Cooperating with suppliers enables the company to constantly meet customer requirements in terms of quality, innovation, costs and services, at least to the extent of their expectations.

Therefore, Mecaer builds its relationships with suppliers in accordance with ruling legislation and promoting honest, diligent, transparent and cooperative behaviour. At the same time, it encourages its suppliers to use the same criteria, in order to mutually benefit from the positive effects produced by a stable relationship of trust.

Company communications on the products and services it requires is accurate and exhaustive so that suppliers can prepare informed and conscious offers. Any claims and inconsistencies reported about supplies should be true and not instrumental to obtaining an undue advantage for the company.

Suppliers are selected and qualified in accordance with adequate and objective methods, based on their supply capacity and on the principles of impartiality, fairness and quality. In any case, Mecaer balances the need to obtain economically viable conditions with that do not deviate from the quality parameters established for the supply of goods and services. These selection requirements are declared and verifiable so that negotiations are based on frank and open dialogue. Furthermore, any significant changes in their qualification requirements are immediately reported to suppliers so that they can act in order to maintain their relationship with Mecaer.

Verifications, on-site inspections and any other checks carried out by company personnel at suppliers' premises should comply with this Code, the instructions and procedures they received and avoid that the respective behaviours give rise to supplier or Mecaer liabilities.

Mecaer negotiates and draws up its contracts with suppliers under the principles of fairness, completeness and transparency, trying to prevent circumstances which could significantly impact the established relationship. Should any unexpected events or situations arise, the company undertakes not to take advantage of the counterparty's weaknesses or incompetence, if any.

The findings of control activities performed on goods and services received and on the overall performance of suppliers are shared with the latter in order to facilitate their gradual improvement in the common interest.

Fees to be recognised to suppliers shall be commensurate with the services and conditions set out in the contract and payments cannot be made to parties or countries other than those indicated in the contract.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

10. IT SECURITY

Mecaer forbids all criminal conduct carried out using IT or computer tools or designed to damage them. It adopts suitable IT security policies to protect its electronic systems and information contained therein from potential attacks and to ensure business continuity.

In order to ensure the protection of personal data, Mecaer undertakes to treat them in compliance with ruling regulations and, specifically, with the principles of transparency, permissibility, quality assurance and data correctness.

“Personal data” means any information on a natural or legal person, body or association, which are identified or may be identified, including indirectly, by referring to any other information, including a personal identification number.

These personal data refer to all those parties who act within or on behalf of Mecaer and to the stakeholders who interact with it (for example, partners, customers or suppliers).

Mecaer ensures that the treatment of such personal data will be pertinent to the declared and pursued purposes, in the sense that they will not be used for secondary purposes without the interested party's consent.

As part of such rules, the following is forbidden:

- a) altering public or private computer documents with evidentiary effectiveness;
- b) abusive access to IT or computerised systems of public or private parties;
- c) abusive access to the company's IT or computerised system to alter and/or cancel data and/or information;
- d) abusive holding and utilisation of codes, passwords or other means to gain access to an IT or computerised system of a public or private competitor in order to acquire confidential information;
- e) abusive holding and utilisation of codes, passwords or other means to gain access to the company's IT or computerised system in order to acquire confidential information;
- f) supply and/or produce and/or sell equipment and/or software to damage an IT or computerised system of public or private parties, the information, data or programs in such system, or to facilitate the total or partial shutdown or modification of its working;
- g) fraudulent tapping, blocking or interruption of communications through an IT or computerised system of public or private parties to acquire confidential information;

- h) installation of equipment to tap, block or interrupt communications of public or private parties;
- i) change and/or cancel data, information or programs of private or public parties or of public use;
- j) damage information, data and IT or computerised programs belonging to other parties;
- k) destroy, damage, make unfit for use public-use IT or computerised systems.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

11. COMBATING ORGANISED CRIME

Mecaer strongly condemns all forms of organised crime, including at international level.

Mecaer personnel should be careful when they work in geographical areas in Italy and abroad traditionally characterised by organised crime in order to prevent the risk of criminal infiltration.

All commercial and financial transactions with counterparties potentially at risk shall take place after suitable checks and assessments of the counterparties.

