



ANTI-CORRUPTION POLICY

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1. PREFACE

1.1. SINELEC's Commitment to Fighting Corruption

SINELEC S.p.A. ("SINELEC" or the "Company") and its subsidiaries core values which include ethics, legality, honesty, fairness and transparency.

The SINELEC has adopted a "zero tolerance" approach and refuses any form of discrimination, conflict of interest or corruption, and is committed to actively preventing, confronting and combating this, complying with the anti-corruption laws in force in all of the SINELEC's countries of operation and requiring its stakeholders to operate with honesty and integrity according to the international principles set forth by standard UNI ISO 37001:2016.

In this regard, awareness of corruption risks has led SINELEC to go beyond mere legislative compliance and identify measures to prevent corruption as an integral part of the SINELEC's social responsibility in order to protect its organisation and all its stakeholders.

In this context, in coordination with the principles set out in the Code of Ethics and Conduct ("Code of Ethics") and following the best practice of the Anti-Corruption Compliance Program and the UNI ISO 37001:2016 international standard, SINELEC adopts this Anti-Corruption Policy (hereinafter also "Policy") to prevent corrupt acts, in any form or way, as well as minimise the risk of conduct that may be attributed to corrupt practices.

SINELEC has therefore defined a system of rules and controls aimed at preventing corruption offences (Management System for the Prevention of Corruption) and at pursuing the above principles, also defining the procedures necessary to verify compliance with this Policy and constantly monitoring its Anti-Corruption Compliance Program in accordance with the UNI ISO 37001:2016 principles.

The periodic monitoring of the Anti-Corruption Compliance Program is also intended to identify any opportunities to be taken for the continuous improvement of the Management System for the Prevention of Corruption in terms of sustainability, adequacy and effectiveness.

1.2. Legislative Framework

SINELEC conducts its business in various countries and jurisdictions; it is thus subject to Italian laws and the laws of the countries in which it operates, including those that ratify international conventions, prohibit bribery of Public Officials and corruption among individuals, for example:

- the Organisation for Economic Co-operation and Development Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions;
- the United Nations Convention against Corruption;
- the Foreign Corrupt Practices Act (FCPA) issued in the United States;
- the UK Bribery Act issued in the United Kingdom;
- the Civil Law Convention on Corruption;

- the African Union Convention on Preventing and Combating Corruption.

In recent years, the fight against corruption has gradually taken on greater importance, also in view of the increased penalties for individuals (e.g. detention) and legal entities (e.g. fines or disqualifying penalties) as well as in consideration of the reputational impacts.

Various national governments have promoted legislative frameworks to discourage corruptive practices, through local legislation and international agreements.

In this regard, SINELEC has decided to implement and maintain a corruption prevention management system, integrated within the Company's overall risk management and control system, which includes the following components:

- Code of Ethics and Conduct;
- Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001
- Anti-Corruption Policy;
- analysis and assessment of the risk of corruptive practices being committed;
- principles, rules of conduct and procedures to protect against corruptive practices taking place;
- information and training activities for all recipients;
- the regulation of processes, by defining roles and responsibilities, reporting procedures and disciplinary systems for any breaches;
- regular monitoring of corruption risks and the effectiveness and suitability of the Policy.

1.3. Recipients and Scope of Application

This Policy applies to SINELEC S.p.A. Specifically, "Recipients" are identified as being members of the Board of Directors and other Corporate Bodies, Employees, collaborators, consultants (including any commercial intermediaries) and intermediaries, suppliers (including subcontractors) and business partners with whom business relationships have been established that, for any reason and regardless of the type of contractual relationship, operate in the name of or on the behalf of the Company.

This Anti-Corruption Policy is also an amendment to the Organisational Model adopted by the Company pursuant to Italian regulations concerning the "liability of entities for administrative offences resulting from a crime" contained in Italian Legislative Decree no. 231/2001 ("Model 231") and constitutes - combined with the principles contained within the Code of Ethics adopted by the Company - the tool to combat corruption problems, insofar as the Anti-Corruption Compliance Program is established by the legislation and best practices of the countries in which the Company operates.

2. INTRODUCTION

2.1. Conflicts of Interest

When carrying out any activities, situations should be avoided where the parties involved in transactions have conflicts of interest, particularly, personal or family interests that could influence independent judgement or interfere with the ability to make impartial decisions in the best interests of the Company.

Any situation which may constitute or create a conflict of interest must be promptly communicated to the immediate supervisor or, for persons in upper management, to the Chair or the Chief Executive Officer. Similarly, the individual involved must promptly refrain from participating in the operational/decision-making process, while their superior is required to identify the operational solutions pertaining to the specific case to safeguard the transparency and fairness of conduct when carrying out the activities.

