



since 1954

Antonio Merloni
PRESSURE VESSELS s.r.l.

**ORGANIZATION,
MANAGEMENT AND CONTROL MODEL
under Law Decree 231/01**

General Part

Review no. 0 from 23/07/2024



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1. INTRODUCTION

On 8 June 2001 Law Decree 231/2001 was adopted, containing "provisions governing the administrative liability of legal persons, corporations and associations with or without legal personality under article 11 of Law no. 300 from 29 September 2000" that came into force on July 4, with the intent of adapting Italian regulations on the liability of the legal persons to certain international conventions to which Italy had previously adhered such as the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests, the Convention of 26 May 1996, also signed in Brussels on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Law Decree 231/01 was the first legal text to introduce in Italy the concept of criminal liability of the entities for criminal offences committed on their behalf or to their advantage by legal representatives, administrative or executive officers of such entities or of a branch of such entities enjoying functional and financial autonomy privileges as well as criminal offences perpetrated by individuals exercising formal or actual management and control of such entities and by subjects entrusted with the management or oversight of one of the aforementioned individuals.

Such liability of the entity shall add to the liability of the natural person actually perpetrating such criminal offence.

In relation to the criminal offences to which the examined set of regulation applies, considering that these are criminal offences perpetrated against the Public Administration (illicit obtainment of public funding, fraud against the Government or other public entity for the purposes of obtaining public funding, computer fraud against the Government or other public entity, official misconduct and corruption) to which were subsequently added the offences of counterfeiting money, government bonds and stamp duties, some corporate criminal offences, several criminal offences related to terrorism and subversion of democracy and criminal offences against individuals, abuse of privileged information and market abuse, a new criminal offence against life and personal integrity, as well as the so called "transnational crimes". Besides, in the category of corporate crime was also included the failed disclosure of a conflict of interest attributable among others to the chair or to members of the board of directors of a listed company. On the other hand, following the abrogation of article 2623 Civil Code and subsequent replacement with Law 262/2005, the prospectus misrepresentation is no longer among the types of corporate crimes relevant under Law Decree 231/01.

With Law No. 123 of 3 August 2007, the review of the criminal offences provided for in Law Decree 231/01 was further extended to criminal offences concerning manslaughter and grave bodily harm following a breach of the regulations on accident prevention, hygiene and safety at work. At the same time, Law Decree 231 of 21 November 2007 extended the corporate criminal liability scope to possession of stolen goods, money laundering and use of illegally obtained goods or money.

Law No. 94 of 15 July 2009 classified organized crime as a predicate offence, while Law No. 99 of 23 July 2009 extended the relevant offence categories to crimes against industry and commerce and crimes against intellectual property. Finally, Law no. 116 of 3 August 2009 introduced the crime of incitement to not testify or to bear false testimony before judicial authorities.

Between the end of 2014 and the last months of 2021, law decrees and legislative orders have had a significant impact on the predicate offences provided for in Law Decree 231 and the organizational models based on such legal provisions:

- **Law no. 68 of 22 May 2015**, introduced the so called eco-crimes, namely environmental pollution offences (Article 452-bis Criminal Code), environmental disaster (Article 452-quater Criminal Code), culpable offences against the environment (Article 452-quinquies Criminal Code), traffic and abandonment of highly radioactive materials (Article 452 sexies Criminal Code), aggravating circumstances (Article 452-novies Criminal Code).
- **Law no. 186 of 15 December 2015** introduced the offence of self-laundering (Article 648-ter-1bis Criminal Code).
- **Law no. 69 of 27 May 2015**, amended the offence of false corporate statements (Article 2621 Civil Code), introduced the offences of misdemeanour (Article 2621 bis c.c.), false corporate statements of listed companies (Article 2622 Civil Code) and amended article 2622 Criminal Code that beforehand read "false corporate statements to the detriment of shareholders and creditors".
- **Law Decree no. 7 of 18 February 2015**, modified by Law no. 43 of 17 April 2015 introduced amendments to several articles on "offences perpetrated for terrorism purposes and subversion of democracy provided for in the Criminal Code and special laws" for the purpose of fighting international terrorism with the possibility to implement the measure of special public safety surveillance to potential "foreign fighters", the introduction of a new type of offence punishing those who organize, finance and advertise overseas travel aimed at perpetrating acts of terrorism, the authorization for police authorities to remotely access computers in order to intercept online communication between terrorism suspects, the updating of a black list of websites used to perpetrate acts of terrorism for the purpose, among others, of aiding criminal inquiries, the conferral of jurisdiction in antiterrorism matters to the national anti-mafia public prosecutor in relation to the coordination of terrorism inquiries, also internationally.
- **Law Decree No. 7 of 15 January 2016** amended various articles on "cybercrime and unlawful data processing".
- **Law Decree 202 of 29 October 2016** adds to the list the seizure for "criminal conspiracy to commit illicit drug trafficking".
- **Law Decree No. 125 of 21 June 2016** amended a number of articles on "counterfeiting money, government bonds and stamp duties offences".
- **Law no. 199/2016 from 29 October** amended article 603-bis "illegal intermediation and exploitation of labour".
- **Law No. 236 of 11 December 2016** introduced the offence of "trafficking in human organs, obtained through organ harvesting - article 601-bis Criminal Code".
- **Law Decree No. 38 of 15 March 2017** introduced the offence of "instigation to corruption among private individuals - article 2635-bis Civil Code" and several amendments to articles 2635 Civil Code and 2635 -ter Civil Code.



