

ORGANISATION, MANAGEMENT AND CONTROL MODEL IN ACCORDANCE WITH LEGISLATIVE DECREE 231 OF 8 JUNE 2001

C.O.I.M. S.P.A. CHIMICA ORGANICA INDUSTRIALE MILANESE

Adopted by the Ordinary Shareholders' Meeting on 22nd December 2010.

Amended by Ordinary Shareholders' Meeting on 8th April 2013.

Amended at the Board of Directors' Meeting on 12th December 2016.

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GENERAL PART REGULATORY FRAMEWORK

SECTION ONE

1. LEGISLATIVE DECREE 231 OF 8 JUNE 2001

1.1 The administrative liability of bodies

Legislative Decree 231 of 8 June 2001 that governs “The administrative liability of corporate bodies, companies and associations, also with no legal personality” (also known hereinafter as “D.Lgs. 231/2001” or also merely as the “Decree”), which came into force on 4 July 2001 to implement article 11 of Law Decree 300 of 28 September 2000, introduced into the Italian legal system, in conformity to Community law, the administrative liability of bodies, where ‘bodies’ are defined as commercial companies, capital companies, partnerships, corporate bodies and associations, also without legal personality. Although this type of liability is defined as “administrative” by the legislator, it entails criminal liability because a criminal court judge ascertains the offences that give rise to the liability, and the body enjoys the guarantees of a criminal trial.

The administrative liability of the body arises from the offences, expressly indicated in legislative decree D.Lgs. 231/2001, committed in the interest or to the advantage of the body, by

natural persons who have representative, administrative or managerial functions in the body or an organisational unit thereof provided with financial and functional autonomy or exercise, also de facto, the management and control (so-called “top management”), i.e. who are subjected to the management or supervision of one of the subjects indicated above (the so-called “subordinates”).

In addition to the existence of the requirements disclosed above of legislative decree D.Lgs. 231/2001 also requires the establishment of the guilt of the body in order to be able to assert its administrative liability. This arises from an “organisational fault”, which is defined as the body’s failure to adopt suitable measures to prevent the offences being committed that are listed in the next paragraph by persons defined in the Decree.

Where the body is able to demonstrate that it has adopted and effectively implemented a suitable organisation for avoiding these offences, through the adoption of the organisation, management and control model specified by Legislative Decree D.Lgs. 231/2001, the body shall bear no administrative liability.

1.2 The offences specified by the Decree

The offences arising from the body’s administrative liability are those expressly and compellingly cited by Legislative Decree D.Lgs. 231/2001 and subsequent amendments and supplements.

The offences are listed below that currently fall within the scope of Legislative Decree D.Lgs. 231/2001, but it should be borne in mind that the list will lengthen in the near future:

1. Offences against public administration (articles 24 and 25):
 - Embezzlement of the state or of another public body or of the European Union (article 316 bis of the Penal Code);
 - Misappropriation of funds from the State or from another public body or from the European Union (article 316 ter Penal Code);
 - Defrauding the state or of a public body (article 640, subsection 2, 1, Penal Code);
 - Serious fraud in order to obtain public funding (article 640 bis Penal Code);
 - Computer fraud to defraud the state or another public body (article 640 ter Penal Code);
 - Corruption (articles 318, 319, 319 quater, 320, 322 bis Penal Code);
 - Instigation to corruption (article 322 Penal Code);
 - Judicial corruption (article 319 ter Penal Code);
 - Bribery (article 317 Penal Code).
2. Information technology offences and illegal treatment of data, introduced by law 48/2008 (article 24-bis):
 - Improper access to an information technology or electronic system (article 615-ter Penal Code);

- Illegal possession and dissemination of access codes to information technology and electronic systems (article 615-quater Penal Code);
- Dissemination of equipment, devices or information technology programmes designed to damage or interrupt an information technology or electronic system (article 615-quinquies Penal Code);
- Interception, prevention or illegal interruption of information technology or electronic communications (article 617-quater Penal Code);
- Installation of equipment for intercepting, jamming or interrupting information technology or electronic communications (article 617-quinquies Penal Code);
- Damage to information, data and information technology programmes (article 635-bis Penal Code);
- Damage to information, data and information technology programmes used by the state or another public body or of public utility (article 635-ter Penal Code);
- Damage to information technology and electronic systems (article 635- quater Penal Code);
- Damage to information technology and electronic systems of public utility (article 635-quinquies Penal Code);
- Information technology fraud of party that provides electronic certification services (article 640-quinquies Penal Code).

3. Organised crime offences, introduced by law 94/2009 (article 24 ter):
 - Criminal association, also intending to commit one of the offences specified in articles 600, 601 and 602, and article 12, sub-section 3-bis, of the single law containing the provisions relating to immigration and regulations regarding the status of foreigners, specified in legislative decree 286 of 25 July 1998, (article 416 of Penal Code);
 - Mafia-type associations, including foreign associations (article 416-bis Penal Code);
 - Political-mafia vote-rigging (article 416-ter Penal Code);
 - Kidnapping for the purpose of extortion (article 630 Penal Code);
 - Criminal association aimed at illegal trafficking in illegal substances or psychotropes (article 74 of presidential decree D.P.R. 309 of 9 October 1990);
 - Illegal manufacture, introduction into the state, sale, transfer, possession and carrying in a public or open space military weapons or warlike weapons or parts thereof, of explosives, of secret arms and of common firearms, apart from those specified in article 2, subsection 3, of law 110 of 18 April 1975, (article 407 subsection 2 of letter a), number 5) Penal Procedure Code).
4. Offences consisting of counterfeiting coins, credit cards, duty stamps and identity instruments or marks, introduced

by law 409/2001 and amended by law 99/2009 (article 25-bis):

- Counterfeiting, spending and introducing into the country, through concertation, counterfeit money (article 453 Penal Code);
 - Alteration of money (article 454 Penal Code);
 - Counterfeiting watermarked paper used for making credit cards or duty stamps (article 460 Penal Code);
 - Manufacture or possession of watermarks or tools intended for counterfeiting money, of duty stamps or watermarked paper (article 461 Penal Code);
 - Spending and introducing into the state, without concertation, counterfeit money (article 455 Penal Code);
 - Spending false money received in good faith (article 457 Penal Code);
 - Use of counterfeit or altered duty stamps (article 464 Penal Code);
 - Counterfeiting duty stamps, introducing into the state, purchasing, possessing or bringing into circulation counterfeit duty stamps (article 459 Penal Code);
 - Counterfeiting, altering or using trademarks or marks or patents, models and designs (473 Penal Code);
 - Introducing into the state and trading in products with false marks (474 Penal Code).
5. Industrial and trade offences, introduced by law 99/2009 (article 25-bis 1):

- Impaired freedom of industry or trade (article 513 Penal Code);
 - Illegal competition with menaces or violence (article 513-bis Penal Code);
 - Defrauding national industries (article 514 Penal Code);
 - Fraudulent business practices (article 515 Penal Code);
 - Sale of non-genuine foodstuffs as genuine foodstuffs (article 516 Penal Code);
 - Sale of industrial products with mendacious marks (article 517 Penal Code);
 - Manufacturing and marketing goods made by usurping industrial property rights (article 517-ter Penal Code);
 - Counterfeiting designations of origin and geographical indications of agricultural produce (article 517-quater Penal Code).
6. Company offences, introduced by legislative decree D. Lgs. 61/2002 and amended by law 262/2005 (article 25-ter):
- False company communications (article 2621 of Civil Code) and minor offences (art. 2621 bis of Civil Code);
 - False company communications of listed companies (article 2622 of Civil Code);
 - Prevented control (article 2625, sub-section 2, of Civil Code);
 - Fictitious formation of capital stock (article 2632 of Civil Code);
 - Unwarranted restitution of capital contributions (article 2626 of Civil Code);
 - Illegal distribution of profits and reserves (article 2627 of Civil Code);
 - Illegal operations in shares or holdings of the company or of the holding company (article 2628 of Civil Code);
 - Operations harming creditors (article 2629 of Civil Code);
 - Failure to disclose conflict of interests (article 2629-bis of Civil Code);
 - Unwarranted distribution of company assets by liquidators (article 2633 of Civil Code);
 - Corruption amongst private individuals (article 2635 of Civil Code);
 - Illegal influence on shareholders' meeting (article 2636 of Civil Code);
 - Stock manipulation (article 2637 of Civil Code);
 - Obstacle to exercise of functions of public monitoring authorities (article 2638, sub-sections 1 and 2 of Civil Code).
7. Crimes of terrorism or subversion of the democratic order, introduced by law 7/2003 (article 25 quater):
- Associations with terrorist purposes, also international or for the subversion of the democratic order (article 270-bis Penal Code);
 - Assistance to associates (article 270-ter Penal Code);

- Recruitment for the purposes of terrorism, also international, article 270-quater Penal Code);
 - Training in activities for the purpose of terrorism, also international (article 270-quinques Penal Code);
 - Conduct serving terrorist purposes (article 270-sexies Penal Code);
 - Attack for terrorist or subversive purposes (article 280 Penal Code);
 - Terrorism act with lethal ordnance or explosives (article 280-bis Penal Code);
 - Kidnap for the purposes of terrorism or subversion (article 289-bis Penal Code);
 - Urgent measures for safeguarding the democratic order and public safety (article 1 of law Decree 625 of 15/12/1979, converted with amendments into law 15 of 6/02/1980);
 - International Convention for the Suppression of the Financing of Terrorism, New York, 9 December 1999 (article 2).
8. Mutilation of female genital organs introduced by law 7/2006 (article 25–quater. 1):
- Mutilation of female genital organs (article 583-bis Penal Code)
9. Crimes against individual personality, introduced by law 228/2003 and amended by law 38/2006 (article 25 quinquies):
- Enslaving or keeping enslaved (article 600 Penal Code);
 - Underage prostitution (article 600-bis, sub-sections 1 and 2, Penal Code);
 - Underage pornography (article 600-ter Penal Code);
 - Possession of pornographic material (article 600-quater Penal Code);
 - Virtual pornography (article 600-quater.1 Penal Code);
 - Tourism organised for the exploitation of underage prostitution (article 600-quinquies Penal Code);
 - People trafficking (article 601 Penal Code);
 - Buying and selling slaves (article 602 Penal Code);
 - Labour trafficking and exploitation (art. 603 bis Penal Code).
10. Market abuses, introduced by law 62/2005 and amended by law 262/2005 (article 25-sexies):
- Abuse of privileged information (article 184 D. Lgs. 58/1998);
 - Market manipulation (article 185 D. Lgs. 58/1998).
11. Transnational offences, introduced by law 146/2006:
- Criminal association (article 416 Penal Code);
 - Associations of mafia type, also foreign (article 416-bis Penal Code);
 - Criminal association for smuggling tobacco products manufactured abroad (presidential decree DPR 43/1973, article 29- quater);