Mecaer complies strictly with regulations about the production and sale of arms or parts thereof.

12. PREVENTION OF TERRORISM

Mecaer personnel are expressly forbidden to:

- undertake, encourage or collaborate in conduct that directly or indirectly assists terrorism or subversion of democratic order;
- use the company or one of its organisational units to allow or facilitate terrorism or subversion of democratic order;
- promote, set up, organise or manage associations whose object is to commit violent acts of a terroristic nature or for subversion of democratic order;
- directly or indirectly supply funds and resources to parties linked to terroristic or subversive associations;
- take on or assign contracts or undertake any whatsoever commercial and/or financial transaction, including via trustees, with parties on the black list circulated by the Financial Intelligence Unit and the Ministry for the Interior;
- perform transactions, take on or assign contracts that are irregular in nature or scope and enter into or maintain relationships which are irregular in terms of the reliability and reputation of the counterparties and the transactions to be performed.

All commercial and financial transactions with counterparties potentially at risk shall take place after suitable checks and assessments. Specifically, Mecaer personnel shall check that suppliers, partners, customers and employees are not included in the international terrorism lists.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

13. FINAL PROVISIONS

As expressly provided for by Legislative Decree no. 231/2001 and given its integrity and correctness, Mecaer forbids the following when they are performed to obtain an advantage for the company:

- conduct aimed at altering, falsifying or counterfeiting coins, public credit notes and stamp duties;
- female genital mutilation, pursuant to article 25-quater.1 of Legislative Decree no. 231/2001

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

14. VIOLATIONS OF THE CODE OF CONDUCT

14.1 Reporting of Code violations

Whoever becomes aware of violations of the Code of Conduct and, generally, of internal procedures and rules is required to inform the supervisory body promptly via e-mail to the address odv@mecaer.com. Anonymous notifications will not be considered. Persons who contact the supervisory body are ensured of their anonymity and maximum confidentiality in processing the information received pursuant to the privacy law.

14.2 The penalty system

Violation of the principles established in this Code compromise Mecaer's relationship of trust with its personnel.

It follows that non-compliance with a single rule of conduct prescribed by this Code of Conduct will be punished with disciplinary measures that may also entail termination of the employment or consultancy contract. Mecaer will punish violations of this Code through suitable and proportionate disciplinary measures, depending on the seriousness of the infraction and whether it is repeated. Application of disciplinary measures to violations of rules of conduct and non-compliance with company rules is independent of the commencement of legal action and its outcome. Therefore, it does not consider the possible illegal nature of the conduct.

In line with that established by the Italian Civil Code, the Workers' Statute and the relevant national sector labour contract, Mecaer's disciplinary system is available for consultation at its registered office.

15. CIRCULATION OF THE CODE OF CONDUCT

Fundamental conditions for transparency and the company's reputation are awareness of and compliance with the Code by all its addressees.

Mecaer undertakes to foster and ensure adequate knowledge of the Code of Conduct and to disclose it, with the means it deems most appropriate (also through its internet site), to the parties concerned through specific and adequate communication activities.

Accordingly, a copy of this Code is available on the internet site, the intranet and has been sent by e-mail to all the company's contractors. Other copies will be available at the registered office.

When the company enters into new employment or consultancy contracts (open-ended or temporary), new sales contracts or agreements (agreements, appointments, etc.), they shall make specific reference to the Code of Conduct.

Mecaer's investees receive the Code of Conduct and adopt it to their requirements in line with their operating independence. The representatives indicated by Mecaer in the investees' company bodies promote the principles and the content of the Code of Conduct to the extent of their duties.

**APPLICATIVE ELEMENTS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AS
PER LEGISLATIVE DECREE NO. 231/2001**

PART 8

The disciplinary system

1. General principles

The principles, procedures and obligations included in the Organisational, management and control model adopted by Mecaer pursuant to Legislative Decree no. 231/2001 and subsequent amendments and integrations, represent contractual obligations for the employees in accordance with article 2104 of the Italian Civil Code.

