



Organisational,
Management and Control Model
pursuant to Legislative Decree
No. 231 of 8 June 2001

Approved by the Ansaldo Energia S.p.A. Board of Directors on 9 October 2020 (first adoption 3 March 2004 – last update on 14 November 2022)

Organisational, Management and Control Model

TABLE OF CONTENTS

GENERAL SECTION	7
1. LEGISLATIVE DECREE No. 231/2001 AND RELEVANT LEGISLATION.....	8
1.1 Administrative liability of legal entities	8
1.2 Penalties	9
1.3 Attempted offences	11
1.4 Crimes committed outside the country	11
1.5 Proceedings for ascertainment of the offence and the judge's examination of suitability	11
1.6 Actions exempting the organisation from liability.....	11
2. ADOPTION OF THE MODEL BY ANSALDO ENERGIA S.P.A.	12
2.1 The Company's purposes and mission.....	12
2.2 Governance model	13
2.3 Organisational set-up	13
2.4 Ansaldo Energia S.p.A.'s reasons for adoption of the Model and its purposes	14
2.5 The process of preparation and updating of the Model	15
2.6 Structure of the Document	16
2.7 Adoption and management of Governance of significance for the purposes of Legislative Decree 231/01 and ISO 37001 in the Ansaldo Energia Group	17
2.8 Elements of the Model	18
2.9 Amendments and additions to the Model	19
3. SUPERVISORY BOARD.....	20
3.1 Identification of the Supervisory Board	20
3.2 Functions and powers of the Supervisory Board	22
3.3 Notification by the Supervisory Board to other company bodies	25
3.4 Information flows in relation to the Supervisory Board	25
3.4.1 REPORTING.....	25
3.4.2 NOTIFICATION OBLIGATIONS.....	26
3.4.2.1 AD HOC NOTIFICATION OBLIGATIONS	26
3.4.2.2 PERIODIC NOTIFICATION OBLIGATIONS.....	27
3.4.2.3 IDENTIFICATION OF INTERNAL RESPONSIBLE PERSONS, EVIDENCE SCHEDULES AND PERIODIC DECLARATIONS.....	28
3.4.3 COLLECTION, STORAGE AND ACCESS TO THE SUPERVISORY BOARD'S FILES.....	29

Organisational, Management and Control Model

4. TRAINING OF PERSONNEL AND DISTRIBUTION OF THE MODEL WITHIN AND OUTSIDE THE COMPANY	29
4.1 Instruction and training of personnel	29
4.2 Informing and encouraging awareness among business partners.....	29
5. DISCIPLINARY SYSTEM AND MEASURES TO BE ADOPTED IN THE EVENT OF BREACH OF THE MODEL'S REQUIREMENTS	30
5.1 General principles	30
5.2 Penalties applicable to employees	31
5.2.1 WHITE COLLAR, BLUE COLLAR AND MANAGERIAL STAFF	31
5.2.2 EXECUTIVES	31
5.3 Measures in relation to Directors and Auditors	32
5.4 Measures in relation to business partners	32
5.5 Procedure for applying penalties	32
5.5.1 DISCIPLINARY PROCEEDINGS AGAINST EXECUTIVES AND EMPLOYEES.....	32
5.5.2 THE DISCIPLINARY PROCEDURE FOR DIRECTORS AND AUDITORS	33
5.5.3 THE PROCEDURE FOR BUSINESS PARTNERS	33
6. GENERAL BEHAVIOURAL PRINCIPLES FOR OFFENCES NOT DEALT WITH IN THE SPECIAL SECTIONS	34
SPECIAL SECTION "A"	36
A.1 INTRODUCTION	37
A.2 TYPES OF OFFENCE IN RELATIONS WITH THE PUBLIC ADMINISTRATION (ART. 24 AND 25 OF THE DECREE) AND THE OFFENCES OF BRIBERY AMONG PRIVATE CITIZENS AND INSTIGATION TO BRIBERY AMONG PRIVATE CITIZENS (ART. 25-TER, SUB-PARAGRAPH 5-BIS OF THE DECREE) AND CORRUPTION UNDER ISO 37001:2016.....	37
A.3. UNI ISO 37001:2016 MANAGEMENT SYSTEMS FOR THE PREVENTION OF CORRUPTION .	42
A.4 AREAS AT RISK	50
A.5 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	59
A.6 INDIVIDUAL TRANSACTIONS AT RISK IN RELATIONS WITH THE PUBLIC ADMINISTRATION: IDENTIFICATION OF INTERNAL PERSONS RESPONSIBLE AND RECORDS.....	67
SPECIAL SECTION "B"	69
B.1 TYPE OF CORPORATE CRIME, MARKET ABUSE AND RELATED ADMINISTRATIVE OFFENCES (ART. 25-TER AND 25- SEXIES OF THE DECREE AND ART. 187-QUINQUIES TUF)	70
B.2 AREAS AT RISK	76
B.3 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	77
SPECIAL SECTION "C"	84

Organisational, Management and Control Model

C.1 TYPES OF OFFENCES CONCERNING OCCUPATIONAL HEALTH AND SAFETY (ART. 25- <i>SEPTIES</i> OF THE DECREE)	85
C.2 AREAS AT RISK	87
C.3 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	90
SPECIAL SECTION "D"	103
D.1 TYPES OF OFFENCES RELATED TO RECEIVING, LAUNDERING, AND USE OF MONEY, GOODS OR PROFITS OBTAINED FROM ILLEGAL ACTIVITIES	104
D.2 AREAS AT RISK	106
D.3 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS AT RISK.....	107
SPECIAL SECTION "E"	110
E.1 TYPES OF COMPUTER CRIME, ILLEGAL HANDLING OF DATA, AND OFFENCES RELATED TO VIOLATION OF COPYRIGHT	111
E.2 AREAS AT RISK	119
E.3 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	120
SPECIAL SECTION "F"	124
F.1 TYPES OF OFFENCES INVOLVING ORGANISED CRIME	125
F.2 AREAS AT RISK	127
F.3 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	128
SPECIAL SECTION "G"	130
G.1 TYPES OF OFFENCE TO WITHHOLD STATEMENTS OR MAKE FALSE STATEMENTS TO COURT AUTHORITIES	131
G.2. AREAS AT RISK.....	132
G.3. BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	132
SPECIAL SECTION "H"	135
H.1 TYPES OF ENVIRONMENTAL OFFENCES (ART. 25- <i>UNDECIES</i> OF THE DECREE) AND THE OFFENCE OF "UNLAWFUL INCINERATION OF WASTES"	136
H.2 AREAS AT RISK	143
H.3 ANSALDO ENERGIA'S ENVIRONMENTAL MANAGEMENT SYSTEM	143
H.4 BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	145
SPECIAL SECTION "I"	152
I.1 TYPES OF OFFENCE AGAINST INDUSTRY AND TRADE	153

Organisational, Management and Control Model

I.2. AREAS AT RISK.....	154
I.3. BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	155
SPECIAL SECTION "L"	157
L.1 THE OFFENCE OF SELF-LAUNDERING (ART. 648-TER.1)	158
L.2. AREAS AT RISK	161
L.3. BEHAVIOURAL PRINCIPLES FOR IMPLEMENTING THE DECISION-MAKING PROCESS IN AREAS OF ACTIVITY AT RISK	161
SPECIAL SECTION "M"	167
M.1 TYPES OF TAX OFFENCES	168
M.2 AREAS AT RISK.....	173
M.3 PRINCIPLES OF CONDUCT AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN RISK AREAS	173
SPECIAL SECTION "N"	177
N.1 TYPES OF SMUGGLING OFFENCES	178
N.2 AREAS AT RISK.....	179
N.3 PRINCIPLES OF BEHAVIOR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK	179

ANNEXES

- I. Code of Ethics
- II. Evidence schedules and periodic declaration.
- III. Organisational structure.
- IV. Power of Attorney prospectus.
- V. Normative framework.
- VI. Articles from the penalty system in contracts stipulated with employee trade unions.
- VII. Security organisation chart pursuant to Legislative Decree 81/08.
- VIII. Risk Assessment Document.

GENERAL SECTION

1. LEGISLATIVE DECREE No. 231/2001 AND RELEVANT LEGISLATION

1.1 Administrative liability of legal entities

Italian Legislative Decree No. 231, which came into effect on 8 June 2001 (hereinafter, the “Decree” or “Legislative Decree 231/01”) introduced into the Italian law system the liability of companies and associations, whether or not they are legal entities, (hereinafter referred to as “Organisations” or “Entities”) for certain offences committed in their own interests or to their own advantage, by:

- individuals who hold representative, administrative or managerial positions in the Entities themselves or one of their central functions or operating Departments that enjoys financial and functional independence, together with individuals who are responsible for the management and control of the company in question;
- individuals subordinate to the management or supervision of one of the subjects referred to above.