- Association for illegal trafficking of drugs or psychotropes (DPR 309/1990, article 74);
 - Provisions against illegal immigration (legislative decree D.Lgs. 286/1998, article 12);
 - Inducement not to make statements or to make untrue statements to the legal authorities (article 377-bis Penal Code);
 - Personal favouring (article 378 Penal Code).
12. Non-compliance with health and safety in the workplace regulations introduced by law 123/2007 (article 25-septies):
- Involuntary manslaughter (article 589 Penal Code);
 - Serious or very serious personal injury caused through criminal negligence (article 590 Penal Code).
13. Offences of fencing or laundering or using money from illegal sources and direct money laundering introduced by legislative decree D.Lgs. 231/2007 (article 25-octies):
- fencing (article 648 Penal Code);
 - laundering (article 648-bis Penal Code);
 - use of money, goods or utilities of illegal origin (article 648-ter Penal Code);
 - Direct money laundering (art. art. 648-ter. c.1 Penal Code).
14. Copyright infringement, introduced by law 99/2009 (article 25-novies):
- Delivery to electronic networks available to the public by connections of any type of a protected original work or part thereof (article 171 sub-section 1 of letter a-bis) of law 633/1941);
 - Offences specified in the previous point committed with reference to a work of another not intended for publication or with usurpation of the authorship of the work, or with deformation, mutilation or other modification of the work if it is an offence to the honour or reputation of the author (article 171, sub-section 3 of law 633/1941);
 - Improper duplication, for profit, of computer programmes; importation, distribution, sale, possession for commercial or entrepreneurial purposes or hiring out of programmes contained on supports not marked by SIAE; providing means intended only to permit or facilitate the arbitrary removal or functional circumventing of devices applied to protect a computer programme (article 171-bis, sub-section 1 of law 633/1941);
 - Reproduction, transfers to another support, distribution, communication, presentation or demonstration in public of the contents of a databank in violation of the provisions of articles 64-quinquies and 64-sexies of law 633/1941, in order to profit thereby and on supports not marked SIAE; extraction or reuse of the databank in violation of the provisions of articles 102-bis and 102-ter law 633/41;

distribution, sale and hiring out of the databank (article 171-bis, sub-section 2 of law 633/1941);

- Improper duplication, reproduction, transmission or public performance through any process, wholly or partially, of original work for television, cinema, sale or hiring, disks, tapes or similar supports or any other support containing audio or visual recordings of musical, cinema, or audiovisual or similar works or sequences of moving images; improper public reproduction, transmission or diffusion through any process of literary, dramatic, scientific or didactic, musical or dramatic-musical, multimedia works or parts of works, even if they are part of collective or composite works or data banks; possession for sale or distribution, marketing, hiring out for any reason, public showing, transmission by television with any process, transmission by radio of listening in public of improper duplications or reproductions, transmission by means of radio, public performances of improper duplications or reproductions mentioned; possession for sale or distribution, marketing, hiring out for any reason, transmission by radio or television through any process, of video cassettes, music cassette, any supports containing audio or visual recordings of musical, cinema, or audiovisual works, or sequences of moving images or of another support for which law 633/1941 prescribes the application of SIAE marking, absence of

the marking or provision of counterfeit or altered marking; retransmission or dissemination by any means, without the consent of the legitimate distributor, of an encrypted service received by means of apparatuses or parts of apparatuses that are suitable for decoding transmissions with conditioned access; introduction into the country, possession for sale or distribution, distribution, sale, hiring out, transfer for any reason, commercial promotion, special installation of decoding devices or elements that permit access to an encrypted service without payment of the due fee; the manufacture, import, distribution, sale, hiring out transfer for any reason, advertising for sale or hiring out, or possession for commercial purposes, of equipment, products or components, or the provision of services the main purpose or commercial use of which is to circumvent effective technological measures specified in article 102-quater of law 633/1941 or which have been mainly designed, produced, adapted or made in order to make the circumvention of such measures possible or easy; improper removal or alteration of the electronic information specified in article 102-quinquies, or distribution, import for the purposes of distribution, dissemination by radio or television or supplying to the public works or other protected materials the electronic information of which has been removed or altered (article 171-ter sub-section 1 of law 633/1941);

- Reproduction, duplication, transmission, improper dissemination, sale or marketing, transfer for any reason or improper importation of more than fifty copies or examples of works protected by copyright and by connected rights; communication to the public, for the purposes of gain, delivery to a system of electronic networks by connections of any type of an original work or part thereof protected by copyright; committing one of the offences specified in the previous point, performing in an entrepreneurial manner activities of reproduction, distribution, sale or marketing or importation of works protected by copyright and by connected rights; promotion or organisation of the illegal activities specified in the previous point (article 171-ter, sub-section 2 of law 633/1941);
 - Failure of manufacturers or importers to notify SIAE of supports that are not subject to the marking specified in article 181-bis Law 633/1941, within thirty days of launching on the Italian market or the import, of the data required for unambiguous identification of the supports that are not subject to the marking or making an untrue statement on the meeting of the obligations specified in article 181bis, sub-section 2 of said data (article 171-septies of law 633/1941);
 - Fraudulent manufacture, sale, import, promotion, installation, modification, use for public or private utilisation of apparatuses or parts of apparatuses for decoding audiovisual broadcasts with restricted access via ether, satellite, cable, in both analogue and digital form (article 171-octies of law 633/1941).
15. Offence of inducement not to make statements or to make untrue statements to the legal authorities introduced by law 116/2009 (article 25-decies):
- Inducement not to make statements or to make untrue statements to the legal authorities (article 377-bis Penal Code).
16. Environmental offences, introduced by legislative decree D.Lgs. 121/2011 (article 25-undecies):
- Killing, destruction, capture, removal, possession of protected wild animal or plant species (article 727-bis Penal Code);
 - Destruction or deterioration of a habitat within a protected site (article 733-bis Penal Code);
 - Discharges of waste industrial water containing hazardous substances, in the absence of an authorisation or after the authorisation has been suspended or revoked and discharge into the sea, from parts of ships or aircraft of substances or materials the discharge of which it absolutely forbidden (article 137 sub-sections 2, 3, 5, 11 and 13 of legislative decree D.Lgs. 152/2006);

- Managing unauthorised waste (article 256, sub-sections 1, 3, 5 and 6 second sentence of legislative decree D.Lgs. 152/2006);
- Failure to clean sites in conformity to the project approved by the competent authority (article 257 sub-sections 1 and 2 of legislative decree D.Lgs. 152/2006);
- Non-fulfilment of the obligations to notify, keep the obligatory registers and forms (article 258 sub-section 4, second sentence of legislative decree D.Lgs. 152/2006);
- Illegal trafficking of waste (article 259, sub-section 1 of legislative decree D.Lgs. 152/2006);
- Activities organised for illegal trafficking of waste (article 260 sub-sections 1 and 2 of legislative decree D.Lgs. 152/2006);
- Falsified waste analysis certificate, also used within the context of SISTRI – Handling Area and documentary and material falsification of the SISTRI data sheet – Handling Area (article 260-bis of legislative decree D.Lgs. 152/2006);
- Exceeding emission limit values that cause air quality limit values to be exceeded (article 279, sub-section 5 of legislative decree D.Lgs. 152/2006);
- Import, export and re-export of the protected species of plants and animals specified in Annexes A, B and C of Regulation EC 338/97 of the Council of 9 December 1996 and subsequent provisions; failure to comply with the

- prescriptions relating to the preservation of the protected species of plants and animals; use of the aforesaid plants or animal in violation of the prescriptions contained in the authorising or certifying measures; transport and transit of the plants or animals without the prescribed certificate or licence; trading in plants reproduced artificially in violation of the prescriptions of article 7, paragraph 1 of letter b) of Regulation EC 338/97 of the Council, of 9 December 1996 and subsequent provisions; possession for the purpose of gain, purchase, sale, display or transfer of plants or animals without the prescribed documentation (articles 1 and 2 of law 150/1992);
- Falsification of or tampering with certificates, licences, import notices, statements, notifications of information specified by article 16, paragraph 1 of letter), c), d), e), and l), of Regulation EC338/97 of the Council, of 9 December 1996 and the following (article 3 Law 150/1992);
- Possession of live wild mammals and reptiles and live mammals and reptiles bred in captivity that are a danger for public health and safety (article 6 of law 150/1992);
- Ceasing and reducing the use of harmful substances (article 3 of law 549/1993);
- Deliberate pollution by ship sailing under any flag (article 8 of legislative decree D.Lgs. 202/2007);

- Criminal pollution by ship sailing under any flag (article 9 of legislative decree 202/2007);
 - Environmental pollution (art. 452-bis Penal Code);
 - Environmental disaster (art. 452-quater Penal Code);
 - Crimes against the environment (art.452-quinquies Penal Code);
 - Aggravated criminal association (art.452-octies Penal Code);
 - Trafficking and dumping of highly radioactive material (art.452-sexies Penal Code).
17. Offence of using citizens of third countries whose stay in the country is irregular, introduced into the Decree by legislative decree D.Lgs. 109/2012 (article 25-duodecies):
- using citizens of third countries whose stay in the country is irregular (article 22, sub-section 12bis of legislative decree D.Lgs 286 of 25 July 1998).

1.3 The sanctions imposed by the Decree

The system of sanctions described by legislative decree D.Lgs. 231/2001 for the above offences consists of applying the following administrative sanctions:

- fines;
- prohibitions;
- confiscation;
- publication of the sentence.

The interdiction sanctions, which can be imposed only where expressly provided for and also on a precautionary basis, are the following:

- interdiction of the business;
- suspension or revocation of authorisations, licences or franchises, depending on the commission of the offence;
- banning from tendering for public-sector contracts;
- exclusion from facilitations, funding, contributions and subsidies and/or revocation of any already granted;
- banning from advertising goods or services.

Legislative Decree D.Lgs. 231/2001 further states that if the conditions specified by article 15 of the Decree recur, the judge, when applying the interdiction sanction, can order the business to be run by a commissioner appointed for a period that is as long as the period of the interdiction sanction that would have been applied, when at least one of the following conditions occurs:

- the company provides a public service or a service of public need the interruption of which could cause grave social harm;
- the interruption to company business can have significant repercussions on employment, taking account of the size of the company and of the economic condition of the territory in which it is located.

1.4 Condition giving exemption from administrative liability

Article 6 of legislative decree D.Lgs. 231/2001 states that the body has no administrative liability if it demonstrates that:

- management adopted and effectively implemented, before the commission of the offence, organisation, management and control models that are suitable for preventing offences of the type that have occurred;
- the task of monitoring the operation and compliance of the models and ensuring the relative updating thereof was assigned to an organism of the body provided with independent powers of initiative and control (so-called supervisory organism);
- the persons have committed the offence by fraudulently circumventing the organisation, management and control models;
- the Supervisory Organism has not made any omission or exercised insufficient supervision.