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- **Law Decree no. 124 of 26 October 2019** read in conjunction with amendment law no. 157 of 19 December 2019 introduced article 25-quinquiesdecies "Tax Crimes" in Law Decree 231/01 following European Community sources (obligation to implement the PIF directive).
- **Law Decree No. 75 of 14 July 2020** introduced article 25-sexiesdecies "Contraband" and amended articles 24, 25 and 25-quinquiesdecies of Law Decree 231/01 in the context of the fight against fraudulent conduct damaging the interests of the European Union.
- **Law Decree No. 116 of 3 September 2020** for the implementation of Directive (EU) 2018/851 on waste amending the directive on packaging and packaging waste, brings changes to the punitive system by fully amending article 258 of Law Decree 152/06, "violation of reporting, record keeping and mandatory forms requirements".
- **Law Decree no. 184 of 8 November 2021** for the implementation of Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment extended the list of offences provided for in Law Decree 231/01 by inserting, after article 25-octies, the new article 25-octies.1 (Crimes related to non-cash means of payment).
- **Law Decree no. 195 of 8 November 2021** for the implementation of Directive (EU) 2018/1673 on combating money laundering through criminal law, brought changes to the Criminal Code in relation to the offences of "possession of stolen goods, money laundering and use of illegally obtained goods or money, self-laundering" covered by article 25-octies of Law Decree 231/01.
- **Law no. 238 of 23 December 2021** "Provisions on compliance with the obligations arising from Italy's participation in the European Union - European Law 2019-2020" through articles 19, 20 and 26 brought a series of changes to the Criminal Code in relation to "Cybercrime and unlawful data processing", "Crimes against individuals" and "Market abuse" covered respectively by articles 24-bis, 25-quinquies and 25-sexies of Law Decree 231/01.
- **Article 2 "Sanctions against public funding fraud" of Law Decree no. 13 of 25 February 2022** on urgent measures to contrast fraud and for safety at work in the construction sector and on the electricity obtained from renewable sources" brought changes to a series of sections and articles of the Criminal Code such as articles 316-bis and 316-ter and the phrasing of article 640-bis Criminal Code.
- **Law no. 22 of 09 March 2022** "Provisions on crimes against cultural heritage" inserted in the list of predicate offences article 25-septiesdecies "Crimes against cultural heritage" and article 25-duodecimes "Cultural heritage trafficking and destruction and theft of cultural property". The same law amended article 733-bis Criminal Code on environmental crime (Article 25-undecies of Law Decree 231/01) an article 9 of Law no. 146/2006 on transnational crime.
- **Law Decree no. 150 of 10 October 2022** "Implementation of law 27 September 2021 no. 134, empowering the Government to increase the efficiency of criminal procedures and containing provisions on restorative justice and fast-tracking of court proceedings" amended articles 640 (Fraud) and 640-ter (Computer fraud) Criminal Code with an impact on articles 24, 24-bis and 25-octies. 1 of Law Decree 231/01.
- **Law Decree 156 of 4 October 2022** "Amending and complementary provisions for Law Decree 14 July 2020, no. 75, implementing Directive (EU) 2017/1371, on the fight against fraudulent conduct



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against the financial interests of the European Union using criminal law” brought changes to article 322-bis Criminal Code (embezzlement, official misconduct, etc.), article 2 of Law 898 of 23 December 1986 (agricultural fraud), the contents of article 25 - quiquiesdecies (Tax crime), inserted article 301 of Presidential Decree no. 43/1973 (on patrimonial security measures. Seizure) in the list of the offences covered by Article 25-sexiesdecies (Contraband) and included article 6 of Law Decree 74/2000 “Attempt” in the list of offences covered by article 25-quinquiesdecies (Tax crime) with an impact on articles 24, 25, 25-quinquiesdecies and 25-sexiesdecies of Law Decree 231/01.

