

LINDE MATERIAL HANDLING ITALIA S.p.A.

Registered office: Via Del Luguzzone, 3 - 21020 Buguggiate (VA)

Share Capital € 2,480,000 fully paid-in

VAT no./ Tax Code / Business Register Varese 00199400128

REA Varese 86029

Sole-shareholder company

Subject to direction and coordination of Linde Material Handling GmbH

Organisation, Management and Control

Model

pursuant to Italian Legislative Decree no. 231 of 8 June 2001

as subsequently amended, concerning the

“ADMINISTRATIVE RESPONSIBILITY OF COMPANIES”

- approved by the Board of Directors of Linde Material Handling Italia S.p.A. during the meeting held on December 6th, 2016
- updated during the BDO meeting held on December 13th, 2017
- updated by the CEO on June 26th, 2018

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<u>Annex “A”</u>	
Italian Legislative Decree no. 231 of 8 June 2001 , entitled « <i>Regulations governing the administrative liability of legal persons, companies and associations also without legal status</i> », in the version in force as of the approval date of the Model	
<u>Annex “B”</u>	
Summary catalogue of <i>predicate offences</i> updated at Legislative Decree 15 March 2017 n. 38	
<u>Annex “C”</u>	
Code of Ethics , (as approved by the B.o.D. during the meeting held on 29 July 2016)	

GENERAL SECTION

1. Legislative Decree 231/2001 - subjects, types of offences and sanctions

1.1. Direct liability of the company for certain types of offences

Legislative Decree no. 231 of 8 June 2001, entitled «*Regulations governing the administrative liability of legal persons, companies and associations, the latter even if without legal status*», introduced in Italy a the direct liability of companies (and of entities in general) for certain offences (known as *predicate offences*) committed by:

- natural persons who cover representation, administration or direction positions at the company or at one of its organisational units having financial and functional independence (known as *top-level subjects*);
- natural persons who carry out, including de facto, the management and control of said entities;
- natural persons subject to direction or supervision of one of the aforementioned subjects (known as *subjects under others' direction*).

The company's direct liability is added to the responsibility of the natural person who committed the offence.

Extending liability to the company requires, as an essential condition, that the *predicate offence* be committed in the interest of or to the advantage of the company itself ⁽¹⁾. Ascertaining the company's liability entails the application to said company of monetary and disqualifying sanctions.

In order to determine the source of responsibility of collective entities for an offence, the Supreme Court refers to what is known as "*fault of the organisation*". In other words, the company's responsibility cannot be justified, in and of itself, by the fact that the natural person has committed a crime in the interest of or to advantage of the entity, but requires that the infringement be (also) traced back to a guilty behaviour (managerial defect) by the company, i.e. that the company can be called to be liable for the infringement committed by the aforementioned natural persons only when gaps and shortcomings in the organisation of the company's activity have allowed said subjects to commit offences ⁽²⁾.

The company is also liable for offences committed abroad, provided that the State where

⁽¹⁾ The interest is subjective in nature: it refers to the volatile sphere of the natural person who acts, and can be evaluated at the time of the behaviour. If the natural person has committed the offence in his/her own personal interest, in order for the company to be responsible said interest needs to coincide at least in part with that of the company (see *Supreme Court, Criminal Section V, ruling no. 40380 of 2012*).

The advantage is characterised as a set of the benefits – especially of an economical nature – arising out from the offence, which can be evaluated after the commission of the latter (see *Supreme Court, Criminal Section II, ruling no. 3615 of 2005*).

⁽²⁾ The profiles of "organisational negligence" are structured differently depending on whether the offence was committed by a top manager or by one of their subordinates, since the two cases require the company to adopt two different types of

the offence was committed does not proceed on its own against said offences.

Lastly, responsibility is also extended to include attempted crimes (art. 26 Leg. Decree 231/2001).

The text of Leg. Decree 231/2001, updated with the amendments carried out over time up to the present, is enclosed herein as Annex “A”⁽³⁾. Afterwards, the number of articles with no indication of the legislative measure to which they refer are intended as being

precautionary measures in order to avoid any sanctioning consequence:

- in the hypothesis of a crime committed by top managers, the legal person can be exempt from responsibility only if it is able to prove that it has undertaken the necessary measures for preventing the commission of crimes of the type that was committed – through the adoption of effective prevention checks and through a special control body, equipped with full autonomy of initiative in the supervisory activity - so that the commission of the offence was possible only thanks to a fraudulent dodging of said prevention mechanisms;
- in the case of an offence committed by individuals subject to supervision by others, the company shall be responsible only if the public prosecutor is able to prove that the commission of the offence was made possible by failure to comply with the obligations of direction or supervision, excluding in any event the existence of said organisational shortcoming if, prior to the commission of the crime, an Organisation, Management and Control Model was adopted and effectively implemented, according to an evaluation to be carried out *ex ante* and in abstract terms, aimed to prevent offences of the same type as the one that was committed.

⁽³⁾ Leg. Decree no. 231 of 8 June 2001, issued in execution of parliamentary decree no. 300 of 29 September 2000, originally envisaged only some of the crimes currently provided for. The Decree was subsequently amended and supplemented by including additional crimes, through the following legislative measures: Law no. 409 of 23 November 2001, Leg. Decree no. 61 of 11 April 2002, Law no. 7 of 14 January 2003, Ministerial Decree no. 201 of 26 June 2003, Law no. 228 of 11 August 2003, Law no. 62 of 18 April 2005, Law Decree no. 144 of 27 July 2005 converted with La no. 155 of 31 July 2005, Law no. 262 of 28 December 2005, Law no. 7 of 9 January 2006, Law no. 38 of 6 February 2006, Law no. 146 of 16 March 2006, Law no. 123 of 3 August 2007, Leg. Decree no. 231 of 21 November 2007, Law no. 48 of 18 March 2008, Law no. 81 of 9 April 2008, Law no. 94 of 15 July 2009, Law no. 99 of 23 July 2009, Leg. Decree no. 121 of 7 July 2011, Leg. Decree no. 109 of 16 July 2012, Law no. 190 of 6 November 2012, Leg. Decree no. 39 of 4 March 2014, Law no. 186 of 15 December 2014, Law no. 68 of 22 May 2015, Law no. 69 of 27 May 2015, Law no. 199 of 29 October 2016, Leg. Decree no. 38 of 15 March 2017. Hereinafter, the term “Leg. Decree 231/2001” or “Decree” shall mean the original decree as amended over time.

Linde Material Handling Italia S.p.A.

Organisation, Management and Control Model Pursuant to Leg. Decree no. 231 of 8 June 2001

updated during the BOD meeting held on December 13th, 2017

updated by the CEO on June 26th, 2018

General Section

referred to Leg. Decree 231/2001.

1.2. The *predicate offences*

Predicate offences belong the following categories:

- 1.2.1. Misappropriation of funds, fraud to the detriment of the State or other public entity or for the obtainment of public funds and computer fraud to the detriment of the State or other public entity (art. 24);
- 1.2.2. Computer crimes and illegal data processing (art. 24-bis);
- 1.2.3. Organised crime (art. 24-ter);
- 1.2.4. Crimes against the Public Administration (art. 25);
- 1.2.5. Counterfeiting money, public credit cards, revenue stamps and distinctive trademarks and signs (art. 25-bis)
- 1.2.6. Crimes against industry and trade (art. 25-bis.1);
- 1.2.7. Corporate crimes (art. 25-ter);
- 1.2.8. Crimes for the purpose of terrorism or subversion of the democratic order (art. 25-quater);
- 1.2.9. Practices of mutilating female genitals (art. 25-quater 1);
- 1.2.10. Crimes against the individual personality (art. 25-quinquies);
- 1.2.11. Market abuse (art. 25-sexies);
- 1.2.12. Manslaughter and serious personal injury or grievous bodily harm committed with violation of rules on the protection of health and safety in the workplace (art. 25-septies);
- 1.2.13. Receiving of stolen goods, money-laundering, employment of money, goods or utilities of illegal origin, self-money-laundering (art. 25-octies);
- 1.2.14. Offences on the subject of violation of copyright (art. 25-novies);
- 1.2.15. Inducement not to make or to make false statements before the judicial authorities (art. 25-decies);
- 1.2.16. Environmental crimes (art. 25-undecies);
- 1.2.17. Employment of illegally staying third-country nationals (art. 25-duodecies).

The types of *predicate offences* are listed in detail in Annex *sub "B"* ("*Catalogue of*

Offences”).

1.3. The sanctions

The sanctions applicable to the company provided by the Decree (art. 9) are of monetary and/or disqualifying kind.

1.3.1. Monetary fines (art. 10 - 11 -12)

Monetary fines are quantified through a system of shares, within a range from a minimum of € 100 to a maximum of € 1,000; the value of each single share can vary from a minimum of € 258 (two hundred and fifty-eight) to a maximum of € 1,549 (one thousand five hundred and forty-nine). In case the company’s responsibility is ascertained, the monetary fine is always applied.

1.3.2. The amount of the monetary fine shall be at the Judge’s discretion: the number of shares is determined by the judge: the number of shares is determined «... taking into account the seriousness of the fact, the degree of responsibility of the entity and the activities carried out in order to eliminate or reduce the consequences of the fact and to prevent the perpetration of further crimes. The amount of the share is established based on the entity’s economic and net worth conditions, in order to ensure the effectiveness of the sanction» ⁽⁴⁾.

1.3.3. Disqualifying sanctions (art. 13 - 14)

The disqualifying sanctions are mandatorily set forth by the law, and they are:

- a) debarment, in extreme cases, from exercising the activity,
- b) suspension or revocation of the authorisations, licenses or permits functional to the commission of the offence,
- c) ban on contracting with the Public Administration (except for obtaining a public service),
- d) exclusion from public aid, financing, grants and subsidies and/or revocation of those already granted,
- e) ban on advertising goods or services.

Disqualifying penalties may be applied only where expressly provided for in

⁽⁴⁾ In certain cases the monetary sanction is reduced. In fact, art. 12 states that:

«1. The monetary sanction is reduced by half and in any case cannot exceed the amount of € 103,291.00 if:

- a) the offender committed the fact mainly in his/her own interest or that of third parties and the entity did not obtain an advantage or obtained a minimum advantage;
- b) the financial damage caused is insignificant.

2. The sanction is reduced from one third to one half, if, before the beginning of proceedings of first instance:

- a) The entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has effectively acted in that sense;
- b) an organisational model suited to preventing the kind of crimes that have been committed has been implemented and

connection with a specific *predicate offence* (principle of legality), and when at least one of the following conditions occurs:

- a) the entity has obtained a significant profit as a consequence of the crime and the crime has been committed by:
 - (i) top level managers, or
 - (ii) individuals under the direction or supervision of others if the crime has been determined or facilitated by serious shortcomings in the organisation;
- b) repetition of the illegal behaviour.

Disqualifying sanctions last for at least three months up to a maximum of two years. The law sets forth criteria for their selection ⁽⁵⁾.

Disqualifying sanctions are not applicable to the cases referred to in article 12, paragraph 1 (mentioned in note 4).

1.3.4. Confiscation (art. 19)

The confiscation of the profit which was obtained by the entity from the crime (art. 6 Leg. Decree 231/2001, last paragraph) is mandatory, and may also involve assets or other properties of equivalent value.

1.3.5. Publication of the sentence (art. 18)

Publication may be ordered at the Judge's discretion and carried out at the company's expense, for one time only, in full or in abstract form, in one or more newspapers and through posting at the Municipality where the company's main

made operational.

3. *In case both conditions provided for in the letters of the paragraph above, the sanction is reduced from one half to two thirds.*

4. *In any case, the monetary sanction cannot be less than € 10,329.00.»*

⁽⁵⁾ Art. 14 states as follows:

«1. Disqualifying sanctions concern the specific activity to which the unlawful act committed by the entity refers. The judge establishes the type and duration on the basis of the criteria indicated in article 11, taking into account the suitability of the individual sanctions in terms of preventing the same type of offences as the one committed.

2. The ban on contracting with the Public Administration may also be limited to certain types of contracts or to certain administrations. The disqualification from exercising an activity entails the suspension or revocation of the authorisations, licenses or permits instrumental to the performance of the activity.

3. If necessary, disqualifying sanctions can be applied jointly.

4. The disqualification from exercising the activity is applied only when the application of other disqualifying sanctions appears to be inadequate. »

offices are located.

2. Exemption from liability

2.1. Conditions under which the company is exempt from liability

The company or entity may benefit from an exemption from liability if it can prove, in a court of law (art. 6 of Leg. Decree 231/2001), that:

- a) its Board of Directors has adopted and effectively implemented, before the crime was committed, organisation and management models suited to preventing crimes of the same type as the one that was committed;
- b) the task of overseeing the functioning of and compliance with the model as well as of arranging for its update has been entrusted to a body having autonomous powers of initiative and control;
- c) the individuals who committed the crime have fraudulently eluded the aforementioned organisation and management model;
- d) the supervisory body referred to in letter b) above did not fail to perform its supervisory duty or applied an insufficient level of supervision.

Moreover, the company or entity is not liable if the individuals who committed the crime acted *exclusively* in their own interest or in the interest of third parties.

2.2. The Organisation, Management and Control Model

2.2.1. Linde Material Handling Italia S.p.A. (hereinafter also referred to in short as the “**Company**” or simply as “**Linde M-H**”) has therefore adopted the Organisation, Management and Control Model (contained herein) (hereinafter also referred to in short as the “**Model**”) for the purpose of preventing the commission of certain specific types of *predicate offences* provided for by Leg. Decree 231/2001 by top managers and by other subjects referred to in par. 1.1. above, the risk of which is deemed significant during the performance of company activity.

2.2.2. The Company has also equipped itself with a Code of Ethics, integral part of the Model and enclosed herein as Annex “C”, which contains, among other things, rules of behaviour such as to cause all those who operate for and on behalf of the Company to become fully aware that the commission of offences is strongly

censured by the Company and leads to the application of disciplinary sanctions (or of different sanctions for non-employees).

- 2.2.3. In addition to the Code of Ethics, the Model also includes the “Protocols” (inclusive of “Procedures” and “Practices”) pertaining to Sensitive Processes (as defined below) both pre-existing and adopted from time to time by the Company’s executive directors. The Protocols also form integral part of the Model ⁽⁶⁾.
- 2.2.4. The Company has also appointed a Supervisory Body (Organismo di Vigilanza or O.d.V.) which is assigned the task of supervising the efficacy, functioning and observance of the Model and the Protocols, as well as to promote their update.
- 2.2.5. The Model adopted by Linde M-H was drawn up taking into account the indications contained in the «*Guidelines for constructing organisation, management and control models pursuant to Leg. Decree. 231/2001*», proposed by Confindustria.
- 2.2.6. The Model and the Protocols represent a structured and organic system of rules, procedures and control activities aimed at preventing the commission of *predicate offences* and at promoting a culture of ethics and corporate transparency.

2.3. Approval of the Model and of the Protocols

The Model referred to in this document was approved by the Board of Directors of Linde Material Handling Italia S.p.A. through a resolution adopted during the meeting held on 4 October 2016. Any changes or additions to the Model shall be carried out using the same methods.

The single Protocols have been and will be issued and, if necessary, changed or eliminated by the Company’s executive directors, unless the latter deem it appropriate to refer the approval decision to the Board of Directors.

2.4. Recipients of the model

- 2.4.1. The Model is not only intended for employees and corporate bodies of Linde M-H only, but also for its suppliers, consultants and individuals in general which

⁽⁶⁾ Later on in the document, any time the Model is mentioned it is therefore intended as the whole of this document (annexes, Code of Ethics included) and the Protocols/Procedures.

do business with the Company (hereinafter, “partners”) and are involved in the Sensitive Processes as defined and identified here below.

The partners will be called to sign a commitment to comply with the Model and with the Code of Ethics of Linde M-H or to declare that they have adopted their own Model and Code of Ethics that govern the prevention offences envisaged in the Model and Code of Ethics of Linde M-H.

- 2.4.2. The Board of Statutory Auditors of Linde M-H acknowledges the Model, formalising its commitment to comply with it insofar as the Board itself is concerned.

The Board of Statutory Auditors, because of the tasks assigned to it by the law or of professional affinity, is one of the privileged and institutional interlocutors of the Supervisory Body, as well as of the internal control functions and bodies. Hence, the Board must always be informed of any (charge of) commission of the offences contemplate by Leg. Decree 231/2001 as well as of any shortcomings in the Model. In turn, the Board of Statutory Auditors must promptly inform the Supervisory Body of any violations of the Model, even if attempted only, of which it get knowledge within the scope of its mandate.

3. Construction of the Model

3.1. Structure of the Model

The Model consists of a general section and of 11 (eleven) Special Sections, one for each category of *predicate offences* the risk of commission of which, from the analyses carried out, is considered to be realistically identifiable and significant during performance of the company activity.

3.2. The function of the Model and its inspiring principles

The aim of the Model, supplemented by the Protocols, is the implementation of a structured and organic system of governance – with the adoption of procedures and checks (preventive and *ex post*) – the purpose of which is to prevent and manage the risk of committing *predicate offences*, efficient and effective in connection with the provisions of Leg. Decree 231/2001.

The principles and rules contained in the Model are aimed at making sure that the subjects (members of corporate bodies, employees, partners for various reasons, etc.) who operate for and/or on behalf and/or in the interest of the Company, and whose activities may go as far as the commission of crimes, acquire full awareness that certain behaviours

constitute criminal unlawful acts (or in some cases administrative unlawful acts) the perpetration of which is entirely unacceptable, firmly condemned and contrary to the interest of Linde M-H, even when the latter appears to obtain benefit from any such acts. This is in addition to the further awareness that committing the crime shall entail application of the sanctions set forth by the law, by the Model itself and by the relevant CCNL (National Collective Labour Agreements).

The qualifying points of the Model are:

- a) the identification of activities exposed to the risk of committing the *predicate offences* and the formalisation of company procedures such as to govern the performance of said activities;
- b) the granting of authorising and signatory powers consistent with organisational and managerial responsibilities;
- c) the application of and compliance with the principle of segregation of duties, according to which no function can manage an entire process on its own;
- d) the traceability of the decisions and of the documentation concerning company functions carried out within the scope of sensitive processes;
- e) the appointment of a Supervisory Body granted with operational autonomy and independence, as well as the appropriate human and financial resources for performance of the tasks assigned to said Body by the law;
- f) the execution of suitable checks;
- g) the adoption of a disciplinary system suited to sanctioning failure to comply with the prescriptions and procedures contained in the Model;
- h) the distribution at all company levels of the rules of behaviour and of the procedures.

3.3. Rules for approving and updating the Models and protocols/procedures

- 3.3.1. The Model - in compliance with article 6, paragraph 1, letter a), of Leg. Decree 231/2001 – is a «*document issued by the governing body*» and, as such, it is approved by the Board of Directors.

Likewise, any further modifications and additions of a significant nature that may become necessary for company needs which came up (such as changes in the organisation or in the business perimeter) or for changes in regulations or related to violations of the Model must be submitted to the approval of the Board of Directors.

- 3.3.2. The adoption of new protocols/procedures, as well as the modification and revocation of existing protocols/procedures falls under the responsibility of the

Company's top management (Managing Director), within the scope of the proxies granted to the latter.

- 3.3.3. The Supervisory Board is assigned the task of verifying the efficacy, effectiveness and updating of the Model (supplemented with Protocols/Procedures), of overseeing the functioning of and compliance with the Model, as well as of encouraging its update in order to adapt it to any changes in regulations, in company activity needs, as well as to any violation of the Model, formulating suggestions to the Board of Directors.

4. Sensitive processes at Linde M-H

4.1. Mapping of risks

- 4.1.1. The company purpose is the study and marketing activities of all kinds of handling machinery and equipment, as well as of the relative accessories and spare parts; in particular:

- standard and special forklift trucks, or other self-propelled means or systems or for fixed installations, suited to handling materials;
- electric and battery-powered vehicles for commercial and industrial applications, intended for the transport of people, goods and a mix of the above;
- the relevant units, sub-units, normal and/or special equipment, specific and/or complementary components, spare parts, accessories;
- motors, pumps, hydrostatic transmissions and fluid power components in general.

For all products referred to in the corporate purpose listed above, the Company shall be able to carry out assembly, storage, maintenance, repair, overhaul and assistance activities, either on its own or on behalf of third parties, rental.

For all products referred to in the corporate purpose listed above, the Company shall be able to carry out trade activities, including in the capacity of broker. ⁽⁷⁾

- 4.1.2. The activity actually carried out is basically the one indicated in the corporate purpose, and it is mainly structured at the facilities of the Buguggiate headquarters (VA).

The Company also operates through four branches, located in San Giuliano

⁽⁷⁾ The company can also raise funds from shareholders with the Company being required to reimburse them, or raise funds from parent companies, subsidiaries and affiliated companies pursuant to art. 2359 of the Civil Code and from the subsidiaries

(MI), Castelmaggiore (BO), Pomezia (Roma) and Preganziol (TV). These branches work independently and deal with marketing (sales and rental) and maintenance activities, including at the customer's premises.

The Company also fully owns two dealerships.