The adoption of the organisation, management and control model thus enables the body to avoid administrative liability. Merely adopting this document, through a decision of the board of directors of the body is not, however, sufficient to exclude administrative liability, it being necessary for the model to be effectively and actually implemented.

In order to be effective, the organisation, management and control model for the prevention of the commission of the offences specified by legislative decree D.Lgs. 231/2001 must:

- identify the area of company activities in which the offences may have been committed;

- provide specific protocols for programming the formation and implementation of the decisions of the body in relation to the offences to be prevented;
- identify methods for managing financial resources that will prevent the commission of the offences;
- impose information obligations on the organism tasked with supervising the operation and compliance of the models;
- introduce a disciplinary system for sanctioning failure to comply with the measures set out in the organisation, management and control model.

Legislative Decree D.Lgs. 231/2001 requires from the organisation, management and control model:

- a periodical audit, and, if significant infringements of the prescriptions imposed by the model are discovered or changes in the organisation or the business of the body occur or legislative amendments, modification of the organisation, management and control model occur;
- the imposition of sanctions in the event of non-compliance with the prescriptions imposed by the organisation, management and control model.

1.5 The “Guidelines” of Confindustria

Article 6 of legislative decree D.Lgs. 231/2001 expressly requires the organisation, management and control models to be adopted on the basis of rules of conduct drawn up by the associations representing the bodies.

The guidelines for drawing up the organisation, management and control models set by the main trade associations, and in particular those of Confindustria updated on 23 July 2014 which replace the previous version issued on 31 March 2008, specify in general the following project phases:

- identifying risks, i.e. analysing the company context to highlight the areas of business in which and in what ways the offences may be committed that are specified by legislative decree D.Lgs. 231/2001;
- drawing up a suitable control system and preventing the risks of offences identified in the previous phase by evaluating the control system existing within the body and its degree of adequacy to the needs expressed by legislative decree D.Lgs. 231/2001.

The most relevant components of the control system to ensure the efficacy of the organisation, management and control model are identified in the following:

- incorporating ethical principles and rules of conduct in a Code of Ethics;
- a sufficiently formalised and clear organisational system, in particular with regard to the assignment of responsibilities, the lines of hierarchical dependency and the description of tasks, with specific provision of control principles;
- manual and/or information technology procedures that regulate the activities and the provision of suitable controls;

- authorising powers and powers of signing for the body that are consistent with the organisational and management responsibilities assigned by the body, indicating, where appropriate, budgeted expenditure limits;
- management control systems that are able to alert to possible critical points in good time;
- informing and training personnel.

These guidelines also state that the components of the control system described have to comply with a series of control principles, including:

- verifiability, traceability, consistency and appropriacy of each operation, transaction and action;
- application of the principle of separation of functions and segregation of tasks (nobody can manage an entire process alone);
- instituting, executing and documenting the control of the processes and the activities in which there is a risk of offences being committed.

Consequently, this document has taken into consideration also the instructions provided by the trade associations, and in particular those supplied in the guidelines of Confindustria and has adapted them to the needs of the company.

SPECIAL PART ORGANISATIONAL MODEL OF C.O.I.M. SPA

SECTION TWO

2. ORGANISATION, MANAGEMENT AND CONTROL MODEL OF C.O.I.M. S.P.A.

2.1 Purposes of the Model

C.O.I.M. S.p.A. – Chimica Organica Industriale Milanese (known hereinafter alternatively as “C.O.I.M.” or the “Company”), the parent company of a company group is active in the sector of speciality chemistry and in particular of polycondensation (esters), polyaddition (polyurethanes) products and in numerous other chemical specialities. The quality and variety of the range of its products makes C.O.I.M. one of the main leaders in the reference market.

The Company sets itself the main objective of development that is compatible with fundamental values such as quality, health, safety and environment. The attention to constantly improving customer satisfaction and protecting the environment and health inside and outside its production facilities is controlled systematically, taking account of the “principle of legality”, according to which the Company runs its business in full

compliance with laws and regulations so that any aspect of its business is legitimate and conforms to the law.

C.O.I.M., in relation to the nature and dimension of the organisation and to the type of business conducted by the Company, conscious of the importance of adopting and effectively implementing an organisation, management and control model in accordance with legislative decree D.Lgs. 231/2001 that is suitable for preventing illegal conduct, has approved, with the deliberation of the Ordinary Shareholders’ Meeting of 22/12/2010, its organisation, management and control model (known hereinafter as the “Model”), on the assumption that it constitutes a valid tool for heightening the awareness of the recipients – as defined subsequently – for assuming correct and transparent conduct and ensuring that the business of the Company is conducted in compliance with the law. This Model was subsequently amended to incorporate legislative variations, with further approval by the Shareholders’ Meeting.

By adopting the Model, C.O.I.M. intends to pursue the following aims:

- forbidding conduct that could constitute illegal acts under the terms of the Decree;
- making all those that operate in the name of and on account of Company in the so-called risk areas aware of the possibility of committing, in the event of non-compliance with the provisions of the Model, an illegal act that is subject to sanctions,

on the criminal and administrative level, not only against the perpetrator but also against C.O.I.M.;

- stressing that such forms of illegal conduct are severely condemned by Company inasmuch as they are not only against the law but also the company's ethical principles, already expressed in the Code of Ethics, which the Company intends to follow in its business;
- enabling the Company, owing to monitoring of the so-called risks areas, to intervene promptly to prevent or counter the commission of offences.

2.2 Recipients

The provisions of this Model are binding on the directors and on all those at C.O.I.M. who represent the Company, are directors or senior managers or have management and control functions (also de facto), on employees (including those with a managerial role), and on freelancers subject to the direction and supervision of company management (known hereinafter as the "Recipients").

2.3 Basic elements of the model

The basic elements developed by C.O.I.M. to define its model can be summarised as follows:

- identifying the ethical principles and rules of conduct to prevent conduct that may be offences under the terms of

legislative decree D.Lgs. 231/2001, confirmed in the Code of Ethics of Company and, more in detail, in this Model;

- mapping the so-called "sensitive" activities, with examples of possible ways in which the offences may committed and examples of the instrumental and/or functional processes in the ambit of which, in principle, the conditions and/or the means might arise for the commission of the offences specified in the Decree (formalised in the company document "Matrix of Offence-Risk Activities" in paragraph 2.5);
- setting up a Supervisory Organism of "Compliance Officers" who are assigned specific tasks of monitoring compliance with the effective implementing and actual application of the Model specified in the section three;
- adopting a sanction system for ensuring the actual implementation of the Model, containing the disciplinary measures that are applicable in the event of non-compliance with the prescriptions of the Model, which is described in section four of the Model;
- informing about and training in the contents of this Model.

2.4 Code of Ethics and model

C.O.I.M., is determined to run its business in compliance with the law and has accordingly adopted its own Code of Ethics (known hereinafter as the "Code of Ethics"), that sets a series of "Company conduct" rules that the Company recognises as its own and compliance with which it requires from its directors,

employees and from all those who have dealings with the Company.

The Model, the provisions of which are in all cases consistent with and conform to the principles set out in the Code of Ethics, responds more specifically to the needs set out in the Decree and therefore aims at preventing the commission of offences as defined by legislative decree D.Lgs. 231/2001.

C.O.I.M.'s Code of Ethics is a document with its own validity that asserts ethical and conduct principles that prevent the illegal conduct specified in the Decree but it also becomes relevant for the purposes of the Model and becomes a complementary element thereof.

2.5 Methodological path defining the model: mapping the activity areas at risk of offences – instrumental and management processes

Legislative Decree D.Lgs. 231/2001 states expressly in the relative article 6, sub-section 2 of letter a) that the organisation, management and control model of the body must define the field of activities in which the offences included in the Decree may be potentially committed.

Consequently, C.O.I.M. analysed in depth its company activities, considering above all its own organisational structure (reflected in the organisation chart filed in the Human Resources Department).

Subsequently, the Company analysed its business on the basis of the information gathered by the Company referees, whose roles gave them wider and deeper knowledge of the operations of their Company sector.

The results of the activity described above were subsequently collated in a descriptive sheet called “Matrix of Offence-Risk activities pursuant to Legislative Decree D.Lgs. 231/2001” (“Matrix”), which illustrates in detail the risk profiles of committing the offences in areas included in the Decree identified as part of C.O.I.M. business.

In particular, the Risk Matrix 231 identifies the company's general areas of activity (which are in turn divided into activities and subactivities) where there is a risk of some of the offences being committed that are defined by legislative decree D.Lgs. 231/2001 (so-called “sensitive activities”), the offences that are associable therewith, the examples of possible methods and aims of committing the offences and the processes in committing them, that still in principle could create the instruments and/or means for committing the offences (so-called “instrumental and management processes”).

Said Matrix, which forms part of the model, is kept on Company premises in the Legal Department and is available for consultation by the directors, the statutory auditors, the Compliance Officers and by anybody else who is authorised to view it by the Company.

In view of the typical activities of the Company, the identified areas have revealed a possible risk of the following offences being committed as defined by the Decree in articles 24 and 25 (offences against public administration), 24-bis (information technology offences and illegal treatment of data), 25 bis (so-called counterfeit coins and notes limited to the offence of spending false money received in good faith – article 457 Penal Code – use of counterfeit or altered duty stamps – article 464 of Penal Code – counterfeiting, altering or using trademarks or marks or patents, models and designs (473 Penal Code), 25 bis 1 (industrial and trade offences), 25 ter (so-called corporate offences), 25 septies (non-compliance with health and safety in the workplace regulations), 25 octies (fencing, laundering and using money of illegal origin), 25 novies (copyright infringement), 25 decies (inducement not to make statements or to make untrue statements to the legal authorities) and 25 undecies (so-called environmental offences), Article 25-duodecies (using citizens of third countries whose stay in the country is irregular), Art. 24 ter (organised crime offences), article 25 quater (offences committed for the purpose of terrorism or the subversion of the democratic order, even if measures have been taken to avoid involuntary funding of international terrorism), Article 25 quinquies (crimes against individual personality) and Art. 10 of Law 146/2006 (Transnational Offences).

The risk profiles of other offences included in the Decree have not been considered, and in particular the offences specified in

article 25 quater.1 (mutilation of female genital organs), article 25 sexies (market abuses) inasmuch as applicable only to companies listed on regulated stock markets and other offences that are not expressly mentioned above but are included in the cited articles of legislative decree D. Lgs. 231/2001.

Although the potential risk of these offences being committed cannot be completely ruled out, in view of the Company's business their commission has been considered to be extremely remote and to be in any case reasonably covered by compliance with the principles set out in the Company's Code of Ethics that binds all its recipients to strict adherence to the laws and regulations that are applicable to it and the enunciation of the ethical principles of legality, transparency and uprightness is deemed to protect against the risks of such offences being committed.