Situations of conflict of interest involving third parties with which the Company has contractual relations are also identified and managed in accordance with company procedures.

2.2. Due Diligence

In carrying out the activities, the competent Department must perform ethical and reputational due diligence on the third parties based on the level of risk of the counterparty, in accordance with company procedures, in order to assess (i) the integrity, professional reliability and reputation of the potential counterparty and (ii) possible risks of behaviour not consistent with the principles set out in this Policy, the Code of Ethics, Model 231 as well as with the provisions of the applicable Anti-Corruption regulations.

The continuity of these requisites is also monitored over the course of the contractual relationship, in order to establish relationships exclusively with parties that hold a “good reputation”, are only involved in legal activities and have an ethics culture in line with that of the Company.

Contracts with third parties require adequate anti-corruption declarations and guarantees.

2.3. Offer and Order Management

The management of negotiations, the assumption of commitments and the execution of relationships, of any kind, with the Customer/Client are exclusively reserved to the company departments designated and/or authorised to do so in accordance with the powers attributed to them.

Specifically, in these relationships, SINELEC, and those that operate on its behalf, must not inappropriately influence the Customer's decisions in order to obtain the fulfilment of acts that do not conform with or are contrary to their official duties or to obtain the omission of an act in violation of the obligations pertaining to their office (or, in the case of a Public Sector Client, also in order to accelerate, encourage or secure activities that fall within the scope of their own duties), particularly by offering or promising, either directly or indirectly, gifts, money, favours or any other benefit of any kind.

2.4. Supplier Management

When carrying out its activities and managing relationships with suppliers, the Company scrupulously adheres to legal provisions, the principles of the Code of Ethics and the Suppliers' Code of Conduct and its internal procedures in order to identify suppliers with complete impartiality, transparency and independent judgement.

Supplier selection must be based on predetermined evaluations that aim to identify and choose suppliers possessing the necessary legal requirements with proven quality, professionalism, integrity and reliability. In particular:

- the selection process must be objective and transparent;
- selections must be tracked and documents proving compliance with internal procedures and the reasons for the purchase must be adequately archived;
- if a supplier is suspected of corruptive conduct, in the broadest sense – whether directly or indirectly – or it is suspected that a supplier is a member of or facilitates criminal organisations, or the supplier is suspected of other conduct that is punishable under criminal law, the conclusion or continuation of any contractual relationship must be interrupted, by including a specific clause.

It is forbidden to:

- assign works or services to people or companies close to or liked by public and private third parties in the absence of the necessary requirements of quality and value of the purchase transaction or to assure undue advantage to the Company;
- reimburse expenses to suppliers, or pay other compensation in general, that are not part of the contract nor adequately justified in relation to the type of role to be carried out and applicable local practice.

As always, monitoring and verification of the correct execution of the provision of goods or services as agreed by contract is required, as is the approval of the company structure in charge of invoice payments.

2.5. Relationships with Public Authorities

Relationships with persons that represent the Public Administration or Supervisory Authorities, with Public Officials (such as, officials belonging to the legislative, executive, administrative and judicial powers or to other public departments or international public organisations) or Italian or foreign public servants must be conducted in accordance with the principles of fairness, transparency, impartiality and collaboration, as well as in compliance with applicable legal provisions and regulations.

No relationships of favour, influence or interference may be sought or established, either directly or indirectly, which aim to influence the activities of Public Administration, Supervisory Authorities, Public Officials or public servants.

It is forbidden to:

- promise, pay or offer, either directly or indirectly and also by resorting to other forms of aid and contributions, payments or material benefits or any other utilities and secure advantage of any kind for representatives of the Public Administration, Public Officials, public servants or representatives of Supervisory Authorities or persons close to them, in order to influence their behaviour;
- encourage a third party to exercise influence or pressure over a Public Official or a Public Administration or Supervisory Authority for the aforesaid purposes or in any case to remunerate it or them for mediation;
- submit to requests or solicitations for benefits or advantages, for intercession or pressure from representatives of the Public Administration, Public Officials or public servants or representatives of Supervisory Authorities.

The relationships in question must only be managed by persons designated and authorised for the purpose and within the limits of the powers attributed to them by formal proxy or within the limits of their roles or responsibilities. Specifically, in the event of institutional meetings, the presence of at least two company representatives is required.

All institutional meetings, including inspections, with the Public Administration, Public Officials or public servants or representatives of Supervisory Authorities must be documented within minutes/reports/explanatory notes, which must be properly filed and stored.

Mandates/letters of appointment stipulated with any external consultants that engage in direct relationships with representatives of the Public Administration, Supervisory Authorities or with Public Officials or public servants must contain clauses requiring compliance with Italian Legislative Decree no. 231/2001, as well as the Code of Ethics, and outline the consequences for non-compliance.