Administrative responsibility of legal entities results in application of penalties in addition to the criminal penalties applicable to the individual who actually committed the offence, and both shall be investigated during the relevant proceedings before a criminal court.

The Entity is therefore not held liable for an offence if it has adopted and effectively implemented an organisation and management model for the prevention of offences of the type committed.

The list of offences that can cause an Entity to incur an administrative liability are expressly set forth in Decree 231 and can be implemented by the law. As of the date of approval of this document, the following types of offences expressly referred to in the Decree:

- art. 24 (misappropriation of funds, fraud against the State or a public body or EU to obtain public funds and computer fraud against the State or a public body and fraud in public supplies);
- art. 24-*bis* (cyber-crime and unlawful data processing);
- art. 24-*ter* (organized crime);
- art. 25 (embezzlement, bribery, undue inducement to give or promise utility and corruption and abuse of office);
- art. 25-*bis* (money forgery, public credit cards, revenue stamps and identification instruments or signs of recognition);
- art. 25-*bis*.1 (crimes against industry and trade);
- art. 25-*ter* (corporate crimes);
- art. 25-*quater* (crimes of terrorism or subversion of the democratic order);
- art. 25-*quater*.1 (mutilation of female genital organs);
- art. 25-*quinquies* (crimes against the person);
- art. 25-*sexies* (market abuse);
- art. 25-*septies* (wrongful death or grievous bodily harm committed in violation of the rules on the protection of health and safety at work);

Organisational, Management and Control Model – Special Section “A”

- art. 25-*octies* (receiving, laundering and using money, goods or benefits of illicit origin, as well as “self-laundering”);
- art. 25 – *octies* 1 (non-cash payment instruments);
- art. 25-*novies* (crimes related to violation of copyright);
- art. 25-*decies* (induction not to leave statements or to make false statements to the court authorities);
- art. 25-*undecies* (environmental related crimes) and art. 256-*bis* of Legislative Decree 152/2006 (unlawful incineration of waste);
- art. 25-*duodecies* (use of third-country nationals residing illegally);
- art. 25-*terdecies* (racism and xenophobia);
- art. 25-*quaterdecies* (fraud in sports competitions, illegal gambling or betting and gambling carried out by means of prohibited devices);
- art. 25-*quinquiesdecies* (tax offenses);
- art. 25-*sexiesdecies* (smuggling);
- art. 25-*septiesdecies* (crimes against cultural heritage);
- art. 25-*duodevicies* (laundering of cultural assets and devastation and looting of cultural and landscape assets).

1.2 Penalties

The penalties stipulated for regulatory offences connected with criminal acts are:

- pecuniary penalties;
- interdictive penalties;
- confiscation;
- publication of the sentence.

Interdictive penalties with a duration of no less than three months and no more than two years (except as indicated below with reference to the sanctions applicable for the offenses provided for by art. 25 of the Decree) are applicable to the specific activity in the context of which the Organisation performed the unlawful act, and consist of:

- prohibition of business activities;
- suspension or revocation of permits, licences or concessions to the commission;
- a ban on contracting with public administration, aside from obtaining public services;
- exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
- prohibition on advertising goods or services

Organisational, Management and Control Model – Special Section “A”

Interdictive penalties must obligatorily be applied in the cases identified in the Decree only in the presence of at least one of the following conditions:

- 1) the Organisation has obtained a significant profit from the offence and the offence was committed:
 - by a person in a position of power; or
 - by a person subject to others’ direction and supervision, if the commission of the offence was caused or facilitated by severe organisational flaws;
- 2) in the event of repeated offences.

The type and duration of interdictive penalties shall be established by the judge, taking into account the gravity of the events, the degree of responsibility of the Organisation and the activities performed by the Organisation to eliminate or attenuate the consequences of the act and prevent commission of further offences. In place of application of penalties, the judge may order the Organisation’s activities to be continued by a court-appointed Commissioner.

Interdictive penalties may be applied to the Organisation as a precautionary measure if there is serious reason to believe that the Organisation is responsible for committing the offence and there are specific grounds suggesting a concrete risk of more unlawful acts of the same time being committed (art. 45). Even in this case, in place of precautionary interdictive measures, the court may appoint a commissioner.

Failure to comply with interdictive penalties is a separate offence which the Decree identifies as a source of potential liability of the Organisation (art. 23).

Pecuniary penalties, which are applicable to all offences, are calculated through a system based on no less than one hundred and no more than one thousand “quotas”, varying in amount between a minimum of EUR 258.23 and a maximum of EUR 1,549.37. The number of quotas shall be established by the judge, taking into account the gravity of the events, the degree of responsibility of the Organisation and the activities performed by the Organisation to eliminate or attenuate the consequences of the act and prevent commission of further offences. The amount of each quota is determined on the basis of the Organisation’s economic and equity position with the goal of ensuring the efficacy of the sanction (art. 11).

Confiscation of the price or profit of the offence, which may also take the form of assets or other profits of equivalent value, and publication of the sentence are always ordered in the presence of interdictive penalties.

The Law n. 3 of 2019 has significantly increased the disqualification sanctions in cases of conviction for crimes provided for by art. 25 of the Decree, ie crimes of corruption, bribery, undue inducement to give or promise benefits, incitement to corruption

With reference to the aforementioned crimes, the law provides a particular form of mitigation of disqualification sanctions in the event that, prior to the first instance judgment, the Company has effectively took actions to prevent criminal activity from being brought to further consequences, to ensure the evidence of the crimes and for the identification of the managers or for the seizure of the sums or other benefits transferred and has eliminated the organizational failings that led to the offense through the adoption and implementation of organizational models suitable for prevent crimes of the kind that occurred.

1.3 Attempted offences

Organisations are also held liable for offences resulting from attempts to commit a crime. In the event of a mere attempt to commit the offences listed under Heading I of the Decree, pecuniary penalties and interdictive penalties will be reduced by one third to one half; no penalties will be applied if the Organisation intentionally prevents the performance of the action or the occurrence of the event. This is a special case of what is known as “active withdrawal” under art. 56, paragraph 4 of the Italian criminal code.

1.4 Crimes committed outside the country

Under the provisions of art. 4 of the Decree, an Organisation based in Italy may be held liable for crimes committed outside the country to ensure that frequently occurring criminal conduct does not go unpunished and prevent easy evasion of the legislative framework in question.

The legal bases of the Organisation’s liability for offences committed abroad are as follows:

- a) the offence must have been committed abroad by a party with functional ties to the Organisation as defined in art. 5, paragraph 1 of the Decree;
- b) the Organisation must have its headquarters in Italy;
- c) the Organisation may be held liable only in the cases and under the conditions specified in art. 7, 8, 9, and 10 of the Italian criminal code.

In the presence of the cases and conditions identified in these articles of the criminal code, the Organisation may be prosecuted in Italy unless the nation where the events took place prosecutes it.

1.5 Proceedings for ascertainment of the offence and the judge’s examination of suitability

Liability for regulatory offences resulting from a crime is ascertained in the context of criminal proceedings and is, as a rule, determined on the basis of reasons of effective, homogeneous and economical proceedings. The case against the Organisation must remain, if possible, confined to the criminal case filed against the party that committed the crime which gives rise to the Organisation's responsibility.

The company’s liability is ascertained by the judge in criminal court through:

- verification of the existence of the predicate offence for the company's liability;
- ascertainment of the existence of an interest or benefit for the Organisation in the commission of the crime by an employee or manager;
- examination of suitability of the organisational models adopted.

The judge’s examination of the theoretical suitability of the organisational model adopted for preventing offences of the kind identified in the Decree is conducted on the basis of what is known as the “criterion of subsequent prognosis”. This means that the examination of suitability is substantially based on an *ex ante* criterion, under which the judge considers the company’s circumstances at the time the offence was committed in order to determine the suitability of the model adopted.

1.6 Actions exempting the organisation from liability

Articles 6 and 7 of the Decree provide for specific criteria of exemption from liability of an entity for offences committed in its interest or for its benefit by management or employees.