4.1.3. More in detail, the corporate purpose consists of:

A) at the headquarters,

- a. the completion of new equipment, entailing in particular the installation of batteries or other equipment, the execution of final test and inspection and the delivery to the customer, and
- b. the overhaul of used forklift trucks.

B) at the branches,

- a. forklift truck maintenance only.

4.1.4. The organisational structure reports to the Managing Director to whom, at present, the following functions report: QSA (Quality, Safety, Environment) / Continuous Improvement, Head of Finance, HR, Sales Manager, Sales & Network Manager, Fleet Manager, Customer Service Manager, Marketing Manager.

The organisation functionally reports to the German parent company (KION Group).

The Company has drawn up a procedure that governs the signatory and

of the same parent company, with the methods and in compliance with the provisions of Italian Leg. Decree no. 385 dated 1 September 1993, as well as in compliance with the provisions established by the Inter-ministerial Committee for Credit and Savings.

For the pursuit and within the scope of the aforementioned purposes, the corporate purpose also includes the Company being able to carry out industrial, commercial, real estate, securities and financial transactions (the latter not towards the public) – including the taking out of loans under any form, including mortgage loans, grants and funding, the granting of endorsements, sureties and any other guarantee, including real guarantees and in favour of third parties -, purchasing or transferring under any form patents, licenses, manufacturing processes, as well as purchasing and selling shareholdings in companies and firms with a corporate purpose that is similar to or associated with its own, also taking part in their incorporation.

The corporate purpose expressly excludes activities reserved to professional registers or in any event forbidden by the law, as well as the professional performance towards the public or investment activities and of the other reserved activities referred to in Leg. Decree no. 58 (TUF) of 24 February 1998, banking activity and collection of savings from the public referred to in Leg. Decree no. 385 of 1 September 1993, as well as the performance, towards the public, of any other financial activity reserved by the law. The performance of fiduciary activities and of any reserved professional activity is also excluded.

representation powers outside the Company.

- 4.1.5. At present, the Company is not listed on the stock exchange or on other regulated markets; however, it is part of a group (“KION Group”) the Parent company of which, KION GROUP AG, is listed on the Frankfurt Stock Exchange.
- 4.1.6. The mapping of the Company’s activities considered at risk, in other words activities within the scope of which there is a significant risk of *predicate offences* being committed, has resulted in the identification of the Sensitive Processes, as defined *infra* in par. 4.2.

This mapping was carried out through:

- a) the analysis of the company activity, through interviews with the CEO and the management of key functions ⁽⁸⁾; all meetings were attended by the QSA/Continuous Improvement Manager;
- b) the analysis of company documentation, with special focus on the organisational structure, signatory powers and system documentation;
- c) the identification of the types of predicate offences in which one may run into while performing the company business;
- d) the identification of processes/functions within the scope of which said predicate offences may be committed (hereinafter also referred to as “Sensitive Processes”) and the real level of the risk of occurrence;
- e) the analysis of existing procedures/practices through a review of the documentation pertaining to them and through interviews with key subjects within the scope of the structures;
- f) the analysis of control/prevention systems in place and the identification of corrective actions to be developed (“gap analysis”).

4.2. The significant Sensitive Processes identified

The sensitive processes listed below were identified in the company business, and will be described in greater detail in the individual special sections.

- 4.2.1. Sensitive processes in connection with “*offences concerning misappropriation of fund, fraud to the detriment of the State or other public entity or for the*”

⁽⁸⁾ In particular, in addition to the General Manager, the following figures were also interviewed : the *Customer Services Manager*, the *Sales Manager*, the *Sales & Network Manager*, the IT Manager, the Head of the Processing of Personal Data, the *Credit Manager*, the Head of *Accounting* (excluding the fiscal aspects, which are entrusted to a leading external professional firm), the Head of *Communications*, the Head of the HR Management Office (hires), the General Manager’s Secretary, and the RSPP.

obtainment of public funds and computer fraud to the detriment of the State or other public entity” (Art. 24).

The risks of committing the crimes in question were deemed to be basically minimum since, at present, the Company has not submitted any requests for subsidies or public funding. However, since this may occur in the future, the individuals interviewed recognize the opportunity to nevertheless provide for regulations governing any such processes.

4.2.2. Sensitive Processes in connection with “*computer crimes and illegal data processing*” (art. 24-bis).

As regards computer crimes, the significant Sensitive Processes are mainly related to: access to, use and management of IT structures, systems and services; installation of equipment that might intercept, prevent or interrupt computer or telecommunications; detention and disclosure of passwords and access codes to computer systems; drafting of informative documents; use of digital identities; data processing in reference to regulations on the subject of privacy protection (Italian Leg. Decree no. 196 of 30 June 2003).

In connection with this section, the interviewed employees recognised the opportunity to implement procedures pertaining to:

(i) access to the IT system, to confidential files and folders, (ii) reporting by employees of suspicious e-mails and (iii) access to the company network by the dealers,

also formalising the consequences in case of violations of existing procedures and procedures being implemented.

4.2.3. Sensitive Processes in connection with “*crimes against the Public Administration*” (art. 25)

The interviewed subjects confirmed that the commission of crimes against the Public Administration (**P.A.**) poses a significant risk in connection with just about all the *predicate offences* provided for by the law.

The significant Sensitive Processes mainly refer to: contracts with the Public Administration and participation in competitive tenders; applications generally aimed at obtaining licenses, permits, authorisations and concessions; relationships with ministerial, regional, provincial, municipal office and Public Administration offices in general (for example purposes only: Inland Revenue Service, Finance Police or GDF, social security and welfare institutions, local healthcare agencies or ASL, Customs Agency, Fire Brigade, etc.); mandatory hiring; activities concerning safety and hygiene in the workplace and environmental protection; resorting to consultants or service providers that

entertain relationships with the Public Administration on behalf of the P.A.. All of the above also within the scope of inspection activities by the Public Administration.

In connection with this section, the people interviewed recognised the opportunity to implement procedures pertaining to almost all the sensitive aspects identified, and in particular with respect: (i) to the management of audits by and relations with Ministerial, regional provincial, municipal and P.A. offices, in general, (ii) to resorting to companies that render services and/or consultants who deal with the P.A. on behalf of the Company, (iii) to the accounting management of the branches.

4.2.4. Sensitive Processes in connection with “*Corporate crimes*” (art. 25-ter) and market abuse (art. 25-sexies).

As regards corporate crimes, the main Sensitive Processes mainly refer to the preparation of corporate communications, either mandatory by law or voluntary, pertaining to the Company’s economic, equity and financial situation (financial statements, reports on operations, scheduled, etc.) as well as to the communication of the conflict of interest, to transactions involving the capital, to the distribution of profits, to merger or demerger transactions, and to company reorganisations.

Moreover, the risks of committing the offense of private corruption and instigation to private corruption were identified, mainly in connection with the Company’s commercial activities, but also in connection with third-party subjects appointed by the Company to render specific types of services, in connection to which the interviewees recognised the opportunity to implement the procedures.

4.2.5. Sensitive Processes in connection with “*Market abuse*”

As regards market abuse, since the Company is not listed, the related risk can basically be considered of a theoretical nature. However, the Company deems it appropriate to govern the processing and management of confidential information, generally speaking according to the Group’s procedures.

4.2.6. Sensitive Processes in connection with “*Crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on health and safety in the workplace*” (art. 25-septies).

As regards crimes committed in violation of regulations pertaining to health and safety in the workplace, the main Sensitive Processes are basically related to: (i) workshop activities, (ii) storage and handling of forklift trucks and miscellaneous materials, (iii) maintenance and repair of the products (forklift

trucks), (iv) operativity of the products at third party facilities for any reason, either when managed by the Company or when transferred to third parties through sale or rental/leasing (producer's responsibility for maintenance commitment), (v) internal environmental risks, general office activities (use of personal computers, video terminals, printers, fax machines, photocopiers) and (vi) transportation and use of company vehicles.

In connection with this section, the individuals interviewed recognised the opportunity to implement procedures for the branches pertaining to the preparation of the DUVRI (Documento Unico di Valutazione dei Rischi da Interferenze) or Single Document on Interference Risk Assessment.

- 4.2.7. Sensitive Processes in connection with *predicate offences* concerning “*Receiving stolen goods, money-laundering, employment of money, goods or utilities of illegal origin, self-money-laundering*” (art. 25-octies).

With regards to *predicate offences* pertaining to receipt of stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering, the main Sensitive Processes basically refer to purchases, investments and sales and, in particular with regards to self-money laundering, fiscal/tax fulfilments and the accounting of corporate transactions, in the event that irregular accounting may result in the setting up of “slush funds”. Besides, considering the company procedures and practices, the risk is not deemed to be particularly significant.

In connection with this section, the individuals interviewed exclusively recognised the opportunity to implement procedures pertaining to: (i) small maintenance jobs carried out by the Company, (ii) evaluation of the cooperatives and (iii) sales at the consolidated dealerships.

- 4.2.8. Sensitive Processes in connection with *predicate offences* concerning “*Crimes on the subject of violation of copyright*” (art.25-novies).

As regards crimes on the subject of copyright, there is a theoretical risk of minimal significance associated with the use of software applications; however, in connection with this section, the individuals interviewed recognised the opportunity to implement procedures concerning the use of software applications of previous employers by employees and the use by the Company of images and/or material of employees within the scope of company initiatives such as, for example, publications.

- 4.2.9. Sensitive Processes in connection with the “*Crime of inducement not to make or to make false statements before the judicial authority*” (art. 25-decies).

As regards the crime referred to above, there is a theoretical risk of minimal

significance.

4.2.10. Sensitive Processes in connection with “*Environmental crimes*” (art. 25-*undecies*).

The Sensitive Processes pertaining to environmental crimes mainly refer to the workshop activity, the storage and disposal of hazardous waste at the Company’s premises or at third-party facilities, the disposal of spent batteries, the disposal of inks and electronic equipment.

4.2.11. Sensitive Processes in connection with the offenses of a) “unlawful intermediation and exploitation of labour” (art. 25-*quinquies* Leg. Decree no. 231/2001 and 603-*bis* c.p.) and b) “*Employment of illegally staying third-country nationals*” (art. 25-*duodecies*).

The Sensitive Processes pertaining to the aforementioned crime mainly refer to service contracts as well as to the use of temporary work agencies or cooperatives of which services the Company avails itself.

In connection with this section, the individuals interviewed recognised the opportunity to implement procedures pertaining to the obligation of service companies that do business with the Company to provide information that may be requested about their employees, as well as to provide a copy of the updated DURC (Documento Unico di Regolarità Contributiva) or Single Document on Regular Payment of Welfare and Social Security Contributions, as well as to formalise the relative sanctions in case of failure to comply.

4.2.12. Sensitive Processes in connection with other *predicate offences*.

With regards to any other *predicate offences* not expressly mentioned in the paragraphs above, the Company has verified that, during the performance of the company business, there are no significant risks of said crimes being committed; nevertheless, constant monitoring will be carried out.

4.2.13. In all Sensitive Processes, the provisions contained in the special sections of the Model, in the Code of Ethics and in the specific procedures, without prejudice to the general principle of behaviour whereby anyone operating on behalf of the Company is required to act – when doing business and in relationships with others – in compliance with the regulations in force

Any violation of the provisions set forth in the Model and in the Code of Ethics

shall entail the application of sanctions, as specified below.

5. Supervisory Body

5.1. Set-up and requisites for the appointment

5.1.1. The Supervisory Body or O.D.V. (Organismo di Vigilanza) is appointed pursuant to art. 6, paragraph 1 of Leg. Decree 231/2001, and is assigned the task of overseeing, in a continuous, autonomous and independent manner, with respect to the Company's top management, the effective functioning and observance of the Model, including the Protocols and the Code of Ethics, as well as of encouraging its update.

The Supervisory Body may be in collegial or monocratic form, in accordance with the resolution adopted by the Board of Directors. In the first case, it shall be made up of two or more members.

5.1.2. The O.d.V. in collegial form approves the regulations that govern its own functioning.

5.1.3. Without prejudice to the requirements of autonomy and independence, the majority of the members of the O.d.V. must be identified in subjects who are in no way tied by a relationship of dependence to Linde M-H or its subsidiaries.

The members of the O.d.V. must possess suitable professionalism and experience on corporate, legal, accounting, fiscal, technical managerial matters, or in some of them, as well as possess the requisites of independence and integrity required by legal provisions applicable to members of the Board of Statutory Auditors.

The following subjects cannot hold the office of member of the Supervisory Body; if appointed, they shall forfeit from office:

- a) individuals who find themselves in the conditions referred to in art. 2382 of the Italian Civil Code ⁽⁹⁾;
- b) non-independent directors, spouses, relatives and similar up to the fourth degree of the directors of the Company and of the subsidiaries controlled by

⁽⁹⁾ This means interdicted and banned persons, disqualified persons, bankrupt persons or persons who have been sentenced to a penalty entailing a ban, even temporary, from public office or the inability to exercise managerial functions.

the Company, of the companies that control the Company and of companies subject to joint control.

- 5.1.4. The members of the O.d.V., in their capacity and within the scope of performing their function, are not subject to the hierarchical and disciplinary power of any company function or body.

The Supervisory Body shall perform its tasks with the professionalism and diligence required by the nature of the appointment.

5.2. Appointment, term of office, replacement, fee and endowment fund

- 5.2.1. The Supervisory Body is appointed by the Company's Board of Directors. The Supervisory Body appoints its own Chairman in case the Board of Directors has failed to appoint one directly.

Upon accepting the appointment, the members of the O.d.V. declare to possess the requisites and to not be in the conditions of incompatibility referred to in paragraph 5.1, the members being required to promptly communicate to the Board of Directors any loss of said requisites or the onset of conditions of incompatibility.

- 5.2.2. The Supervisory Body stays in office for a period of 3 (three) years from its appointment, and its members may be re-appointed in full or in part.
- 5.2.3. In case one or more members are unable to exercise their functions for a period of more than two months, the O.d.V. notifies the Board of Directors, which will proceed to replace the unavailable members or, in the case of monocratic body, to a new appointment.
- 5.2.4. On an annual basis, the Board of Directors defines the fee to be paid to the members of the O.d.V., subject to agreement with the latter, and resolves to make available an endowment fund, which the O.D.V. can use for any need pertaining to performance of the tasks assigned to it, save for any urgent needs that may be defined by the O.d.V. directly with the Company's Top Management or its authorised representative.

5.3. Forfeiture and revocation

The loss of requisites for appointment in the O.d.V. constitutes a reason for forfeiture from office for the individual members, but not for the entire O.d.V.

The revocation of the O.d.V. or of its individual members can be ordered by the Board of

Directors for justified reasons only.

5.4. Tasks

- 5.4.1. The O.d.V. is assigned the task of overseeing:
- a) compliance with the Model and with the Protocols by those subjects required to do so (such as corporate bodies, employees, consultants and partners for various reasons of the Company);
 - b) the effectiveness and adequacy of the Model and of the Protocols, in connection with the company's organisational structure, based on the actual capacity to prevent predicate offences from being committed;
 - c) the updating of the Model and of the Protocols, in the event of a need to adapt it in connection to changed legislative and/or company conditions or in case significant violations of the prescriptions set forth in the Model are ascertained (cf. art. 7 of the Decree).
- 5.4.2. On a more specific operational level, without prejudice to the power of autonomously governing its own activities, the O.d.V. nevertheless carries out the following tasks:
- a) implementing control procedures aimed at verifying the actual operativity of the Model and of the protocols; it being understood that, in any event, control activities fall under the primary responsibility of operational management and are considered integral part of all company processes (known as "line control").
 - b) performing reconnaissance activities on the company business in order to update the mapping of areas at risk within the company context;
 - c) coordinating with the various company functions in order to monitor activities in the areas at risk;
 - d) verifying the needs to update the Model and the Protocols and reporting such needs to the Board of Directors;
 - e) carrying out periodical checks on specific acts or transactions conducted in the areas of activity at risk;
 - f) collecting, retaining and processing important information in relation to compliance with the Model, as well as updating the list of information that

must be mandatorily forwarded to the O.d.V. or always kept available for said body;

- g) checking the actual presence and regular keeping and efficacy of the documentation requested in connection with the provisions of the Model or of the Protocols for the various types of administrative offences and crimes;
- h) periodically reporting to the corporate bodies of Linde M-H with regards to the company policies in support of the activity pursuant to Leg. Decree 231/2001;
- i) reporting to the Board of Directors any observed non-compliances and proposing the application of sanctions in accordance with the sanctioning system;
- j) maintaining any necessary contact, including receiving and sending reports, with the O.d.V., or (if an O.d.V. has not been appointed) with the control bodies, of the parent companies of Linde M-H or of companies controlled by the latter or subject, together with the latter, to joint control.

During the performance of their tasks, all members of the O.d.V. have free access, at any one of the Company function, to all information, data and documentation deemed necessary for the performance of the assigned tasks, with no need for prior consent.

For the performance of its activities, the O.d.V. may avail itself – under its own direct supervision and responsibility – of the assistance provided by any function of Linde M-H (or of companies belonging to the same Group and on the basis of inter-company service agreements) or, in case the it deems it necessary, of independent consultants using, for the purpose, the endowment fund.

- 5.4.3. The activities implemented by the O.d.V. cannot be questioned by any other company body or function, in any event without prejudice to the fact that the Board of Directors is in any case called to supervise on the adequacy of said

activities, since said Board is the ultimate body responsible for the proper functioning and efficacy of the organisational model.

5.5. Activities and Reporting

The O.d.V. has three reporting lines:

- (i) the first one, on a continuous basis, towards the Managing Director;
- (ii) the second one, on a periodical basis, towards the Board of Directors;
- (iii) the third one, of an event-based nature, towards the Board of Directors in the event that, outside the periodical checking activities, the O.d.V. nevertheless gains knowledge of behaviours that violate the procedures provided for by the Model and/or by the Protocol, or of other behaviours that complete or may complete offences or unlawful administrative acts, or lastly in the case where the O.d.V. deems it necessary or appropriate to proceed with updating the Model.

The O.d.V. is required to periodically draw up a written report on its activities intended for the Board of Directors.

The O.d.V. shall coordinate with the pertinent company functions for the various specific figures. Minutes will be drawn up pertaining to the meetings, and a copy of said meetings will be retained by the O.d.V. and by the company functions concerned.

5.6. Periodical checks

The checks on the Model and on the Protocols shall be conducted periodically according to the frequency established by the O.d.V. (Annual verification plan), or even at a time other than the scheduled time.

The O.d.V. shall be entitled to carry out more in-depth research, analyses and checks on the existing procedures, on corporate acts and on the more significant contracts in the areas of activity at risk, or other checks and verifications deemed necessary or appropriate.

5.7. Information flows and retaining information

5.7.1. Communication flows from the O.d.V.

In addition to the reporting activity indicated above, the O.d.V.:

- a) is required to operate through continuous actions, to be ensured also through constant coordination between the O.d.V. and Top Management (or subjects authorised by the latter) and through the establishment of suitable

information flows from the Company to the O.d.V. and vice versa, without prejudice to the prescriptions contained in the Model;

- b) formulates proposals for updating the Model in case suitable corrections, additions or adaptations of the Model itself become necessary or appropriate in connection with (i) changes in the legislative framework, (ii) changes in the corporate situation (concerning, for example, the company type, its organisation, business perimeter, production methods), (iii) violations of the Model;
- c) sends ad hoc communications to the Company's Top Management in case of need and/or urgency;
- d) reports to the corporate bodies any violations of the Model that may be discovered.

5.7.2. Communication flows by the Company

For the purpose of facilitating the supervisory activities on the efficacy of the Model and of the Protocols, the Company is required to promptly implement, vis-à-vis the O.d.V., information flows pertaining to all facts, information, documents and data that must be brought to the knowledge of the O.d.V. itself, as established by the Model in all its parts, including the provisions of the single procedures.

In particular:

- a) information must be provided to the O.d.V. with regards to any significant event, fact, in relation to the observance and functioning of the Model, including the outcome of any audits and inspections conducted by internal function, by functions of the Group to which the Company belongs or by external bodies;
- b) changes in the organisational structure must be communicated to the O.d.V. including the granting of proxies/issuing of powers of attorney;
- c) the O.d.V. must be notified with regards to any changes in the business perimeter (expansion or reduction of the existing perimeter or the undertaking of new activities);
- d) the O.d.V. must be immediately informed with regards to behaviours deemed such as to integrate specific cases of predicate offences or in any event violations of the prescriptions contained in the model, providing evidence of

- the implemented disciplinary proceedings and of any sanctions applied or dismissal measures, accompanied by the relevant reasons;
- e) the Supervisory Body must be immediately informed with regards to the following additional facts:
- (i) requests for legal assistance forwarded by executives, employees or other subjects entitled to do so, to which the judiciary has served a notice of investigation or against which it has initiated proceedings for *predicate offences* or for administrative proceedings pertaining to the offences referenced in art. 187-*quinquies* of Leg. Decree 58/1998;
 - (ii) measures and/or communications coming from judiciary police bodies, or from any other authority, from which one can infer the conduction of investigations, including towards unknown subjects, for the *predicate offences* referred to in Leg. Decree 231/2001, or for administrative proceedings pertaining to the infringements referred to in art. 187-*quinquies* of Leg. Decree 58/1998;
 - (iii) reports prepared by the managers of company functions within the scope of their control activity which may reveal pertinent facts, acts, events or

omissions for purposes of compliance with the provisions of Leg. Decree 231/2001;

- (iv) news pertaining to any violations of the managerial and control procedures referenced, even indirectly, by the Model and/or the Protocols.