Should the Model be violated, the measures set out below shall be applied on a proportionate and suitable basis, regardless of whether legal action is taken, which may lead to termination of the employment relationship, consultancy contract or other contract agreed with the violator, within the pro tempore legal terms and limits.

The following is specifically provided for:

- disciplinary sanctions for employees pursuant to article 2106 of the Italian Civil Code and article 7 of the Workers' Statute, Law no. 300/1970 and the applied national labour contracts;
- contractual clauses that provide for sanctions or termination, to be included in contracts agreed with consultants, dealers, agents, brokers, subcontractors and external consultants;
- alternative measures, which encourage compliance with the above measures for all those parties to which none of the above measures can be applied (directors and statutory auditors).

The supervisory body shall check that the above measures are applied regularly and effectively. It shall report to company management promptly about any violations it becomes aware of so that the employee can be challenged with the violation on a timely basis.

2. Measures for employees

The disciplinary measures listed below apply to employees and are special rules supplementing the applicable national sector labour contracts. Company management's powers remain unchanged with respect to ascertainment of the violation, the challenging of such action and application of sanctions. Reference should be made to the applicable national sector labour contracts.

Disciplinary measures shall not be considered for any purposes two years after their infliction.

The sanctions are set and imposed in accordance with the terms and procedures of article 7 of the Workers' Statute and the applicable national sector labour contracts and by applying the established matching criteria. Specifically:

A. Verbal reprimands are given to employees who, unintentionally and/or due to procedural errors due to negligence:

- violates for the first time the provisions of the Code of Conduct and the Model, for which transgression does not have a more severe sanction;
- delays or omits to make reports to the supervisory body for the first time.

B. Written reprimands are given to employees who, unintentionally and/or due to procedural errors due to negligence:

- has committed the violations as per point A again,
- commits more serious transgressions to those committed previously, unless the transgression provides for more restrictive sanctions.

C. Fines of not more than three hours pay for employees who unintentionally and/or due to procedural errors due to negligence:

- violates control standards;
- repeats the violations as per point B,
- commits more serious violations to those committed previously, unless the violation provides for more restrictive sanctions.

D. Suspension from work and salary for a maximum of three days for employees who, by intentionally exposing the company to liability with third parties:

- deliberately performs any whatsoever treasury transactions, transactions related to public tenders, negotiations or other activities with the public administration, without the related authorisation or violating the limits of the assigned proxies;
- intentionally omits to inform the supervisory body about the activities in the previous point, especially with respect to cash shortfalls, irregular invoices or supporting documentation;
- intentionally omits to check treasury transactions;
- intentionally transcribes false information or data, omits mandatory information, presents untrue facts, signs false statements or alters or deliberately destroys reports and documents required by internal control standards and procedures or when preparing the related statements.

A suspension period may be given in other cases as well when the seriousness of the infraction requires it, considering the factors listed above.

E. Dismissal with notice for employees who, by deliberately exposing the company to liability with third parties:

- repeats the actions set out in point D, when two suspension periods have already been imposed;
- offers money or another benefit to a public officer or a public servant violating the Code of Conduct;
- intentionally uses funds coming from state financing using methods or for reasons different to those for which the financing was provided or prepares the related reports omitting mandatory information and including false information;
- intentionally states or includes false information or data in corporate communications addressed to the market or deliberately alters the information contained therein or in the supporting documentation;

- intentionally alters or includes false information in the accounting records and entries, invoices, purchase orders and contracts or in any document used to support the above communications;
- violates the principles of the Code of Conduct covering crimes against the individual, organised crime (including international) and terrorism.

F. Dismissal without notice for employees who by violating the Model, are found guilty with a final court ruling of having committed a crime which leads to the application of the sanctions provided for by Legislative Decree no. 231/2001 or other sanctions to the company and causes it great damage.

3. Measures for managers

Managers' violations of the Model, unless this leads to the termination of the employment relationship as provided for in the existing disciplinary system, are noted in their assessment forms/reports and in their service reports or in a special register.

This is essential also to identify any repeated violations.

These infractions will be considered negatively by the board of directors when evaluating whether to give them additional duties or proxies and the assignment of bonuses, benefits, salary rises, except for the length of service bonuses provided for by the applicable national sector labour contracts.