- **Law Decree no. 19 of 2 March 2023** “Implementation of Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions” changed the phrasing of paragraph 1 and added paragraph s-ter to the text of article 25-ter Corporate crime.
- **Law no. 50 of 5 May 2023** converted into law by Law Decree no. 20 of 10 March 2023 (the so-called Cutro Decree) "Urgent provisions on the legal entry of foreign workers and the prevention and fight against illegal immigration" with an effect on the contents of article 25-duodecies “Employment of illegal immigrants from third-countries” amending articles 12 and 22 of Law Decree 25 July 1998, no. 286 and inserting article 12-bis “Death and bodily harm as a consequence of illegal immigration crimes” in the same decree.
- **Law Decree no. 24 of 10 March 2023** “Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and containing provisions on the protection of the persons who report violations of national regulations" regulates the protection of individuals reporting breaches of national or European law that are contrary to the public interest or the integrity of the public administration or a private entity, that came to their attention in a public or private work environment (Application of whistleblowing procedures to all public and private sectors independent of the adoption of a 231 form).
- **Law no. 60 of 24 May 2023** “Provisions concerning the prosecution on its own motion and in flagrante delicto arrests” that by the amendments on own motion prosecution issues covered by article 270-bis. 1 Criminal code brought changes to article 25-quater of Law Decree 231/01 (offences perpetrated for terrorism purposes and subversion of democracy) and with the changes made to article 416-bis.1 Criminal Code on the same topic of prosecution on its own motion, impacted the meaning of article 24-ter of Law Decree 231/01 (Organized crime offences) and the “international crime” class of offences.

The laws, decrees and legislative orders with an impact on Law Decree no. 231/01 are included in the individual definitions of each offence of the special section.

As such, the Organizational Model needs profound changes and the Supervisory Body should act diligently and report the urgency of such changes to the Management Body.

The innovatory nature of Law Decree no. 231/01 is evident in foreseeing the administrative liability of a legal person conditional upon a criminal conduct. Following the entry into force of the Decree, companies



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may no longer pretend to ignore the direct consequences of criminal offences perpetrated by natural persons on their behalf or in their name. The punitive system established by Law Decree no. 231/01 is particularly harsh: in addition to financial penalties, the Company may incur in suspension or a partial or total ban on its activities, with permanent effects on such a company.

Nevertheless, in such circumstances, article 6 of the aforementioned Decree allows for exemption from liability where such a Company is able to prove during a criminal trial that they have adopted adequate organizational models and policies aimed at discouraging such criminal behaviour. Such exemption from liability shall be conditional upon assessing the adequacy of the internal organizational system and the examination performed by the Court over the course of the criminal proceedings, aimed at ascertaining whether a crime specifically covered by Law Decree no. 231/01 was actually perpetrated.



2. THE COMPANY

2.1 Description

ANTONIO MERLONI PRESSURE VESSELS S.r.l. is a European market leader in the production of small LPG pressure vessels and high quality LPG gas cylinders with the clear objective of ensuring client satisfaction particularly in relation to the quality and safety of its products.

The company "Antonio Merloni Pressure Vessels Srl" has its roots in Matelica (MC), namely the plant of Aristide Merloni; the latter commenced production of platform scales in the 30s, in a factory that had 50 employees at the time.

The company was officially born in 1954 when it produced steel LPG gas cylinders for domestic use. Subsequently, in the 70s, the Company ventures in the production of small LPG tanks with excellent results in both sectors. With the help of automated production lines, the Company was able to produce more than 20,000 tanks annually and three million gas cylinders.

Over the years, the quality of its products allowed "Antonio Merloni" to consolidate its leadership position in Italy and at the same time increase its international reach. The Company has become an important point of reference in the LPG sector due to its ability to quickly respond to the needs of the interested parties and reach ever higher levels of excellence while in full compliance with applicable laws.

Presently the Company employs around 180 people working in two plants:

- Matelica (MC), via A. Merloni, 2
- Sassoferrato (AN) Località Ischieta, 5

The two production sites extend on 328,000 squared meters, of which 70,000 squared meters dedicated to production facilities.

The core business of the Company remains the production of LPG cylinders and tanks; the Matelica plant produces new or refurbished over 25 kg gas cylinders for LPG or technical gasses, while the plant of Sassoferrato focuses on gas cylinders of up to 25 kg for LPG and technical gasses.

Our vertical and horizontal underground or aboveground storage tanks compliant with European Directive PED 2014/68/EU are produced in our Matelica plant (Italy). Sizes range from 290 l to 12500 l of hydraulic capacity.

Underground tanks have two types of protection measures:

- 1) a passive protection that isolates the tank from the ground through a coating of high-quality bicomponent paint with a minimum thickness of 500 microns;
- 2) With magnesium anode rods. All our underground tanks are delivered with a cathode protection kit (anodes and electrode).



All our tanks (aboveground and underground) are equipped with valve accessories and all underground vertical tanks, including the small horizontal underground tanks, are delivered with a cement base.