The following events pertaining to corporate activities must be communicated to the Supervisory Body:

- a) notices convening general meetings;
- b) notices convening Board of Directors' meetings;
- f) set up of the executive committee and notices convening meetings of said committee;
- g) set up of committees of a strategic nature and relative functions (for example: appointment committee, strategic committee, investment committee, administration & finance committee and the like);
- h) any conflicts of interests observed during meetings of the Board of Directors or during Shareholders' meetings;
- i) annual financial statements for the period inclusive of the Directors' Report and of the auditors' certification;
- j) transactions pertaining to the share capital;
- k) extraordinary transactions, such as mergers, de-mergers or asset/liabilities contributions;
- l) criticalities or conflicts of interest observed within the scope of the management of confidential information.

5.7.3. Competent company functions are required to provide the O.d.V. with information pertaining to:

- a) inspections by the Public Administration;
- b) request, disbursement and use of public funds;
- c) participation in, and awarding of, competitive tenders announced by the Public Administrations or subjects that carry out public utility functions, or European Community bodies;
- d) awarding of contracts through private negotiations with the Public Administrations or subjects that carry out public utility functions, or European Community bodies;

- e) anomaly indicators pertaining to management control, administration and treasury activity;
 - f) identification and evaluation of corporate risks on the subject of health/safety in the workplace and the environment;
 - g) results of the verification activities, non-conformities and specific problems pertaining to health and safety in the workplace and environmental protection;
 - h) the occurrence of accidents (or near-misses) involving employees, associates or other subjects present, even occasionally, at the plants, warehouses office, local units or other locations where the Company carries out its activity.
- 5.7.4. In any event, the above is without prejudice to all other obligations to inform the O.d.V. as provided by the Procedures or as requested by the O.d.V.
- The Company is required to arrange for the issuing of a special procedure dedicated to governing information flows from the Company itself towards the Supervisory Body.
- 5.7.5. The O.d.V. may ask to meet with the Board of Directors any time it deems it necessary or appropriate, both in connection with the implementation of the Model and in connection with specific situations and/or violations of the Model.
- In turn, the O.d.V. may be convened at all times by the Board of Directors in order to report on special events or situations pertaining to the functioning and implementation of the Model.
- 5.7.6. The various company functions are required to keep all documentation pertaining to information forwarded to the O.d.V. available, as also provided for by the Protocols and by existing operating practices.
- The O.d.V. can nevertheless ask, in full autonomy, any company function or structure to provide additional information of a periodical nature or news concerning specific situations.
- 5.7.7. Minutes will be drawn up of all meetings held by the O.d.V. with the aforementioned subjects and bodies. Said minutes shall be retained by the Company, with a copy provided to the O.d.V.
- 5.7.8. The information, documentation and reports collected by the O.d.V. during the performance of its institutional duties must be filed and retained by the O.d.V.

itself, keeping the acquired information and documents confidential, including in compliance with laws on the subject of privacy.

5.8. Reporting to the Supervisory Body

5.8.1. Anyone can send a report to the Supervisory Body, choosing one of the following reserved communication channels:

a) by e-mail to the following address (reserved for the Supervisory Body and to accessible by third parties):

odv.linde-mhi@pec.linde-mh.it

b) by letter, with the caption “Personal and Strictly Confidential” written on the envelope, to the following address:

Supervisory Body of Linde Material Handling Italia S.p.A.

For the kind attention of the Chairman

Via del Luguzzone, 3

21020 Buguggiate (VA)

5.8.2. Reports can also be submitted in anonymous form.

5.8.3. All reports shall be managed according to criteria suited to ensuring the utmost confidentiality, both at the time they are received and during the phases of the subsequent investigations by the Supervisory Body, except for anything that may become necessary in order to carry out checks on the reports and without prejudice to the obligations of provide information when so requested by the judicial authority or by other public authorities.

5.8.4. The O.d.V. assesses the submitted reports and, in case it deems it appropriate, initiates the necessary investigations, by separately summoning - if known - the author of the report and alleged author of the violation, listening to people informed of the facts as well as acquiring any documentation it shall deem appropriate.

5.8.5. Anyone who submits a report to the O.d.V. in relation to the obligation to provide information referred to in art. 6, par. 2, letter d) of Leg. Decree 231/2001 shall not suffer any negative consequences as a result of said behaviour, since it constitutes the fulfilment of a legislative obligation, except for the case in which it is ascertained that the subject who submitted the report was, at the time of the

reporting, aware of the fact that the information provided to the O.d.V. was false or did not correspond to the truth.

- 5.8.6. The possibility to submit reports as described herein must be understood as a tool for safeguarding a common good ascribable to the stability and proper functioning of the Company.

6. Information and training

6.1. Communication

For Model efficacy purposes, Linde M-H aims to ensure, to the company's human resources as well as to those who may join the company in the future, proper knowledge of the rules of conduct contained herein, with a different degree of understanding depending on the level of involvement of said resources in Sensitive Processes. A similar knowledge, according to similar criteria, must be ensured as far as the Protocols are concerned.

The information and training system is implemented, through the means considered more appropriate and affective, by Company Management together with the managers of the functions involved from time to time in the application of the Model and of the Protocols.

The Company will identify suppliers and customers, including external associates and business partners for various reason to whom to provide information on the topic of the adoption of the Model and on the contents of the Model itself, requesting that they commit themselves to complying with the principles contained in it.

6.2. Training

- 6.2.1. Training aimed at spreading knowledge of the regulations referred to in Leg. Decree 231/2001 is different, in terms of content and implementation methods, depending on the qualification of the recipients, of the risk level in the area in which they operate, of performance by the subjects of company representation functions and of the granting of powers, if any.

Therefore, Linde M-H provides for different levels of information and training through suitable distribution tools.

Specific information on the Model is included in hiring letter for all new-hires; moreover, there is a special section on the Company website which is updated

periodically based on changes in legislation and/or updates of the Model.

- 6.2.2. Training is mandatory for all recipients.
- 6.2.3. Training has to be delivered at adequate intervals and using methods able to measure the recipients' level of participation.
- 6.2.4. The O.d.V. may be asked to take part in the training.
- 6.2.5. In any event: *(i)* the Training Plan must be communicated to the O.d.V. for any comments or suggestions, and *(ii)* all documentation concerning the training (along with the relevant outcome) must be retained so that it can be made available to the O.d.V.
- 6.2.6. Training is delivered according to the following methods.

- a) Directors, executives and/or personnel with powers of representation.

The training of executives and personnel equipped with powers to represent the Company is delivered on the basis of an initial workshop and periodical training and professional refresher courses in which all new directors and newly-hired executives, or new-hires equipped with representation powers participate.

- b) Other personnel.

The remaining personnel are trained according to a internal informative statement that, for new-hires, is enclosed with the hiring letter, both on the basis of a initial training workshop and of subsequent periodical updates, including in connection with any changes in the job description or legislative changes.

For the purpose of delivering proper training, the function managers arrange for distributing the Model and, for those subjects concerned by the Sensible Processes, the Protocols.

7. **Disciplinary system**

7.1. **General principles**

The effectiveness of the Model is also tied to the adequacy of the sanctioning system for violation of the rules of conduct and, generally speaking, of internal regulations and procedures.

The application of disciplinary sanctions addressing the violation of rules of conduct and

failure to comply with company provisions is independent from the criminal sentence or from the administrative one, as well as from their outcome, since these provisions are implemented by the company in full autonomy, regardless of the nature of criminal or administrative offence represented by the conduct.

The sanction shall be commensurate with the seriousness of the violation and whether or not it is the first occurrence; any repeated violations may lead to the employee's dismissal.

Improper interpretation of the principles and rules established by the Model may constitute an exception only in cases of behaviours conduction in good faith in which the limits set by the Model exceed the limits requested of a diligent person.

With regards to employees, the sanctioning system pertaining to violations of the Model will be included in the Company's Disciplinary Code, which will have to be implemented.

7.2. Sanctions for employees

Employees (executives excluded) are subject to the sanctions provided in the category-specific national collective labour agreement (CCNL), or in the respectively applicable CCNLs, in compliance with the procedures set out in the Italian Labour Statute (Law no. 300/1970).

In application of provisions pertaining to labour law contained in the National Collective Labour Agreements, it is provided that:

- a) measures such as *official warning*, *fine* or *suspension*, depending on the seriousness of the violation, shall be applied to employees who violate the internal procedures contained in the Model (for example, fails to comply with the prescribed procedures, fails to communicate to the O.d.V. the prescribed information, fails to carry out checks, etc.) or, in any event, adopt behaviours while performing activities within the scope of Sensitive Processes that do not comply with the Model provisions;
- b) the *layoff* measure shall be applied to employees who, during performance of the Sensitive Processes:
 - carry out acts that do not comply with the provisions of the Model and are unequivocally aimed at the commission of a *predicate offence*, as such behaviour

implies a breach so serious as to not allow the continuation, not even on a temporary basis, of the work relationship,

or,

- have been finally convicted for any one of the *predicate offences* or subjected to the irrevocable application of the administrative sanction for one of the administrative infringements envisaged by the laws in force.

The system of sanctions refers to the various category-specific labour contracts that may be applicable.

The challenging of violations, the disciplinary procedures and the application of sanctions fall, within the limit of the assigned tasks, in the attributions of subjects to whom the relevant powers have been granted by Top Management.

7.3. Measures towards directors

In case the executives, during the performance of activities within the scope of Sensitive Processes, violate the prescriptions of the Model and/or of the Protocols, the Company arranges for applying to those responsible for said violation the measures considered to be most appropriate in compliance with the provisions of the law and of the applicable CCNL, according to the procedure referred to in art.7 of the Labour Code (Law no. 300/1970).

7.4. Measures towards directors

In case any members of the Board of Directors violate the prescriptions of the Model, the O.d.V. shall promptly notify the Board of Directors, which will adopt the necessary measures within the scope of its powers, including proposing to the shareholders' meeting the revocation from office. The relevant communications shall be addressed directly to all members of the Board of Directors, except for the subjects involved in the violation.

7.5. Measures towards members of the Board of Statutory Auditors

In case any members of the Board of Statutory Auditors violate the prescriptions of the Model, the O.d.V. shall immediately notify the Board of Directors and the Board of Statutory Auditors, which will adopt the necessary measures within the scope of its powers, including proposing to the shareholders' meeting the revocation from office. The relevant communications shall be addressed directly to all members of the Board of Directors and of Board of Statutory Auditors, except for the subjects involved in the

violation.

7.6. Measures towards consultants and partners/suppliers.

The commission of *predicate offences* by Consultants or by Partners/Suppliers, just like any violation by the latter of the rules contained in the Model shall entail, for the company functions that entertain relationships with the aforementioned subjects, the obligation to adopt all available contractual and legal instruments in order to safeguard the company's rights, including, if necessary, cancelling the contract, and without prejudice for claim compensation.

8. The system of proxies and powers of attorney

The O.d.V. must be notified with regards to the system of proxies adopted by the Company, any subsequent modification, as well as with regards to any checks on the system of proxies that may be conducted by the pertinent functions.

9. Voluntary certifications

9.1. Voluntary certifications

The Company has obtained the following certifications from accredited certification bodies:

- UNI EN ISO 9001:2015 - "Quality management systems"
- BS OHSAS 18001:2007 - "Occupational health & safety management systems"
- UNI EN ISO 14001:2015 - "Environmental management systems"

The certifications presume and are based on the adoption of specific procedures aimed at governing the Company's activity, said procedures having been adopted, amended and revoked by the Company's executive directors. These procedures are listed in the tables of contents of the Company's management manuals.

9.2. Retention of documents

The Company shall arrange for keeping all system documents up-to-date, as well as to supplement them if necessary, for the purpose of improving the quality of the offered services and of keeping the certification.

The system documentation pertaining to the aforementioned certifications is kept at [●]

and can be consulted on the Company's intranet; together with the procedures included herein, said documentation forms integral part of the Model, along with any changes and additions made from time to time, and it is communicated to all personnel required to comply with it.

10. Flexibility of the Model

For the performance of activities associated with the Sensitive Processes specific of the individual contexts, Linde M-H reserves itself the right to adopt more specific procedures or procedures that provide greater protection.

Within the scope of its proxies, the Company's Top Management (Managing Director), shall be entitled to amend or eliminate existing procedures as well as issue any new procedures as deemed appropriate.

In that sense, the Model should not be viewed as a static entity, as it will be constantly adapted in connection to both the organisational changes of processes that the company will be faced with, and to any future legislative changes.

11. Special sections

11.1. Purpose of the Special Sections

The eleven Special Sections, one for each type of *predicate offence* which is deemed likely to be committed within the company, indicate the following aspects:

- a) the general company rules;
- b) the specific types of crimes;
- c) the Sensitive Processes;
- d) the general principles of behaviour;
- e) the specific Procedures that govern the subject-matter, with which the recipients of the Model are required to comply;
- f) the checks carried out by the Supervisory Body.

11.2. Content of the Special Sections

The Special Sections concern, respectively: (i) the *predicate offences* of misappropriation and undue receipt of disbursements (art. 24 of Leg. Decree 231/2001), (ii) computer

crimes and illegal data processing (art. 24-*bis*), (iii) *predicate offences* towards the Public Administration (art. 25), (iv) *predicate offences* concerning counterfeiting of money, public credit cards, revenue stamps and distinctive trademarks and signs (art. 25-*bis*), (v) corporate crimes (art. 25-*ter*) and market abuse (art. 25-*sexies*) (vi) crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of workplace safety regulations (art. 25-*septies*), (vii) crimes concerning receiving of stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering (art. 25-*octies*), (ix) *predicate offences* concerning crimes on the subject of copyright violation (art. 25-*novies*), (ix) the crime of inducement not to make statements or to make false statements before the judicial authority (art. 25-*decies*, (x) environmental crimes (art. 25-*undecies*), (xi) offences concerning the employment of workers in violations of special provisions of the law: a) employment of illegally staying third-country nationals (art. 25-*duodecies*); b) unlawful intermediation and exploitation of labour (art. 25-*quinquies*).

SPECIAL SECTION I

Predicate offences

- *Embezzlement to the detriment of the State or other public entity*
- *Misappropriation of funds, fraud to the detriment of the State or other public entity or for the obtaining of public funds and computer fraud to the detriment of the State or public entity*

(art. 24 Leg. Decree 231/2001)

1. Purpose and structure of Special Section I

Special Section I refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning the *predicate offences* of misappropriation of funds, fraud to the detriment of the State or other public entity or for the obtainment of public funds and computer fraud to the detriment of the State or other public entity.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- a) list the *predicate offences* included in the specific category;
- b) indicate the general principles of behaviour to be complied with;
- c) indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- d) equip the O.d.V. and the managers of other company functions with the tools they need to carry out the required control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of offences of embezzlement and misappropriation of funds, fraud to the detriment of the State or other public entity or for the obtainment of public funds and computer fraud to the detriment of the State or other public entity, deemed to be of significant risk and the related sensitive processes (art. 24, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offences* covered in this Special Section I.

- **Embezzlement to the detriment of the State or other public entity (art. 316-bis of the Criminal Code.)**

This offence is committed by anyone, extraneous to the Public Administration, who, having obtained from the State, from another public body or from the European Community subsidies or funding intended to encourage initiatives aimed at the construction of

works or at the performance of activities of public interest, does not use said subsidies or funding for the aforementioned purposes (the unlawful conduct consists in the misappropriation, even in partial form, of the obtained sum, regardless of whether or not the planned activity is nevertheless carried out).

Taking into account the fact that the crime is committed through the executive phase, the crime can also be committed in connection to funds received in the past.

- **Misappropriation of funds to the detriment of the State or other public entity (art. 316-ter of the Criminal Code)**

This offence is committed by a person who, through the use or presentation of statements or documents which are false or attest untrue things, or through the omission of required information, unduly obtains, for himself or for others, aid, funding, subsidized loans or other disbursements of the same type, however they are called, granted or allocated by the State, other public entities or the European Communities.

The crime is committed the moment the funding is obtained, and it applies, with residual nature, only in those cases where the conduct does not provide sufficient grounds for the offence referred to in art. 640-bis of the Criminal Code (aggravated fraud for the obtainment of public disbursements).

- **Aggravated fraud for the obtainment of public funds (art. 640-bis of the Criminal Code)**

This offence is committed in case the fraud (committed by a person who, with tricks or deceit and by misleading someone, secures for himself or others an unjust profit to the damage of others: art. 640 of the Criminal Code) is committed for the purpose of unduly obtaining aid, funding, subsidized loans or other disbursements of the same type, however they are called, granted or allocated by the State, other public entities or the European Communities. This type of offence can be committed through tricks or deceit, for example by communicating false data or preparing false documentation for the purpose of obtaining public funding.

- **Computer fraud (art. 640-ter of the Criminal Code)**

This offence is committed by a person who, by altering in any way whatsoever the operation of a computer or telematic system, or by interfering without being entitled to do so in any way whatsoever on data information or programs contained in a computer or telematic system or pertinent to one, secures for himself or for others an unjust advantage to the damage of the others. For example purposes only, the crime in question can be committed when, once funding is obtained, the IT system is violated for the purpose of entering an amount pertaining to the funding higher than

the amount lawfully received.

The sanction is increased if the crime is committed by abusing one's capacity of system operator ⁽¹⁰⁾ and it is increased even further if the crime is committed by substituting the digital identity to the damage of one or more subjects.

2.2. Sensitive Processes

At present, there are no Sensitive Processes concerned; in fact, the Company does not ask for nor does it receive aid, subsidies or funding of any kind.

However, since this may take place in the future, the interviewed subjects have nevertheless recognised the need for this aspect to be governed.

The theoretical sensitive processes concern the process for requesting contributions/funding, the actual use of the amounts received, the check and report of the use of said contributions, the participation in competitive tenders and the request by customers that – in view of the obtainment of national and European funding for the purchase of capital goods – require the issuing of estimates that do not reflect market conditions or “without discounts”.

2.3. General principles of behaviour

2.3.1. Generally speaking, the Company's organisation system has to comply with the basic requirement of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

2.3.2. Any applications submitted to national or European Community public bodies aimed at obtaining subsidised loans or public funds must be signed only by individuals equipped with the relative powers, subject to verification of the prerequisites necessary for submitting the application. The application must contain statements that correspond to the truth. The obtained funds must be used, on the basis of clear and specific instructions, exclusively for the purposes for which they were granted, and their use must be transparent and monitored. The relevant report must be characterised by the same transparency.

2.3.3. It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes

⁽¹⁰⁾ The sanction is increased by the same amount even if the crime is committed to the detriment of the State or of another public entity or with the pretext of having someone exempted from the compulsory military service.

falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section. The aforementioned prohibitions, as well as those specified below, apply to both employees and members of the corporate bodies of Linde M-H, directly, and to services companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

In particular, it is prohibited to:

- a) make monetary donations to Italian or foreign public officials;
- b) distribute gratuities and gifts exceeding normal company practice (in other words, any form of gift offer in excess of normal courtesy practices, or in any event aimed at gaining preferential treatment); in particular, it is forbidden to give any kind of gift to Italian and foreign public officials (including in those countries where the giving of gifts represents a widespread practice), or to their family members, in order to influence their independent judgement or induce them to ensure any advantage for the Company. Allowed gifts are always of small value or are designed to promote initiatives of a charity or cultural nature, or the image of the products sold by the Company or by one of the latter's subsidiary (brand image). The offered gifts – except those of modest value – must be adequately documented in order to allow audits to be carried out by the O.d.V.;
- c) grant benefits of any nature (promises of employment, etc.) to representatives of Italian or foreign Public Administrations that may lead to the same consequences as those set out in the item above;
- d) carry out services in favour of service companies, consultants and suppliers which are not adequately justified within the context of the contractual relationships with said parties;
- e) make payments in favour of suppliers of goods or services as well as of consultants which are not adequately justified in connection with the type of assignment to be carried out and with local practices in force.

2.4. Specific procedures

- 2.4.1. In addition to the Rules and General Principles contained in par. 3.2 above and in the General Section of the Model, the recipients of the Model shall also be

required to comply with the procedures described here below, both in Italy and abroad.

- 2.4.2. When applying for public funding, the Company has to follow rules that ensure traceability and transparency of all choices made, making available to the O.d.V. all the backup documentation.
- 2.4.3. Employees and members of the corporate bodies who submit requests for public funding on behalf of Linde M-H must have been granted formal power to do so. Individuals who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Individuals lacking said powers must request the assistance of individuals to whom such powers have been granted.
- 2.4.4. Any criticality or conflict of interest that may arise within the scope of the process shall be communicated, in writing, to top management as well as to the O.d.V.
- 2.4.5. The procedures aimed at preventing computer crimes must be followed.
- 2.4.6. The funds received must be used exclusively for the purposes indicated in the application.