See the Matrix to identify the activities and departments that are at risk of an offence being committed.

2.6 Internal control system

When drawing up the model, C.O.I.M. considered the existing internal control system in order to check if it was able to prevent the specific offences specified by the Decree and identified as potentially possible in the areas of business of the Company.

The current internal control system at C.O.I.M., which is intended to be a process implemented in order to manage and monitor the

main risks and enable company business to be conducted correctly and healthily, aims to reach the following objectives:

- efficacy and efficiency in use of resources, in protecting the Company from losses and safeguarding Company assets;
- compliance with laws and regulations that are applicable to all operations and actions;
- reliability of information, to be understood as prompt and reliable communications to ensure that each decision-making process is correct.

Behind this control system, there are also the following principles:

- each operation, transaction and action must be true, verifiable, consistent and documented;
- nobody runs an entire process alone (so-called “separation of the tasks”);
- the internal control system is able to document the running of the checks, also supervision checks.

All the personnel, in the ambit of their job description, are responsible for defining and the correct operation of the control system, which consists of all the audits of their processes that the single operating units conduct.

The Company assigned the task of checking the application of the elements and principles of the control system and their appropriacy to the heads of the Company organisational units, who have to interface with the Compliance Officers, so that the

latter are informed of any changes to Company organisation or activities and opinions can be submitted to the Compliance Officers or indications of principle and orientation can be requested.

At the documentary level, the internal control system of C.O.I.M. is based not only on the rules of conduct contained in the Code of Ethics and in this Model but also on the following reference elements:

- the system of delegations and proxies;
- the quality management system UNI EN ISO 9001:2008, intended to rationalise and improve operating processes, also through audits of conformity to the standards conducted by the certifying body;
- a Safety Management System drawn up in compliance with the OHSAS 18001 Standard and in line with the UNI 10617 Standard;
- an Environmental Management System drawn up in compliance with the UNI EN ISO 14001 Standard;

2.7 General rules of conduct

Below, the general rules of conduct are set out that have to be observed by the Recipients in order to prevent the risk of offences associated with the Company business being committed.

Non-compliance with these rules entitles C.O.I.M. to apply the sanctions specified in section four of this Model.

Conduct to be followed in dealings with the public administration and with independent administrative authorities (articles 24 and 25 of legislative decree D.Lgs 231/2001)

The following general rules of conduct apply to the Recipients of this Model who, for any reason and on behalf of and in the interest of C.O.I.M., have dealings with officials, public servants and more in general with representatives of the public administration and/or the supervisory authorities and/or the Italian or foreign independent administrative authorities, (known hereinafter as “representatives of the public administration”).

Generally, the Recipients are forbidden from influencing in an improper and/or illegal manner the decisions of the Representatives of the public administration.

In particular, they are forbidden to:

- promise or pay money to representatives of the public administration or the Italian or foreign independent administrative authorities in order to influence their independence of judgement or to obtain benefits for the Company;
- promise or give advantages of any kind to representatives of the public administration or of the Italian or foreign independent administrative authorities in order to influence their independence of judgement and to obtain any advantage to the Company;
- provide services or make payments to collaborators, suppliers, consultants, partners or other third parties who work on

behalf of the Company, in the public administration or the independent administrative authorities, that are not justified in the context of the contractual relationship with them or in relation to the type of task to be performed and the practices in force in the local environment;

- favour in purchasing processes collaborators, suppliers, consultants, partners or other third parties because they have been pointed out by representatives of the public administration or of the independent administrative authorities;
- consider or propose an employment offer that may favour a representative of the public administration or the independent Italian or foreign administrative authorities, in order to obtain any advantage to the Company;
- give gifts to members of the public administration or independent administrative authorities;
- behave in a deceptive manner to trick the employee of the public administration or of the independent administrative authorities into an erroneous technical and financial evaluation of the documentation submitted;
- submit false or altered documents or data or supply untrue information;
- omit required information in order to influence the decisions of the public administration or of the independent administrative authorities in their own favour.

Dealings with the public administration and the independent administrative authorities are managed exclusively by the authorised persons.

The Recipients who have dealings with the judicial authorities or the police on behalf of C.O.I.M. (as part of procedures of any type) must apply the rules of conduct set out above also in said dealings and undertake to ensure maximum availability and collaboration.

In the event of judicial proceedings or investigations or inspections it is forbidden to:

- destroy, alter or hide recordings, minutes, accounts or any type of document or information;
- make untrue statements or persuade others to do so;
- promise or give gifts, money or other favours to persons engaged in the investigation or inspection in return for benefits to themselves and/or for C.O.I.M.

Code of conduct to be followed when dealing with “sensitive” activities with regard to computer crimes that have been defined by law 48/2008 (article 24 bis D.lgs 231/2001)

The following general rules of conduct apply to the Recipients of this Model who for any reason are entrusted with running and maintaining the servers, the databanks, applications and customer relations and all those to whom passwords and access

keys to the Company’s information technology system have been assigned:

- access to information in the company servers, including customers, is limited to authentication tools;
- the system administrator has authentication credentials;
- access to the applications by personnel is ensured by authorisation tools;
- the Company data transmission network is protected by tools restricting (physical and logical) access;
- personnel:
 - can access the information technology system only through assigned unique identification codes;
 - abstain from any conduct that may compromise the confidentiality and integrity of the information and data of the Company and third parties;
 - abstain from any conduct aimed at overriding or circumventing the protections of the Company’s information technology system or of information technology systems of others;
 - keep the assigned identification codes carefully, abstaining from revealing them to others;
 - do not install programmes without the authorisations prescribed in Company procedures;
 - must not use alternative connections to those supplied by C.O.I.M. when performing tasks on behalf of the Company.

Conduct to be followed in relation to “sensitive” activities with regard to so-called counterfeit coins and notes limited to the offence of spending counterfeit cash received in good faith – article 457 Penal Code – use of counterfeit or altered duty stamps – article 464 Penal Code – counterfeiting, alteration or use of trademarks or marks or patents, models and drawings – article 473 Penal Code (article 25 bis D.Lgs 231/2001).

The following general rules of conduct apply to the Recipients of this Model who, with reference to the offences specified in article 457 and 464 of the Penal Code, for whatever reason and on behalf of or in the interest of C.O.I.M., are charged with purchasing and holding banknotes and coins and duty stamps; further, with reference to article 473 Penal Code, the same rules apply to top management, the technical departments and to all those who in some way manage production and marketing of the C.O.I.M. products with particular reference to the management of the trademark, marks, patents, models or drawings.

- Incoming and outgoing cash items must be recorded;
- Cash has to be kept at the accounts/finance department in a strongbox;
- The duty stamps have to be kept at the accounts/finance department in a strongbox;

- Any suspicion about the authenticity of the cash received must be reported to top management;
- Used duty stamps must be eliminated;
- It is expressly forbidden for one person to manage alone trademarks, patents, marks, models or drawings without prior authorisation from top management;
- Before a new product is marketed, an investigation must be conducted into the pre-existence on the market of an identical product with an identical name that has already been registered;
- Before a new product is marketed, an investigation must be conducted into the pre-existence on the market of an identical product that has already been patented;

Conduct to be followed in relation to “sensitive” activities with regard to industrial and trade offences (article 25 bis 1 D.Lgs 231/2001)

The following general principles of conduct apply to the Recipients of this Model who for any reason are involved in “sensitive” activities with regard to the corporate offences specified in article 25 ter of legislative decree D.Lgs. 231/2001. Top management and sales managers are certainly involved in these activities.

- Basing all product marketing on the principles of good faith, fairness and honesty;

- Respecting the business of competitors and exercising maximum diligence and prudence in strict compliance with the law;
- Before a new product is marketed, an investigation must be conducted into the pre-existence on the market of an identical product with an identical name that has already been registered;
- Before a new product is marketed, an investigation must be conducted into the pre-existence on the market of an identical product that has already been patented;
- Using maximum transparency in all stages of the marketing of the products;
- Providing purchasers with all the documentation on the products transferred such as product forms and the relative safety data sheets;
- It is forbidden to usurp industrial property titles or to infringe them deliberately or through negligence.

Conduct to be followed in relation to “sensitive” activities with regard to the corporate offences introduced by Legislative Decree D.Lgs. 61/2002 and amended by law 262/2005 (article 25 ter D.Lgs 231/2001)

The following general principles of conduct apply to the Recipients of this Model who for any reason are involved in “sensitive” activities with regard to the corporate offences specified in article 25 ter of legislative decree D.Lgs. 231/2001.

Generally, such persons are required to:

- behave with honesty, transparency and be cooperative, comply with legislation and Company procedures in all activities connected with financial reporting and other Company notifications, in order to provide shareholders and the public with true and fair views of the profits and losses, equity and finances of the Company;
- comply with legal regulations protecting the integrity and effectiveness of share capital in order not to harm the guarantees to creditors and third parties in general;
- ensure the regular operation of the Company and of the company officers, ensuring and facilitating all forms of in-house checks specified by law and the free and proper expression of the motions passed in shareholders’ meetings.

Recipients are expressly forbidden to:

- represent or transmit for elaboration or reporting in the financial statements, in the reports of the directors or in other Company notifications false or incomplete information or information that does not reflect the truth, or to draw up Company notifications that do not provide a true and fair view of the Company’s profits and losses, equity and finances;
- omit data and information on the Company’s profits and losses, equity and finances that are required by law;
- return allocations or exempt from the obligation to make the allocations, apart from cases of legitimate reduction of share capital;

- distribute profits or prepayments on profits that have not been earned or which are assigned by law to a reserve;
- acquire or subscribe Company holdings that diminish the integrity of share capital;
- reduce share capital, carry out mergers or splits that infringe legal provisions protecting creditors and thereby harm creditors;
- increase share capital fraudulently by assigning holdings at a value that is lower than their face value;
- engage in conduct that prevents or hinders audits by shareholders, the Board of Statutory Auditors, or by the auditor by concealing documents or other fraudulent means.

Conduct to be followed in relation to “sensitive” activities with regard to the punishable offences introduced by law 123/2007 (article 25 septies D.Lgs 231/2001)

The Company’s Italian production facility is located in Offanengo. Owing to the nature of its business, the Company promotes the dissemination of a culture of safety and awareness of the risks connected with work performed in its facility and in all work environments under its direct responsibility, and the Company requires at all company levels conduct that is responsible and compliant with current health and safety in the workplace regulations.

Generally, the Recipients who are involved in different ways in managing health and safety in the workplace at C.O.I.M. must implement within their own area of responsibility the measures for preventing and protecting against safety risks defined in the Risk Evaluation Documents (known hereinafter as “DVR”).