In the case of offences committed by persons in management positions, art. 6 provides for exemption from liability if the organisation can demonstrate that:

Organisational, Management and Control Model – Special Section “A”

- a) prior to the commission of the act, the executive body adopted and effectively implemented an organisational, management and control model suited to prevent crimes of the type which occurred;
- b) the task of supervising the functioning of and compliance with the organisational, management and control model and proposing updates to it was assigned to the organisation’s Supervisory Board, which had autonomous powers of initiative and control;
- c) the individuals were able to commit the offence in so far as they avoided fraudulently the model;
- d) there was no omitted or insufficiency supervision by the Supervisory Board.

In the case of employees not in positions of management, art. 7 provides for exemption if the organisation has adopted and effectively implemented, prior to the commission of the offence, an organisational, management and control model capable of preventing offences of the type which occurred.

The organisational, management and control model must meet the following requirements:

- identification of activities in the context of which there may be a possibility of committing offences;
- provision of specific protocols aimed at planning the formation and implementation of the organisation’s decisions in relation to the offences to be prevented;
- identification of methods for the management of financial resources suitable for preventing the commission of such offences;
- provision of an obligation to provide information to the Supervisory Board;
- introduction of a disciplinary system sanctioning failure to introduce the measures identified in the organisational, management and control model.

Organisational, management and control models may be adopted, guaranteeing that the requirements stated above are met, on the basis of codes of conduct prepared by trade associations.

2. ADOPTION OF THE MODEL BY ANSALDO ENERGIA S.P.A.

2.1 The Company’s purposes and mission

Ansaldo Energia S.p.A. (hereafter referred to as “AEN”, “Ansaldo Energia”, or the “Company”) is a leader in the field of electricity generation, a key player offering the industry an integrated model, within the Company itself or through its subsidiaries, including turnkey plants, components (gas turbines, steam turbines, generators, microturbines), supporting services and work in the field of nuclear energy.

The Company’s mission is to supply innovative, dependable, flexible cutting-edge solutions for the electricity generation industry with the aim of increasing added value for its customers.

The Company is based in Genoa, Italy and operates world-wide, both directly and through its branches and subsidiaries in Europe, the Americas, Asia and Africa.

2.2 Governance model

Ansaldo Energia's corporate governance is based on the traditional model, set up as follows:

- A SHAREHOLDERS' MEETING, WHICH resolves, in ordinary and extraordinary sessions, on topics reserved for it by law or by the Company's Articles of Association;
- A BOARD OF DIRECTORS, bearing the broadest powers for administration of the Company, with the power to perform all acts required to achieve the Company's purpose, excluding acts reserved for the Shareholders' Meeting by law or by the Company's Articles of Association;
- a Board of Auditors entrusted with overseeing:
 - compliance with the law, with the Company's Articles of Association, and with the principles of correct administration;
 - adequacy of the Company's organisational structure, internal control and administrative and accounting system, also with reference to the accounting system's ability to represent events in management correctly;
 - appropriateness of the instructions given to subsidiaries;
- AN INDEPENDENT AUDITOR, REGISTERED IN THE REGISTRY KEPT BY THE Ministry of Economy and Finance, appointed by the Shareholders' Meeting to perform legal auditing of the Company's accounts.

As parent company, Ansaldo Energia exercises direction and coordination over its subsidiaries (under sections 2497 – 2497 *septies* of the civil code), defined as the exercise of a systematic, constant series of acts of guidance which have an impact on the subsidiaries' decisions, that is, on strategic and operative financial, industrial and commercial decisions affecting the way the company's business is conducted.

2.3 Organisational set-up

Ansaldo Energia's organisational structure is inspired by implementation of separation of tasks, roles and responsibilities among operative and control functions.

The Company operates through a Corporate Management System that meets the requirements of international standards ISO 37001:2016 related to Anticorruption and Bribery, ISO 9001:2015 in terms of Quality, ISO 14001:2015 for Environment and OHSAS 18001:2007 for occupational safety in the Company's headquarters and on its construction sites.

Ansaldo Energia's Organisational System is defined and systematically updated in specific company documents, which are assumed to form a part of this document. The formalisation and distribution of these documents is ensured through publication on the Company's intranet and distribution to employees by e-mail.

In greater detail, the Company's organisational structure is set up as follows:

- the Company is led by the Top Management, consisting of the Chairman and the Chief Executive Officer who, for the performance of their functions, also make use of management and control committees;
- Departments / Structures have the task of directing, coordinating and controlling all the activities of the Group consisting of Ansaldo Energia and the Italian and foreign subsidiaries.

Organisational, Management and Control Model – Special Section “A”

Commercial activities are performed by:

- Sales & Project Management New Units, which has the task of ensuring, within the framework of the assigned Group strategies and objectives, the business development of the New Units (plants and components), managing the sales activities, as well as those of project management, in the various geographical areas;

- Service, which has the task of ensuring, within the framework of the assigned Group strategies and objectives, the development of the Service business (OEM and OEM like), managing sales activities, as well as project management and operational ones engineering and site in the various geographical areas.

Sales and Project Management New Units and Service are divided into geographic areas which supervise sales in particular countries.

Sales and Project Management New Units and Service may be flanked in sales by commercial promoters who help them identify business opportunities, but never act in the name of the Company or on its behalf.

The Company manages purchasing through the Procurement Department which is part of the Operations.

2.4 Ansaldo Energia S.p.A.'s reasons for adoption of the Model and its purposes

To ensure that the conduct of people working on behalf of the Company or in its interests always complies with the principles of correct, transparent conducting of business on the basis of the Code of Ethics, which is explicitly referred to here, on March 3, 2004 Ansaldo Energia proceeded to adopt a Model in line with the requirements of the Decree and the indications of case law in this area and on the basis of the Confindustria Guidelines.

In 2009, 2011, 2012, 2013 and 2014, respectively (in the months of April and December), in 2015 and 2016 (in the months of February and July, respectively), in 201, April 2019 and October 2020 and, most recently, in 2018, the company revised its Model to adapt it to cover offences introduced following first adoption, to reflect the evolution of the Company's organisational structure and internal control system, and to comply with the principles expressed in UNI ISO 37001:2016, "Management systems for the prevention of corruption" (hereafter "ISO 37001").

These initiatives, and the repeated verification of the principles and rules of conduct contained in the Code of Ethics, were undertaken in the conviction that adoption of such a Model would constitute a valid tool for raising the awareness of everyone working in Ansaldo Energia's interest, for its benefit or in association with it in any way.

The following are particularly considered Recipients of the Model, and, as such and in the area of their specific competences, required to know it and comply with it:

- members of the Board of Directors (hereafter also referred to as the "B.D.");
- members of the Board of Auditors;
- Executives;
- employees, even if working outside of the company's headquarters.

Anyone who has relations of any kind with the Company (hereafter also referred to as "business partners") is also required to comply with the lines of conduct described in this Model.

The purposes of the Model are:

Organisational, Management and Control Model – Special Section “A”

- improvement of the Corporate Governance system;
- expression of rejection of corruption in all its forms on the part of the Company. In this regard, Ansaldo Energia does not distinguish between public officials and private individuals, or between offering or accepting a bribe;
- preparing a structured, organic prevention and control system aimed at reducing the risk of commission of offences in connection with the Company’s work;
- raising awareness, in everyone who works in Ansaldo Energia’s name or on its behalf in so-called “risk areas”, of the fact that breaches of the provisions contained herein will constitute a criminal and regulatory offence subject to penalties against both the individual and the Company;
- asking Recipients to comply with the Model and agree to meet its requirements;
- informing all those operating with Ansaldo Energia's name or interests or on its behalf that breaches of the prescriptions of this Model shall result in application of disciplinary/contractual penalties which may go as far as termination of the relationship;
- emphasizing that Ansaldo Energia will not tolerate behaviour that is unlawful, or not in line with the Model, without taking into consideration its intended purpose, or the erroneous conviction that they are acting in the Company’s interests or for its benefit, in that such behaviour is in any case contrary to the ethical principles Ansaldo Energia intends to comply with and therefore in conflict with its interests;
- effectively reprimand any conduct in breach of the Model through application of disciplinary and/or contractual penalties.

2.5 The process of preparation and updating of the Model

Ansaldo Energia, in view of the requirements of the Decree and of ISO 37001, has begun an in-house project in which its internal Supervisory Board plays an active role to ensure updating of this Model.

As a result, updating of this Model is preceded by a series of activities divided into different phases, described below, for the construction of a risk prevention and risk management system.