Any utilisation of the funds received must be periodically recorded in detail, including during the use of said funds, and the relevant documentation must be kept available for the performance of internal checks.

Consultants must be selected according to transparent methods that allow traceability of the choices when assigning the tasks.

- 2.4.7. The provisions of the KION Group's Code of Compliance must be observed.
- 2.4.8. Contracts stipulated with consultants and suppliers have to include a statement by the latter confirming:
 - a) to be familiar with the regulations referred to in Leg. Decree 231/2001 and with their implications for the Company;
 - b) to have never been sentenced and to not be at present charged or under investigation in connection with criminal proceedings related to *predicate offences*; otherwise, and provided that the agreement is deemed absolutely

necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted;

- c) the commitment to refrain from carrying out activities that may constitute any one of the *predicate offences* or that are in contrast with said contract.

Said contracts must also include a special clause that:

- d) requires the consultants and suppliers to commit themselves to comply with the Model and the Code of Ethics of Linde M-H, or, in the case of companies, the contracts must contain a statement that they have adopted their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and in the Code of Ethics of Linde M-H;
- e) governs the consequences of a violation by the latter of the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

Those who carry out a control and supervisory function on fulfilments associated with Sensitive Processes in question must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

Generally speaking, the provisions contained in the Code of Ethics and the procedure for reporting to the Supervisory Body must be complied with.

3. Checks carried out by the O.d.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which may be requested by the latter.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the

company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section I, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's Top Management any anomalies or criticalities it may detect.

SPECIAL SECTION II

Predicate offences

Computer crimes and illegal data processing

(art. 24-bis Leg. Decree 231/2001)

1. Purpose and structure of Special Section II

Special Section II refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning computer crimes and illegal data processing.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the predicate offences in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the required control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to this category of offences associated with computer crimes and illegal data processing deemed to be of significant risk, and the related sensitive processes (art. 24, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the predicate offences covered in this Special Section II.

- **Falsehood in IT documents (art. 491-bis of the Criminal Code)**

This offence is committed in the case of falsehood concerning a public or private electronic document having probatory efficacy.

- **Falsehood in registers and notifications (art. 484 of the Criminal Code)**

This offence is committed when a person who is required by law to make registrations which are subject to inspection by the public safety authority, or to notify said authority with regards to their own industrial, commercial or professional activities, writes false

indications or allows them to be recorded.

- **Use of false deed (art. 489 of the Criminal Code)**

This offence is committed when a person, while not taking part in the falsification of a deed, uses the same deed.

- **Improper access to an IT or telecommunications system (art. 615-ter of the Criminal Code)**

This offence is committed by anyone who abusively gains access to a computer or telecommunications system protected by safety measures or retains access thereto against the express or tacit will of any person who is entitled to deny such access.

- **Detention and illegal distribution of access codes to IT or telecommunications systems (Art. 615-quater of the Criminal Code)**

This offence is committed when any person, in order to obtain secure for themselves or for others a profit or to cause damage to others, illegally obtains reproduces distributes, communicates or delivers codes, keywords or other methods suitable to access a system protected by security measures, or in any event provides indications or instructions suited to the aforementioned purpose.

- **Distribution of equipment, devices or computer programs intended to damage or interrupt an IT or telecommunications system (art. 615-quinquies of the Criminal Code)**

With the recent amendments to the law, this offence is committed by “anyone” who procures, produces, reproduces, imports, spreads, communicates, delivers, or makes available to others computer equipment, devices or software in order to illegally damage a system or the data and software contained therein or to assist the interruption or the altering of the operation of said system.

- **Illegal interception, prevention or interruption of IT or telematic communications (617-quater of the Criminal Code)**

This offence is committed in case of fraudulent wiretapping of communications within a computer system or telecommunications system or between several systems, or blocking/interrupting such communications. The same crime is committed when the contents of the communications are disclosed to the public through any information means.

- **Installation of equipment suited to intercepting, preventing or interrupting IT or telematic communications (617-quinquies of the Criminal Code)**

This offence punishes the installation of equipment designed to wiretap, block or

interrupt communications pertaining to a computer or telecommunications system or taking place between multiple systems, except in cases allowed by the law.

- **Damage of IT information, data and programs (art. 635-*bis* of the Criminal Code)**

The Company is also punishable in case of offences pertaining to the destruction, damage, deletion, alteration or suppression of computer information, data or software belonging to others.

- **Damage of IT information, data and programs used by the State or by other public body or in any event of public utility (art. 635-*ter* of the Criminal Code)**

This offence is committed, unless the deed constitutes a more serious offence, when a person commits an act aimed at destroying, damaging, deleting altering or suppressing computer information, data or programs used by the State or by another public entity or pertinent to the latter, or in any case of public utility.

- **Damage of IT or telecommunication systems (art. 635-*quater* of the Criminal Code)**

This offence is committed when a person, by means of the conducts referred to in article 635-*bis*, in other words by introducing or transmitting data, information or software, destroys, damages or makes it impossible, either in whole or in part, to use another person's computer or telecommunications system or seriously obstructs its functioning.

- **Damage of IT or telecommunications systems of public utility (art. 635-*quinquies* of the Criminal Code)**

This offence is committed when the conduct referred to in article 635-*quater* is aimed at destroying, damaging, making it impossible, either in whole or in part, to use computer or telecommunications systems of public utility or at seriously obstructing its functioning.

- **Computer fraud (art. 640-*ter* of the Criminal Code)**

This offence is committed when a person, by altering in any way the functioning of an IT or telecommunications system or by tampering in any way with data, information or programs contained in a computer or telecommunications system or pertinent to the latter, secures for himself or for others an unjust profit to the damage of others. In fact, for example purposes only, the offence in question may occur in the event that, once a loan has been obtained, the IT system is violated for the purpose of changing the amount of a loan to an amount higher than lawfully obtained.

The sanction is increased if the crime is committed by abusing one's capacity of

system administrator ⁽¹¹⁾, and it is increased even further if the crime is committed by substituting the digital identity to the damage of one or more subjects.

- **IT fraud by the person providing certification services for electronic signature (art. 640-*quinquies* of the Criminal Code)**

This offence is committed by any person responsible for certifying electronic signatures and who, in order to gain an unjust profit for himself or for others or to cause damage to others, violates the legal obligations provided by the law for the issuance of a qualified certificate.

2.2. Sensitive Processes

As regards computer crimes, the significant Sensitive Processes are mainly related to: *(i)* access to, use and management of IT structures, systems and services; *(ii)* installation of equipment that might intercept, prevent or interrupt computer or telecommunications; *(iii)* detention and disclosure of passwords and access codes to computer systems; *(iv)* drafting of informative documents; *(v)* use of digital identities; *(vi)* data processing in reference to regulations on the subject of privacy protection (Italian Leg. Decree no. 196 of 30 June 196).

In particular, there are theoretical risks in connection with the following Sensitive

⁽¹¹⁾ The sanction is increased by the same amount even if the crime is committed to the detriment of the State or of another public entity or with the pretext of having someone exempted from the compulsory military service.

Processes:

- a) access, alterations and changes to the Company's system, in particular to confidential files and folders by the system administrator or by other individuals, including people outside the company organisation;
- b) use of the Company's computer system by both employees or associates, and access to the company network by the dealers;
- c) data processing;
- d) detention and distribution of access codes to computer or telecommunications systems;
- e) use of digital identities;
- f) distribution of computer equipment, devices or programs;
- g) activities entailing the risk of wiretapping, blocking or illegally interrupting computer or telematic communications;
- h) access to third-party systems.

The risk of computer fraud by the person responsible for certifying electronic signature is to be excluded, since the Company purchases signature certification services from the outside, without carrying them out on its own.

2.3. General principles of behaviour

- 2.3.1. For the purpose of compliance with the rules and observance of the provisions set out in this Special Section II, the recipients of the Model shall comply with the principles and procedures described here below, as well as with the Rules and General Principles contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, both in Italy and abroad. Moreover, the recipients are also required to comply with *(i)* the Code of Ethics and truth and transparency of the documentation used, under any circumstance; *(ii)* regulations on the subject of Privacy (Leg. Decree no. 196/2003 – Privacy Code); *(iii)* the ownership and title of third-party IT systems; *(iv)* the utmost diligence when processing computerised information.
- 2.3.2. Generally speaking, the Company's organisation system has to comply with the basic requirements of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.
- 2.3.3. The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of Linde M-H, directly, and to companies that provide IT services, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.
- It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.
- 2.3.4. The Company shall adopt a summary planning document mainly aimed at ensuring and sanctioning the regulation of the management and monitoring system for protecting and accessing, at the various functional levels, the company computer and telecommunications systems.
- 2.3.5. All individuals concerned by the Sensitive Processes referred in this paragraph 2.3. are required to comply with the provisions contained in the aforementioned summary planning document.

2.4. Specific procedures

- 2.4.1. The Company is required to obey rules ensuring compliance with the regulations on the subject as well as the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.2. The members of corporate bodies and employees equipped with powers that can be exercised outside the Company must act within the limits of said powers. Employees not equipped with said powers must request the assistance of individuals to whom the powers have been granted.
- 2.4.3. In particular:
- a) system administrators are required to implement measures suited to preventing hacker phenomena, such as, for example, the necessary computer firewalls that prevent access from the outside;
 - b) the owners of the data processing, in connection with art. 34 of the Privacy Code, are required to arrange for the following minimum security measures:
 - computer authentication;
 - adoption of management procedures for authentication credentials;
 - use of a system of authorisations;
 - periodical update of the identification within the scope of the data processing allowed to the individual employees assigned to and in charge of management and maintenance of electronic instruments;
 - protection of electronic instruments and of the data against illegal data processing, unauthorised access and specific computer programs;
 - adoption of procedures for the safekeeping of backup copies and for restoring the availability of data and systems.
 - c) for the purpose of preventing the illegal holding and distribution of access codes to computer or telecommunications systems, the password must not be reproducible and must be kept in a password-protected container;
 - d) any access to and exit from the system by the system administrator must be tracked, including for the purpose of allowing the detection of any system

alteration by the users, in compliance with regulations on the subject of Privacy;

- e) in conformity to the Group policy, the system administrators are prohibited from operating outside the perimeter of their tasks, unless authorised to do so by the user concerned;
- f) network data replicated on personal computers must be made available to authorised users only;
- g) the servers located in the machinery room must be protected by suitable devices capable of preventing anomalous conducts.

2.4.4. Any inspections on the subject must be attended by individuals expressly authorised by the Company to do so. During the course of any inspections or audits, the Company is required to fully cooperate in the performance of the verifications. In particular, the documents which the inspectors deem necessary to acquire must be promptly and completely made available to them, subject to consent by the company manager in charge of providing assistance during the inspection and authorised to interact with the inspecting Authority. The minutes drawn up by the Public Authorities must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. The O.d.V. must be duly informed of the inspection and, in case any criticalities emerge in the final report, it must be promptly notified accordingly by means of a written communication by the head of the function concerned.

2.5. Resorting to third-party services

2.5.1. In the event the Company decides to entrust the management of computer services to third-party suppliers the relevant contract shall include a statement in which the service provider confirms:

- a) to be familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company;
- b) that its legal representatives and those who operate in the provision of services have never been convicted and are not at present charged or under investigation in criminal proceedings pertaining to *predicate offences*; otherwise, and always provided the agreement is deemed absolutely

necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

- 2.5.2. This contract must also provide for the supplier's commitment to:
- c) refrain from carrying out activities that may constitute any one of the predicate offences or that are nevertheless in contrast with said contract;
 - d) comply with the Model and Code of Ethics of Linde M-H, or, in the case of companies, the contract has to include a declaration in which said companies declare to have adopted their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and Code of Ethics of Linde M-H.
 - e) comply with (i) the truth and transparency of the documentation used, under any circumstances; (ii) regulations on the subject of Privacy (Leg. Decree no. 196/2003 – Privacy Code); (iii) the ownership and title of third-party IT systems; (iv) the utmost diligence when processing computerised information;
 - f) comply with the provisions of paragraphs 2.3, 2.4.1 and 2.4.3 above;
 - g) adapt the service to any requests by the Company based on the need to comply with the prevention of *predicate offences* on the subject of IT provided for in Leg. Decree 231/2001.
- 2.5.3. The service agreement shall also include a special clause governing the consequences of a violation by the supplier of the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

2.6. Miscellaneous

- 2.6.1. Any criticality or conflict of interest that may arise within the scope of the Sensitive Processes must be communicated, in writing, to both top management and to the O.d.V.

Those who carry out a control and supervisory function on fulfilments associated with the Sensitive Processes in question must pay special attention to performing

said fulfilments and immediately report any irregular situations or anomalies.

- 2.6.2. Generally speaking, the provisions of the Code of Ethics and the procedure for reporting to the Supervisory Body must be complied with.
- 2.6.3. The provisions of the KION Group's Code of Compliance must be complied with.
- 2.6.4. In connection with this section, the interviewed employees recognised the opportunity to implement procedures pertaining to:
- (i) access to the IT system, to confidential files and folders, (ii) reporting by employees of suspicious e-mails; and (iii) access to the company network by the dealers,
- also formalising the consequences in case of violations of existing procedures and procedures being implemented.
- 2.6.5. Depending on the provisions of this Special Section II, the Company shall arrange for conducting suitable IT diagnostic tests.

3. Checks carried out by the O.d.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will also provide the O.d.V. with any information and documentation that may be requested by the latter.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section II, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's Top Management any anomalies or criticalities

it may detect.

SPECIAL SECTION III

Predicate offences
against the Public Administration
(art. 25, Leg. Decree 231/2001)

1. Purpose and structure of Special Section III

Special Section III refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, which are involved in Sensitive Processes concerning crimes against the Public Administration.

The aim of the regulation is to make sure that all individuals concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of crimes against the Public Administration deemed to be of significant risk and the related sensitive processes (art. 25, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the predicate offences towards the Public Administration deemed to be of significant risk.

▪ **Extortion in office (art. 317 of the Criminal Code)**

This crime is committed when a public official or a person in charge of a public service ⁽¹²⁾, abusing his/her powers or position, forces someone to give him or a third party

⁽¹²⁾ Below is the definition of public official and person in charge of a public service established by the Criminal Code, also

money or other undue benefits. The term forcing is intended as any moral violence implemented through the abuse of position and powers that turns into a threat of unjust evil.

Since this is a crime “typical” of the public official whereby the private individual takes on the role of the person offended/damaged by crime, there appears to be a residual possibility for said offence to constitute a *predicate offence* due to the entity’s responsibility. Nevertheless, for example purposes only, we can hypothesise the case of a Company employee to contribute to the crime by instigating a public official to hold an extortion behaviour towards a third party, without prejudice, of course, to the need of the advantage or interest that the Company should get from said conduct.

- **Bribery of a public official (art. 318 of the Criminal Code)**

This crime is committed when a public official or a person in charge of a public service (for the latter, cf. art. 320 of the Criminal Code) receives, for his/her benefit or for the benefit of others, money or other advantages, or accepts their promise, in order to carry out deeds within the exercise of its functions or powers. The activity of the public official, in other words, is expressed in a deed in compliance with official duties (for example: issuance of a due authorisation).

The penalty is also applied to the person who gives or promises money or other benefits.

- **Bribery for a deed that goes against official duties (art. 319 of the Criminal Code)**

This crime is committed when a public official or a person in charge of a public service ⁽¹³⁾ receives, for his/her own benefit or for the benefit of others, money or other advantages, or accepts their promise, for omitting or delaying, or for having omitted or delayed his/her official duties (thus determining a benefit for the offering party). The activity of the public official, in other words, can concern either a required act or an act contrary to his/her official duties (for example: issuance of an authorisation

useful for the purpose of interpreting the other articles of the law mentioned below.

Art. 377 of the Criminal Code - Notion of the public official

«Pursuant to criminal law, public officials are defined as those who perform a public legislative, judicial or administrative function. Similarly, all administrative functions regulated by norms of public law and authoritative acts, and characterised by the formation and manifestation of the will of the Public Administration or by its implementation by means of authoritative or certifying powers».

Art. 358 of the Criminal Code - Notion of the person in charge of a public service:

«Pursuant to criminal law, public officials are defined as those who perform a public legislative, judicial or administrative function. Similarly, all administrative functions regulated by norms of public law and authoritative acts, and characterised by the formation and manifestation of the will of the Public Administration or by its implementation by means of authoritative or certifying powers».

Art. 358 of the Criminal Code - Notion of the person in charge of a public service:

«Pursuant to criminal law, all individuals who, in whatever capacity, perform a public service are considered persons in charge of a public service. A public service is intended as an activity regulated by the same forms as the public function, but characterised by the absence of the powers typical of the latter, excluding the performance of routine tasks and purely material work”.

⁽¹³⁾ cf. note 11.

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updated during the BOD meeting held on December 13th, 2017

updated by the CEO on June 26th, 2018

Special Section III: Predicate offenses against Public Administration

even the applicant lacks the necessary requisites).

The penalty is also applied to the person who gives or promises money or other benefits.

This crime is different from extortion since in the case of bribery there is an agreement between the bribed person and the bribe-giver aimed at obtaining a mutual advantage, while in the case of extortion the private individual is forced by the public official.

- **Judicial corruption (art. 319-ter of the Criminal Code)**

This crime is committed when the corruption facts (see articles 318 and 319 of the Criminal Code) are carried out towards a public official for the purpose of favouring or damaging one of the parties to criminal, civil or administrative proceedings. The crime is also committed in case there is no unfair damage or unfair advantage (the unfairness of the sentence gives rise to an aggravating circumstance). The definition of public official reference by the regulation includes, in addition to the magistrates, their institutional aides as well (e.g., clerks).

- **Unlawful inducement to give or promise benefits (art. 319-quater of the Criminal Code)**

This offence is committed when a public official or a public service offer, abusing his capacity or power, induces someone into unduly giving or promising, to himself or to a third party, money or other benefit. Unlike the provisions concerning corruption, the private party is punishable.

According to case law, unlawful inducement may consist of an activity of suggestion persuasion or moral pressure carried out by a public official or by public service officer towards a private individual which, perceived as being illegal by the latter, does not annihilate the freedom of choice, making it possible for him to not give in to the demand made by the public official.

- **Instigation to corruption (art. 322 of the Criminal Code)**

This crime is committed by a private party whose offer or promise of money or of other benefits not due to the public official, or to the person in charge of a public service is rejected.

The instigation is committed both in connection with corruption for the exercise of functions or powers (art. 318 of the Criminal Code), and with corruption to have an official act be omitted or delayed.

2.2. Sensitive Processes

Through the analysis carried out, Linde M-H has identified a few Sensitive Processes in the activity carried out towards the Public Administration or, towards the European Community (members of Parliament, civil servants), checking the existence or procedures

that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified mainly refer to:

- a) participation in competitive tenders issued by the Public Administration;
- b) drawing up of work contracts, sponsorship contracts and contracts in general with the Public Administration;
- c) request and management of licenses permits, concessions, authorisations;
- d) relationships with the Inland Revenue Service (Agenzia delle Entrate) and with the Finance Police (Guardia di Finanza) pertaining to the Company's tax position; relationships with local entities in connection with local taxes;
- e) relationships with Employment and Labour Inspectorate Offices, during the ordinary management of human resources;
- f) relationships with Social Security and Welfare Institutions for the payment of premiums indemnities, contributions and management of workplace accidents;
- g) relationships with Public Administration offices concerning safety and hygiene in the workplace;
- h) relationships with the Fire Brigade for the obtainment of fire-prevention authorisations and certificates;
- i) environmental protection activities;
- j) relationships with ministerial, regional, provincial, municipal and Public Administration offices in general;
- k) relationships with the Public Administration in general within the scope of audit activities;
- l) contracts with the Public Administration;
- m) mandatory hiring;
- n) job placement, job fitness medical check-ups, mandatory hiring;
- o) relationships with the Customs Agency for the import/export of goods;
- p) resorting to consultants or service providers that come in contact with the Public Administration on behalf of the Company;
- q) accounting and administrative management of the Branches.

The risks are identified in the activity of both the headquarters and of the individual

Subsidiaries.

2.3. General principles of behaviour

2.3.1. Generally speaking, the Company's organisation system has to comply with the basic requirements of formalisation and transparency, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

The recipients of the Model shall comply with the Rules and General Principles contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, as well as with the specific procedures, both in Italy and abroad.