2.6. Facilitation Payments

The term “facilitation payment” refers to payments made to Public Officials and/or officials of Public or Supervisory Authorities or to public servants in order to accelerate, facilitate or secure an activity planned as part of their duties, such as, including, but not limited to:

- obtaining licences, certifications, authorisations, other official documents or other kinds of authorisation required for their work;
- awarding public contracts, allocating public funds and/or subsidies, reversing negative provisions and sanctions.

Facilitation payments are a form of corruption and therefore are prohibited in any form, regardless of the laws or customs of the country in which the Company operates.

2.7. Human Resources

Human resources must be managed with impartiality, transparency, autonomy and independent judgement, in accordance with company procedure. In particular:

- the selection process for recruiting personnel must be formalised and guarantee the absence of conflicts of interest between the person making the selection and the candidate and so that there is a separation between the departments requiring the employee and the person making the selection;
- the personnel recruitment process must envisage pre-recruitment checks relating to conflicts of interest and any criminal records. The results of these pre-recruitment checks are assessed in relation to the role and tasks that the candidate would carry out;
- for personnel in upper management organisational positions (during hiring and employment), it must be ensured that candidates do not have conflicts of interest, criminal records or pre-existing behaviours inconsistent with the principles set out in this Policy, the Code of Ethics, Model 231 and the applicable anti-corruption regulations;
- personnel assessments must be objective and transparent, and any bonuses must be paid after previously established objectives are achieved.

Hiring employees or collaborators on the specific instruction of third parties, in exchange for favours, compensation or other advantages for themselves and/or for the Company, is prohibited. Specifically, it is prohibited to offer job opportunities to family members or relatives of employees of the Public Administration and/or Supervisory Authorities and/or Public Officials involved in the Company's activities, except where there is objective justification within an impartial and transparent selection process.

Personnel travel expenses are to be reimbursed within the limits and in compliance with company procedures that define the types of expenses permitted and maximum reimbursement amounts.

Specifically, travel expenses must be documented and summarised in an expense report, with analytic reimbursement, approved by the manager of the competent department, and reimbursed after the validity, consistency with the maximum limits provided and applicability have been verified.

Using expense accounts and travel expense reimbursements for other than their intended purposes is prohibited.

2.8. Gifts

Gifts are permitted for promotional and commercial reasons or within courtesy relationships on special occasions linked to holidays, anniversaries and events that involve the Company (e.g. office or construction site openings). Conversely, they are corruptive practice if given with the intent of obtaining another kind of undue advantage or to exercise inappropriate influence.

Gifts can never be allowed, and thus neither accepted nor offered, regardless of their value, if:

- they are in cash;
- they violate laws or regulations;
- they are given or received to obtain an improper advantage or favourable treatment or are motivated by the desire to influence independent judgement.

Gifts of modest value that do not compromise the integrity and reputation of the parties may be permitted, in compliance with company procedures regarding authorisation, recipient identification and traceability and relevant documentation.

Gifts may be accepted within the context of courtesy relationships only if they are of a modest value that does not compromise the integrity and reputation of the parties and are in compliance with company procedures regarding occasion, means of acceptance and amount threshold.

In any event, gifts are only permitted if an impartial third-party observer would not interpret them as actions intended to obtain improper advantages and favours.

2.9. Donations and Sponsorships

Sponsorships and donations, in cash or gifts of products, may be given in compliance with the company procedures in force while avoiding any possible situation of conflict of interest. Specifically, they must be duly authorised, with the clear identification of the recipients (well-known and reliable persons and/or entities that demonstrate transparent and proven legitimate conduct) and the reasons behind the payment, to support cultural, artistic, sports, social or technological initiatives.

The donation, if paid in cash, must be made through authorised financial intermediaries/banks to guarantee traceability.

Sponsorships and donations cannot be offered or granted if they can be interpreted as being intended to influence independent judgement or obtain favourable treatment or improper advantages. To this end, contracts and letters of donation must include specific clauses providing that the beneficiary scrupulously adheres to legal provisions and the principles of the Code of Ethics.

2.10. Confidentiality, Accounting and Cash Flow Management

Information acquired in the course of performing one's job activities may not be used for purposes that are not strictly connected performing these activities. In particular, it is compulsory:

- not to divulge confidential commercial, industrial, financial or corporate information to third parties, unless this is necessary to perform company activities and subject to a specific confidentiality agreement being signed;

- to keep, for a certain time period and with the utmost care, the confidential information one may possess in a safe place.