In particular, for effective risk prevention and in conformity to the measures prescribed by legislative decree D.Lgs. 81/2008 as subsequently amended and integrated, and according to the allocation of roles, tasks and responsibilities in the area of health and safety in the workplace, it is expressly required that:

- company representatives (the employer and delegates of the employer with responsibility for health and safety in accordance with article 16 of legislative decree D.Lgs. 81/2008 and subsequent amendments) perform their assigned tasks in this field in compliance with the mandates and proxies bestowed on them, the prevention measures adopted and existing Company procedures, inform and train personnel who, in performing their tasks, are exposed to safety risks in the workplace;
- persons appointed by the Company or elected by personnel in compliance with legislative decree D.Lgs. 81/2008 (such as, for example, Head of the Prevention and Protection Department, members of the Prevention and Protection Department, persons charged with implementing fire prevention measures, firefighting, evacuation of workers in the event of danger, first-aid personnel, the competent physician, the workers’

safety representatives) perform within the scope of their duties and attributions the safety tasks specifically assigned by current legislation and prescribed in the safety system adopted by the Company;

- the persons responsible monitor that all workers comply with the safety measures and procedures adopted by the Company, reporting any shortcomings or misalignments of the safety system and conduct that is incompatible with the safety system;
- all employees protect their own health and safety and the health and safety of the other persons who have access to the Company structures and comply with measures and instructions regarding Company safety.

With specific reference to managing Health and Safety, we draw attention to the following points of article 30 of legislative decree D.Lgs. 231/2001:

A. Compliance with legal technical structural standards relating to equipment, plants, workplaces, chemical and physical agents (whereas at the moment there are no risks of a biological nature) is ensured by: systematic and periodical internal auditing to identify hazards and possible improvements in the field of health and safety at work (ref. SAF procedure 11.01); a system enabling all personnel to alert to situations of hazard and/or near accidents and subsequently analyse and evaluate them (ref. SAF 9.01); a periodical preventive maintenance system for machines and equipment (REF. 06UT01) with particular reference to

components that are critical for safety (SAF 6.01.09); a system of analysis and preventive evaluation of plant modifications (ref. SAF 3.01); constant technical and regulatory updating by personnel in charge of designing, maintaining and evaluating risks by subscriptions to journals, databases and industry newsletters (ref. SAF 1.02); systematic and periodical auditing of fulfilment of technical and regulatory requirements in accordance with SAF procedure 6.02.02.

B. The entire Safety Management System in C.O.I.M. s.p.a. conforms to legislative decree D.Lgs 81/2008 and D.Lgs 334/99 (so-called Seveso law on Significant Accident Risk), so the risk evaluation and setting up the prevention and protection measures is intrinsic to the system; in particular, procedure SAF 4.06 is specifically directed at describing the methods used to identify the hazards, analyse the risks and keep them under control. More in detail, the risk analysis takes account of the entire working activity, both routine and not, including maintenance, purification, start-ups and shutdowns. The results of the risk analysis process lead to the definition of improvements and defining training and information programmes for personnel, both employees and others.

C. The Emergency Plan and SAF procedure 4.01 are expressly dedicated to the “emergencies”. SAF procedure 4.01 intends to ascertain the existence of the minimum information any emergency plan must have, i.e. A) name or function of the persons authorised to activate the emergency procedures and

the person responsible for applying and coordinating the intervention measures inside the site; B) name or function of the person in charge of liaising with the authority responsible for the external emergency plan; C) for predictable situations or events that could have a determining role in causing a significant accident, description of the measures to be adopted to tackle these situations or events and to limit the consequences thereof; the description must comprise the safety equipment and the available resources; D) measures for limiting dangers for persons on the site, including alarm systems and rules of behaviour that people must follow at the moment of the alarm; E) procedures for promptly warning the authority responsible to activate the external emergency plan; type of information to be provided immediately and measures for communicating more detailed information as soon as it is available; F) measures taken to train personnel in the tasks that they will have to perform and, if necessary, coordinating this action with the external emergency services; G) measures for assisting in the execution of intervention measures adopted outside the site. The Emergency Plan of C.O.I.M.'s Offanengo facility consists of 5 chapters divided into sections in which the above points are developed in detail. Procedure SAF 4.03 and SAF 4.02 are dedicated to "first aid" for regulating the conduct of all workers and of the different Company functions in the event of an accident in order to ensure effective and prompt first aid and to define the tasks and responsibilities of all employees. SAF procedure 7.01 is

dedicated to "tenders". This procedure regulates the dealings with outside companies and freelancers operating inside the facility and promoting coordination to eliminate risks due to interference and cooperation to actuate preventive and protective measures against the risks that the activity entails. SAF procedure 11.02 is dedicated "periodic safety meetings" are on the basis of this procedure different safety meetings are organised, namely six-monthly meetings to discuss progress on improving safety and reducing risks in the workplace (ref. DL 81/2008); the monthly meetings to analyse injuries, accidents/near accidents; the departmental meetings during which safety issues are discussed and training is conducted; the annual safety meeting in accordance with article 35 of legislative decree D.Lgs 81/2008 that is also attended by the physician responsible in addition to the employer, Head of the Prevention Department and the Head of Health and Safety. The representatives of the work, as specified by the manual of the safety management system, are consulted about the methods of evaluating risks, designating the head and staff of the prevention and first aid departments and the physician responsible and the Emergency Plan; the heads are also consulted about the training plan and the relative audits; they are also consulted about the policy document on accident prevention and health and safety in the workplace.

D. SAF procedure 4.05 is dedicated to "health monitoring" and prescribes preventive medical examinations in the event of

task changes that are annual (or at intervals established by the physician responsible), after 60 days of absence for reasons of health, if employment ceases in the cases specified by the standards and in the cases specified by regulations. Medical examinations are also take place if they are requested to ensure assiduous and complete health monitoring.

E. Procedure 06UP01 is dedicated to "informing and training workers" and consists of a detailed personnel training programme; the first training course is held when the employee is taken on in order to familiarise new workers with the Emergency Plan, the general risks of the facility, the use of personal protection equipment, the classification and labelling of hazardous substances and mixtures, and significant accident risks in accordance with the so-called Seveso law (general training); the worker is then trained for the job (specific training); a new course of specific training is required whenever the worker changes job and/or department; the object of this oral procedure is to set up a process by means of which to convey knowledge with the objective of ensuring the correct behavioural and working practices that implement health and safety at work rules and principles. More in detail, workers are informed (i.e. they are familiarised with hazards and risks present) and they are trained (i.e. they are educated and trained in behaving correctly and according to safety rules). Each worker must thus know his or her working environment, the machines, plants, the substances used, the work procedures, the health and safety

risks to know what he or she is doing and what can occur. The worker must thus know: the health and safety risks connected with the Company's business in general; the hazards linked to the use of substances, plants, machines and tools; the specific risks to which the worker is exposed in his or her job, the health and safety rules and the Company health and safety regulations; the procedures governing first aid, firefighting, evacuation; what to do in the event of a hazard, fire or accident; the names of the people in the first aid team and in the fire-prevention and worker-evacuation team; the names of the Head of the Prevention Department and of the physician responsible; how to work to minimise risk; what personal protective equipment is available and how to use it correctly.

F. The production facility manager is generally responsible for "monitoring compliance with working procedures and instructions" and functions have been delegated to him in accordance with article 16 of legislative decree D.Lgs 231/2001; in turn, the production facility manager, in order to ensure constant monitoring, sub-delegates specific tasks to the area managers.

G. The acquisition of the documents and certificates required by law is governed by SAF procedure 6.02.02 "Legal measures during operations"; periodically, the Head of the Prevention Department uses a checklist to check that all documents and certificates are available, stored and up to date.

H. Lastly, for periodical audits of the application and efficacy of the procedures adopted, in compliance with SAF procedure 11.01, for “inspection checks” an auditing system applies that is conducted both internally by appropriately trained staff and externally by an accredited certifying body. Every year, the efficacy of the adopted procedures is also evaluated and documented as well as the safety management system as a whole, as part of the safety management system review.

The safety system in force in C.O.I.M., in full compliance with sub-sections 2, 3 and 4 i), provides suitable registration systems for performing the activities listed above, ii) provides an appropriate division of functions that ensures the technical competencies and powers required for checking, evaluating, managing and controlling risk and a disciplinary system for sanctioning failure to comply with the safety procedures and iii) provides a suitable system for monitoring the implementation of the system and maintenance over time of the conditions of suitability of the adopted safety measures with periodical reviews and amendment of the system when significant infringements of health and safety regulations are discovered, or when the organisation and work change because of scientific and technological progress.

The safety system of C.O.I.M. has been certified by Certiquality as a system conforming to British Standard OHSAS 18001:2007.

Conduct to be followed in relation to “sensitive” activities with regard to fencing, laundering or using money, goods or utilities from illegal sources and direct money laundering introduced by legislative decree D.Lgs. 231/2007 (article 25 octies D.Lgs 231/2001)

The following rules of conduct apply to the Recipients of this Model who for any reason are involved in “sensitive” activities with regard to the offences of fencing or laundering or using money, goods or utilities from illegal sources and direct money laundering as specified in article 25-octies of legislative decree D.Lgs. 231/2001.

Generally, such parties are required to:

- operate in accordance with the established system of authorisations and powers of attorney;
- oblige the supplier, through specific contract clauses, to comply with the provisions of legislative decree D.Lgs. 231/2001 and the ethical principles and practices adopted by the Company through its Code of Ethics and to recognise the Company's right, in the event of breach of this requirement, to terminate the contract unilaterally and to demand payment of any damages agreed;
- choose suppliers according to preset rules of transparency, quality and value for money;
- ascertain the respectability and reliability of the suppliers before establishing business relations with them, also through the

acquisition of information on shareholders and directors in the case of companies, and public data on unfavourable indicators such as protests and bankruptcy proceedings against the supplier;

- as far as possible defining in writing contractual terms and conditions regulating dealings with commercial and financial suppliers and partners;
- periodically checking the alignment between market conditions and the conditions applied to dealings with commercial and financial suppliers and partners;
- using the banking system in the transactions, where possible;
- guarantee that all collections/payments are made solely through the Company 's properly registered current accounts, by persons holding the necessary powers;
- making payments into the current accounts of banks operating in “tax haven” countries or making payments to off-shore countries only if expressly authorised by the competent function;
- using or committing only economic and financial resources whose provenance has been ascertained and only for operations that have a clear motive and which are recorded and documented.