- 1) **Mapping of activities at risk.** The purpose of this phase was analysis of the situation of the Company and its Stakeholders with the aim of mapping areas of the Company's activities and identifying the processes and activities among these which could theoretically result in commission of the offences identified in the Decree and in sections 2635 and 2635-*bis* of the civil code, viewed as a whole. Company activities and processes at risk were identified through examination of corporate documents (Organisation charts, powers of attorney, key processes, etc.) and sharing with key persons in the Company's organisational structure. The result of this activity is represented in the “Risk Profile” section of the document referred to as “Information provided pursuant to Legislative Decree 231/01 and ISO 37001: risk profile and existing safeguards”, containing a map of the principal corporate activities considered theoretically subject to risk.

Organisational, Management and Control Model – Special Section “A”

- 2) **Analysis of potential risks**. With reference to the mapping of activities, the crimes that could potentially be committed in the context of the Company’s activities have been identified, also identifying, for each offence, the occasions, purposes and methods of commission of the unlawful conduct. The result is summed up in the “Risk Profile” section of the document entitled “Information provided pursuant to Legislative Decree 231/01 and ISO 37001: risk profile and existing safeguards” (Risk Assessment), representing, for each area where there is a risk of commission of an offence, an analysis of potential risks, with reference to some of the possible methods of perpetration of offences in the specific context of the Company. With specific reference to bribery (sections 317 to 322-*bis* of the Italian criminal code) and bribery among private citizens (sections 2635 and 2635-*bis* of the Italian criminal code), note that the analysis applied to both offering and acceptance of bribes;
- 3) **“As-is analysis”**. Having identified potential risks, we proceeded to analyse the system of preventive controls in existence in processes and activities at risk in order to express an opinion regarding their suitability for the prevention of the risk of committing an offence. At this stage, we therefore surveyed the existing internal safeguards (formal procedures and/or practices adopted, verifiability, documentability or “traceability” of operations and controls, separation or segregation of functions, etc.) through examination of the information and documentation supplied by Company Departments. The result of this activity is contained in the “Existing Safeguards” section of the document entitled “Information provided pursuant to Legislative Decree 231/01 and ISO 37001: risk profile and existing safeguards” (Risk Assessment).
- 4) **Preparation and updating of the Model**. The Company has prepared and subsequently updated its Model in view of the results of the phases described above.

2.6 Structure of the Document

The Model herein is composed of a “General Section” and “Special Sections A, B, C, D, E, F, G, H, I, L, M, and N”.

The “General Section” illustrates the principles of the Decree and the reasons for the Company’s adoption of the Model and then goes on to describe:

- the essential components of the Model, with specific reference to the Supervisory Board set up under art. 6, sub-paragraph b of the Decree;
- training of personnel and distribution of the Model within and outside the Company;
- the disciplinary system and measures to be adopted in the event of breach of the Model’s requirements;
- the general principles of conduct governing offences not mentioned in the Special Sections.

The Special Sections are divided according to the type of offence, and each of them describes not only the offence in question but the areas of activity at risk and the general principles of conduct and procedures to be followed.

The following documents, attached, also form an integral part of the Model adopted by Ansaldo Energia:

- Code of Ethics (Annex I).
- Evidence schedules and periodic declaration (Annex II).

Organisational, Management and Control Model – Special Section “A”

- Organisational structure (Annex III).
- Power of Attorney prospectus (Annex IV).
- Normative framework (Annex V).
- Articles from the penalty system in contracts stipulated with employee trade unions (Annex VI).
- Security Organisation chart pursuant to Legislative Decree 81/08 (Annex VII).
- Risk Assessment Document (Annex VIII).

2.7 Adoption and management of Governance of significance for the purposes of Legislative Decree 231/01 and ISO 37001 in the Ansaldo Energia Group

The Ansaldo Energia Group (hereafter also referred to simply as the “Group”) includes Ansaldo Energia and its subsidiaries.

Ansaldo Energia exercises control and direction of its subsidiaries in the Group through:

- its own Group Directive/Procedures;
- supervision to ensure that its Italian subsidiaries have an adequate Organisational, Management and Control Model and a Supervisory Board;
- supervision to ensure that all foreign subsidiaries have a Code of Ethics, procedures and management and control systems in line with the provisions of this Model, except as required under their own regulatory frameworks;
- monitoring of the information which, on the basis of Ansaldo Energia’s DI-005 or “Anti-Bribery and Corruption Directive” (hereafter referred to simply as the “Anti-bribery Directive”), is sent by the Compliance Officer in each company to the Group Compliance Officer. With specific reference to this Directive, this Officer’s tasks include:
 - establishing the figures of Compliance Officer for the Group and individual Group companies, assigning them specific tasks;
 - identifying activities which are prohibited or limited under the applicable anti-corruption legislation;
 - specifying the conduct to be followed regarding charitable donations, funding of political parties, easy terms of payment, gifts and benefits, in line with the provisions of the Code of Ethics;
 - requiring staff members who become aware of a breach of an anti-corruption regulation or of the Anti-bribery Directive to inform the Company’s Compliance Officer. On the basis of the results of the survey, the Company’s Compliance Officer will identify appropriate measures and notify the Group Compliance Officer;
 - reporting by Company Compliance Officers to the Group Compliance Officer, sending a report on the work performed and written certification of the conformity of the work performed with the provisions of the Anti-bribery Directive.

Organisational, Management and Control Model – Special Section “A”

Each subsidiary will send Ansaldo Energia its Organisational, Management and Control Model, if one is adopted, and its Code of Ethics.

The Company’s Supervisory Board and the Group’s Compliance Officer will audit other Group companies on the basis of the applicable directives.

2.8 Elements of the Model

Below is a description of the elements on which Ansaldo Energia’s Model is founded.

Organisational System. The Company’s top-level Organisational System (organisational structures/positions, missions and areas of responsibility) is defined in organisational documents issued by the CEO. Organisational documents regarding levels below this one are approved by the competent top-level manager. Organisational documents are also issued to provide information/instructions regarding specific or short-term organisational events and assign personnel to temporary organisational units. The formal definition and distribution of organisational documents is the task of the Deputy GM HR, Sustainability and Governance Systems Organisational documents are distributed to all company employees through publication on the Company’s intranet and through emails sent to all employees.

Procedure AE-PR-001 “Ansaldo Energia Group Management System Documents” defines the approval procedure for organisational documents (Organisational Announcements, Appointment Notices and Organisational Charts) and Directives, as well as administrative documents (Manuals, Procedures, Policy, Instructions and Form Sheets).

Authorisation System. The Company’s Authorisation System is based on compliance with the following requirements:

- proxies and powers of attorney combine powers with corresponding areas of responsibility;
- each proxy and power of attorney clearly defines the delegate’s powers and specifies their limits;
- the administrative powers assigned in proxies and powers of attorney are consistent with the Company’s goals;
- everyone who acts in Ansaldo Energia’s name or on its behalf in relations with third parties, and particularly public authorities, must possess a specific proxy and/or a formal power of attorney entitling them to represent the Company.

The system specifically requires assignment of:

- permanent powers of representation, which may be assigned in a notarial power of attorney registered in relation to the performance of tasks connected with the permanent responsibilities assigned in the Company’s organisational system;
- powers pertaining to individual deals, granted in a notarial power of attorney or another form of proxy, specifying their content; the awarding of such powers is regulated by a Company procedure, and by the laws defining forms of representation, consistently with individual types deeds to be stipulated; wherever

Organisational, Management and Control Model – Special Section “A”

possible, standard content and clauses will be used in special powers of attorney for specific categories of deeds.

The Directive AE-DI-010 “Delegation of Authority” defines the procedures involved in assigning powers of attorney, while the Corporate and Legal Affairs Structure is in charge of performing all the formalities required before a notary public to grant and revoke powers of attorney, numbering deeds stipulated in progressive order and notifying the attorney of the powers granted/revoked, the rules and any limits on the exercise of the powers in a letter of instruction.

Company procedures in risk areas (or protocols), more generally defined as documents regarding management of areas at risk and the applicable directives. The internal procedures are characterised by the following features:

- separation, wherever possible, of the person who makes the decision, the person who authorises it, the person who carries out the decision and the person who checks up on the process within each process (known as “segregation of functions”);
- written records of each significant step in the process, including control (known as “traceability”);
- an appropriate level of formality.

Management control. The management control system adopted by Ansaldo Energia is divided into a number of stages, including preparation of the annual budget, periodic analysis of results and preparation of forecasts at the Company-wide level. This system guarantees:

- involvement of a plurality of subjects in terms of congruous segregation of functions in the preparation and transmission of information;
- capacity to promptly provide notification of the existence and emergence of critical situations through appropriate, prompt information flows and reporting.