The LPG gas cylinders (2 pz. or 3 pz.) comply with the most widely accepted manufacturing standards in accordance with EN 1442:2006 + A1:2008 compliant with T-PED 2010/35/EU and are covered (cylinders included) by a 10 year warranty on all the pressurized parts against faulty workmanship, faulty welding and steel quality.

Our long-standing expertise aided by the latest technologies, automations and the skills of our expert workers, enabled us to offer the best gas tanks you could find anywhere on the market, that made the ANTONIO MERLONI brand famous.

The Company strives for continuous improvement of the internal processes, guided by the following principles:

- the supply of high-quality recipients enabled by strict monitoring of quality control and product safety processes;
- particular attention to the needs of our Clients, offering customized solutions in relation to size and technical characteristics (manufacturing standards, intended use, surface coating, etc.);
- constant research on new storage tanks and gas cylinders that comply with applicable requirements;
- fair business and technical approaches with our clients and highly transparent communication;
- technological innovation and development of proprietary technical resources to consolidate our position on the market while protecting the environment and saving energy;
- great attention to the professional growth of our personnel allowing us to attain excellent results in terms of competency, availability, diagnosis capacity and problem solving abilities;
- continuous improvement of our organization to reach new levels of quality, safety and respect for the environment and energy consumption;
- keen attention to all stakeholders and compliance with the fundamental guiding principles of our Company, including respect for the environment and responsible use of energy;
- compliance of our management system with the main regulatory standards and conformity of our products with the requirements provided for in the PED and TPED Directives.

the Company is fully aware that the quality assurance objective requires constant commitment from all our employees and a systematic approach to solving any problems that may arise in connection with our products. It is our firm belief that our partners represent our main available resource and for this reason, the only acceptable approach is their full involvement.

For each and every process, the management of the Company defines yearly specific indicators as well as measurable objectives and actions that will enable continuous improvement in line with the aforementioned principles that constitute the conceptual framework for the entire organization.

The management system complies with the requirements of the ISO 9001 standard, and we hold a certification in that respect.



The Company has defined the scope of the system by taking into account:

- external and internal factors;
- requirements of the stakeholders;
- manufactured products and rendered services.

We have also implemented a welding quality management system compliant with the UNI EN ISO 3834-2:2021 standard, that provides a general framework for the choice of an adequate set of welding quality criteria. The system complies with the ISO 3834-2:2021 quality levels and only applies to our plant in Matelica.

The plants and the work environments in which we develop our internal processes have the following characteristics:

- an adequate level of safety, compatible with the activities performed in each area;
- compliance with applicable legal requirements;
- allow for the performance of intended activities in line with applicable procedures while ensuring that the quality standards intended for each category of product are met through process optimization and maintenance/cleaning activities.

The structure of the Company is described in the organisation chart. The organisation chart defines the hierarchical lines and reporting channels that act as a connective tissue between roles. The business organization consists of a central management body answering to the Chief Executive Officer and a branching of the activity in two plants:

- gas cylinders production at the Sassoferrato and Matelica plants;
- production of new and refurbished storage tanks and special gas cylinders at the facility of Matelica.

The "Job Description" document defines the operational scope of each role, in order to ensure compliance with the internal rules and policies of the Company.

Furthermore, the operational scopes define the level of authority and responsibility of every position of the organization as well as their specific tasks and duties.

Personnel recruitment is based on a set of criteria such as education level, training, skills and expertise, to ensure that all activities are performed with the highest level of expertise and will lead to a product that meets the quality standards established by the organization.

The Company implements a set of activities aimed at ensuring that all the employees are in possession of the skillsets required to carry out their duties. Such activities include:

- defining the skills required for each role;
- identifying training/information requirements and related planning;
- initial training for new employees;



- maintaining adequate records on attended training programmes;

Training will cover:

- technical aspects in line with performed tasks;
- conduct rules and regulations on safety at work and respect for the environment;
- structure, responsibilities and requirements of the management system.

The Company uses suitable infrastructures capable of guaranteeing and maintaining the quality standards intended for manufactured products.

Broadly, such infrastructures are represented by:

- production equipment for the manufacturing of products that meet preestablished technical specifications;
- material handling and transportation equipment;
- monitoring and measuring devices (and related reference samples) used to assess the conformity of the products with applicable requirements;
- hardware and software tools (considered as an integral part of the production equipment) used in production, logistics (considered as an integral part of the handling/transportation equipment) and support tools for process management activities with an emphasis on the information system (documents and data management).

The Company uses a certified laboratory for product conformity testing in accordance with specific manufacturing standards but also for welded joints testing that allows welders to be certified under existing regulations.

For this reason, the laboratory management activities will take into account the following:

- an annual laboratory validation audit is conducted in accordance with the requirements of the EN 17025 standard (entrusted to an accredited external entity);
- procedures and instructions regarding the laboratory are defined and managed in accordance with the methods of the management system, shared with operators and represent a source of continuous training material for directly involved parties;
- laboratory staff benefits from adequate training and are in possession of the licenses required by applicable regulations.