The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of Linde M-H, directly, and to companies that provide IT services, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

2.3.2. It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

Within the scope of the aforementioned behaviours, it is particularly forbidden to:

- a) make donations in money or other utilities to Italian or foreign public officials;
- b) distribute gratuities and gifts exceeding normal company practice (in other words, any form of gift offer in excess of normal commercial or courtesy practices, or in any event aimed at gaining preferential treatment in the running of any company activity); in particular, it is forbidden to give any kind of gift to Italian and foreign public officials (including in those countries where the giving of gifts represents a widespread practice), or to their family members, in order to influence their independent judgement or induce them to ensure any advantage for the Company. Allowed gifts are always of small value or are designed to promote initiatives of a charity or cultural nature, or the image of the products sold by the Company or by one of the latter's subsidiaries (brand image). The offered gives – except those of modest value

- must be adequately documented in order to allow audits to be carried out by the O.d.V.;
- c) grant benefits of any nature (promises of employment, etc.) to representatives of Italian or foreign Public Administrations that may lead to the same consequences as those set out in the previous item;
- d) carry out services in favour of service companies, consultants and suppliers which are not adequately justified within the context of the contractual relationships with said parties;
- e) make payments in favour of suppliers of goods or services as well as of consultants which are not adequately justified in connection with the type of assignment to be carried out and with local practices in force;
- f) submit untrue statements to national or European Community public bodies for the purpose of obtaining public grants, contributions or subsidised loans;
- g) allocate sums received from public national or European Community bodies in the guise of funds, contributions or grants for purposes other than those for which they were disbursed.

The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.

2.4. Specific procedures

2.4.1. The Company is required to follow, attributing suitable evidence, procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.

2.4.2. Employees and members of the corporate bodies that entertain relationships with the Administration on behalf of Linde M-H have to be granted formal power in that sense. Employees not equipped with powers that can be exercised outside the company must request the assistance of individuals to whom said powers have been granted.

Any criticality or conflict of interest that should arise within the scope of the relationship with the Public Administration must be communicated, in writing, to the O.d.V. as well.

2.4.3. Any inspections conducted by the Public Administration must be attended by individuals expressly authorised by the Company to do so. During the course of any inspections or audits, the Company is required to fully cooperate in the

performance of the verifications. In particular, the documents which the inspectors deem necessary to acquire must be promptly and completely made available to them, subject to consent by the company manager in charge of providing assistance during the inspection and authorised to interact with the inspecting Authority. The minutes drawn up by the Public Authorities must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. The O.d.V. must be duly informed of the inspection and, in case any criticalities emerge from the final report, it must be promptly notified accordingly by means of a written communication by the head of the function concerned.

Consultants and suppliers must be selected according to transparent methods that allow traceability of the choices made when allocating the assignments.

2.4.4. Contracts stipulated with consultants and suppliers have to include a special statement rendered by the latter specifying:

- a) to be familiar with the regulations referred to in Leg. Decree 231/2001 and its implications for the Company,
- b) to have never been sentenced and to not be presently charged or under investigation in connection with criminal proceedings related to predicate offences; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted,
- c) the commitment to comply with the Model (and in particular with the provisions of this Special Section III) and with the Code of Ethics of Linde M-H, or, in the case of companies, to have adopted their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and in the Code of Ethics of Linde M-H,
- d) the commitment to refrain from carrying out activities that may constitute any one of the predicate offences or that are in contrast with said contract,
- e) to adapt the services to any requests made by the Company founded on the need to comply with the prevention of *predicate-offences* against the Public Administration provided for in Leg. Decree 231/2001.

Contracts entered into with consultants must also include a special clause governing the consequences of a violation by the latter of the provisions referred to in Leg. Decree 231/2001 such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be

drawn up for the most relevant cases.

- 2.4.5. Aside from petty cash management, cash transactions are forbidden, unless fully documented and authorised with justification by the Managing Directors; in any event, cash payments effected to representatives of the Public Administration are prohibited.
- 2.4.6. Those who carry out a control and supervisory function on fulfilments associated with the performance of the aforementioned activities (payment of invoices, allocation of funding obtained from the State or from European Community

bodies) must pay special attention to the implementation of the same fulfilments and immediately report any irregular situations or anomalies.

2.4.7. In relationships with the Public Administration in particular, the following procedures already issued by the Company and/or by the Parent Company KION AG and, in the latter case, received by the Company:

- a) the provisions of the Code of Compliance of the KION Group and general rules of compliance;
- b) the specific procedure pertaining to relationships with the Public Administration;
- c) a travel allowance, expense reimbursements and invoices, petty cash procedures;
- d) the procedure for competitive tenders, work contracts, sponsorships, contracts in general with the PA;
- e) the procedure pertaining to the issuing, management and payment of orders;
- f) the treasury procedure;
- g) the signatures procedures also with regards to the granting of *ad acta* powers of attorney;
- h) the procedures issued for implementation of the KION Group's Code of Compliance in connection with the local Italian situation;
- i) the personnel selection procedure;
- j) the procedure for reporting to the Supervisory Body.

3. Checks carried out by the O.d.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which

the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section III, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's Top Management any anomalies or criticalities it may detect.

SPECIAL SECTION IV

Predicate offences

*Counterfeiting money, public credit cards, revenue stamps and
distinctive trademarks or signs*

(art. 25-bis Leg. Decree 231/2001)

1. Purpose and structure of Special Section IV

Special Section IV refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning the *predicate offences* of counterfeiting money, public credit cards, revenue stamps and distinctive trademarks or signs.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category involving the counterfeiting of money, public credit cards, revenue stamps and distinctive trademarks or signs, deemed to be of significant risk and the related sensitive processes (art. 25-bis, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the only *predicate offence* falling within the category in question and deemed to be at risk of commission.

- **Counterfeiting, altering or use of distinguishing trademarks or logos, or patents, models and drawings (art. 473 of the Criminal Code)**

The crime is committed when a person, despite being able to ascertain that trademarks and other distinguishing signs belong to other parties: (i) counterfeits or alters distinguishing signs or trademarks, either national or foreign, of industrial products, without having taken part in the counterfeiting or alteration, uses said counterfeit marks and altered trademarks or signs; (ii) counterfeits industrial patents, drawings or

models, either national or foreign, or, without having taken part in their counterfeiting or alteration, uses said counterfeit patents, drawings or models.

2.2. Sensitive Processes

The risk of counterfeiting, alteration, use of trademarks or distinctive signs or of patents, models and drawings is considered to be small entity. In fact, the Company typically uses its own trademarks and distinctive signs.

The Sensitive processes identified mainly refer to:

- a) Subsidiaries' activity with regards to the case where the Subsidiary sells sweepers, shelves and platforms of third-party brands which are purchased and resold or rented out;
- b) development of products;
- c) introduction in the State and trade of third-party products.

2.3. General principles of behaviour

Generally speaking, the Company's organisational system has to comply with the basic requirements of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

The recipients of the Model shall comply with the Rules and General Principles contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, with the Code of Ethics as well as with specific procedures, both in Italy and abroad.

The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of Linde M-H, directly, and to companies that provide IT services, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles

and procedures provided for in this Special Section.

2.4. Specific procedures

- 2.4.1. The Company is required to follow, attributing suitable evidence, procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.2. Members of the corporate bodies and employees who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Employees lacking said powers must request the assistance of individuals to whom such powers have been granted.
- 2.4.3. The provisions of the KION Group's Code of Compliance must be observed.
- 2.4.4. The use of third-party know-how for the purpose of developing the Company's product and the introduction in the State and trade of third-party products must take place according to a system of preliminary verification of the existence of any patents or exclusive rights and subject to obtainment of the necessary licenses, in any case assisted by specific contractual guarantees.
- 2.4.5. The procedure for reporting to the Supervisory Body must be followed.

3. Checks carried out by the O.d.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the

Company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IV, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION V

Predicate offences

Corporate crimes

(art. 25-ter Leg. Decree no. 231/2001)

Market abuse

(art. 25-sexies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section V

Special Section V refers to behaviours implemented by members of the corporate bodies and employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning corporate crimes.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H. are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of corporate crimes, deemed to be of significant risk and the related sensitive processes (art. 25-ter, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offences* against the Public Administration deemed to be of significant risk.

▪ **False corporate reporting (art. 2621 of the Civil Code)**

The offence referred to in art. 2621 of the Civil Code is committed when «*Apart from the cases provided for by art. 2622 (editor's note: concerning listed companies), the directors, chief executive officers, managers responsible for drafting the corporate accounting documents, the statutory auditors and the liquidators, who, for the purpose of securing for themselves or for others an unjust profit, in the financial statements, reports or other corporate communications addressed to the shareholders*

or to the public, required by law, intentionally report untrue material facts or omit relevant material facts the disclosure of which is required by law on the economic, capital or financial situation of the company or of the group to which said company belongs, such as to mislead the intended recipients».

The crime is punished with a term of imprisonment from one to five years. The same sentence is applied even if the falsehoods or omissions refer to assets owned or managed by the Company on behalf of third parties.

The regulation was thus amended by Law no. 69 of 27 May 2015 bearing “Provisions on the subject of crimes against the Public Administration, of mafia-type associations and fraudulent accounting practices” ⁽¹⁴⁾.

- **Obstructions of control (art. 2625 of the Civil Code)**

The crime punishes directors that prevent or hinder, by concealing documents or similar actions, the performance of the control or auditing activities legally vested in the shareholders, to other corporate bodies, or to auditing firms, provided the fact has caused damage to the shareholders. Lacking said damage, the fact constitutes an administrative offence and does not make the company directly liable.

This is a crime typical of directors.

- **Undue return of contributions (art. 2626 of the Civil Code)**

In its typical form, this crime occurs when the shareholders’ contributions are returned to them, also by means of simulated transactions, or when the shareholders are exempted from the obligation to make such contributions, except for the cases of legal reduction of the share capital.

This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal distribution of the profits or of the reserves (art. 2627 of the Civil Code)**

The criminal conduct consists in distributing profits or advances on profits not actually made or which, under the law, should be allocated to reserves, or in distributing reserves, including

⁽¹⁴⁾ Law no. 69/2015 also introduced in the Italian Civil Code articles 2621-*bis* and 2621-*ter*, which recite, respectively

«Art. 2621-*bis* (Facts of minor concern). — Unless the facts constitute a more serious offence, the applicable term of imprisonment ranges from six months to three years if the facts referred to in article 2621 are of minor concern, taking into account the nature of and size of the company and the methods or effects of such conduct. Unless the facts constitute a more serious offence, the same penalty referred to in the paragraph above is applied when the facts envisaged in article 2621 concern companies that do not exceed the limits specified in the second paragraph of article 1 or Royal Decree no. 267 of 16 March 1942 (editor’s note, small businesses). In this case, the crime is prosecutable upon action by the company, shareholders, creditors or other recipients of the corporate communication».

«Art. 2621-*ter* (Impunity for facts of particularly minor concern). — For purposes of impunity for facts of particularly minor concern, referred to in article 131-*bis* of the Criminal Code, the Judge mainly assesses the entity of any damage caused to the company, to shareholders or to creditors as a result of the facts foreseen by articles 2621 and 2621-*bis*».

those not formed through profits, which are legally non-distributable.

Returning the profits or re-establishing the reserves before the term set for approval of the financial statements extinguishes the crime.

This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal dealing in stocks or shares of the Company or its parent company (art. 2628 of the Civil Code)**

The crime is committed with the purchase or the subscription – apart from the cases allowed by law - of stocks or shares in the company itself or in its parent company which cause damage to the integrity of the share capital or of the non-distributable reserves by law.

If the share capital or the reserves are restored before the term set for approval of the financial statements for the period during which the crime was committed, the crime is extinguished.

This crime is typical of directors; the shareholders could be punishable only if they participated in the crime.

- **Illegal transactions to the detriment of the creditors (art. 2629 of the Civil Code)**

This crime is committed when, in violation of the legal provisions protecting creditors, reductions in share capital or mergers with other companies or demerges are carried out, such as to cause damage to the creditors.

Compensating the creditors for the damage incurred before the judgement extinguishes the crime. The crime is prosecutable upon action of the injured party, which must be identified as being one of the damaged creditors.

This crime is typical of directors.

- **Fictitious capital formation (art. 2632 of the Civil Code)**

This offence is committed when the company capital is fictitiously formed or increased by means of (i) by assigning a number of stocks or shares for a value that is lower than their nominal value; (ii) by mutual underwriting of stocks or shares; (iii) by substantially overvaluing contributions made in kind or through receivables or by

overvaluing the company's assets in case of company transformation.

This is a crime typical of directors and contributing shareholders.

- **Improper distribution of company assets by its liquidators (art. 2633 of the Civil Code)**

This crime, typical of liquidators, is committed with the distribution of the company assets among the shareholders prior to paying off the company creditor or allocating the sums needed to satisfy the creditors' claims, thereby causing damage to the creditors.

Compensating the creditors for the damage incurred before the judgement extinguishes the crime. The crime is prosecutable upon action of the injured party, which must be identified as being one of the damaged creditors.

- **Private corruption (between private parties) (art. 2635, paragraph 3, of the Civil Code) ⁽¹⁵⁾**

Save the cases where the fact represents a more serious crime, the criminal conduct envisaged by art. 2635, paragraph 3, of the Italian Civil code consists in offering, promising or giving undue money or other utilities to:

- directors, general managers, executives responsible for the drafting of corporate accounting documents, statutory auditors and liquidators, either of companies or of private entities,
- those who, within the organisational sphere of the company or private entity, exercise executive functions other than the ones typical of the subjects referred to in the previous sentence ⁽¹⁶⁾,
- those who are subject to direction or supervision of one of the subjects indicated in the first paragraph,

in order to have them carry out or omit an act in breach of the obligations pertaining

⁽¹⁵⁾ The current wording of art. 2635 civil code comes out from two subsequent changes in the law: the first one by law 6 November 2012 n. 190 (art. 1, comma 76) and the second one by Leg. decree 15.3.2017 n. 38)

⁽¹⁶⁾ Extension operated through the aforementioned Leg. Decree 38/2017.

to their office or to the loyalty duty.

This is said “active corruption” ⁽¹⁷⁾ ⁽¹⁸⁾.

Corruption is punished even if perpetrated through an intermediary.

The crime also applies to those who carry out the functions *de facto*.

The crime is generally punished upon request of the injured party; the latter is not necessary in the event the act results in a distortion of competition in the purchase of goods or services. For the purpose of evaluating any distortion of the competition, State and European regulations on the subject need to be taken into account.

The violation of obligations pertaining to the office consists in the breach of institutional obligations laid down by the law (e.g., obligations the breach of which consists in corporate crimes) or in the breach of regulatory provisions (e.g., articles of incorporation, shareholders meetings’ resolutions, formal obligations relating to functional tasks).

The violation of loyalty duty refers in turn to duties contained in legal, regulatory or conventional provisions such as Civil Code regulations (e.g. art. 2105, art. 1175), including the duty to abstain in case of conflict of interest.

- **Instigation to corruption between private parties (art. 2635-bis of the Civil Code)**

The offence is committed when the offer or the promise referred to above is not accepted ⁽¹⁹⁾.

The criminal proceeding is brought upon request by injured party.

- **Illegal influence over the Shareholders’ meeting (art. 2636 of the Civil Code)**

The typical conduct involves obtaining a majority during the shareholders’ meeting by

⁽¹⁷⁾ The punitive rule is actually wider in scope: indeed art. 2635, paragraph 1 of the Civil Code also considers to be a crime the soliciting or the receiving, for oneself or for others, undue money or other utilities, as well accepting its promise (“passive corruption”). Besides, this provision has no impact on Leg. Decree no. 231/2001 since the company’s liability is stated only “*in the cases provided for by paragraph three of article 2635 of the Civil Code*”, in other words in the case of active corruption (offering, promising or giving undue money or other utilities). In any event without prejudice to the personal responsibility of the natural person, in some cases with application of the additional penalty of the temporary disqualification from executive offices of legal persons or companies.

⁽¹⁸⁾ A pecuniary sanction from four hundred to six hundred shares is applied to the company (*for the offence of private corruption, in the cases provided for by paragraph three of article 2635 of the Civile Code*). The disqualifying sanctions provided for by article 9, paragraph 2 are also applied.

For natural persons, the offence is punished with a term of imprisonment from one to three years. For subjects subjected to direction and supervision by third parties the punishment consists in a term of imprisonment up to one year and six months. The penalties are doubled in case of companies listed on the regulated stock markets of Italy or other Member States of the European Union or with shared distributed to the public for a significant amount, pursuant to article 116 of the Consolidated Law containing provisions on the subject of financial brokerage, as per Leg. Decree no, 58 dated 24 February 1998, as subsequently amended.

⁽¹⁹⁾ A pecuniary fine from two hundred to four hundred shares is applied to the company. The disqualifying sanctions provided for by article 9, paragraph 2 are also applied.

simulation or fraud, in order to obtain an unfair profit for the offender or for other.

The offence is considered as a common offence that can be committed by “anyone” who adopts the criminal conduct.

- **Market rigging (art. 2637 of the Civil Code)**

This offence is committed by spreading false information or by setting up simulated transactions or the use of other devices, likely to significantly alter the price of financial instruments which are not listed or for which no application for listing on a regulated market has been made, or likely to have a significant impact on public confidence in the financial stability of banks or banking groups.

This is also considered as a common offence that can be committed by “anyone” who adopts the criminal conduct.

- **Obstruction to the duties of Public Supervisory Authorities (art. 2638 of the Civil Code)**

This crime can be committed in two different ways:

- In the first way (*i*) through the reporting of material facts, in the mandatory reports to the Public Supervisory Authorities, that do not conform to the truth even if subject to valuation on the economic, capital or financial situation of entities subject to supervision (with the intent of obstructing the activities of said authorities) or (*ii*) by concealing, with other fraudulent means, in whole or in part, facts which should have been reported and concerning the said situation. The responsibility exists even in the case where the information concern assets owned or managed by the company on behalf of third parties;
- the second occurs through the simple obstruction of the exercise of the supervisory duties by public Authorities, implemented deliberately and in any form whatsoever, even omitting communications due to the same Authorities.

Active parties in this crime are the directors, the general managers, the executives in charge of drafting the company accounting records, the auditors and the liquidators.

- **Rules concerning listed companies**

For completeness purposes, please remember that the following regulations only refer to listed companies: (*i*) art. 2622 of the Civil Code (False corporate communications of listed companies), in the new text as amended by the aforementioned Law no.

69/2015⁽²⁰⁾, (ii) art. 173-*bis* of TUF (False statements in a prospectus)⁽²¹⁾ and (iii) art. 2629-*bis* of the Civil Code (Omitted communication of the conflict of interest)⁽²²⁾.

2.2. Sensitive Processes

2.2.1. Through the analysis carried out, Linde M-H has identified several Sensitive Processes involving the risk of committing corporate crimes, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols.

The procedures in question, already in existence or newly-issued, shall

⁽²⁰⁾ Below is the new text:

«Art. 2622 (False corporate communications of listed companies). — The directors, managing directors and managers in charge of drafting company accounting documents, the statutory auditors and liquidators of issuers of financial instruments admitted to negotiation on an Italian stock market or on a stock market of another Member State of the European Community who, with the intention of procuring for themselves or for others an unjust profit, in the financial statements, reports or other corporate communications aimed at shareholders or the public, intentionally present material facts which do not correspond to the truth or who omit to communicate information required by law about the economic, capital and financial situation of the company or the group to which the company belongs, in such a way as to lead the addressee into error, are punished with a term of imprisonment of between three to eight years.

The following companies are equal to those indicated in paragraph above:

- 1) issuers of financial instruments for which a request has been presented for admission to a regulated stock market in Italy or in another Member State of the European Union;*
- 2) issuers of financial instruments admitted to negotiation in an Italian multilateral negotiation system;*
- 3) companies that control issuers of financial instruments admitted to negotiation on a regulated stock market in Italy or in another Member State of the European Union;*
- 4) companies who appeal to public saving or that nevertheless manage them.*

The provisions referred to in the paragraphs above apply even if the falsehoods or omissions concern assets owned or managed by the company on behalf of third parties».

⁽²¹⁾ TUF = Legislative Decree no. 58 of 24 February 1998.

The type of offence considered by art. 173-*bis* of the TUF (Falsehoods in prospectuses) consists in disclosing false information, or in hiding data or information inside prospectuses (meaning the documents required for the purposes of soliciting investment or of listing on regulated markets, or of publication at the time of tender offers or exchange offers) in a manner likely to mislead the recipients of the prospectuses.

Please note that: (i) there must be an intention to mislead the recipients of the prospectuses; (ii) the conduct must be aimed at securing an unjust profit for themselves or for others.

The offence is perceived as a common offence that may be committed by “anyone” adopting such criminal conduct.

⁽²²⁾ Failure to disclose a conflict of interest (art. 2629-*bis* of the Civil Code)

This offence consists in the violation of the obligations provided for by art. 2391, paragraph 1, of the Civil Code by a director of a company listed on Italian regulated markets or those of other Member States of the European Union, or of companies in which the public holds a significant shareholding, pursuant to art. 116 of the TUF (or by other persons subject to supervision), if damages to the company or to third parties derive from the aforementioned violation.

Art. 2391, paragraph 1, of the Civil Code requires directors of joint-stock companies to inform the other directors and the board of statutory auditors with regards to any interest which, on their own behalf or on behalf of others, they may have in a certain company transaction, specifying the nature, terms origin and scope. The managing directors must also refrain from carrying out the transactions, leaving the board to deal with it. The sole director must disclose any conflict of interest during the first useful shareholder meeting.

nevertheless be subjected to constant verification and duly updated, if necessary.