Document management. All Ansaldo Energia’s internal and external documents must be managed in a way which regulates the updating, distribution, registration, filing and security management of documents and records, as appropriate to each specific case.

Financial flows. Management of financial flows is defined on the basis of principles based on substantial segregation of functions, such as to guarantee that all expenditures are requested, made and checked by independent units or persons who are as separate as possible, and who are not assigned any other responsibilities that could lead to potential conflicts of interest.

Lastly, cash management is based on the criterion of conservation of the Company’s assets, prohibiting any high-risk financial transactions and requiring two signatures for expenditures above certain predetermined thresholds.

2.9 Amendments and additions to the Model

In light of the fact that this Model is a document issued by the managing body (in conformity with the provisions of Art. 6, paragraph 1, sub-paragraph a) of the Decree), its

adoption and subsequent amendments and additions, are the responsibility of Ansaldo Energia's Board of Directors. However, amendments or additions to this Model that are not substantial (including those pertaining to the introduction or elimination of a particular directive or procedure) are added to it immediately by the Supervisory Board and will be notified to the Board of Directors.

3. SUPERVISORY BOARD

3.1 Identification of the Supervisory Board

The Supervisory Board set up under art. 6, sub-paragraph b of the Decree is an organism consisting of multiple persons, composed of three members, one of which with the role of Chairman (the “Board” or “S.B.”).

This Board may, in the performance of its tasks, avail itself of the Corporate and Legal Affairs and Risk Management, Internal Auditing and other Structure in Ansaldo Energia and/or external consultants considered qualified to assist with the activities to be performed.

The S.B. has Regulations setting forth the rules applicable to the summons and functioning of its meetings, its relations with other Structure and with third parties, the methods and timing of its planning of activities, reporting procedures and data processing.

In accordance with art. 6 of the Decree, Ansaldo Energia's S.B. has “autonomous powers of initiative and control” and therefore is ensured the necessary autonomy and independence.

Specifically:

- the **autonomy and independence** the Board must necessarily be ensured by the presence of two independent members, which with the role of Chairman, with no operative tasks or interests which could conflict with their position, affecting their autonomy of judgement and evaluation, and by the circumstance that the S.B. operates in the absence of hierarchic restrictions in the context of corporate governance, reporting directly to the Board of Directors and the Chairperson. Also, the S.B.'s actions cannot be controlled by any company body or structure, obviously excluding the body's managerial duty/power to monitor the adequacy of the action taken by the S.B.. Moreover, the S.B. informs the Board of Directors of the budget it will require, to be used exclusively for the expenses necessary for performing its assigned functions;
- its **professionalism** is ensured by its members' specific expertise in the field and by the power granted to the Board to make use, in carrying out its mandate and with absolute budget independence, of specific professional skills of the Company's various Central Functions and/or Operating Departments and outside consultants. External members are all academics and professionals who have proven expertise and experience with legal, financial and internal auditing matters and are proven to have sufficient experience in application of the Decree;
- its **continuity of action** is guaranteed by the fact that the Board's internal member works permanently in the Company to carry out the assigned duties.

Organisational, Management and Control Model – Special Section “A”

The Board remains in office for three years; the President and external members, if any, may be re-elected only twice and, in any case, remain in office until their successors have been named.

The Supervisory Board reports directly to the Ansaldo Energia Chairperson and Board of Directors and informs the Board of Auditors of its activities.

As has been stated, appointment as a member of the S.B. is subject to certain subjective requirements, as well as to the absence of any reason for incompatibility with appointment to such a position and of potential conflicts of interest with the role and duties to be carried out. In this context, the following are reasons for ineligibility as a member of the S.B.:

- being the spouse or the relative by blood or marriage to the fourth degree with a Director or member of the Board of Statutory Auditors or with another member of the Ansaldo Energia S.B.;
- with the exception of the permanent employment of the Manager of the Corporate and Legal Affairs and Risk Management, having direct or indirect economic and/or contractual ties, against payment or free of charge, with Ansaldo Energia, its Subsidiaries and/or their respective Directors, of a significance that affects the independence of one's judgement;
- being a direct or indirect shareholder in Ansaldo Energia, its Parent Companies, Subsidiaries, or Associate Companies, to the extent of having control or significant influence over the Company, or such that it compromises one's independence;
- being in a legal position of being interdicted, incapacitated, bankrupt or condemned to a sentence that results in even temporary disqualification for public office or the incapacity to exercise managerial roles;
- being subject to preventive measures imposed by the judicial authority, unless rehabilitation has been effected;
- being subject to criminal procedures, condemned or sentenced under Art. 444 et seq. of the code of criminal procedure, unless rehabilitation has been effected, in relation to one of the offences covered by Italian Legislative Decree 231/01;
- being the subject of a provision applying a sanction for one of the offences identified in Articles 185 and 187-bis of the TUF [Financial Consolidation Act];
- the subsistence, for the Chairperson, of reasons for ineligibility in terms of Art. 2399, lett. c and 2409-septiesdecies of the Italian Civil Code.

Termination of members' office may be the result of resignation, expiry or revocation.

Members of the Board may resign at any time, notifying the Board of Directors and Board of Statutory Auditors in writing.

The appointment of a member of the Board shall expire:

- if the requirements listed above are no longer met, or
- in the event of grave infirmity rendering the member unable to perform his or her supervisory functions, or any infirmity resulting in an absence of more than six months.

Organisational, Management and Control Model – Special Section “A”

In such a case, the Board of Directors, having investigated the circumstances, will contact the person concerned and the other members of the Board and establish a deadline of no less than 30 days for the termination of the situation that could lead to revocation. If the situation is not resolved within this amount of time, the member's appointment shall be declared expired and the necessary decisions must be made as a result.

In order to guarantee the necessary stability of the S.B., and to safeguard the legitimate exercising of its functions against unjustified removal, revocation of the S.B.'s powers and attribution of those powers to someone else may only occur with just cause, by means of a specific decision of the Board of Directors in consultation with the Board of Auditors and, in the case of revocation of the appointment of one member of the S.B., the other members of the Supervisory Board.

In this regard, "just cause" for revoking the powers connected with appointment to the S.B. may be taken as meaning:

- serious non-fulfilment of one's duties as defined in this Model;
- a sentence of condemnation or a plea bargain issued against one of the members of the Board for having committed one of the offences covered by the Decree;
- a ruling condemning the Company for one of the offences covered by the Decree, indicating "omitted or insufficient vigilance" by the Board, in terms of the provisions of Art. 6, paragraph 1, lett. d) of the Decree;
- violation of the confidentiality obligations of members of the Supervisory Board in relation to information acquired in the exercise of their functions, with the exception of the notification obligations expressly set forth in this Model. Members of the Supervisory Body must specifically protect the confidentiality of the information that comes into their possession - and particularly any reports of alleged breaches of the Model that they may receive - and abstain from seeking out confidential information and using it for purposes other than those identified in art. 6 of the Decree. In any case, all information in the possession of members of the Board must be processed in accordance with current legislation, and specifically with privacy legislation.

If powers of revocation are exercised, the Board of Directors will immediately replace the members whose appointment is revoked.

In the presence of serious reasons, the Board of Directors, having consulted the Board of Auditors and all the other members of the Supervisory Board (unless they are all involved), may order suspension of the functions of one or all members of the Supervisory Board, promptly appointing a new member or an entire temporary Supervisory Board.

In the event of resignation, forfeiture or revocation of a member of the Supervisory Board, the Board of Directors must replace the member without delay. If the affected member is the Chairman of the Board, the Board will temporarily be chaired by the member with the highest seniority, or, for the same length of service, by the most senior member in age who shall remain in office until a new Chairman of the Supervisory Board is appointed.

3.2 Functions and powers of the Supervisory Board

The Ansaldo Energia Supervisory Board's task is to supervise the effectiveness of the Model, review the adequacy of the Model, and analyse of maintenance, over time, of the

Organisational, Management and Control Model – Special Section “A”

soundness and functionality of the Model and promotion of the necessary updating, in the event that the analyses performed reveal a need for correction and adaptation.