Software tools are subject to specific maintenance in accordance with specific needs; in particular and in relation to the management of the software used by the Information System, recurrent backup protocols are in place to ensure data protection.

With a view to the future, we are considering new storage products for H2 and CNG to extend our pressure vessels design and manufacturing expertise to new sources of energy.



The corporate mission consists in increasing our presence in emerging markets while consolidating our leadership position in Italy and Europe and maintaining a "no compromise" level of quality of the manufacturing processes.

2.2 Insurance coverage

In addition to mandatory insurance policies, ANTONIO MERLONI PRESSURE VESSELS S.r.l. is protected by the following insurance coverage:

- Third-party civil liability and service providers insurance (RCT and RCO)
- Product Liability Insurance (RCP).

Both insurance policies have worldwide coverage.

2.3 Powers of Attorney System

The Company's structure is based on responsibilities entrusted in accordance with a hierarchical structure defined by the organisation chart and a system of powers of attorney granted to specific company bodies and executive officers.

At present, the following powers of attorney are in force, as specified in the official business registration certificate:

- Massimiliano Giuliani with a power of attorney for purchases and procurement;
- Valeria Tassotti with a power of attorney for health and hygiene at the workplace, ecology and fire prevention;
- Simone Lupacchini with a power of attorney for exports.

3. DOCUMENTAL STRUCTURE OF THE MODEL

All corporate documents included in the MOG 231 model are described below.

Any amendments to such list, updates and/or reviews even of a single document shall automatically trigger a review of the relevant document.

Document title	Current review	Date in force
RA 231. Risk Assessment	0	24/01/2024
MOG 231. General Part	0	05/02/2024
MOG 231. Special part. Criminal offences perpetrated in relations with the Public Administration, corruption and official misconduct. Illicit obtainment of public funding, fraud committed against the Government or other public entity or for the purpose of obtaining public funding and computer fraud against the Government or other public entity	0	19/03/2024
MOG 231. Special part. Tax crime or market abuse	0	22/03/2024



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MOG 231. Special part. Manslaughter and grave bodily harm following a breach of the regulations on accident prevention, hygiene and safety at work.	0	22/03/2024
MOG 231. Special part. Environmental crime	0	22/03/2024
MOG 231. Special part. Crimes against industry and commerce	0	22/03/2024
MOG 231. Special part. Cybercrime and unlawful data processing	0	19/03/2024
MOG 231. Special part. Possession of stolen goods, money laundering, use of illegally obtained goods or money and self-laundering	0	26/04/2024
MOG 231. Special part. Tax crime	0	05/02/2024
MOG 231. Special part. Transnational crime	0	02/05/2024
MOG 231. Special part. Crimes against intellectual property	0	30/04/2024
MOG 231. Special part. Incitement to not testify or to bear false testimony before the judicial authorities	0	30/04/2024
MOG 231. Special part. Crimes related to non-cash means of payment	0	12/05/2024
Internal regulations on WHISTLEBLOWING	0	15/12/2023
Code of Ethics	0	02/12/2023
Procedure for the disciplinary and punitive system	0	02/12/2023

4. LAW DECREE 231/01

4.1. Contents of Law Decree 231/01

The Decree, containing "Provisions governing the administrative liability of legal persons, corporations and associations with or lacking legal personality" introduced in Italian Law an administrative liability regime (essentially like criminal liability) attributable to entities (understood as companies, associations, consortia, etc. hereinafter collectively referred to as "Entities") for listed criminal offences perpetrated in their own interest or for their own benefit:

- By natural persons who hold representation, administration or management positions in such Entities or in an organisational unit of such entity enjoying functional and financial autonomy, as well as by natural persons exercising formal or actual control and management of the same, or
- By natural persons subject to the management or oversight of one of the aforementioned entities. The liability of the entity adds to the liability of the natural person actually perpetrating such criminal offence. The scope of the administrative liability under the Decree extends, in relation to punishment for the criminal offences expressly referred to therein, to the Entities that derived an interest and/or benefit from such perpetrated offence.

In accordance with the provisions of Law Decree 231/01 as amended, the administrative liability of the entity refers to the following categories of criminal offences:



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Article 25	Embezzlement, official misconduct, wrongful incitement to give or promise an advantage, corruption and abuse of office
Article 25-sexies	Market abuse crimes
Article 25-septies	Manslaughter and grave bodily harm following a breach of the regulations on accident prevention, hygiene and safety at work
Article 25-undecies	Environmental crime
Article 25-bis.1	Crimes against industry and commerce
Article 24	Illicit obtainment of public funding, fraud committed against the Government or other public entity or for the purpose of obtaining public funding and computer fraud against the Government or other public entity
Article 24-bis	Cybercrime and unlawful data processing
Article 25-octies	Possession of stolen goods, money laundering, use of illegally obtained goods or money and self-laundering
Article 25-quinquiesdecies	Tax crime
Law no. 146/2006	Transnational crime
Article 25-ter	Corporate crime
Article 25-novies	Crimes against intellectual property
Article 25-decies	Incitement to not testify or to bear false testimony before the judicial authorities
Article 25-octies1	Crimes related to non-cash means of payment
Article 24-ter	Offences related to organized crime
Article 25-bis	Counterfeiting money, government bonds and stamp duties and distinctive signs and marks
Article 25-quarter	Offences perpetrated for terrorism purposes and subversion of democracy covered by the Criminal Code and special laws
Article 25-quater. 1	Female genital mutilation practices



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Article 25-quinquies	Crimes against individuals
Article 25-duodecies	Employment of illegal immigrants from third-countries
Article 25-terdecies	Racism and xenophobia criminal offences
Article 25-quaterdecies	Fraud in sports competitions, abusive pursuit of betting and gaming activities through use of illegal devices
Article 25-sexiesdecies	Contraband
Article 25-septiesdecies	Provisions on crimes against cultural heritage
Article 25-duodevicies	Cultural heritage trafficking and destruction and theft of cultural property
Article 26	Attempted crime
Law no. 146/20016	Transnational crime
Article 12 of Law no. 9/2013	Liability of entities for crime-related administrative misconduct



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4.2. The condition absolving the Entity from administrative liability

Once the administrative liability of the Entities was established, article 6 of the Decree stated that the entity shall not incur liability if they are able to prove implementation of "adequate organizational models and policies aimed at discouraging such criminal behaviour".

Furthermore, the same provisions contain the obligation to create an internal supervisory body entrusted with supervising the adequacy, efficiency and observance of the aforementioned models and ensure they are kept updated. Said organization, management and control models (hereinafter referred to as the "Models"), under article 6, paragraphs 2 and 3 of Law Decree 231/01, must meet the following criteria:

- Identify the activities where the criminal offences covered by the Decree might be perpetrated.
- Establish specific protocols aimed at scheduling training and implementation of the decisions of the entity in relation to preventable criminal offences.
- Identify financial resources management methods that are able to prevent such criminal offences from being perpetrated.
- Set information obligations in relation to the body entrusted with overseeing the efficacy and observance of the models.
- Introduce an adequate disciplinary system to sanction any breach of the measures covered by the Model.

If such an offence is perpetrated by natural persons who hold representation, administration or management positions in such Entities or in an organisational unit of such entity enjoying functional and financial autonomy, as well as by natural persons exercising formal or actual control and management of the same, the entity shall not incur in liability if they are able to prove that:

- prior to the commission of the offence, the Managing Body has adopted and efficiently implemented an adequate Model capable of preventing the relevant category of criminal offence;
- the task to oversee the efficacy and observance of the Model and ensure constant updating of the same was entrusted to a body of the entity with autonomous initiative and control privileges;
- the perpetrators committed the crime by breaching the provisions of the Model;
- there was no omitted or inadequate oversight from the control body in relation to the Model.

If such a crime is committed by individuals placed under the control and oversight of one of the aforementioned individuals, the entity shall incur liability if the criminal offence was made possible by management and oversight deficiencies. Said non-compliance shall be excluded when the entity, prior to the commission of the offence, adopted and implemented in an efficient manner an adequate Model capable of preventing the same category of criminal offences.

Finally, article 6 of the Decree states that organization and management models may be based on codes of conduct drafted by relevant trade associations duly notified to the Ministry of Justice, which together with other relevant Ministries may express an opinion on the adequacy of such models within 30 days from the date when notification was received.

4.3. Confindustria guidelines

Under explicit law provisions (article 6 paragraph 3 of Law Decree no. 231/2001) the Organization and Management Models may be based on codes of conduct drafted by relevant trade associations and notified to the Ministry of Justice.

The Company is a member of Confindustria, which on 31 March 2008 issued an updated version of its own "Guidelines for the drafting of the Organisation, Management and Control Models covered under Law Decree no. 231/01".

On April 9, 2008, the Ministry of Justice approved said guidelines, considering that the update is to be considered "widely adequate and suitable for the attainment of the objectives set by article 6 of the Decree".

The Confindustria guidelines are an indication of a wider initiative that may be summarised as follows:

- identification of areas at risk aimed at highlighting the corporate roles in which the harmful behaviours covered by the Decree are more likely to occur.
- setting up a control system capable of preventing such risk through the use of specific protocols.