2.2.2. The identified Sensitive Processes mainly refer to

- a) keeping the accounting books (accounting records, entry of accounting data in the system);
- b) preparing communications for the shareholders (and for the market, as the case may be) pertaining to the economic, capital and financial situation of the Company (financial statements for the period and, if prepared, consolidated financial statements, accompanied by the relevant report on management, quarterly and half-yearly reports, etc.) and communication of the conflict of interest, to transactions involving capital, to the distribution of

profits, to merger or de-merger transactions, and to organisational restructurings;

- c) management of relationships with the Board of Statutory Auditors and with the auditors with regards to the accounting audit and preparation of the Company's capital, economic and financial situation;
- d) preparation of documents made available to the shareholders;
- e) preparation of statements intended for shareholders or the public at large concerning the Company's economic, capital and financial situation or concerning the shareholders;
- f) invoicing of accounts receivable and collection management;
- g) payable cycle management;
- h) management of purchasing and procurement;
- i) treasury management, home banking;
- j) warehouse management;
- k) personnel management;
- l) transactions pertaining to share capital and distribution of dividends;
- m) mergers, de-mergers and other extraordinary transactions;
- n) fiscal/tax fulfilments;
- o) restructurings of an organisational nature.
- p) preparation of communications to Supervisory Authorities, if any, and managing relationships with said Authorities.

2.2.3. In particular, with reference to the *predicate offence* of corruption between private parties, the risk may also exist in the following processes:

- a) determination of discounts by the sales force;
- b) procurement;
- c) activities implemented by the dealers.

On the other hand, the risk of committing the offence are excluded in the

management of receivables.

2.3. General principles of behaviour

- 2.3.1. The recipients of the rules of behaviour and procedures are the corporate bodies as well as all employees and associates (even if not employees) of Linde M-H. These individuals are required to comply with the principles of behaviour and with the prohibitions set out in the existing Procedures adopted by the Company (or received from the Group to which the Company belongs), with the Company's Code of Ethics and, generally speaking, with the provisions of contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, both in Italy and abroad.
- 2.3.2. Generally speaking, the Company's organisation system has to comply with the basic requirements of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.
- 2.3.3. When performing operations pertaining to company management, in addition to the rules contained in the Model and, in particular, to those indicated in the paragraphs below, the members of the corporate bodies of Linde M-H (and the

employees and consultants within the scope of the activities carried out by them) are required to know and comply with:

- a) generally speaking, applicable Italian and foreign regulations;
- b) national and international accounting standards;
- c) the principles of Corporate Governance adopted by the Board of Directors of Linde M-H;
- d) the company organisational structure and the management control system;
- e) rules pertaining to the Company's administrative, accounting, financial and reporting system;
- f) the Code of Ethics;
- g) the company procedures/guidelines, the documentation and the pertinent provisions;
- h) the laws, rules and regulations of market control agencies.

External consultants shall commit themselves to comply with the Model and Code of Ethics of Linde M-H, or, to adopt their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and Code of Ethics of Linde M-H.

- 2.3.4. It is forbidden for members of the corporate bodies and for employees and consultants (within the scope of the activities carried out by the latter) to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

Consequently, the aforementioned subjects are expressly required to:

- a) maintain a proper, transparent and collaborative conduct, in compliance with the law and internal company procedures in all activities aimed at the preparation of the financial statements and other company communications, in order to provide the shareholders and third parties with true and correct information as to the Company's economic, capital and financial situation;
- b) maintain a proper conduct, in compliance with legal provisions and internal company procedures, placing the utmost attention and precision when acquiring, processing and presenting data and information pertaining to the financial instruments issued by Linde M-H, needed to allow investors to come to a well-founded opinion on the Company's

capital, economic and financial situation, as well as on its financial instruments and related rights;

- c) strictly observe all the obligations imposed by the law to safeguard the integrity and consistency of the share capital, so as to not impair the interests of the creditors and of third parties in general;
- d) safeguard the regular operation of the Company and of the Corporate Bodies, guaranteeing and facilitating the adoption of any internal control procedure concerning company management, envisaged by the law, as well as the unhindered and proper decision-making process by the shareholders;
- e) refrain from simulating transactions or disclosing false news suited to cause a significant change in the price of financial instruments;
- f) carry out in a timely and proper manner and in good faith, all communications required by the law and by the regulations to the supervisory authorities, and to refrain from obstructing in any way the supervisory functions exercised by such bodies.

Within the scope of the aforementioned duties, it is particularly forbidden to:

- g) present or transmit for processing and presentation in the financial statements, reports and prospectuses or other company communications, false or incomplete data or, in any event, information that has not been verified with the administrative structures or that does not correspond with the actual Company's actual economic, capital and financial situation;
- h) omit data and information required by the law on the Company's economic, capital and financial situation;
- i) alter data and information intended for the preparation of informative prospectuses;
- j) illustrate data and information used in such as way as to provide a presentation that does not correspond to the actual opinion acquired on

the Company's capital, economic and financial situation, as well as on the financial instruments and related rights;

- k) reimburse paid-in capital to the shareholders or release the latter from the obligation to contribute such capital, except for the case of legitimate reduction of the share capital;
- l) distribute profits or make advance payments on profits that have yet to be earned or required by law to be set aside as non-distributable reserves;
- m) purchase or underwrite shares of the Company or its subsidiaries, other than in those cases envisaged by the law, to the detriment of the integrity of the share capital;
- n) effect reductions in the share capital, mergers or de-mergers, in violation of legal provisions aimed safeguarding the creditors, thus damaging their interests;
- o) proceed with the fictitious formation or increase of share capital, through the issuance, during the share capital increase process, of shares at a value that is lower than their nominal value;
- p) act in such a manner as to materially impede, through the concealment of documents or the adoption of other fraudulent means, or to nevertheless obstruct the performance of the control and auditing activity by the Board of Statutory Auditors or by the auditing firm, or in any event of other subjects in charge of control activities;
- q) determine or influence the deliberations of the Shareholders' meeting, through the commission of simulated or fraudulent acts aimed at altering the normal decision-making process at the Shareholders' meeting;
- r) publish or disclose false information, or simulate transactions, or behave in a fraudulent or misleading nature on the subject of listed or non-listed financial instruments, and suited to significantly alter their price;
- s) omit the issuance, with due completeness, accuracy and timeliness, of all the periodic communications required by the law and applicable regulations, necessary for the control by the Supervisory Bodies of the company's activities, or to omit the transmission of data and documents

required by the law and/or specifically requested by the aforementioned Bodies;

- t) present, in the aforementioned communications and transmissions, untrue information or conceal significant matters concerning the Company's economic, capital or financial conditions;
- u) adopt any form of conduct that obstructs the performance of the supervisory functions, including during inspections by public supervisory authorities (express opposition, refusal as a pretext, or even obstructive behaviour or lack of cooperation, such as delaying communication or availability of documents).

2.4. Specific procedures

- 2.4.1. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.2. Members of the corporate bodies and employees who have been granted powers that can be exercised outside the Company must act within the limits of said

powers. Employees lacking said powers must request the assistance of individuals to whom such powers have been granted.

2.4.3. For the purpose of implementing the rules listed in paragraph 2.3. above, in addition to the general principles contained in the General Section of the Model, the specific procedures indicated here below must also be complied with:

- a) procedures regulating the preparation of Financial Statements;
- b) manual of accounting standards and the Group's guidelines;
- c) procedures regulating the flow of accounting data;
- d) Group's Code of Compliance;
- e) system of powers and observance of the granted powers of attorney;
- f) cash pooling procedures;
- g) reporting procedures aimed at preventing the risk of corporate crimes being committed;
- h) drafting of a risk report according to the Group's directives;
- i) procedures aimed at checking discounts applied by the dealers;
- j) procedure concerning the authorisation and subscription of orders and the payment of the relevant invoices;
- k) procedure for product certification (which requires approval of the product development manager and of the quality manager).

2.4.4. With special reference to the *predicate offence* of corruption between private individuals, the following procedures must also be followed:

- a) treasury procedure for the payment of invoices, to both suppliers and service providers or professional free-lancers;
- b) receivables management procedures;
- c) guidelines for the awarding of contracts;
- d) supplier selection procedure.

Moreover, the following provisions must also be complied with.

2.4.5. Communications to shareholders and/or to the market concerning the Company's economic, capital and financial situation (such as, for example purposes, financial statements with annexed report on operations, quarterly and

half-yearly reports, etc.) must be drawn up based on specific existing company procedures, practices and logics, in order to:

- a) clearly and completely determine the data and information that all functions concerned are required to provide and the accounting criteria used to process the data;
- b) identify the aforementioned functions and the topics which will be the subject of communication and information, indicate suitable deadlines, provide for organising the relevant flows and the release, if necessary, of special certifications;
- c) provide for the transmission of data and information to the function in charge through a system (including an IT system) that allows tracking of the single steps and the identification of the people who enter data in the system;
- d) provide for criteria and methods for processing financial statements data;
- e) provide for shared mechanisms when elaborating statistical data and estimates.

The accounting data contained in the Company's statements intended for the general public or third parties (e.g., communications subsequent to meetings of the Board of Directors, informational prospectuses), must be verified beforehand with the C.F.O.

- 2.4.6. In connection with the drafting of the communications referred to in this paragraph, a basic training program is carried out for all persons responsible for the functions involved in the drawing up of financial statements and of other related documents, in regard to the main juridical concepts and problems (with special emphasis on the relevant criminal responsibilities) concerning financial statements and on corporate communications of an economic, capital and financial nature.
- 2.4.7. Management of relationships with the Board of Statutory Auditors or with the auditing firm with regards to the accounting audit and preparation of the capital, economic and financial situation of Linde M-H.

The following measures are adopted in relationships between M-H and the Board

of Statutory Auditors or the auditing firm:

- a) compliance with company procedures that regulate the selection phase of proposals made by the auditing firms;
- b) without prejudice to the tasks and duties assigned by law, it shall not be possible to assign other different tasks to the auditing firm of Linde M-H unless authorised beforehand in writing by the Managing Director.

- 2.4.8. Management and disclosure of news/data towards the public pertaining to the Company and to the shareholders (relationships with institutional investors, communication of price-sensitive information).

Without prejudice to compliance with the guidelines and basic principles indicated in the Code of Ethics, company information considered “confidential” and “price-sensitive” must be communicated in compliance with the specific internal procedure for the management of confidential information.

- 2.4.9. Transactions involving the share capital.

All transactions involving the share capital of Linde M-H, as well as the incorporation of companies, purchase and sale of equity interests, mergers and de-mergers must be carried out in compliance with the rules of Corporate Governance and with the company procedures drawn up for that purpose.

- 2.4.10. Preparation of communications to Supervisory Authorities and managing relationships with the latter.

In the event that the Company’s activities become subject to the supervision of Public Authorities based on specific applicable regulations, for the purpose of preventing the commission of crimes related to false statements to the authorities and obstruction of supervisory functions, the activities subject to supervision must be carried out by the functions specifically assigned to said task and identified in the company organisational provisions containing the assignment

of specific responsibilities in connection with:

- periodical reporting to the authorities as required by laws and regulation;
- the transmission to said authorities of the documents required by laws and regulations (e.g., financial statements and minutes of the meetings of corporate bodies);
- the transmission of data and documents specifically requested by the supervisory authorities;
- how to behave during the course of inspections/audits.

These procedures entail the following activities:

- a) implementation of all measures of an organisational/accounting nature needed to extrapolate data and information for proper filling in of the reports and for their timely transmission to the supervisory authority, according to the methods and within the terms established by applicable regulations;
- b) adequate formalisation of the procedures in question and subsequent documentation proving that the fulfilments indicated in the procedures have been executed, with special reference to the data processing activity;
- c) provision by the audited organisational functions and departments, during the course of the audit, of the utmost cooperation in performing the audits. In particular, the documents which the persons in charge of the audit deem necessary to acquire must be promptly and completely made available to the requesting individuals, subject to consent of the company manager in charge of providing assistance to the audit and authorised to communicate with the proceeding authority;
- d) participation in the audits of individuals expressly authorised to do so. The minutes drawn up by the public authority must be diligently retained by the company function responsible for following the inspection/audit. Where necessary, the function concerned can add minutes or reports for internal company use to the minutes drawn up by the proceeding Authority. In case any criticalities emerge from the final report, the O.d.V. must also be promptly notified accordingly by means of a written communication by the head of the function concerned.

2.4.11. Other rules aimed at preventing corporate offences in general.

In addition to the rules of Corporate Governance, of procedures/guidelines, and the defined organisational responsibilities, the following additional measures

shall be complied with:

- a) implementation of a periodic training-information system for relevant personnel with regards to the rules of Corporate Governance and corporate offences;
- b) planning of periodic meetings between the Supervisory Board and the Board of Statutory Auditors and the body in charge of internal control in order to verify compliance with the regulations concerning corporate law and Corporate Governance;
- c) formalising and/or updating of internal rules and procedures concerning compliance with corporate law.

2.4.12. Among the Sensitive Processes concerning the prevention of corporate offences, the following must also be complied with:

- a) the Code of Ethics;
- b) the treasury procedure;
- c) the procedure concerning investments;
- d) the purchasing procedure;
- e) the procedure, if any, for relationships with related parties as may be necessary;
- f) the procedure for reporting to the Supervisory Board.

2.5. Market abuse

2.5.1. The risk assessment also took into account the processing of confidential information ⁽²³⁾ in connection with the possible commission of *predicate offences* and administrative infringements referable to the market abuse type (art.

⁽²³⁾ The information is privileged if, in case it is made public, it can significantly affect the prices of financial instruments (*price-sensitive information*), in other words information that a reasonable investor would presumably use as one of the elements on which to base his/her investment decisions.

Privileged information, pursuant to art. 181 of the TUF, has to possess the following characteristics:

- must be of a precise nature, in the sense that (i) it must refer to a set of existing circumstances or circumstances the occurrence of which one might presumably foresee; or it must refer to an event that has taken place or that can be reasonably presumed to take place in the future; and (ii) it must be sufficiently specific so as to allow conclusions to be drawn on the possible effect of the set of circumstances or of the event referred to above on the price of financial instruments;
- it must not have been made public yet;
- it has to concern, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments (pursuant to art. 180 of the TUF, the term “financial instruments” means the financial instruments referred to in art. 1, paragraph 2 of said to TUF (to which you can refer for additional details).

25-*sexies* D.lgs. 231/2001). Said administrative offences and infringements consist of:

- a) Insider trading (art. 184 TUF) ⁽²⁴⁾
- b) Manipulation of the market (art. 185 TUF) ⁽²⁵⁾
- c) Administrative infringement of Insider Trading (art. 187-*bis* TUF) ⁽²⁶⁾
- d) Administrative infringement of market manipulation (art. 187-*ter* TUF) ⁽²⁷⁾

The risk of committing the *predicate offences* and the administrative infringements in question is deemed absolutely remote since the company is not listed on the stock exchange or on other regulated markets, although it is part of a Group (“KION Group”) the parent company of which, KION GROUP AG, is listed on the Frankfurt Stock Exchange.

- 2.5.2. Individuals who, during the performance of their jobs for the Company, may have access to insider information (authorised subjects) shall be identified by the Managing Director and shall be required to handle said information in compliance with criteria of complete confidentiality, according to procedures adopted by the KION Group for the processing of insider and confidential information, guaranteeing the traceability of the process and keeping all backup information available to the O.d.V.

In case of need in connection with the issuing of its own listed financial instruments or of other Group subsidiaries, the Company shall arrange for implementing any additional procedures aimed at preventing the risk of

⁽²⁴⁾ The offence is committed when a person, having (directly) gained possession of privileged information by virtue (i) of his position as member of an administrative, management or control body of the issuing company, (ii) or in the quality of shareholder of that company, or (iii) during the exercise of a work activity, a profession or function, even public, of an office:

- a) carries out other transactions, directly or indirectly, on his own behalf or on behalf of others, on financial instruments using the same privileged information (known as *trading*);
- b) communicates such information to others, outside the normal execution of his/her duties, profession, function or office for which he is responsible, regardless of whether or not the parties receiving the information use it to carry out transactions (known as *tipping*);
- c) recommends or induces others to undertake any of the transactions indicated in letter a) above, based upon such privileged (known as *tuyautage*).

⁽²⁵⁾ The crime is committed when a person circulates false information (known as manipulation of information) or sets up simulated transactions or other tricks capable of causing a sensible change in the price of financial instruments (known as trading manipulation).

⁽²⁶⁾ The administrative infringement is different with respect to the corresponding offence in that the subjective element of criminal intent is required.

⁽²⁷⁾ As regards administrative infringement related to market manipulation, the definition is more detailed compared to the one provided for the criminal offence since it includes, as specific, non-mandatory cases: (i) transactions and purchase and sale orders which provide or are likely to provide false or misleading indications in regards to the offer, demand or price of the financial instruments; (ii) transactions and purchase and sale orders which, through the activity of one or more persons acting in cooperation, allow the market price of one or more financial instruments to be fixed at an abnormal or artificial level; (iii) transactions or purchase and sale orders that use devices or any other form of deceit or expedient; (iv) other devices capable of providing false or misleading information in regards to the offer, demand or price of the financial instruments.

commission of the *predicate offences* and administrative infringements in question.

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section V, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VI

Predicate offences

*Manslaughter and serious personal injury or grievous bodily harm
committed with violation of regulations on the protection of health and
safety in the workplace*

(art. 25-septies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section VI

Special Section VI refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning the crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of the regulations on the protection of health and safety in the workplace.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- a) list the *predicate offences* included in the specific category;
- b) indicate the general principles of behaviour to be complied with;
- c) indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H are required to comply with in order to properly apply the Model;
- d) equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific *predicate offences* ascribable to the category of crimes of manslaughter and serious personal injury or grievous bodily harm committed with violation of regulations on the protection of health and safety in the workplace deemed to be of significant risk and the related sensitive processes (art. 25-septies, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a short description of the offences envisaged in art. 25-septies of Leg. Decree 231/2001, introduced by Law 123/2007 and referenced in Leg. Decree no. 81 of 9 April 2008.

▪ **Manslaughter (art. 589 of the Criminal Code)**

The crime is committed when someone causes the death of a person with violation of

rules for the prevention of accidents in the workplace and of occupational diseases.

- **Serious personal injury or grievous bodily harm (art. 590 of the Criminal Code)**

The crime is committed when someone causes serious or very serious personal injuries, with violation of rules for the prevention of accidents in the workplace and of occupational diseases.

The injury is considered serious (art. 583 of the Criminal Code, paragraph 1) in the following cases: (i) if the event causes an illness which endangers the life of the injured person, or an illness or incapacity to attend to the normal activity for a period exceeding forty days; (ii) if the injury produces the permanent weakening of a sense or organ.

On the other hand, the injury is considered very serious if the event causes (art. 583 of the Criminal Code, paragraph 2): (i) an illness that is certainly or probably incurable; (ii) the loss of a sense; (iii) the loss of a limb or mutilation that renders the limb useless, or the loss of the use of an organ or the incapacity to procreate, or the permanent and serious difficulty of speech; (iv) deformation or permanent disfigurement of the face.

For offences committed with violation of rules on accident prevention in the workplace or pertaining to workplace hygiene or that have determined an occupational disease, the crime is prosecutable ex officio.

The common element to both types of offences is culpability, as defined by art. 43 of the Criminal Code, referred to the occurrence of the manslaughter or of the injuries. With regards to this, an offence is a misconduct or not intended when the event, even if foreseen, is not intended by the agent and occurs due to negligence, carelessness or inexperience, or due to failure to abide by the laws, regulations, orders and discipline.

These types of offences may be committed, for example, in the case where, in order to obtain an advantage (e.g., savings in terms of money or time), all the measures and checks required by the regulations in force on the subject of workplace safeties have not been implemented.

The violation of regulations on the topic of health and safety in the workplace, on the other hand, may be intentional or negligent without distinction.

2.2. Sensitive Processes

2.2.1. The Sensitive Processes identified within the scope of manslaughter and serious injury or grievous injury committed with violation of the regulations on the

subject of health and safety in the workplace are the ones indicated in art. 30 of Leg. Decree 81/2008, in particular:

- a) in the compliance with legal technical-structural standards pertaining to equipment, installations, workplaces, chemical, physical and biological agents;
- b) in the activity of risk assessment and of the consequent preparation of prevention and protection measures;
- c) in the activity of an organisational measure, such as emergencies, first-aid contract management, periodical safety meetings, consultations of the workers' safety representatives;
- d) in the health surveillance activity;
- e) in the worker information and training activity;
- f) in supervisory activity in connection with compliance with procedures and instructions for working safely by the workers;
- g) in the acquisition of documentation and certifications required by the law;
- h) in the periodical checks pertaining to the application and efficacy of the adopted procedures.

2.2.2. In connection with said Sensitive Processes, Linde M-H has identified as being significant - through the analysis carried out - the company processes indicated here below and has verified the existence of procedures that govern said processes, in other words it recognised the need to arrange for integrating them with new protocols. The procedures in question, whether existing or yet to be issued, will nevertheless be subjected to continuous checks and duly updated, if need be.