The recipients are expressly forbidden to:

- acquire goods or services for consideration that is clearly less than their market value without first checking their provenance;
- transfer for any reason, other than through banks or electronic money institutions or Poste Italiane S.p.A., cash or bank or postal passbooks in the name of the bearer in euros or foreign currency when the value of the transaction, even divided, is the same as or greater than that specified by current legislation;
- issue bank or postal cheques for amounts greater than those specified by current regulations that do not indicate the name or company name of the beneficiary and do not display the non-transferability clause;
- endorse for cashing bank or post-office cheques made out by the drawer to parties other than banks or Poste Italiane S.p.A.;
- pay into numbered current accounts of credit institutes without any physical location;
- make payments to parties located in countries defined as “non-cooperative” according to the indications of the Banca d’Italia and FATF;
- receive payments from blacklisted countries or territories (classified as tax havens or failure to cooperate with the FATF) or on the “grey list” (countries which have failed to make sufficient progress to combat money laundering and the financing of terrorism) from third parties which have not been sufficiently verified;

- have commercial dealings of any kind with parties listed on the Specially Designated Nationals List (SDN) that can be found on the website of the US Department of the Treasury (www.treasury.gov);
- accept and/or grant approval for the payment invoices received for non-existent goods/services;
- to commit, or even be an associate to, any crime with criminal intent which may produce money, property or any other good which may subsequently be exchanged, transferred or used for economic, financial, business or speculative activities.

Conduct to be followed in relation to “sensitive” activities with regard to copyright infringement introduced by law 99/2009 (article 25 novies of legislative decree D.Lgs 231/2001)

The following general principles of conduct apply to the Recipients of this Model who are in any way involved in “sensitive” activities with regard to improper use of software that constitutes a criminal infringement of copyright ex article 25-novies of legislative decree D.Lgs. 231/2001.

Generally, such parties are required to:

- ensure compliance with Company, Community and international standards protecting software (computer programmes and databanks), promoting correct use thereof;

- diligently take all steps of an administrative nature that are required for the use of the software to manage the Company’s information technology system.

The recipients are expressly forbidden to:

- install and use software (programmes) that is not approved by the Company and/or is devoid of the necessary authorisations/licences;
- install and use, in C.O.I.M. information technology systems, software (so-called “P2P”, for files-sharing or instant messaging) by means of which within the Internet it is possible to exchange all types of file (such as films, documentation, songs, data, etc.) without any possibility of control by the Company;
- engage in any conduct aimed in general at duplicating protected computer programmes or databanks on the computer’s hard disk.

Conduct to be followed in relation to “sensitive” activities with regard to the offence of inducement not to make statements or to make untrue statements to the legal authorities introduced by law 116/2009 (article 25 decies D.Lgs 231/2001)

The following rules of conduct apply to the Recipients of this Model who are in any way involved in “sensitive” activities with regard to inducement not to make statements or to make untrue

statements to the legal authorities specified in article 25 decies of legislative decree D.Lgs. 231/2001.

Generally, such parties are required to:

- comply promptly, correctly and in good faith with all requests from the judicial police and the investigating and sentencing judicial authority, providing all useful information, data and notices;
- behave in a helpful and cooperative manner in dealings with the judicial police and court authorities in all situations.

The recipients are expressly forbidden to:

- resort to physical violence, threats or intimidation or promise, offer or grant unwarranted favours to induce those who are entitled to remain silent in criminal proceedings not to make statements or to make false statements to the judicial authority with the intention of obtaining a ruling that is favourable to the Company or to obtain another type of advantage.

Conduct to be followed in relation to “sensitive” activities with regard to the environmental offences introduced by legislative decree D.Lgs. 121/2011 (Art 25 undecies of legislative decree D.Lgs 231/2001)

As already mentioned, the Company operates in the specialist chemical sector and in particular specialises in polycondensation (esters) and polyaddition (polyurethanes) products and in numerous other chemical specialities in the Offanengo facility.

Owing to the work engaged in in this facility, the Company considers the protection of the environment to be of primary importance and is fully conscious of the risks associated therewith.

The Company promotes an environmental culture and awareness of the significant environmental aspects connected thereto at all organisational and functional levels to adopt appropriate company policies for safeguarding the environment and saving energy and encouraging responsible behaviour that complies with the company procedures adopted for environmental matters.

The following rules of conduct apply to the Recipients of this Model who for any reason are involved in “sensitive” activities with regard to environmental offences specified in article 25-undecies of legislative decree D.Lgs. 231/2001.

In particular, the recipients are required to:

- adhere strictly to environmental laws and regulations;
- adhere strictly to all the prescriptions in the authorisations;
- evaluate potential risks and develop prevention programmes to protect the environment and the health and safety of all workers;
- disseminate at all levels of the organisation the principles of the present environmental policy and raise the awareness of the Company’s suppliers to ensure that they supply goods and services in line with these principles;

- ascertain before establishing business relations the respectability and reliability of the suppliers of services connected with the handling of waste by acquiring and checking the validity and the correct pertinence of the authorisations, registrations and communications and of any environmental certification in the suppliers' possession;
- insert into the contracts signed with suppliers of services connected with the handling of waste specific clauses through which the Company reserves the right to periodically check the environmental communications, certifications and authorisations, taking into consideration their expiry and renewal dates;
- periodically update the register of authorisations, registrations and communications acquired by third-party suppliers and promptly notify the relevant function of any variations found;
- draw up certificates analysing the waste, showing correct and truthful information on the nature, composition and chemical-physical features of the waste;
- manage and dispose of waste with the least possible environmental impact and with maximum care and attention, with particular reference to the characteristics of the waste, the management of temporary deposits and the ban on mixing hazardous waste;
- manage and monitor industrial waste water in compliance with current regulations;

- establish and update emergency procedures, in order to minimise the effects of any accidental discharge on to the ground, subsoil, surface or subterranean waters;
- manage and monitor emissions into the atmosphere, in compliance with current regulations;
- take all the measures required to avoid even a temporary increase in emissions into the atmosphere;
- use to extract, gather and insulate substances that are harmful to the ozone in the stratosphere only specialised and authorised persons in compliance with current legislation;
- assign to authorised companies the disposal of substances that are harmful to the ozone in the stratosphere that cannot be regenerated or recovered, in compliance with current regulations. In general, deliver durable goods to authorised collection centres at the end of their working life if the durable goods contain the aforesaid harmful substances;
- plan appropriate purification of the sites when an event occurs that may potentially contaminate the site, promptly alerting the competent authorities;
- comply with (and monitor) all regulations issued by the Ministry of the Environment or other Public Bodies (e.g. Regional Environment Authority, Arpa) with regard to remediation procedures, resolution times and responsibility for the required measures.

With reference to the conduct principles, in particular, the recipients are expressly forbidden to:

- engage in activities connected to waste management without proper authorisation for collecting, disposing of and recovering waste;
- mix different categories of hazardous waste (or hazardous waste with non-hazardous waste);
- infringe notification obligations, the keeping of the obligatory registers and data sheets for waste management;
- falsify or alter the waste analysis certificate, also used in SISTRI – Handling Area;
- dispose in an uncontrolled manner of waste and dump it in solid or liquid state in surface or subterranean waters;
- discharge industrial waste water containing hazardous substances, without authorisation or after the authorisation has been suspended or revoked;
- infringe the prescription regarding the installation and management of automatic controls of discharges or the obligation to conserve the results of the discharges;
- infringe the emission limit values or the prescriptions established by the authorisation to run the facility and exceed the limit values for air quality set by current regulations;
- omit, falsify or alter the data on emissions into the atmosphere produced by plants during manufacturing;
- release into the environment substances that harm the ozone in the stratosphere;

- produce, consume, import, export, possess and trade in substances that harm the ozone in the stratosphere according to methods that are different from those prescribed by current regulations;

- breach the obligation to implement the prevention and cleaning measures if an event occurs that is potentially able to contaminate the site and promptly alert the competent authorities;

- falsify or alter any document to be submitted to public administrations or public control authorities or omit to promptly communicate information or data on facts or circumstances that may jeopardise the environment or public health;

- prevent access to sites by persons assigned and authorised to carry out inspections;

- engage in behaviour which may even potential cause or increase the risk of intentional or accidental environmental pollution (or disaster) leading to administrative responsibility on the part of the Company;

- establish relationships or engage in operations with third-party suppliers when there are reasonable grounds for believing that this may expose the Company to the risk of committing environmental offences contained in the Consolidation Law on the Environment (legislative decree D.Lgs. no. 152 of 3 April 2006).

Those persons who control and monitor the measures connected with the above activities must pay particular attention to the implementation of the measures and immediately alert the

Compliance Officers to presumed situations of irregularity or non conformity that may be encountered.

If there are any doubts about the correct interpretation of the rules of conduct indicated, the interested party may request explanations from his or her superior, who in turn may consult the Compliance Officers.

Conduct to be followed in relation to “sensitive” activities with regard to the offence of using citizens of third countries whose stay in the country is irregular and to offences against the individual (article 25 duodecies D.Lgs 231/2001, art. 25 quinquies)

The following rules of conduct apply to the Recipients of this Model who are in any way involved in “sensitive” activities connected with hiring employees:

- Always establish the employment relationship by a formal contract;
- Before hiring, whether on fixed-term or permanent contracts, foreign employees to work in Italy, checking that the employees have the necessary permits and/or authorisations required in Italy.

Conduct to be adopted with regard to activities considered "sensitive" in relation to organised crime, terrorism and

transnational offences (Art. 24 ter, art. 25 quater, and Art. 10 of Law 146/2006, legislative decree D.Lgs 231/2001).

The following general principles of conduct apply to Consignees of this Model who are involved, in any way, in activities considered "sensitive" in relation to the offences considered in this point (art. 24 ter, art. 25 quater, and Art. 10 of Law 146/2006, legislative decree D.Lgs 231/2001).

In general, such persons are required to:

- ensure that all financial transactions presuppose prior acquaintance with at least the direct beneficiary of the relative sum of money;
- ensure that all contracts of significant value are signed with natural and legal persons which have already been the subject of appropriate checks and investigations (such as, but not limited to, checking of Lists and verification of registration on them, personal references, etc.);
- check the commercial and professional credibility of suppliers and commercial/financial partners;
- check that payments are correct, ensuring that the payers and payees are the same as the parties actually involved in transactions;
- perform checks to ensure that the company's cash flows are correct in form and substance. These checks must bear in mind the registered office of the counter-party company, the

banks used and any trustee companies and organisations used for extraordinary transactions or operations;

- perform the appropriate checks on the company's current assets;
- ensure that bidders comply with the minimum requirements and set bid assessment criteria in standard contracts.

With reference to the principles of conduct, in particular, Consignees are forbidden to:

- engage or participate in or provide the reason for actions, considered separately or jointly, which constitute, directly or indirectly, the offences defined by articles 24-ter and 25-decies of legislative decree D.Lgs. n. 231 of 2001 and article 10 of Law 146/2006;
- engage or participate in or provide the reason for actions which, although not criminal in themselves, might potentially become so;
- provide services to third parties not sufficiently justified by the context of the contract relationship established with them;
- grant remuneration to third parties not sufficiently justified on the basis of the type of services to be supplied and local current practices;
- receive remuneration for the non-existent provision of goods or services or for activities not included in the company's normal business.