The most relevant elements of the system conceived by Confindustria are:

- Code of Ethics
- Organization System
- Manual and IT procedures
- Authorization and signatory powers
- Management and control systems
- Communication with personnel and training of personnel

The components of the control system must be shaped by the following principles:

- Accountability, traceability, coherence and adequacy of all operations
- Application of the role segregation principle
- Keeping control records
- Setting up an adequate punitive system for any violation of the Code of Ethics and related procedures

Identification of mandatory requirements for the Supervisory Body, that may be summarised in the following:

- Autonomy and independence
- Professionalism
- Action continuity
- Drafting a management protocol for financial resources
- Reporting obligations to the control body



Failure to comply with a specific provision of the aforementioned guidelines shall not invalidate the Model as a whole. The Model adopted by the Entity must be drafted in accordance with the specific circumstances of the Company and as such, it may diverge from Confindustria Guidelines that are exclusively general in nature.

Considering that such guidelines represent a natural benchmark for the models adopted by each company, they constitute an integral part of this model and will be attached thereto in their latest iteration.

5. ADOPTION OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

5.1. Objectives of the Model

The Company is fully aware of the need to ensure a fair and transparent business environment. To this end and despite the fact that the adoption of the Model is optional and not mandatory under the Law, the Company initiated an internal organization tools analysis project aimed at ascertaining the correspondence of the conduct principles and procedures already in place with the objectives set by the Decree.

Said initiative is the result of the legitimate conviction that the Model may represent a valid awareness-raising tool for all the parties operating in the name or on behalf of the Company aimed at eliciting fair and predictable conducts within the work environment that may reduce the risk of perpetrating the offences covered by the Decree.

In particular, with the adoption of the Model, the Company seeks to attain the following objectives:

- raise awareness among all the parties operating in the name and on behalf of the Company, that failure to comply with the aforementioned provisions may result in criminal conduct punishable under criminal law as far as they are concerned, and administrative sanctions for the Company;
- stress that such models of illegal conduct are not encouraged by the Company because (even when the Company may appear to gain any measure of benefit) they are contrary to the Law and the Code of Ethics the Company intends to observe;
- allow the Company to use monitoring protocols in areas at risk and intervene promptly to prevent or combat such offences.

For the purpose of creating a systematic and reasonable intervention programme aimed at ensuring compliance of its models with applicable regulations, the Company conducted the 231 risk assessment procedure, which, based on probability, detectability and risk factors, identifies the categories of offences more likely to be committed and those that are highly unlikely.

Please see document "Risk Assessment - Law Decree 231/01".

Following identification of the areas at risk, the Company deemed it appropriate to establish the fundamental principles of the Organizational Model to be implemented, by taking into account, in addition to the provisions of the Decree, the guidelines drafted by the relevant trade associations.

The Company undertakes to conduct continuous monitoring of its activities in relation to the aforementioned offences but also in relation to future amendments of Law Decree 231. If any of the aforementioned offences should become more relevant or if the lawmakers should introduce new offences within the scope of Law Decree 231, the Company will consider amending this Model with new control measures and/or new special parts.



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5.2. Essential elements of the Model

In relation to the requirements identified by the lawmakers, the essential elements identified by the Company in the Model may be summarized in the following:

- A map of the "sensitive" corporate activities or the activities which by their intrinsic nature may favour the criminal conducts covered by the Decree, to be reviewed and monitored.
- Analysis of existing protocols and identification of any measures already taken in relation to "sensitive" corporate activities with the aim of ensuring adherence to the control principles (see point 4).
- Financial resources management methods able to prevent such criminal offences from being perpetrated.
- Identification of the Supervisory Body (hereinafter the "Body" or "SB") an assignment conferred by the Company to both internal and external resources and allocation of specific supervising tasks to ensure efficacy of the Model.
- Definition of information flows in relation to the Body.
- Information, awareness-raising and dissemination at every level of the Company on the rules of conduct and related procedures.
- Definition of specific responsibilities with regards to the approval, acceptance, integration and implementation of the Model and in relation to the effect of such measures on the corporate conduct, as well as regular updates (ex post controls).

In any case, the organizational model provided for in Law Decree 231/01 does not represent anything new for the Company, as it always conducted business in accordance with a very rigid set of internal control procedures based on the implementation of several Quality Management Systems:

- UNI EN ISO 9001

Subsequently, the Company adopted the data self-regulation code, aimed at guaranteeing that data processing is compliant with the provisions of the European Regulation 679/2016, also known as GDPR.

A further assessment was conducted aimed at ascertaining whether the active organizational structures already in place were compliant, at least from a formal point of view, with the aforementioned Law Decree 231/01 and integrate existing management systems into the 231 Organizational Model.

5.3. Model, Code of Ethics and Disciplinary System

The Company deemed it appropriate to formalise the fundamental ethical principles guiding its activities in a Code of Ethics with a focus on the behaviours that may encourage the commission of the offences covered by the Decree.

The intended objectives to be attained by drafting the Code of Ethics are summarized below:

- Build all relationships with third parties in general and the Public Administration in particular on the principles of fairness and transparency.