The sensitive company processes identified by Linde M-H identified on the basis of

the documentation pertaining to the risk assessment process mainly refer to:

- a) the entire production activity and, in particular, the workshop activity;
- b) the entire maintenance and repair activity of forklift trucks;
- c) the use or handling of forklift trucks, including at third-party facilities.
- d) the storage and transport of materials and the use of company motor vehicles;
- e) the performance of general daytime office work, including the use of personal computers with video terminals, printers, faxes, photocopying machines;
- f) management of Local Units (Branches), also in connection with fulfilments related to work contracts.

The Company arranges for drawing up specific risk assessment documents for each company unit.

2.3. General principles of behaviour

- 2.3.1. In view of the activity which it carries out, the Company attributes particular and primary importance – the same as it attributes to its own employees and associates – to protecting the health and safety of its customers, for the purpose of preventing any damages to individuals who use the Company's products.

In addition to the corporate bodies, the Recipients of the rules of behaviour and of the procedures are all employees and associates, even if non-employees, of Linde M-H, as well as service providers. All the aforementioned subjects are required to refrain from implementing, contributing to or causing behaviours that may integrate the species of crime indicated above; they are also required to comply with the principles of behaviour and prohibitions set out in the Company's Code of Ethics and, generally speaking, with the provisions of this Model.

- 2.3.2. The members of the corporate bodies of Linde M-H, the employees, the Employer, the Head of the Prevention and Protection Service (RSPP), when carrying out the activities pertaining to Sensitive Processes – including through suppliers and outside consultants – and each one insofar as it pertains to them,

have to know and comply with or, in any event, make sure that others know and comply with, in addition to the rules contained in the Model:

- a) the regulations and the instructions of the authorities in charge, on the topic of health and safety in workplaces;
- b) the Company's Code of Ethics;
- c) the Company's guidelines and regulating procedures of topics on the subject of health, hygiene and safety in the workplace.

2.3.3. The company organisation, as required by Leg. Decree 81/2008 as subsequently amended and supplemented, must guarantee compliance with regulations on the topic of protecting the health and physical integrity of the workers (safety and prevention, work hygiene) and of environmental protection, as well as to ensure, generally speaking, as safe and healthy work environment, suited to the performance of the activity, through:

- a) the assessment of health and safety risks, for employees and associates as well as for the customers;
- b) the planning of prevention, including for the purpose of ensuring an improvement in the levels of safety over time;
- c) the elimination of risks or, if this is not possible, their reduction to a minimum in connection with the knowledge acquired based on technological progress;
- d) the compliance of ergonomic principles when organising the work (workstations and choice of equipment) and when defining the work and production methods, in order to mitigate the effects of monotonous and repetitive work on the workers' health;
- e) limiting to a minimum the number of workers who are, or might be, exposed to the risk;
- f) the definition of priorities for collective protection measures in parallel with individual protection measures;
- g) the health monitoring of workers, with special focus on specific risks, including moving the workers away from exposure to the risk, in case of

- healthcare reasons pertaining to their person and their reassignment, if possible, to another task;
- h) the activity of information, training, consulting and participation of the workers or of their representatives, of the executives and of the persons in charge on matters concerning health and safety in the workplace;
 - i) the formalising of adequate instructions to the workers;
 - j) the definition of adequate emergency measures to be implemented in case of first aid, of fire-fighting, of workers' evacuation and of serious and immediate danger;
 - k) the use of warning and safety signs;
 - l) the regular maintenance of premises, equipment, machinery and systems, with special focus on safety devices in compliance with the manufacturers' instructions.

Measures pertaining to safety, hygiene and health on the job shall under no circumstance entail financial charges for the workers.

When choosing suppliers of goods and services, the primary aspects to be taken into account should be the supplier's reliability and capacity to properly fulfil the undertaken obligations, in addition to the quality/price ratio of the good or the service being offered.

- 2.3.4. The members of the corporate bodies and the employees of Linde M-H, including the Employer and the Head of the Prevention and Protection Service (RSPP), during the performance of the tasks assigned to them – including through suppliers and outside consultants – are required to:
- a) care for their own safety and health as well as for the safety and health of the people present in the workplace and of the customers of their own Local Units, in accordance with their training and with the instructions and means received;
 - b) operate in a manner that is consistent with the needs arising from the social contexts, safeguarding basic human rights;
 - c) comply with, making sure that others do the same, with the regulations and with the provisions of authorities on the subject of the environment and of hygiene and safety in the workplace, including in connection with provisions

- that govern the access to and the presence at the Company's premises of third parties extraneous to the Company itself;
- d) comply with legal provisions and regulations, with the provisions of healthcare authorities and of the agencies in charge, with self-regulation provisions and with the principle of the Code of Ethics;
 - e) acquire full knowledge of legislative provisions on the subject of hygiene, health and safety in the workplace, including through the participation in courses held by the Company, also taking into account the specific assigned tasks;
 - f) observe the provisions and instructions received for purposes of collective and individual protection;
 - g) adopt all measures necessary for the health and safety of the workers and customers of the Local Units, as well as measures aimed at controlling risk situations in case of emergency;
 - h) periodically update the prevention measures in connection with organisational and production changes which are relevant for purposes of workplace health and safety, or in connection with the degree of evolution of prevention and protection technique;
 - i) undergo the required healthcare checks;
 - j) appoint the managers and assigned workers as required by the laws in force ensuring, generally speaking, a safe and healthy work environment suited to performance of the activity;
 - k) assign jobs in connection with the workers' skills and conditions in relation to their health and safety;
 - l) equip themselves with the necessary tools in order to prevent the conduct of individuals from determining the liability of the legal person;
 - m) properly use the machinery, the equipment, the work instruments, any hazardous substances, means of transport and other work tools, as well as the collective and personal protective equipment, and promptly report to the Employer any shortcomings or problems with said equipment, as well as any other dangerous conditions they may gain knowledge of, directly making

every effort, in urgent cases and within the scope of one's skills and possibilities, to eliminate or reduce said shortcomings or dangers;

- n) identify and mark off the perimeter of work areas concerned by activities at risk of maintenance or newly constructed, so as to prevent access to these areas by unauthorised subjects;
- o) follow the safety rules distributed by the Prevention and Protection Service when drafting, signing and executing contracts;
- p) promptly executing legal fulfilments or contributing to the fulfilment of all obligations imposed by the pertinent authority or in any event necessary for safeguarding the safety and health of workers as they perform their job;
- q) implement measures aimed at protecting and preventing risks in the workplace that affect the contracted work, as well as coordinate protection and prevention operations for the purpose of eliminating risks due to interference between jobs carried out by the different contractors involved in the execution of the overall work;
- r) allow access to areas that expose individuals to serious and specific risks only to those workers who have received adequate instructions and specific training with regards to said risks.

The suppliers for whatever reason and the installers of systems, machines or other technical means, as well as the design engineers of the workplaces/workstations, are required, in connection with the nature of the supplied good or of the rendered service, to ensure compliance with regulations pertaining to workplace safety and to safeguarding the health of individuals.

2.3.5. It is expressly forbidden to:

- a) remove or modify, without being authorised to do so by company management, the safety or warning or control devices, as well as to deactivate or make even partially ineffective the collective or personal protective equipment;
- b) carry out operations or manoeuvres that have not been assigned to them or that may jeopardise their safety or the safety of other workers;
- c) access work areas without proper authorisation;
- d) manufacture, purchase, rent or use systems, machinery, equipment or other technical means, including collective and personal protective equipment

which are not appropriate or do not comply with the provisions in force on the subject of safety.

2.4. Specific procedures

- 2.4.1. The company system for plant management and for the management of activities in any event associated with production (such as, for example, maintenance, storage and transport) and use of the products entails the adoption of specific procedures aimed at preventing and in any case minimising as much as possible the risk of individual workers, including third-party employees.

Generally speaking, the Company adopts measures which are best suited to preventing internal and external environmental risks, biological risks, physical and psychological risks, both in terms of its employees and external associates for whatever reason, and of those who, for whatever reason, use of handle the Company's products.

The company system for managing the safety and safeguarding workplace hygiene and workers' health is aimed at ensuring the fulfilment of all legal obligations ratified by art. 30 of Leg. Decree 81/2008 and, in particular, requires multiple procedures, among which those related to the identification of hazards and the assessment of risks, to internal maintenance, to human resource management, to communication, participation and consultation, to operational control, to management of personal protection equipment, to emergency management and response, to purchases, to selection, qualification and control of suppliers, to work contracts and maintenance and to accident and disease ⁽²⁸⁾.

One of the Company's strengths is the integrated system for quality, safety, environmental management. The management of activities is based on consolidated practices defined in the aforementioned procedures aimed at preventing the risk of offences being committed; consequently, the company processes are under control.

- 2.4.2. For purposes of compliance with the rules and observance of the principles, prohibitions and indications listed in the paragraph above, the Model recipients are required, within the scope of the company safety management system, to comply with

⁽²⁸⁾ The complete list of the procedures already in place at the Company on the subject of Workplace Safety is contained in a separate document, which will be constantly updated and made available to the O.d.V.

Linde Material Handling Italia S.p.A.

Organisation, Management and Control Model Pursuant to Leg. Decree no. 231 of 8 June 2001

updated during the BOD meeting held on December 13th, 2017

updated by the CEO on June 26th, 2018

Special Section VI: Manslaughter and serious personal injury or grievous bodily harm with violation of regulations on the protection of workplace health and safety

the provision described here below, as well as with the rules and general principles of behaviour contained in the General Section, both in Italy and abroad.

- a) The Company formally identifies, through organisational notices and specific proxies issued by the subjects identified in the relevant regulations, the internal responsibilities on the subject of workplace health and safety, with particular reference to: the Employer, the Head of and employees assigned to the Prevention and Protection Service (RSPP), employees assigned to the implementation of fire-prevention and fire-fighting measures, evacuation in case of serious and immediate danger, rescue, first-aid and, in any event, emergency management. These responsibilities are formally assigned within the scope of the work relationship or, in the case of individuals outside the company, through a suitable contract of appointment.
- b) The Company promptly and timely communicated to third parties concerned (e.g., INAIL) the name of the Workers' Safety Representative.
- c) The Heads of and employees assigned to the Prevention and Protection Service, be they internal or external, have to: *(i)* possess professional skills and requirements suited to the nature of the risks present in the workplace and pertaining to the work activities; *(ii)* possess at least a secondary (high) school diploma as well as a certificate of attendance, with final exam of the level achieved, in specific training courses suited the nature of the risks present in the workplace and pertaining to the work activities; *(iii)* be of a sufficient number with respect to the Company's characteristics and possess means and times suited to the performance of their task.
- d) The assignment of tasks by the Employer must be carried out and accepted in writing and specifically dated. During the process of delegating tasks, the requisites of professionalism and experience of the person to whom the tasks are delegated must be verified, said requisites being requested by the specific nature of the delegated tasks. The person to whom the tasks are delegated must be granted all powers of organisation, management and control required by the specific nature of the delegated tasks, as well as the power of expenditure necessary for performance of the delegated tasks.
- e) A Company Physician is appointed and assigned the task of overseeing and supervising the individual workers' compliance with *(i)* their obligations deriving from the law, *(ii)* company provisions on the subject of health and safety in the workplace and the use of collective and personal protective equipment. The Company Physician has to possess the requisites required by the law and, when performing its tasks, is required to follow the principles

of occupational medicine and of the ethical code of the International Commission on Occupational Health (ICOH).

The Company ensures adequate and timely information flows between the Employer, the Company Physician and the Prevention and Protection service in connection with processes and risks associated with the Company's activity, for the purpose of allowing them to collaborate in the assessment of risks, in the planning of health monitoring activities, in the preparation of the implementation of measures aimed at protecting the workers' physical-psychological integrity and health, in the training and information activity aimed at workers and in the organisation of the first-aid service.

- 2.4.3. The company identifies and evaluates all risks to the safety and health of workers, including those concerning groups of workers that may be exposed to particular risks.

The risk assessment must be documented through the drafting of a formalised report ("*Risk assessment document as per Leg. Decree 81/2008*") that contains the following basic elements:

- a) the assessment of safety and health risks associated with production and use of the Company's products, including with regards to third-party users of the same products, indicating the criteria adopted for the assessment;
- b) the indication of prevention and protection measures and of the personal protective equipment deemed appropriate as a result of the aforementioned assessment. The Personal Protective Equipment made available to the workers must conform to legal requirements, be kept in conditions of efficiency, used for the intended uses only, and the subject of specific training and information activities; the workers must use PPE in all cases in which they are required, duly caring for it and without making any changes to it of their own initiative, reporting any defect or inconvenience that may be detected in said equipment;
- c) the program of measures considered appropriate for the purpose of improving the levels of safety over time;
- d) the identification of procedures for implementation of the measures to be carried out, as well as the company functions called to arrange for said

measures, to which only individuals possessing adequate skills and powers must be assigned;

- e) the indication of the name of the Head of the Prevention and Protection Service, of the Workers' Safety (or local) Representatives and of the Company Physician who took part in the risk assessment;
- f) the indication of any tasks that might expose workers to specific risks and that require an acknowledged professional ability, specific experience, as well as adequate training and information.

The Risk Assessment Document must be dated and approved by the Employer, by the RSPP and by the Company Physician, after having consulted with the Workers' Safety Representatives (to whom a copy must be given), and it must be kept at the production unit to which it refers.

The risk assessment must be carried out according to transparent, comprehensive and easy-to-use methods and criteria.

In case of changes in the production process and/or in the work organisation which are relevant for purposes of safeguarding worker health and safety, and/or in connection with the degree of evolution of prevention and protection techniques, and/or following serious accidents, and/or when the results of the health monitoring activities reveal the need, the Risk Assessment Document must be promptly updated with the introduction of measures suited to regulating the new situation that has taken place.

- 2.4.4. The Prevention and Protection Service is required to adopt measures aimed at dealing with emergency situations, with the drafting, periodical update and scheduled drills, of the Emergency Management and Safety Plan, which contains instructions and procedures to be complied with in case of *(i)* fire, *(ii)* evacuation of residential buildings, *(iii)* injury or fainting fit, *(iv)* first aid.

The Plan must feature the following basic elements:

- description of the workplaces and fire risk assessment,
- measures for the organisation of emergency operations (assigned personnel and relevant tasks),
- a general emergency plan.

The Company guarantees the prompt intervention of the pertinent public services on the subject of first aid, rescue, fire-fighting and emergency management.

A summary of the Emergency Plan, as well as the relevant procedures and

instructions, must be distributed and/or made available to all workers concerned.

2.4.5. As regards the fire risk in particular, a Workplace Fire Risk Assessment Document must be prepared and promptly updated, if necessary in connection with changes in the risk, pursuant to Italian Ministerial Decree of 10 March 1998. This document, to be drawn up by the Prevention and Protection Service, must contain:

- a) the assessment of the risk of fire in the workplaces, illustrating the identified dangers and indicating the adopted criteria and methodology;
- b) the location of the production unit and the identification of the type of building and of the systems at risk of fire, specifying the construction characteristics, the escape routes and the fire-fighting devices;
- c) the identification of employees and of other people exposed to the risk of fire,
- d) the adopted fire protection measures, with special reference to: (i) the adoption of adequate fire-prevention equipment, systems and devices; (ii) the supply of adequate first-aid measures; (iii) the identification of one or more rescue squads, made up of a suitable number of people duly trained on the subject of fire-fighting, first aid and evacuation; (iv) the definition of the evaluation plan of the premises and the implementation and documentation of periodical escape drills; (v) the training of assigned personnel; and (vi) the supply of information to the personnel concerned.

The document must be approved by the Employer and by the RSPP and, subject to consultation by the Workers' Safety Representative, it must be kept at the production unit to which it refers.

2.4.6. During internal and external transfers, using either the company's or one's own vehicle, all the necessary and appropriate precautions must be observed for the purpose of protecting the physical integrity of the workers (for example: verifying that maintenance is regularly carried out on the motor vehicles, complying signs, verifying regular insurance coverage, using collective or personal protection equipment, etc.).

2.4.7. Suitable safety measures, with the appointment of a safety manager, must also be implemented in connection with the outsourcing of works and services within the scope of the provisions of Title IV, chapter I of Leg. Decree 81/2008, during both the design phase and the executive phase.

2.4.8. For all workplaces, the Fire Prevention Certificates and the certifications pertaining to technical installations (such as the power plant, lifts, electrical systems and any other

installation) must be obtained, and if necessary updated, and retained according to the provisions of the law; moreover, the reports of the relevant periodical checks and any conformity reports submitted to the pertinent entities must be retained.

- 2.4.9. Health surveillance is carried out by the Company Physician through healthcare protocols defined in relation to specific risks, and considering the most advanced scientific trends; the surveillance must be carried out in compliance with the regulations in force, with European Directives, as well as with the indications provided by the Consulting Commission and in the event the worker requests it and Company Physician considers the surveillance to be correlated to the occupational risks.

In particular, health surveillance includes the following activities: (i) preliminary medical check-up at the time of hiring for the purpose of verifying that the worker is fit for the assigned task, (ii) periodical medical check-up, (iii) medical check-up at the worker's request for the purpose of expressing an opinion of fitness for the specific task, (iv) medical check-up during a change in the assigned task in order to verify fitness to the new task, (v) medical check-up upon termination of the work relationships, in those cases required by regulations in force, (vi) previous medical check-up after coming back to work following a sick leave lasting for more than 60 consecutive days. For each worker subject to health surveillance, a healthcare and risk folder must be immediately prepared and promptly updated as needed.

The monitoring and surveillance activities of the Health Surveillance Plan must be documented through a special Medical Report, drawn up by the Company Physician on a yearly basis and transmitted to the Prevention and Protection Service and to the Human Resources Dept.

- 2.4.10. Accidents on the job that require the injured worker to be absent from the job for at least three days must be communicated to INAIL, according to instructions provided by the control authorities.

A similar register must be kept in which to record accidents that may have happened to individuals extraneous to the Company.

The acquisition and transmission of data and information pertaining to accidents must be carried out on the basis of and in compliance with specific formalised internal procedures.

- 2.4.11. The Company implements a program aimed at informing employees and associates on the subject of safeguarding hygiene and safety in the workplace, with regards to: risks to health and safety associated with the company activity;

the adopted prevention and protection measures and activities; the specific risks to which workers are exposed in connection with the activity carried out, dangers associated with the use of hazardous substances and preparations on the basis of the material safety data sheets required by the regulations in force and by good practices; measures and activities that concern first aid, fire-fighting, evacuation of workers; appointment of the RSPP and of the Company Physician; names of the employees assigned to safety; applicable reference legislation; company policies and procedures on the subject of health and safety in the workplace.

For those workers and associates who are assigned specific responsibilities on the subject of hygiene and safety in the workplace, a specific training and professional refresher program is implemented, differentiated based on the assigned tasks and on the different risk profiles present at the Company. The execution and participation in courses on the subject of health, hygiene and safety in the workplace must be monitored and duly documented, including through the retention and safekeeping of the relevant programs and attendance certificates.

2.4.12. The safety representatives are guaranteed free access to the relevant company documentation and information.

2.4.13. The provisions of the KION Group's Code of Compliance must be complied with.

2.5. Producer's warranty and instructions for using the products

The Company is required to grant the Producer's legal guarantees.

The Company must provide customers with instructions for proper use of its products and for regular maintenance, including in relation to the users' safety.

The Company must also request the customers at which facilities it carries out maintenance on the products to make available suitable premises that comply with regulations on the subject of workplace safety and hygiene.

2.6. Reporting of new risks

The Company ensures the possibility to report any new risks by the control bodies and company structures as well as by individuals, and arranges for collecting these reports in a specific database that is periodically updated through a monitoring system (also at the

Group level) and a “to do” list.

2.7. Resorting to third-party services

2.7.1. Should the Company decide to outsource the management of services on the subject of workplace hygiene and safety, the relevant contract shall provide for the outsourcer’s commitment to comply with all the provisions contained in this Section VII of the Company’s Model and with the Code of Ethics.

The contract shall also include the commitment by the service provider to refrain from carrying out activities that may constitute any one of the predicate *offences* or that are in contrast with said contract.

2.7.2. The scope of the assignment and of the proxy granted to the service provider, as well as any powers of expenditure to be granted to said provider, and the actual exercise of said powers must be approved beforehand by the Company’s Managing Director.

2.7.3. Moreover, the contract will have to include a statement in which the service provider attests:

- a) to be familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company,
- b) its commitment to comply with the provisions contained in this Special Section VI;
- c) that its legal representatives and those involved in the supply of the services have never been sentenced and are not at present charged or under investigation in connection with criminal proceedings related to predicate *offences*; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

The service contract must also include a special clause regulating the consequences of the violation by the supplier of the provisions contained in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties,

etc.).