SECTION THREE

3. COMPLIANCE OFFICERS

Article 6, sub-section 1, of legislative decree D.Lgs. 231/2001 requires, as a condition for benefiting from exemption from administrative liability, that the task of monitoring compliance with the Model and its operation, and updating of the Model, be assigned to Compliance Officers within the body who have independent powers of initiative and control and perform continuously the tasks assigned to them.

In this regard, the previously cited guidelines state that even if the Decree allows the body to opt for either one or several compliance officers, the choice of the one or other solution must ensure the effectiveness of the controls in relation to the dimensions and organisational complexity of the body. The compliance officer/s must also perform their tasks outside the operating processes of the body and be staff for the Board of Directors and the Shareholders' Meeting and thus not be part of the hierarchy of any part of the body.

In accordance with the prescriptions of legislative decree D.Lgs. 231/2001, the Company's Shareholders' Meeting has appointed a monitoring body (known as "Compliance Officers") consisting of 3 persons to perform in complete autonomy and financial and logistic independence the function of monitoring the Company.

The Compliance Officers report directly to the Shareholders' Meeting. Appointing new Compliance Officers does not require a new Model to be drawn up and approved.

In particular, the Compliance Officers have been selected in such a manner as to meet the following requirements:

- Autonomy and independence: this requirement is met by their collegial composition and by the fact that they report directly to the Shareholders' Meeting;
- Professionalism: this requirement is met by the professional, technical and practical knowledge of the Compliance Officers, who have appropriate specialist skill in inspection and consultancy activities (analysis techniques and risk evaluation, measures for limiting risks, experience in procedures, processes, etc.);
- Continuity of action: in order to meet this requirement, the Compliance Officers have to use their investigative powers to constantly monitor compliance with the Model by the Recipients, and to ensure its implementation and updating so that it is a constant reference for all C.O.I.M. personnel.

3.1 Term of office, expiry and revocation

The Compliance Officers remain in office for three years and their term of office can be renewed by the appropriate deliberation. They are chosen from people of undisputed high ethical and professional reputation and must not be married to directors on

the Board of Directors or be related to them to the fourth degree of kinship.

Compliance Officers may be Company employees or outside professionals. The latter must not have any commercial dealings with C.O.I.M. that could lead to conflicts of interest.

The remuneration of the Compliance Officers, whether received from the Company or from outside sources, does not constitute a conflict of interest.

If the Company is barred, disabled, sentenced, even if the sentence has not been executed, for one of the offences specified by legislative decree D.Lgs 231/2001, the Compliance Officers' term of office automatically lapses and the Shareholders' Meeting immediately appoints new Compliance Officers, who may also be temporary.

The Shareholders' Meeting can vote to revoke the Compliance Officers' term of office at any moment but only for good cause, which must be motivated and demonstrated with a suitable deliberation. This vote can be challenged in the customary manner by anyone interested; in this case the Court shall appoint provisional Compliance Officers. The provisional Compliance Officers, even if their term of office is revoked, shall remain in office until new Compliance Officers have been appointed with the ordinary powers of inspection and control.

Compliance Officers who are Company employees automatically have their appointment revoked if they cease to be employees, whatever the cause of the termination of their employment.

Ground for termination of the appointment of all Compliance Officers is provided by:

- ascertaining grave fault on the part of the Compliance Officers in performing their tasks;
- sentencing of the Company, even if it has not become irrevocable, or a plea-bargaining sentence, if lack of or insufficient monitoring by the Compliance Officers is established.

Ground for termination of the appointment of the Compliance Officers is provided by:

- failure to notify the Shareholders' Meeting of a conflict of interests that is incompatible with the role of Compliance Officer;
- failure to maintain confidentiality regarding notices and information received when acting as a Compliance Officer;
- if the Compliance Officer is an employee, being the subject of a disciplinary proceeding that could result in dismissal.

If the revocation occurs without due cause, the Compliance Officer can ask to be reappointed immediately.

Any Compliance Officer can relinquish his or her appointment at any moment subject to at least 30 days' written notice to be sent to the Chairman of the Board of Directors by registered letter with advice of receipt.

The Compliance Officers draw up the rules for their work autonomously in separate regulations that in particular define the operating methods for performing the functions assigned to them. The regulations are then passed on to the Shareholders' Meeting so that it can take note of them.

3.2 Powers and functions of the Compliance Officers

The Compliance Officers are assigned the following tasks:

- monitoring operation of the Model and Recipients' compliance with the Model;
- performing their function of monitoring and information gathering continuously and constantly, by systems of auditing the Company business that they consider to be most suitable and which are able to detect promptly possible non-compliance with the Code of Ethics and Model;
- making proposals to Board of Directors on updating the Model;
- enabling senior management, employees, freelancers and anybody else deemed to be necessary to familiarise themselves with the legal standards that govern the Company's business.

When performing these tasks, the compliance officers shall take the following measures:

- auditing the institution and the operation of the specific "dedicated" information channels (specified below in the paragraph "Compliance Officers' information flows") to facilitate the flow of alerts and information to the Compliance Officers;
- conducting targeted, periodical and/or extemporaneous audits on certain operations or on specific acts in the areas of activity identified as being at potential risk of offences being committed;

- proposing to the different company levels specific information and training activities relating to the Model, liaising with Human Resources;
- defining with heads of department the tools for implementing the Model, and checking the appropriacy of the tools;
- alerting the Shareholders' Meeting to any infringements of the Model that are deemed to have actually taken place;
- alerting the Board of Statutory Auditors to any infringements of the Model by the Board of Directors that are deemed to have actually taken place

In order to perform the above tasks the Compliance Officers are given the following powers:

- freedom to take initiatives and monitor and independence;
- the right to access without prior consent any document and relevant information relating to the organisation, management and control Model to perform the tasks assigned to the Compliance Officers by legislative decree D.Lgs. 231/2001 and to activities of the Company that are at risk;
- asking all parties who interact with the Company for information;
- requiring that the heads of department of the Company and in all cases all Recipients promptly supply the information, data and/or notifications requested from them to audit the actual implementation of the Model;

- alerting the Shareholders' Meeting, in the manner deemed to be most appropriate, to any infringement that has come to their notice so that the Shareholders' Meeting can take the appropriate measures;
- using outside consultants of proven professionalism if this is deemed to be necessary to perform the audits or update the Model;
- any activity conducted by the Compliance Officers must be recorded in a report;
- the report on the activities of the Compliance Officers must be kept for a period that is at least as long as the maximum period before which the single offence is statute-barred.

In order to perform their tasks better, the Compliance Officers can delegate one or more specific tasks to individual compliance officers, who will perform the tasks in the name of and on behalf of all Compliance Officers. Responsibility for the delegated tasks lies with all Compliance Officers.

If requested by the Compliance Officers, the Shareholders' Meeting shall assign a budget that is appropriate to the functions assigned to the Compliance Officers. The Compliance Officers shall budget for costs autonomously.

3.3 Reporting of the Compliance Officers

As already mentioned, in order to ensure that the Compliance Officers perform their tasks in full autonomy and independence,

the Compliance Officers report directly to the Shareholders' Meeting of the Company.

Notably, the Compliance Officers report to the Shareholders' Meeting on the actual implementation of the Model and the findings of the audits conducted, in the following ways:

- at least one written report to the Shareholders' Meeting in which the monitoring activities, the critical points and any corrective and/or improvement measures for implementing the Model are illustrated;
- through periodical reports to the Chairman of the Board of Directors on the monitoring performed by the Compliance Officers and any findings of the monitoring;
- if the Board of Statutory Auditors deems it necessary because of presumed infringements by the Board of Directors, the Compliance Officers may receive from the Board of Statutory Auditors requests for information or clarification regarding the aforesaid presumed infringements and the audits conducted.

The Compliance Officers can be summoned at any minute by the Shareholders' Meeting, by the Board of Directors and by the Board of Statutory Auditors of the Company; for their part, the Compliance Officers can ask to be heard by these bodies if they consider that they should report on questions regarding the operation and actual implementation of the Model or should report on specific situations.

In order to ensure a correct and effective information flow, and in order for the Compliance Officers to be able to perform their tasks

completely and correctly, the Compliance Officers can also ask parties with the main operative responsibilities for explanations or information directly.

3.4 Compliance Officers' information flows

Legislative Decree D.Lgs. 231/2001 lists, amongst the requirements that the Model must meet, defining specific information that Company departments must supply to the Compliance Officers to enable the Compliance Officers to perform their monitoring tasks.

For this purpose, the Compliance Officers must be provided with the following information:

- periodically, the information, data, notifications and documents previously identified by the Compliance Officers and formally requested by them from the Company departments (so-called information flows), in the manner and at the times set by the Compliance Officers;
- occasionally, any other information, of any type, regarding the implementation of the Model in the areas of activity in which there is a risk of an offence being committed, and compliance with the provisions of the Decree and the Code of Ethics, which may be useful for the Compliance Officers to perform their tasks (so-called alerts).

In addition, when receiving the information, the Compliance Officers must ensure the anonymity of the notification if there is a well-founded fear that the informant may be victimised. In all

cases, the notifications and information gathered are kept in the minutes book that is kept by the Compliance Officers and must not be divulged to parties other than the legal authorities, the directors and the Board of Statutory Auditors.

In all cases it is expressly forbidden to destroy, alter or modify entirely or partially the communications sent to the Compliance Officers.

The Recipients must promptly, confidentially and in writing provide the Compliance Officers with all information on conduct that may constitute non-compliance with the prescriptions of the Decree, of the Model and/or of the Code of Ethics, and information on any offences that come to their notice.

For this purpose, the alerts must be transmitted to a dedicated e-mail address (compliance.officers@it.coimgroup.com) or be sent to the dedicated fax number ++39 02 3286488 or else be sent by a reserved personal letter directed to the 'Presidente dell'OdV' (chief compliance officer) at the headquarters of the Company.

Unless required by law to act differently, the Compliance Officers shall ensure that the alerts are treated in the strictest confidence in order to avoid recriminations or any other form of discrimination or penalisation of the whistle blower.

The Compliance Officers will evaluate the alerts that they receive and will if they deem fit be able to summon the whistle blower to obtain more information and summon the presumed perpetrator of the infringement, and shall also conduct all the fact-finding

activities and investigations that are necessary for establishing whether the alert is justified.