Specifically, the Supervisory Board must:

- plan appropriate actions to conduct an appraisal of the Company’s activities with the goal of identifying areas involving a risk of commission of offences under Legislative Decree 231/01 and proposing updates and additions to the Model if necessary;
- on the basis of the approved plan of actions, monitor the Model's continued validity, consulting the other Company organisations involved and promoting all actions required to ensure the Model’s efficacy. This task includes coming up with proposals for adaptation to be forwarded to the competent Departments concerned as well as to the Chairperson, subsequently checking that the proposed solutions have been implemented and work;
- on the basis of the approved plan of action, assess the continued maintenance of the requirements of solidity and functionality of the Model through a system of periodic declarations to be made by the Recipients of the Model confirming that they have not performed any actions that are not in line with the Model;
- through appropriate planning of actions and specific controls, check the correct performance by competent Departments considered to be at risk of committing offences in the Company’s activities, in conformity with the Model adopted, coordinating the company organisations concerned;
- check the implementation and effectiveness of the proposed solutions through follow-up actions;
- on the basis of the approved plan of action, assess the existing powers of authorisation and signature to ensure that they are consistent with the organisational and administrative responsibilities defined and propose updates and/or changes to them where necessary;
- on the basis of the results obtained, propose opportunities for the competent Departments concerned to process, add to and amend operating and control procedures so that they will adequately regulate the performance of activities in order to implement the Model appropriately;
- define the flow of information that will allow the Supervisory Board to be periodically updated by the company organisations concerned regarding activities considered at risk of commission of offences, and establish modes of communication for acquiring knowledge of any breaches of the Model;
- implement an effective flow of information to the company organisations concerned, in accordance with the Model, to permit the Supervisory Board to report to them on the efficacy of the Model and compliance with it;

Organisational, Management and Control Model – Special Section “A”

- in concert with the Deputy GM, HR, Sustainability and Governance System Structure, promote adequate employee training in the company organisations concerned through suitable initiatives for promoting knowledge and understanding of the Model;
- promote and coordinate initiatives to facilitate knowledge of the Model and related procedures among all those that work on the Company's behalf;
- verify and investigate any reports received and, if they are founded, prepare a report for the party in charge of determining whether penalties should be applied.

In order to carry out the duties listed above, the Board is granted the powers listed below:

- access to all company documents and/or information relevant for carrying out the functions assigned to the Board under the Decree;
- use outside consultants of proven professionalism in cases in which this is necessary for carrying out their duties, in accordance with the provisions for appointing consultants;
- make sure that the Heads of the competent Departments provide the information, data and/or news requested of them in a timely manner;
- proceed, when necessary, with direct listening to employees, directors and members of the Company's Board of Auditors;
- ask the Board of Statutory Auditors and business partners for information.

For the purposes of better, more effective carrying out of its duties and functions, the Supervisory Board:

- interfaces with Ansaldo Energia's Corporate and Legal Affairs and Risk Management Structure and Internal Auditing Structure, exchanging information on the activities performed as the Compliance Function for the prevention of corruption and the Compliance Officer;
- may, in the performance of its tasks, avail itself of Ansaldo Energia's Compliance and Internal Auditing Structure and various company Departments which may be of use in its activities;
- may make use of all the resources in place for managing occupational health and safety issues;
- may also decide to delegate one or more specific tasks to its individual members, based on their respective skills, with an obligation to report back to the Board. In any case, even in relation to functions delegated by the Board to individual members or actually carried out by other

Functions and Operating Departments, the collegial responsibility of the Board remains unchanged.

3.3 Notification by the Supervisory Board to other company bodies

With regard to reporting, Ansaldo Energia’s S.B. sends the Board of Directors:

- half-yearly written disclosures regarding:
 - all activity engaged in over the period, especially with reference to checks;
 - criticalities that emerged in terms of conduct or events within the Company and in relation to the efficacy of the Model;
 - reports received over the half-year period and actions taken by the S.B. itself and by other interested parties;
 - activities that could not be carried out for justified reasons of time and/or resources;
 - the status of Ansaldo Energia’s implementation of the Model, identifying necessary and/or useful corrective and improvement actions in relation to the Model and their implementation status;
- the plan of activities for the following year, and the budget for performing these activities.

The Supervisory Board must promptly report to the Chairperson of the Board of Directors in relation to all information deemed useful for the purpose of urgent decisions to be made by the Chairperson.

3.4 Information flows in relation to the Supervisory Board

Art. 6, paragraph 2, lett. d) of the Decree requires the indication in the Organisational Model of the obligation to provide information to the Board tasked with watching over the functioning and observance of the Model.

The obligation of a structured flow of information is designed to be a tool to guarantee supervision of the efficacy and effectiveness of the Model, and any checks to be carried out at a later date of causes permitting commission of offences covered by the Decree, also to give greater authority to requests for documentation that the Board may make in the course of its checks.

The Supervisory Board may be contacted by addressing the communication to “Organismo di Vigilanza Ansaldo Energia S.p.A.”, c/o Ansaldo Energia, Via Nicola Lorenzi 8 16152-Genoa. In order to facilitate the flow of reports and information to the S.B., a dedicated mailbox has been set up (odv.dlgs231-01@ansaldoenergia.com). This mailbox may be accessed only by members of the Supervisory Board, and all breaches shall be treated as serious and subjected to penalties.

3.4.1 REPORTING

All recipients of the Model are required to report any information of any kind to the Supervisory Board, including information from third parties of which they become personally aware, pertaining to breaches of the Model in business areas at risk or any other irregularities. Specifically:

- commission of offences of significance under Legislative Decree 231/01 or performance of acts aimed at commission of such offences;
- behaviour not in line with the rules of conduct provided for in this Model and the corresponding procedures;

Organisational, Management and Control Model – Special Section “A”

- operations of particular significance or that present risk profiles that lead one to foresee a reasonable danger of the commission of offences.

Reports of unlawful conduct must be detailed and based on precise, concordant facts, and may be made through the appropriate channels, identified under point 3.4. In this regard, in accordance with the provisions of current legislation protecting persons who report offences or irregularities they become aware of in the course of a public or private employment relationship, these reports may also be made via email, protecting the confidentiality of the reporter’s identity.

The S.B. will consider all reports and assess the consequent initiatives to be taken at its own discretion and under its own responsibility, consulting the person who made the report and/or the person who allegedly committed the breach and providing written motivation of all decisions made (in this regard, readers are referred to point 5.5).

The Company:

- demands that the Supervisory Board handle reports confidentially, protecting the confidentiality of the person sending the report and other persons involved or referred to in the report, except as required by law and for the protection of the rights of the company or persons accused of offences erroneously and/or in bad faith;
- prohibits all forms of retaliation and protects everyone who reports breaches in good faith against reprisal, discrimination or unjust penalties, either direct or indirect, for reasons related to the report.

The Company ensures that its employees are aware of the reporting procedures and capable of using them, aware of their rights and protections in the context of the procedures adopted, through suitable disclosures by the methods described under point 4.

In the event of a violation of the measures protecting the confidentiality of persons making a report, even by the Supervisory Board, or unfounded reports involving fraud or grave negligence, the Company will identify and apply the penalties considered most appropriate to the circumstances among those listed in Chapter 5.

3.4.2 NOTIFICATION OBLIGATIONS

In addition to the reports referred to in the preceding paragraph, other information must be sent to the Ansaldo Energia Supervisory Board on an ad hoc or periodic basis.

3.4.2.1 AD HOC NOTIFICATION OBLIGATIONS

The information to be provided to the S.B. upon occurrence of an event is specified below:

- provisions and/or notifications received from the judicial authority or any other authority (including those with authority over subsidiaries) from which one can ascertain that investigation/checks have been performed, even in relation to parties unknown, for offences or regulatory offences covered by the Decree. This information must be sent by the Corporate, Legal Affairs and Risk Management Structure;
- reports on findings received from the Italian Revenue Agency/Financial Police; this information must be sent by the Finance and Business Office;

Organisational, Management and Control Model – Special Section “A”

- requests for legal assistance submitted by managers and/or employees and/or by former managers and/or former employees in legal proceedings launched for the offences covered by the Decree; this information must be sent by the Corporate and Legal Affairs and Risk Management Unit or by the Deputy GM HR, Sustainability and Governance Systems Structure;
- disciplinary measures taken and any penalties applied, or orders to file such proceedings with the corresponding reasons; this information must be sent by the party making the decision whether or not to apply penalties in disciplinary proceedings (in this regard, the reader is referred to Chapter 5);
- the assessments that led to the selection of the auditing firm and declarations certifying that there are no reasons for incompatibility of the auditing firm with Ansaldo Energia; this information must be sent by the Corporate and Legal Affairs and Risk Management Structure or by the Finance and Business Office Structure;
- notification of any other task the Company intends to appoint the auditing firm to perform, in compliance with the applicable laws, in addition to certification of the financial statements; this information must be sent by Finance and Business Office Structure;
- report on transactions within the group involving the purchase or sale of goods or services at values other than market value, with an express indication of the reasons for this; this information must be sent by the Finance and Business Office Structure or by the Function or Operating Unit that carried out the transaction;
- any significant anomaly encountered during checking activities, under the scope of Italian Legislative Decree no. 231/01, carried out by Corporate and Legal Affairs and Risk Management; this information must be provided by the Corporate and Legal Affairs and Risk Management;
- documentation pertaining to information and training activities carried out in implementation of the Model and employees’ participation in the same; this information must be sent by the Deputy GM HR, Sustainability and Governance Systems Structure;
- injuries with an initial prognosis of more than 40 days to be promptly disclosed and injuries with a total prognosis of more than 40 days to be disclosed within one week of exceeding the 40-day period; this information is to be sent by the head of the prevention and protection service.