If the manager is not dismissed after repeating the violations twice in two years, any proxies are removed and the manager may be transferred from the area at risk to another area for organisational requirements and as allowed by the applicable national sector labour contracts.

If a manager deliberately prevents application of the measures established by the Model in their business area, they are dismissed within the terms set out in the applicable national labour contract.

4. Measures for directors

Directors' violations of the measures set out in the Model are reported by the supervisory body to the board of directors and the board of statutory auditors. They are included in the minutes of the related meeting.

If the violations are committed by the majority of the board of directors or by the board of directors collectively, the supervisory body reports to the shareholders as well.

If the chairperson, the deputy chairperson, the managing director and all the members of the board of directors with proxies violate the Model more than twice in one year, performing transactions not covered by their proxies or that exceed the limits set by the Model, and violation does not entail their removal from office or the violation is not reported promptly, the board of directors suspends their proxies, as required by the articles of association and the by-laws.

If the above violations of the Model include the reasons for removal from office as per article 2382 of the Italian Civil Code², the board of directors replaces the removed directors pursuant to article 2386 of the Italian Civil Code³; if it does not do so, the shareholders take the relevant measures.

For the purposes of repetition, violations performed by directors in just one financial year are considered.

If the directors violate the Model, the board of directors may decide to ratify their conduct in a special meeting called within two months. The board of directors informs the supervisory body of its decision and reasonings promptly, providing it with all useful documentation necessary to assess the case and the measures it may take pursuant to the Model.

Pending criminal proceedings against directors do not imply the automatic application of the above sanctions until the first level ruling has been handed down, even if it is not final.

5. Measures for statutory auditors

If a statutory auditor violates the Model, the supervisory body informs the board of directors and the board of statutory auditors immediately using the methods set out above.

The directors and statutory auditors will take the relevant action to the extent of their powers, including possibly calling a shareholders' meeting to propose the statutory auditor be removed from office.

6. Measures for other parties required to comply with the Code of Conduct

Violations of the Model by consultants that work with the company, including on a temporary basis, agents, subcontractors, partners, suppliers, consultants and any party that carries out activities in the name of and on behalf of the company or under its control, without prejudice to the request for compensation for any damage incurred, entail the immediate application of the measures set out below, pending introduction of the relevant contractual clauses in all subsequent contracts agreed.

Violations of the Model by the above parties entail the immediate termination of the contractual relationship as provided for by article 1456 of the Italian Civil Code, similarly to that provided for by this

² **Reasons for ineligibility and disqualification:** [1] The following persons may not be elected director and, if elected, fall from office: persons partially or totally disqualified, bankrupt or banned from holding public office, including on a temporary basis, or from performing management duties.

³ **Replacement of directors:** [1] If during a year one or more directors are no longer in office, the other directors replace them with a resolution approved by the board of statutory auditors, as long as the majority of the directors has been elected by the shareholders. These co-opted directors remain in office until the next shareholders' meeting. [2] If the majority of the directors elected by the shareholders no longer exists, those still in office call a shareholders' meeting so that the shareholders can replace the missing directors. [3] Unless decided otherwise by the by-laws or the shareholders, directors elected as per point 2 fall from office with those in office when they were elected. [4] If specific provisions of the by-laws require that the entire board falls from office when a few directors do so, the shareholders' meeting to elect the new board is called urgently by the directors still in office; the by-laws may provide for application of this measure as set out in the next paragraph. [5] If the sole director or all the directors fall from office, the shareholders' meeting called to elect the sole director or the entire board is called urgently by the board of statutory auditors, which carries out normal administration activities in the meantime.

disciplinary system for the termination of employment relationships with employees and moreover in all cases of violations of the law during performance of the engagement.

Contractual penalty and termination clauses due to violation of the Model will be included in all new contracts for collaboration, agency and partnerships to be agreed by the company with the above parties. If the above contracts do not include these clauses, transgressions of the Model by consultants and agents are considered as a breach of contract and, where possible, they lead to termination of the individual contracts as per article 1453 of the Italian Code after the party has been informed of the Code of Conduct.