In addition to the information indicated above, notifications must be transmitted to the Compliance Officers concerning:

- measures and/or notifications from the judicial police or from any other authority, including an administrative authority, implicating the Company or top management from which it emerges that investigations are being conducted, also in relation to unknown parties, into the offences specified in legislative decree D.Lgs. 231/2001, the legal obligation to confidentiality and secrecy remaining unaffected;
- requests for legal assistance made by senior management and/or by employees in the case of legal proceedings for offences defined in legislative decree D.Lgs. 231/2001 and committed in the course of working activities;
- amendments to the system of delegations and proxies, changes to the articles of association or to the organisational structure;
- notification of imposition of disciplinary sanctions for non-compliance with the Model;
- alert to serious accidents (involuntary manslaughter or grave or very grave injury, in all cases any significant injury, also involving criminal liability, i.e. injuries from which the victim will take more than 40 days to recover) suffered by employees of or freelancers at C.O.I.M. and more generally, by those who have access to the working areas of the Company;

- presumed infringements of the Code of Ethics.

The Compliance Officers, with the support of the Company, define the method of transmitting information, notifying the Company departments that are obliged to send the information.

All the information, documentation, including the reports specified by the Model, and the alerts gathered by the Compliance Officers – and received by them – when performing their institutional tasks must be kept by the Compliance Officers in an archive in the Company’s Legal Department.

SECTION FOUR

4. DISCIPLINARY SECTION

Defining a sanctions system that is applicable in the event of non-compliance with the provisions of this Model is a necessary condition for ensuring the actual implementation of the Model and a prerequisite for enabling the Company to benefit from exemption from administrative liability.

The application of disciplinary sanctions is separate from the opening and the outcome of criminal proceedings that may have been opened if the infringement possibly constitutes a significant offence as defined by legislative decree D.Lgs. 231/2001.

The sanctions that may be imposed vary according to the relationship between the perpetrator of the infringement and the

Company and the scale and gravity of the infringement committed and the role and responsibility of the perpetrator.

In general, infringements arise from the following conduct and can be classified as follows:

- a) conduct that constitutes blameworthy failure to implement the prescriptions of the Model and/or of the Code of Ethics, including directives, procedures or instructions;
- b) conduct that constitutes wilful non-compliance with the prescriptions of the Model and/or of the Code of Ethics, such as to compromise the trust between the perpetrator and the Company inasmuch as the intention was clearly to commit an offence.

The Shareholders’ Meeting promotes the application of the disciplinary sanctions indicated in the Model, subject to notification of the Compliance Officers. The Shareholders’ Meeting takes steps to ensure that the competent quarters start the process for imposing the sanctions; the process must be adversarial, so that the perpetrator of the infringement is cross-examined and has a right to a defence.

4.1 Sanctions for employees

In relation to employees, the Company has to respect the limits specified in article 7 of Law 300/1970 (so-called Workers Statute) and the provisions contained in the National Collective Contract for employees of industrial, chemical rubber and similar companies (“CCNL for Employees of the Chemical Industry”),

both with regard to the sanctions that are applicable and the means of exercising disciplinary power.

Non-compliance – on the part of employees – with the provisions and procedures specified in the Model constitutes non-compliance with the obligations arising from the work contract in accordance with article 2104 of the Civil Code and an illegal act that must be disciplined.

More in particular, conduct by a Company employee that can be qualified on the basis of the preceding sub-section as an illegal act that must be disciplined, also constitutes non-compliance with the worker's obligation to perform the tasks assigned to him or her with maximum diligence, following the Company's directives, as specified by the CCNL for employees of the Chemical Industry. Employees are subject to the following sanctions, depending on the scale of the shortcomings and the circumstances that accompany the shortcomings:

- i) verbal warning;
- ii) written warning;
- iii) fine not exceeding 3 hours of normal remuneration;
- iv) suspension without pay for a maximum of 3 days;
- v) dismissal for shortcomings.

In order to highlight the criteria of correlation between the infringements and disciplinary measures, it is pointed out that:

- an employee is given a written warning if he or she:

infringes the Company procedures specified in this Model or his or her conduct in the course of work in the so-called risk areas does not comply with the prescriptions of the Model;

- an employee is fined if he or she:

infringes several times the Company procedures specified in this Model or his or her conduct in the course of work in the so-called risk areas does not comply with the prescriptions of the Model;

- an employee is suspended if he or she:

infringes several times the Company procedures specified in this Model or his or her conduct in the course of work in the so-called risk areas does not comply with the prescriptions of the Model or he or she commit acts that are contrary to the interests of the Company or exposes the Company to an objective situation of hazard or the employee reoffends within the same calendar year;

- an employee is dismissed, if:

his or her conduct in the performance of tasks in the so-called risk areas clearly infringes the prescriptions of this model and thus causes the Company to be subjected to the measures specified by legislative decree D.Lgs. 231/01 or if the employee offends more than four times within the same calendar year.

The Company takes disciplinary measures against the employee only in compliance with the procedures specified in the CCNL for employees of the Chemical Industry in the individual cases.

The principle of correlation and proportionality between the infringement and the sanction are guaranteed by adopting the following criteria:

- gravity of the infringement;
- the employee's job description, role, responsibilities and autonomy;
- predictability of the event;
- intentionality of the conduct or degree of negligence, imprudence or inexperience;
- general conduct of the perpetrator of the infringement, with regard to the existence or absence of disciplinary precedents in the terms specified by the CCNL for employees of the Chemical Industry;
- other particular circumstances characterising the infringement.

The existence of a sanction system for non-compliance with the Model and the ethical principles must of necessity be brought to the attention of employees through the methods that are deemed to be most suitable by the Company.

4.2 Sanctions for employees classified as senior management

Non compliance – by senior managers – with the provisions of the Model, including non-fulfilment of the obligation to inform the Compliance Officers and violation of the principles established in the ethical documentation adopted by the Company, determines the application of the sanctions specified in the collective bargaining for the other categories of employee in compliance

with articles 2106, 2118 and 2119 of the Civil Code and with article 7 of law 300/1970.

Generally, the following sanctions can be imposed on senior executives:

- i) verbal warning;
- ii) written warning;
- iii) fine not exceeding 3 hours of normal remuneration;
- iv) suspension without pay for a maximum of 3 days;
- v) dismissal for shortcomings.

If infringements or inappropriate vigilance or failure to inform the Compliance Officers promptly are ascertained, the senior manager shall be suspended on full pay as a precautionary measure and again provisionally and as a precautionary measure, for a period of no more than three months the senior manager shall be assigned different duties pursuant to article 2103 of the Civil Code

In the case of grave infringements, the Company may terminate the contract early without giving notice in accordance with and pursuant to article 2119 of the Civil Code

4.3 Sanctions for freelancers subject to direction or monitoring

Non-compliance – by freelancers subject to direction or monitoring of the Company – with the provisions of Model, including non-fulfilment of the obligation to inform the Compliance Officers, and non-compliance with the principles established in

the ethical documentation adopted by the Company, determines, in conformity to what is specified in the specific contract, the termination of the relative contract, the Company retaining the right to compensation for harm suffered as a consequence of said conduct, including the damage caused by the application of the sanctions specified by legislative decree D.Lgs. 231/2001.

4.4 Measures against directors

If the Model or the ethical principles have been found to be infringed by one or more directors the Compliance Officers shall promptly inform the Shareholders' Meeting and the Board of Statutory Auditors so that they can take or promote the most suitable and appropriate initiatives in relation to the seriousness of the detected infringement and in compliance with the powers set by current regulations and by the articles of association.

In particular, if the Model has been infringed by one or more directors the Shareholders' Meeting can proceed directly on the basis of the entity and gravity of the infringement committed, to impose the formal written warning or also the revocation, also partial, of the power delegated and of the proxies conferred.

In the case of infringements of the Model by one or more directors that are clearly intended to facilitate or cause the commission of an offence defined as significant by legislative decree D.Lgs. 231/2001 or to commit it, the sanctions (such as by way of example only, temporary suspension from the appointment and in more serious cases revocation of the appointment) are

imposed by the Shareholders' Meeting, at the proposal of the Board of Directors or of the Board of Statutory Auditors.

4.5 Measures in relation to top managers

In all cases, also top management's failure to fulfil its obligation to monitor subordinates obliges the Company to impose the sanctions that it deems to be the most appropriate on the one hand to the nature and gravity of the infringement and on the other hand to the position of the top manager who failed to meet his or her monitoring obligation.

In addition to the sanction, anybody who contravenes the prescriptions of the Code of Ethics and of the organisation, management and control Model, must compensate the Company for any harm suffered. The compensation shall be proportionate to the level of responsibility and to the effect of the conduct on the Company.

SECTION FIVE

5. DISSEMINATION OF THE MODEL

As the Company is aware of the importance of information and training for prevention, it defines a communication and training programme in order to ensure that the Recipients are informed about the adoption of the Model and of the Code of Ethics, and the dissemination of the principles of the Decree and the obligations arising therefrom, the prescriptions of the Model and the rules of conduct of the Code of Ethics.

Different degrees of informing and training of personnel are organised according to the level of involvement of the personnel in the activities identified as being at risk of offences being committed. In all cases, the content and manner of dissemination of the training differ according to the position of the Recipients, the level of risk of the area in which they operate and according to whether they are representatives, directors or managers of C.O.I.M..

Training involves the entire workforce and all human resources who are used in the organisation on an ad hoc basis. Accordingly, the relative training must be provided and implemented at the moment of hiring, on occasion of changes in job description and following updates and/or modifications to the Model.

With regard to the internal distribution of the Model and of the Code of Ethics, C.O.I.M. undertakes to:

- to notify all personnel that these documents have been adopted by the Shareholders' Meeting;
- display the Model and Code of Ethics in shared network folders and/or on the Company notice boards or via any other communication tool that is deemed to be suitable for the purpose;
- organise direct training and disseminate knowledge of legislative decree D.Lgs. 231/2001 and of the prescriptions of the Model and of the Code of Ethics, and plan training sessions in the manner it deems to be most appropriate for personnel if the Model is updated and/or modified.

The third-parties (suppliers, distributors, consultants and other commercial partners) are informed of the Company's compliance with the prescriptions of legislative decree D.Lgs. 231/2001 and the adoption of the documentation on ethics. The Company undertakes in particular to publish the Code of Ethics on the Company's Internet site.

The Model has to be given maximum dissemination, by being made available in the Human Resources Department.

6. ADOPTING AND UPDATING THE MODEL

The Board of Directors, following an alert of the Compliance Officers, adopts, updates, and adapts any modification to the Model following:

- significant violations or circumvention of the prescriptions contained therein or other causes of non-compliance
- changes to the Company's organisational set up or business;
- any extension to the type of offence for which the Company has administrative liability;
- identifying possible room for improvement of the Model found by the Compliance Officers following periodical auditing and monitoring activities;
- modifications to standards and evolutions in doctrine and jurisprudence regarding the administrative liability of bodies.

For this purpose, the amendments are formally adopted by the Board of Directors of the Company, also at the proposal of the Compliance Officers.