3.4.2.2 PERIODIC NOTIFICATION OBLIGATIONS

The information flows to be periodically provided to the Supervisory Board are listed below:

- structure of powers and delegation system adopted by the Company; this information must be sent on a half-yearly basis by the Corporate and Legal Affairs and Risk Management Structure;
- list of Ansaldo Energia directives and procedures; this information must be sent by the Deputy GM, HR, Sustainability and Governance Systems Structure;
- half-yearly reports on litigation:
 - pending criminal, civil and administrative litigation worth more than 100 thousand euros, to be prepared by the Corporate and Legal Affairs and Risk Management Structure;

Organisational, Management and Control Model – Special Section “A”

- pending labour law litigation worth more than 100 thousand euros, to be prepared by the Deputy GM, HR, Sustainability and Governance Systems Structure;

these reports must specify, inter alia, the attorney appointed to handle each litigation, as well as any settlement agreements entered into by the company;

- half-yearly report on new hires, confirming the absence of any conflicts of interest, to be prepared by the Deputy GM, HR, Sustainability and Governance Systems Structure;
- half-yearly report on public funding obtained during the period, to be prepared by the following Structures:
 - Deputy GM, HR, Sustainability and Governance Systems, for employee-related loans;
 - Finance and Business Office, for other loans;
- half-yearly report on occupational health and safety, to be prepared by the Risk Prevention and Protection Department Manager (RSPP);
- half-yearly report on the environment, to be prepared by the Deputy GM, HR, Sustainability and Governance Systems Structure;
- half-yearly report on sponsorships provided and advertising space purchased, to be prepared by the Deputy GM, HR, Sustainability and Governance Systems Structure;
- half-yearly report on the exhibitions and fairs in which the company participated during the reference period, to be prepared by the Deputy GM, HR, Sustainability and Governance Systems Structure;
- half-yearly report on contracts in place with business promoters, to be prepared by the Corporate and Legal Affairs and Risk Management Structure.

3.4.2.3 IDENTIFICATION OF INTERNAL RESPONSIBLE PERSONS, EVIDENCE SCHEDULES AND PERIODIC DECLARATIONS

Evidence Schedules and Periodic Declarations complete the periodic flows specified in paragraph 3.4.2.2.

The Chair of the Board of Directors, Chief Executive Officer and Managers of the Company's Structures that answer directly to them, become internal responsible persons for operations at risk that they carry out themselves or that are carried out by the Structure they head.

In the context of activities at risk, relationships with the Public Administration must be disclosed to the S.B. by the above-mentioned internal heads by completing an Evidence Schedule to be updated every six months (Annex II A).

Half-yearly declarations (concerning all offences the Company considers potentially at risk) are also to be sent to the S.B. by responsible individuals in the company concerning the exercise of powers granted in line with the organisational provisions, operating procedures and provisions of the Model and the Code of Ethics (Annex II B).

3.4.3 COLLECTION, STORAGE AND ACCESS TO THE SUPERVISORY BOARD’S FILES.

All information, notices and reports required under the Model are stored by the Supervisory Board in files in its technical and administrative office, access to which is permitted only for members of the Supervisory Board and its administrative office.

4. TRAINING OF PERSONNEL AND DISTRIBUTION OF THE MODEL WITHIN AND OUTSIDE THE COMPANY

4.1 Instruction and training of personnel

Ansaldo Energia promotes knowledge of the Model, the relevant company protocols and updates of the same among all employees, who are therefore required to know their content, comply with it and contribute to its implementation.

The Deputy GM, HR, Sustainability and Governance Systems Structure, in collaboration with the Supervisory Board and the Compliance Function for the prevention of corruption, manages personnel training on the contents of Italian Legislative Decree 231/01 and ISO 37001 and implementation of the Model by means of a specific plan.

In this regard, communication actions relate to:

- posting the Model and the Code of Ethics on the Company's Intranet and Website;
- distributing the Code of Ethics to all staff and to new employees at the time of hiring;
- information on training courses on the contents of Italian Legislative Decree 231/01, ISO 37001, the Model and the Code of Ethics;
- notification on the intranet portal of changes made to the Model and/or the Code of Ethics.

The training course includes training and information seminars in the classroom held on a regular basis and at planned intervals for managerial personnel, holders of powers of attorney and anyone else considered at risk of corruption, identified in the Risk Assessment Document. For other personnel, training may be provided through e-learning. Attendance of training sessions is obligatory.

Traceability of attendance of classroom training seminars on the provisions of the Decree is achieved by preparing a report on the training session which identifies attendees. The Deputy GM, HR, Sustainability and Governance Systems Structure is responsible for filing reports on training sessions.

Updating training sessions will be held if relevant amendments are made to the Model or the Code of Ethics or if changes are made to the legislation of relevant for the Company's activities, or if the S.B. and/or the Conformity Function believes that, in view of the complexity of the matter, simply distributing the amendment in the manner described above will not enough.

The Corporate and Legal Affairs and Risk Management Structure ensures that subsidiaries promote communication and education for their employees regarding legislation of significance under Legislative Decree 231/01 which they are subject to, where applicable.

4.2 Informing and encouraging awareness among business partners

Ansaldo Energia promotes knowledge and observance of the Model among its business partners.

Ansaldo Energia includes clauses in contracts with third parties providing for suitable penalties, up to the point of terminating negotiation obligations, in the event of failure to comply with the ethical principles laid down.

5. DISCIPLINARY SYSTEM AND MEASURES TO BE ADOPTED IN THE EVENT OF BREACH OF THE MODEL’S REQUIREMENTS

5.1 General principles

Laying down an adequate system of penalties for violation of the provisions contained in the Model is an essential condition for ensuring the effectiveness of the Model.

In this regard, in fact,

- Article 6, paragraph 2, sub-paragraph e) of the Decree states that organisational and management models must "introduce a disciplinary system that is suitable for applying penalties for failure to respect the measures indicated in the model";
- article 8.10, sub-paragraph b) of ISO 37001 states that adequate measures must be taken in the event of emergence of any act of corruption or breach of the management system for the prevention of corruption.

For the purposes of the current disciplinary system, and in conformity with the provisions in the joint-bargaining employment contracts, where applicable, conduct covered by penalties include actions or behaviour that violate the Model; a breach of procedures is considered a breach of the Model, and must be reported to the Supervisory Board to permit investigation and assessment of its severity, proposing application of penalties if necessary.

Application of disciplinary penalties does not depend on whether or not criminal proceedings are launched and/or the outcome of the same, as the rules of conduct imposed by the Model are laid down by Ansaldo Energia fully autonomously and irrespective of the type of illegal act that may constitute a breach of the Model.

Identifying and applying penalties must take the principles of proportionality and adequacy into account, in relation to the violation in question. In this regard, the following circumstances are significant:

- the type of alleged offence;
- the actual circumstances in which the offence was committed;
- the manner in which the offence was committed;
- the seriousness of the breach, also taking into account the agent's subjective attitude;
- the possible commission of a number of breaches part of the same action;
- the possible collaboration of a number of people in committing the breach;
- whether the person responsible for the action has committed a repeat offence.

The disciplinary system is constantly monitored by the S.B. and the Deputy GM, HR, Sustainability and Governance Systems Structure.

5.2 Penalties applicable to employees

5.2.1 WHITE COLLAR, BLUE COLLAR AND MANAGERIAL STAFF

The penalties that can be applied to employees are laid down in the Company's Disciplinary Regulations, in accordance with the procedures laid down by Article 7 of the Employee Statutes and any special applicable norms.