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- Invite its employees, partners, suppliers and more in general all stakeholders, to comply with existing laws, the provisions of the Code of Ethics and the internal procedures and policies of the Company.
- Introduce an adequate disciplinary system to sanction any breach of the measures covered by the Model.

While the Model may have a different scope that takes into account the provisions of the Decree, its reference principles are in line with the principles of the Code of Ethics adopted by the Company.

In that respect, it should be noted that:

- The Code of Ethics has a general scope as it contains a set of corporate deontology principles that the Company recognizes as its own and that all the employees and all the stakeholders contributing in any way to the attainment of the corporate objectives must observe;
- For the purpose of sanctioning non-compliance with the measures of the Model, the Code of Ethics recalls the provisions of article 6, paragraph 2 letter e) of the Decree;
- On the other hand, the Model follows a set of specific prescriptions provided for in the Decree, aimed at preventing certain categories of criminal offences (for actions that if performed in the name or for the benefit of the Company, may attract administrative liability under the Decree);

5.4. Approval and transposal of the guiding principles of the Model and the Code of Ethics

The Model is a document drafted by the Managing Body of the Company (in accordance with article 6 paragraph 1 letter a) of the Decree) and as such, the approval and transposal obligation lies entirely with the Sole Director by specific decision.

At the same time, the Code of Ethics was approved by decision of the Sole Director as an integral part of the Organizational Model and attached thereto.

6. CONTROL PRINCIPLES IN AREAS OF ACTIVITY SUBJECT TO POTENTIAL RISK

In the context of the activities aimed at identifying the prevention protocols for the relevant criminal offence risks, a risk assessment was conducted. Said activities are listed in the already examined and approved document.

The results of the assessment represent the foundation of the MOG 231 as they were able to identify the areas in which the criminal offences covered by Law Decree 231/01 were more likely to be perpetrated. The results are listed below. For each and any offence included in the list, a special MOG 231 was prepared.

Article	Description
Article 25	Embezzlement, official misconduct, wrongful incitement to give or promise an advantage, corruption and abuse of office
Article 25-sexies	Market abuse crimes



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Article 25-septies	Manslaughter and grave bodily harm following a breach of the regulations on accident prevention, hygiene and safety at work
Article. 25-undecies	Environmental crime
Article 25-bis.1	Crimes against industry and commerce
Article 24	Illegal obtainment of public funding, fraud committed against the Government or other public entity or for the purpose of obtaining public funding and computer fraud against the Government or other public entity
Article 24-bis	Cybercrime and unlawful data processing
Article 25-octies	Possession of stolen goods, money laundering, use of illegally obtained goods or money and self-laundering
Article 25-quinquesdecies	Tax crime
Law no. 146/2006	Transnational crime
Article 25-novies	Crimes against intellectual property
Article 25-decies	Incitement to not testify or to bear false testimony before the judicial authorities
Article 25-octies1	Crimes related to non-cash means of payment

In the wider context of Risk Assessment, the following issued were examined:

- rules of conduct: existence of adequate rules of conduct that will guarantee the pursuit of corporate activities in full compliance with the law and the applicable regulations and the integrity of the assets of the Company;
- procedures: existence of internal procedures that allow oversight of the processes that are more likely to be affected by the criminal conduct covered by Law Decree no. 231/01 or that offer the conditions, the means and the opportunity to perpetrate said offences. Minimum characteristics under examination:
 - ✓ defining the activity performance methods and deadlines;
 - ✓ traceability of documents, operations and transactions through adequate records containing the characteristics and the underlying reasons for each operation with a clear identification of the individuals involved in such operations (operation authorization, execution, registration and control);



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- ✓ a clear definition of the work assignments;
- ✓ existence of objective criteria in the corporate decision-making processes;
- ✓ adequate formalisation and dissemination of the examined corporate procedures;
- ✓ role segregation: a balanced distribution of responsibilities and adequate authorization levels aimed at preventing functional overlapping or operational assignments focused on a single role;
- ✓ Authorization levels: a clear and formalised assignment of powers and responsibilities, explicitly indicating the limits of such powers in line with the assigned tasks and the roles covered within the organization;
- ✓ control activities: existence of and adequate documentation resulting from the control and supervision activities performed on corporate transactions;
- ✓ monitoring activities: existence of safety measures able to guarantee adequate access/protection of the corporate data and assets.

In particular, the existing control systems for each corporate area/process are summarized in the special sections of this Model.

7. RECIPIENTS OF THE MODEL

The recipients of the Model (hereinafter the "Recipients") are all the stakeholders participating in the pursuit of the corporate objectives and goals.

The Recipients of the Model include but are not limited to: members of the corporate bodies, members of the Supervisory Board, employees of the Company, external consultants and business and/or financial partners, suppliers and third parties.

Each dissemination of the Model represents an individual records system entry.