The internal and/or external accounting control procedures guarantee that books, registrations and accounts are not used to hide corruptive acts or influence peddling. Furthermore, each recipient, whether an employee or another individual that operates in the name of or on the behalf of the Company, as far as it falls within their competence and in relation to the duties assigned to them, is obligated to cooperate fully so that operating results are promptly and correctly represented in the company accounts – so as to provide a detailed reflection of the company operations and the disposition of company assets – and to keep all supporting documentation so that it can be easily procured and consulted by persons assigned to auditing.

All financial operations, as well as all accounts of incoming and outgoing cash, must be carried out by persons provided with the relative powers, subject to authorisation, and always be justified, traceable and recorded.

Any unauthorised access to data, information or programmes contained in IT systems is prohibited. To this end, the following must be guaranteed:

- that systems suitable for recording access (digital authentication) to processing systems and electronic archives are adopted;
- that IT systems are protected by a profiling mechanism that guarantees access to transactions related to the tasks or functions of each user.

3. IMPLEMENTATION, CONTROL AND MONITORING

3.1. Communication and Distribution

SINELEC promotes the communication of this Anti-Corruption Policy, with suitable methods for distributing it to all Recipients and the implementation of specific training programmes, in order to guarantee its effective awareness.

3.2. Anti-Corruption Officer

The Internal Audit Department is the body responsible for overseeing the implementation and distribution of this Policy and the Management System for the Prevention of Corruption, with the following duties:

- to supervise the implementation and the adoption of the Management System for the Prevention of Corruption;
- to provide advice and guidance to Recipients concerning the content of the Policy and the Management System for the Prevention of Corruption;
- to monitor that this Policy complies with best practices and current Anti-Corruption legislation;
- to report to the Board of Directors any significant shortcomings regarding the adoption, distribution

and adequacy of the corruption prevention management system in order to allow for the adoption of the necessary provisions.

An annual financial fund is allocated to the Anti-Corruption Officer for the performance of his/her functions and for the achievement of the above objectives.

3.3. Internal Monitoring and Auditing

A regular audit must be conducted to check compliance with the principles and rules of conduct contained within the Policy, or rather their effectiveness and adequacy in containing risks of corruption¹.

The results of these audits must be reported to the Board of Directors, which must also be notified of any significant breaches in the Policy or shortcomings in its adequacy or the need for supplementation.

3.4. Whistleblowing and Reporting

All recipients of this Policy are obligated to promptly report attempted, presumed or actual corruptive acts that they have become aware of, as well as any other violation of the Anti-Corruption Policy, according to the operating methods set out by the Whistleblowing procedure.

To this end, and in compliance with whistleblowing regulations (Italian Law no. 179 of 30 November 2017), dedicated communication channels are instituted, indicated in the specific section of the website <https://gruppoastm.integrityline.org/index.php>.

The utmost confidentiality in regard to the whistleblowers is guaranteed when managing reports, without prejudice to legal obligations. Furthermore, in the event of reports not made anonymously, the Company will not engage in any retaliatory actions (disciplinary sanctions, demotion, suspension, dismissal or the termination of collaborative relationships) nor will it discriminate – in any way – against whistleblowers who have acted in good faith to report events or situations that are in violation of the Anti-Corruption Policy.

3.5. Disciplinary System

Compliance with the Anti-Corruption Policy is an integral part of the contractual obligations of employees, collaborators and, more generally, of all Recipients.

Any breaches will be subject to measures in compliance with the applicable National Collective Labour Agreement and according to the severity of the breach and within the limits established by the current legislative framework. An employee's failure to comply may lead to disciplinary proceedings up to and including the termination of employment and, for directors and statutory auditors, the suspension or termination of their position.

¹ To the extent and frequency that is proportionate to the risk, this activity is performed by the Internal Audit Department, in keeping with its assurance activities over the entire Internal Control and Risk Management System.

The failure of external parties to comply with the Policy may lead to the termination of the contract, assignment or, more generally, the relationship that exists with the Company, as well as claims for damages - when applicable conditions are met.

4. POLICY APPROVAL AND UPDATE

By resolution of the Board of Directors, SINELEC S.p.A. approves this Anti-Corruption Policy and promotes its adoption by all its directly controlled subsidiaries, which will adopt this document independently by resolution of their own administrative bodies, ensuring the timely adoption of the same by their respective subsidiaries.

SINELEC and all its subsidiaries will work to encourage the implementation of this Policy by the companies in which it holds a non-controlling interest (including joint ventures).

This Policy is subject to regular review when the national and international anti-corruption regulations – which are referred to as best practices – are amended or judicial interpretations change, or whenever necessary.

The SINELEC S.p.A. Board of Directors updates and undertakes any review, if necessary, of the Anti-Corruption Policy and assesses any proposals for modifications/additions from the Internal Audit Department in its role as Anti-Corruption Officer.

Revision	Description	Date
-	First issue	31/10/2018
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