In particular, in conformity with National Collective Contract of Employment for the Metalworkers' Industry, the following is provided in relation to the principle of application of disciplinary measures in proportion to the seriousness of the breach:

- employees who violate internal procedures required under this Model (for example, failure to comply with the required procedures, failure to provide the S.B. with the required information, failure to perform checks, etc.) will be subject to the provisions of verbal or written warning, fine, or suspension of work and pay, depending on the seriousness of the violation, as such conduct is considered a breach of contract resulting in damage to the Company's discipline and ethics;
- employees whose conduct in activities in areas at risk violates the requirements of this Model and is unarguably directed at commission of one of the offences sanctioned by the Decree will be subject to the provision of termination of employment with advance notice, as such conduct is considered insubordination of the Company's orders;
- employees whose conduct in activities in areas at risk fails to comply with the requirements of this Model and results in a danger of, or concrete application of, the measures identified in the Decree to the Company will be subject to the provision of termination of employment without advance notice, as such conduct will be considered to cause the Company "series moral and/or material harm" and constitute "a crime under the law".

5.2.2 EXECUTIVES

The penalties applicable to executives are applied in accordance with the provisions of the National Collective Contract of Employment for Industrial Executives.

Specifically:

- in the event of a violation of one or more procedural or behavioural rules contained in the Model that is not serious, the executive will be given a written warning to observe the Model, which is a necessary condition for maintaining their relationship of trust with the Company;
- in the event of serious violation of one or more provisions of the Model, such that it constitutes significant non-fulfilment, the executive shall be subject to firing with notice;
- if the violation of one or more provision in the Model is so serious that it irreparably harms the relationship of trust, as their working relationship cannot continue even temporarily, the employee will be fired without notice.

5.3 Measures in relation to Directors and Auditors

In the event of violation of the Model by Ansaldo Energia Directors and Auditors, or by the Board of Directors or the Board of Statutory Auditors, the Supervisory Board informs the Board of Directors and the Board of Auditors, who - in relation to their respective areas of competence - proceed to take the most suitable and adequate measures in relation to the seriousness of the violation and according to the powers laid down by law and/or by the Articles of Association.

5.4 Measures in relation to business partners

Any conduct engaged in within contractual relations with business partners which is in conflict with the lines of conduct indicated in this model may result in application of the relevant clause leading to termination of the contractual relationship.

The Corporate and Legal Affairs and Risk Management Structure sees to preparing, updating, and adding these specific contractual clauses to letters of appointment or negotiated or partnership agreements.

5.5 Procedure for applying penalties

The procedure for application of penalties as a result of violation of the Model depends on the category of Recipient as regards the following phases:

- accusing the person involved of the violation;
- determining and subsequently applying penalties.

In any case, the application procedure begins following receipt, on the part of the company bodies competent in each case and indicated below, of the notification by means of which the S.B. reports violation of the Model.

More specifically, in all cases in which it receives a report or acquires information suggesting that a violation of the Model may have taken place in the course of its vigilance and checking activity, the S.B. is obliged to take action to carry out the investigations and checks that are part of its activity.

The Company asks all employees involved to cooperate in the S.B.'s investigation of the report.

The Anti-bribery Directive states that in relation to subsidiary companies, the Company's Compliance Officer must:

- promptly investigate the case;
- report its findings to the competent company organisations;
- inform the Group Compliance Officer.

5.5.1 DISCIPLINARY PROCEEDINGS AGAINST EXECUTIVES AND EMPLOYEES

If the report regards Company executives, after concluding its investigation the S.B. sends the Manager of the Deputy GM, HR, Sustainability and Governance Systems Structure a report containing:

- the personal details of the person allegedly responsible for the violation;
- a description of the objectionable conduct;

Organisational, Management and Control Model – Special Section “A”

- identification of the provisions in the Model that have been violated;
- any documents and evidence supporting the allegation.

The procedure for application of penalties against Executives and Employees takes place through the Deputy GM, HR, Sustainability and Governance Systems Structure, in compliance with current regulations and powers.

5.5.2 THE DISCIPLINARY PROCEDURE FOR DIRECTORS AND AUDITORS

If a person in a Director's position, who does not have a direct employment relationship with the Company, is found to have violated the Model, the S.B. sends the Board of Directors and the Board of Auditors a report containing:

- a description of the objectionable conduct;
- identification of the provisions in the Model that have been violated;
- the personal details of the person allegedly responsible for the violation;
- any documents and/or evidence demonstrating that a violation has taken place.

Within ten days of receiving the report from the S.B., the Board of Directors summons the member indicated by the S.B. to a meeting of the Board, to be held within not more than thirty days of receiving the report.

The summons must:

- be made in writing;
- notify the person involved of the availability of all the deeds and documents supporting the allegation for their consultation, and notify them of their right to make comments and/or deductions, both written and verbal, and to appoint a person to assist them in the case. The summons must be signed by the Chairperson or at least two members of the Board of Directors.

At the meeting of the Board of Directors, which the members of the S.B. are also invited to attend, the person involved is given an opportunity to speak, any deductions formulated by them are acquired, and any further investigations deemed useful are carried out.

On the basis of the evidence obtained, the Board of Directors then decides whether to apply a penalty and gives reasons for its decision.

The procedure described above is also applied if a member of the Board of Auditors is found to have violated the Model, within the limits allowed by the applicable legal norms.

In all cases in which violation of the Model by a Director associated with the Company in terms of an employment relationship is found, the procedure for dealing with Managers / Employees will also be carried out.

If this procedure results in the decision to apply penalties, the Board of Directors will call a Shareholders Meeting without delay to decide in the subsequent steps to be taken.

The Board of Directors notifies the person involved and the Supervisory Board of resolution passed by the Board of Directors and/or the Shareholders' Meeting, as appropriate to the circumstances, in writing.

5.5.3 THE PROCEDURE FOR BUSINESS PARTNERS

In order to allow the initiatives to be taken that are provided for in the contractual causes indicated in paragraph 5.4, the S.B. sends the Manager of the Structure that manages the

Organisational, Management and Control Model – Special Section “A”

contractual relationship a report, sending a copy to the Chairperson for their information, containing:

- the personal details of the person allegedly responsible for the violation;
- a description of the objectionable conduct;
- identification of the provisions in the Model that have been violated;
- any documents and evidence supporting the allegation.

If the contract was decided on by the Ansaldo Energia Board of Directors or the Shareholders’ Meeting, this report must also be sent to that Board and to the Board of Auditors for their attention.

The Manager of the Structure that manages the contractual relationship, in collaboration with the Corporate and Legal Affairs and Risk Management Structure and based on the decision made in the meantime by the Chairperson, and by the Board of Directors /Shareholders’ Meeting and Board of Auditors, if the appointment was made by the Board of Directors/ /Shareholders’ Meeting, then takes appropriate action.

6. GENERAL BEHAVIOURAL PRINCIPLES FOR OFFENCES NOT DEALT WITH IN THE SPECIAL SECTIONS

This paragraph covers the general rules of conduct applicable to types of offence covered by the Decree for which it is not deemed necessary to prepare a Special Section, as these risks appear to be appropriately covered by the rules of conduct appearing in the Code of Ethics, some of the rules in the Special Sections of this Model and in the Company’s procedures.

For the purposes of prevention of the risk of commission of offences connected to terrorism and offences against the individual, the Company:

- uses information technology tools to prevent access to and/or reception of material not pertinent to the Company’s purpose;
- provides clear, unequivocal reminders of correct use of the information technology tools in its employees’ possession;
- dedicates special attention to assessment of potential partnerships or investments;
- diligently investigates its customers and suppliers:
 - in relation to investigation of the counterpart’s effective shareholders;
 - in relations with customers, the Company verifies the final recipient of supplies and the customer's dependability on the basis of documents, figures or information obtained from reliable independent sources.

Moreover, in order to prevent the commission of offences against the individual through illegal procurement of workers, trafficking of migrants, slavery and the gangmaster system, Ansaldo Energia:

- demands and verifies that its suppliers and contractors meet the requirements of the law in the areas of:
 - protection of children and women;
 - health, hygiene and safety conditions;
 - the right to trade union membership and all forms of association and representation;
 - protection against exploitation of labour;

Organisational, Management and Control Model – Special Section “A”

- appropriate contractual penalties against suppliers/contractors who violate the above provisions.

Lastly, in addition to the principles set forth above, in order to prevent the commission of the offence of employment of foreign nationals without residency permits, the Company:

- requires a valid residency permit when hiring foreign nationals;
- requires suppliers/contractors, partners and/or consultants/providers of professional services who are foreign nationals and/or employ foreign nationals to issue a declaration that they have also complied with this requirement.

SPECIAL SECTIONS ONLY FOR INTERNAL USE