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section VI, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VII

Predicate offences

*Receiving of stolen goods, money-laundering and
employment of money, goods and utilities of illegal origin,
self-money-laundering*

(art. 25-octies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section VII

Special Section VII refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning the crimes of receiving stolen goods, money laundering and employment of money, goods or utilities of illegal origin and self-money laundering.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of crimes of receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin and self-money laundering (art. 25-octies, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offences* concerning the receiving of stolen goods, money laundering, employment of money, goods or utilities of illegal origin, deemed to be at significant risk of commission:

▪ **Receiving of stolen goods (art. 648 of the Criminal Code)**

The offence is committed when any person, for the purpose of obtaining a profit for himself or for others, purchases, receives or conceals money or goods deriving from any crime whatsoever, or in any case concurs in their purchase, receipt or

concealment.

- **Money-laundering (art. 648-bis of the Criminal Code)**

This offence is committed when a person substitutes or transfers money, goods or other assets deriving from an intentional offence, or carries out other transactions in respect of such money, goods or assets, so as to hinder the identification of their criminal origin.

- **Employment of money, goods or utilities of illegal origin (art. 648-ter of the Criminal Code)**

This offence is committed when, outside of the cases of receiving stolen goods and money laundering indicated above, any person uses money, goods or other utilities deriving from a crime in economic or financial activities.

- **Self-money-laundering (art. 648 – ter.1.) ⁽²⁹⁾**

This offence is committed when a person – having committed or contributed to the commission of a crime without criminal intent – uses, substitutes, transfers, in economic, financial, entrepreneurial or speculative activities, money, goods or other assets deriving from said crime intentional offence, or carries out other transactions in respect of such money, goods or utilities, so as to materially hinder the identification of their criminal origin ⁽³⁰⁾.

Conducts for which the money, goods or other utilities are intended for mere utilisation or personal enjoyment are not punishable.

For example, the offence of self-money laundering may be committed following other criminal activities – such as tax evasion, bribery and the appropriation of company assets, in the event that the proceeds deriving from said offences are used in economic, financial, entrepreneurial or speculative activities of the person who committed or

⁽²⁹⁾ Self-money laundering was included among the *predicate offences* by Law no. 186 of 15 December 2014, which became effective on 1 January 2015, bearing «Provisions on the disclosure and repatriation of capital held abroad as well as for waging further war against tax evasion. Provisions on the subject of self-money laundering».

⁽³⁰⁾ The offence is punished with a term of imprisonment from two to eight years and with a fine from € 5,000 to € 25,000. A term of imprisonment from one to four years and a fine from € 2,500 to € 12,500 if the money, goods or other utilities derive from the commission of an offence with criminal intent punished with a term of imprisonment that cannot exceed five years. In any event, the penalties set forth in paragraph 1 are applied if the money, goods or other utilities derive from the commission of a crime under the conditions or for the purposes referred to in article 7 of Law Decree no. 152 of 13 May 1991, converted, with amendments, by Law no. 203 of 12 July 1991, as subsequently amended (Urgent measures in the fight against organised crime and transparency and proper performance of the administrative activity). The penalty is increased when the offences are committed during the exercise of a bank or financial activity or of another professional activity. The penalty is decreased by up to half for those who have effectively acted for the purpose of preventing conducts from having additional consequences or for ensuring proof of the offence and the identification of assets, goods and other utilities deriving from the offence.

contributed to the commission of the aforementioned offences.

▪ **Prerequisite common to money laundering and self-money laundering**

The origin from intentional crime of the utilities that came into the possession of the author.

Difference between money-laundering and self-money-laundering

Money laundering: except for the cases of concurring in the “source offence”

Self-money laundering: in the case of commission or contributing to the commission of the “source offence”

Typical conduct

The typical conduct of money laundering or self-money laundering offences is described here below:

- “*substitution*” (“dirty” money or goods deriving from the crime are received and legal utilities are returned)
- “*transfer*” (*transfer of the assets to third parties, through fictitious registrations or different legal instruments*)
- “*other transactions [...] are carried out*”
- *with methods* suited to hindering identification of the [...] illegal origin, in other words with an *attitude that obstructs traceability of the illegal origin*.

2.2. Sensitive Processes

Through the analysis carried out, Linde M-H has identified a few Sensitive Processes within the scope of the offences of receiving stolen goods, money laundering, employment of money, goods or utilities of illegal origin, self-money laundering, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk

assessment process mainly and theoretically refer to:

- a) corporate transactions on share capital / acquisition of loans;
- b) investments;
- c) purchases;
- d) sales;
- e) customer relations;
- f) evaluation of counterparts with special reference to cooperatives or staff leasing companies;
- g) sales at consolidated dealers;
- h) small maintenance jobs;

and, in particular with regards to self-money laundering,

- i) fiscal/tax fulfilments;
- j) accounting of company transactions, in the event that the irregular keeping of the accounting books may result in the set up of slush funds.

The interviewed subjects believe that the occurrence of the offences in question is impossible/unlikely due to measures adopted by the Company.

2.3. General principles of behaviour

- 2.3.1. Generally speaking, the Company's organisation system has to comply with the basic requirement of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.
- 2.3.2. The recipients of the Model shall comply with regulations on the subject of money-laundering (Leg. Decree no. 231/2007) as well as with the Rules and General Principles contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, with the Code of Ethics as well as with specific procedures, both in Italy and abroad.
- 2.3.3. The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of Linde M-H, directly, and to companies

that provide IT services, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses. Consultants must commit themselves to comply with the Model and with the Code of Ethics of Linde M-H, or, in the case of companies, to adopt their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and in the Code of Ethics of Linde M-H.

- 2.3.4. It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.
- 2.3.5. The Company encourages respect for the truth and transparency of the documentation used, under any circumstance.

2.4. Specific procedures

- 2.4.1. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.2. Members of the corporate bodies and employees who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Employees lacking said powers must request the assistance of individuals to whom such powers have been granted.
- 2.4.3. With regards to the Sensitive Processes in question, the Company has adopted the following procedures, which all individuals involved in said processes are required to follow:
- a) procedures drawn up within the scope of preventing corporate crimes;
 - b) the Group's procedure concerning investments;
 - c) customer assessment procedures;
 - d) treasury procedure;
 - e) budget procedure;
 - f) Code of Ethics;
 - g) procedure for communications to the Supervisory Body.
- respecting, in any event, the accounting standards and the legal-fiscal regulations on the subject of proper bookkeeping.
- 2.4.4. The provisions of the KION Group's Code of Compliance must be complied with.

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section VII, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION VIII

Predicate offences

Offences concerning the violation of copyright

(art. 25-novies Leg. Decree 231/2001)

1. Purpose and structure of Special Section VIII

Special Section VIII refers to behaviours implemented by members of the corporate bodies and employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning crimes of violation of copyright.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the predicate offences included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of crimes of copyright violation, deemed to be of significant risk and the related sensitive processes (art. 25-novies, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offences* pertaining to violations of copyright for which there is a risk of commission during performance of the company activity.

- **Art. 171, paragraph 1, letter a), a-bis), c) and d), Law no. 633 of 22 April 1941**

The offence is committed when a person: (i) reproduces, transcribes, recites in public, disseminates, sells or offers for sale, or otherwise commercial distributes the work of another person, or reveals the contents of such work before it is made public, or introduces or circulates within the territory of the State copies produced abroad contrary to Italian law [art. 171, paragraph 1, a)]; (ii) makes available to the public a protected intellectual work, or a part thereof, by placing it in a system of telecommunications networks through connections of any kind [art. 171, paragraph 1,

a-*bis*]); (iii) commits the acts indicated above by means of any form of transformation referred to in this law [art. 171, paragraph 1, c)]; (iv) reproduces a number of copies or carries out or represents a number of executions or representations in excess of the number which he has the right to reproduce or perform [art. 171, paragraph 1, d)].

▪ **Art. 171-*bis* Law no. 633 of 22 April 1941**

The offence is committed when a person unlawfully duplicates, for profit, software programs or, always for profit, imports, distributes, sells, holds for commercial or business purposes or rents out programs contained in media not marked by the Italian Association of Authors and Publishers (Società italiana degli autori ed editori or SIAE). The crime is punished with imprisonment from six months to three years and with a fine from € 2,582 to € 15,493. The same penalties shall apply if the fact concerns any means intended exclusively to enable or facilitate the arbitrary removal or functional dodging of devices applied in order to protect software programs. The penalty shall not be less than a term of imprisonment of two years and a fine of € 15,493 if the offence is particularly serious.

The offence is also committed when a person, in order to obtain an unfair profits, transfers onto another media that does not bear the SIAE markings, or reproduces, transfers onto other media, distributes, communicates, presents or shown in public the content of a database in violation of the provisions contained in articles 64-*quinquies* and 64-*sexies*, or extracts or reuses the database in violation of the provisions referred to in articles 102-*bis* and 102-*ter*, or distributes, sells or rents out a database.

▪ **Art. 171-*ter*, paragraph 1, b) and c) Law no. 633 of 22 April 1941**

The offence is committed when a person, for non-personal use: (i) illegally reproduces, transmits or discloses to the public, by any process, as a whole or in part, literary, dramatic, scientific or educational, musical or dramatic-musical, or multimedia works, even if included in collective or composite works or databases [art. 171-*ter*, paragraph 1, b)]; (ii) holds or distributes the works referred to above, without having participated in the duplication or reproduction [art. 171-*ter*, paragraph 1, c)].

▪ **Art. 171-*ter*, paragraph 2, a), a-*bis*), b) and c) Law no. 633 of 22 April 1941**

The offence is committed when a person, for non-personal use: (i) reproduces, duplicates, broadcasts or illegally distributes, sells or otherwise places on the market, disposes of for whatever reason or illegally imports more than fifty copies of works protected by copyright and neighbouring rights [art. 171-*ter*, paragraph 2, a)]; (ii) in violation of article 16, in order to obtain a profit, discloses to the public an intellectual work protected by copyright or part thereof, by entering it into a telecommunications networks system, using any kind of connection [art. 171-*ter*, paragraph 1, a-*bis*)]; (iii) by carrying on a business activity the reproduction, distribution, sale or marketing, import of works protected by copyright and neighbouring rights, is guilty of the acts

referred to in paragraph 1 [art. 171-ter, paragraph 1, b)]; (iv) promotes or organises the illegal activities referred to in paragraph 1 [art. 171-ter, paragraph 1, c)].

2.2. Sensitive Processes

Through the analysis carried out, Linde M-H has identified a few Sensitive Processes within the scope of the offence of copyright violation, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk assessment process mainly refer to:

- a) the purchase and sale of software,
- b) the use by the Company of images and/or contributions of employees within the scope of company initiatives such as, for example purposes only, publications,
- c) the organisation of events that require the payment of SIAE rights.

The interviewed subjects believe that the occurrence of the offences in question is impossible/unlikely due to measures adopted by the Company.

2.3. General principles of behaviour

Generally speaking, the Company's organisation system has to comply with the basic requirements of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

Recipients of the Model are required to comply with regulations on the subject of copyright (Law no. 633/1941) and with the Rules contained in the General Section of the Model, or referenced by said Section, such as management manuals and the system documentation underlying the certifications, with the Code of Ethics as well as with specific procedures, both in Italy and abroad. Consultants and suppliers must commit themselves to comply with the Model and with the Code of Ethics of Linde M-H, or, in the case of companies, to adopt their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and in the Code of Ethics of Linde M-H.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of crimes falling among the

aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

The Company encourages compliance with the Code of Ethics and respect for the truth and transparency of the documentation used, under any circumstance.

2.4. Specific procedures

- 2.4.1. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.2. Members of the corporate bodies and employees who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Employees lacking said powers must request the assistance of individuals to whom such powers have been granted.
- 2.4.3. In particular, the following prescriptions must be complied with:
 - a) it is forbidden to use software programs without the necessary authorisations/licenses;
 - b) it is forbidden to use software programs outside the purchased utilisation rights;
 - c) the IT Function is responsible for managing the authorisations/licenses and for checking the use of the related software programs;
 - d) the company functions assigned to the purchase of software programs are required to obtain from their licensors contractual guarantees concerning (i) the transferor's ownership of economic utilisation rights, (ii) the originality of the works and the non-existence of any violations of third-party rights;
 - e) it is forbidden to install and use software programs that have not been made available by the functions authorised to do so by the Company and which are not functional to the tasks carried out by the users;
 - f) it is forbidden to install and use, in the Company's IT systems and on the individual PCs supplied by the Company, software programs (such as Peer to Peer) by means of which it is possible to exchange files (regardless of the

- type) with other subjects on the Internet (such as videos, documents, songs, virus, etc.) with no possibility to control by the Company;
- g) within the scope of their work activity, personnel must not duplicate and/or distribute software programs in any form;
- h) personnel are not authorised to reproduce media subject to user license.
- 2.4.4. Any use by the Company of employees' images and/or inputs within the scope of company initiatives must be preceded by consent of the employee(s) concerned, either expressed or implicit depending on the circumstances.
- 2.4.5. The use of songs or, in any event, of works for which royalties must be paid within the scope of company events must be in compliance with SIAE regulations.
- 2.4.6. Moreover, the Code of Ethics and the procedures of the Quality Manual that envisage activities of an IT nature must be complied with, as well as the provisions contained in the Code of Compliance of the KION Group.
- 2.4.7. Individuals involved in sensitive processes are required to prevent their associates from improperly using the purchased utilisation rights.
- 2.4.8. Individuals who find themselves in a position to be able to manage databases ⁽³¹⁾ are required to comply with the provisions contained in articles 64-*quinquies* ⁽³²⁾ and 64-*sexies* ⁽³³⁾, to refrain from carrying out the extraction or reuse of the

⁽³¹⁾ According to art. 102-*bis* (i) the maker of a database is the person who makes significant investments in order to create a data base or to verify or present it, committing, for said purposes, financial resources time or work; (ii) extraction, the permanent or temporary transfer of all or a substantial part of the contents of a database on another medium with any means or in any form whatsoever; (iii) re-use, any form whatsoever of making available to the public all or a substantial part of the contents of a database through the distribution of copies, rental, broadcast carried out with any means and in any form. Regardless of the protection of the database according to the copyright or other rights, and without prejudice to the rights on the content or parts of it, the maker of a database is entitled to prohibit the extraction or reuse operations of all or a substantial part of the database.

⁽³²⁾ According to art. 64-*quinquies*, the author of a database is granted the exclusive rights to carry out or authorise:

- or temporary reproduction, in full or in part, using any means and in any form;
- the translation, adaptation, a different arrangement and any other change;
- any form of distribution to the public of the original or of copies of the database; the first sale of a copy in the territory of the European Union by the holder of the right or with the latter's consent exhausts the right to check, within the EU itself, subsequent sales of the copy;
- any presentation, demonstration or communication in public, including the broadcast carried out using any means and in any form;
- any reproduction, distribution, communication, presentation or demonstration in public of the results of the operations referred to in letter b).

⁽³³⁾ According to art. 64-*sexies*, the activities indicated in article 64-*quinquies* and carried out by the legitimate user of the database or one of its copy are not subject to the author's authorisation, if said activities are necessary for the purpose of accessing the content of the database and for its normal use; if the legitimate user is authorised to use only a part of the database, this paragraph applies to that part only.

The article in question also points out that other activities are also not subject to the authorisation referred to in article 64-*quinquies* by the holder of the right, the main ones being access and consultation of the database exclusively for didactic or scientific research purposes, not carried out within the scope of an undertaking as well as the use of the database for public

database, in violation of the provisions referred to in articles 102-*bis* and 102-*ter* ⁽³⁴⁾, as well as from distributing, selling or renting out a database.

2.4.9. With regards to the Sensitive Processes in question, the Company arranges for delivering proper training to its employees and associates.

2.4.10. The procedure for reporting to the Supervisory Body must be complied with.

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section VIII, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

security purposes or as a result of administrative or jurisdictional proceedings.

⁽³⁴⁾ According to art. 102-*ter*, the legitimate user of the database made available to the public must not cause damage to the holder of the right and cannot carry out operations which are contrary to regular database management or that cause an unjustified damage to the maker of the database. The activities of extraction or reuse of non-substantial parts, evaluated in both qualitative and quantitative terms, of the content of the database for any purpose whatsoever carried out by the legitimate user are not subject to the authorisation of the maker of the database made available to the public for whatever reason.

Linde Material Handling Italia S.p.A.

Organisation, Management and Control Model Pursuant to Leg. Decree no. 231 of 8 June 2001

updated during the BOD meeting held on December 13th, 2017

updated by the CEO on June 26th, 2018

Special Section VIII: Offences concerning the violation of copyright.

SPECIAL SECTION IX

Predicate offences

Inducement not to make or to make false statements to judicial authorities

(art. 25-decies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section IX

Special Section IX refers to behaviours implemented by members of the corporate bodies and by employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning the offences of inducement not to make or to make false statements to judicial authorities.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H, are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* concerning inducement not to make or to make false statements to judicial authorities, and the related sensitive processes (art. 25-decies Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offence* in question.

- **Inducement not to make or to make false statements to judicial authorities (art. 377-bis of the Criminal Code)**

This offence is committed when anyone uses violence or threats, or offers or promises money or other benefit to induce not to make statements, or to make false statements, any person who is called before the judicial authorities to make statements in connection with criminal proceedings, if such person has the right to remain silent.

2.2. Sensitive Processes

Through the analysis carried out, Linde M-H observed that the offence in question may

be committed anytime a person, employed or not employed by the Company, is called to testify, or knows a witness, in lawsuits which involve a Company interest.

2.3. General principles of behaviour

Generally speaking, the recipients of the Model must comply with the principle of not interfering with the due course of justice, refraining from putting, or having others put, pressure on the witnesses; in the event they gain knowledge of third party's intentions in that sense, they have to take action in order to discourage said behaviour.

The principle specified above applies to members of the corporate bodies and to all employees of Linde M-H.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones.

The Company encourages compliance with the Code of Ethics and respect for truth and transparency of the documentation used, under any circumstances.

2.4. Specific procedures

Any disputes before the Judicial Authority must be traceable, and the responsibility of the relevant management must be identified.

With regards to the Sensitive Processes in question, the Company's corporate bodies and employees are required to comply, and to make any third parties involved comply, in addition to the general principles, with the Code of Ethics and the provisions of the Code of Compliance of the KION Group.

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the

latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section IX, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION X

Predicate offences

Environmental crimes

(art. 25-undecies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section X

Special Section X refers to behaviours implemented by members of the corporate bodies and employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning environmental crimes.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offences* ascribable to the category of environmental crimes, deemed to be of significant risk and the related sensitive processes (art. 25-undicies, Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the offences envisaged by art. 25-undicies of Leg. Decree 231/2001 deemed to be of significant risk.

▪ **Unauthorised discharge of industrial wastewater (art. 137 Leg. Decree no. 152 of 3 April 2006)**

The offence is committed by anyone who opens or otherwise produces new discharges of industrial wastewater, without authorisation, or continues to make or maintain said discharges after the authorisation has been suspended or revoked. The offence is punishable with a term of imprisonment from two months to two years or a fine from

€ 1,500.00 to € 10,000.00 ⁽³⁵⁾.

Failure to comply with the discharging prohibitions provided for by articles 103 and 104 is punished with a term of imprisonment of up to three years.

▪ **Discharges to the soil (art. 103 Leg. Decree no. 152 of 3 April 2006)**

The legal provision prohibits discharge to the soil or to the surface layers of the subsoil, except for certain special cases ⁽³⁶⁾.

Apart from the cases provided for above, existing discharges to the soil must be channelled in surface water bodies, in sewers or recycled in compliance with prescriptions set with the decree referred to in article 99, paragraph 1. In case of failure to comply with the specified obligations, the discharge authorisation is considered revoked for all intents and purposes.

Discharges referred to in letter c) of paragraph 1 must comply with the limits indicated in Table 4 of Annex 5 to section three of this decree. This is nevertheless without prejudice to the prohibition to discharge to the soil the substances listed in item 2.1 of

⁽³⁵⁾ More serious penalties apply when the behaviours described above concern:

- discharges of industrial wastewater containing the hazardous substance included in the families and in the groups of substances indicated in tables 5 and 3/A of Annex 5 to section three of Decree no. 152/2006 (term of imprisonment from three months to three years);
- the discharge of industrial wastewater containing the hazardous substances included in the families and in the groups of substances indicated in tables 5 and 3/A of Annex 5 to section three of this decree without complying with the prescriptions of the authorisation, or with other prescriptions of the pertinent authority (term of imprisonment of up to two years);
- discharge of industrial wastewater that, in connection with the substances indicated in table 5 of Annex 5 to section three of Decree no. 152/2006, exceeds the limit values set in table 3 or, in the case of discharge to the soil, in table 4 of Annex 5 to section three of the same decree, or the stricter limits set by the regions or by the autonomous provinces or by the pertinent Authority in accordance with article 107, paragraph 1 (term of imprisonment up to two years and a fine from € 3,000.00 to € 30,000.00; if the limit values set for the substances contained in table 3/A of said Annex 5 are also exceeded, term of imprisonment from six months to three years and fine from € 6,000.00 to € 120,000.00).

⁽³⁶⁾ The exceptions concern:

- a) the cases provided for by article 100, paragraph 3;
- b) overflow discharging equipment servicing the sewers;
- c) discharges of city and industrial wastewater for which the technical impossibility or excessive cost, in exchange for the obtainable environmental benefits, of delivering into surface water bodies, as long as said bodies comply with the criteria and with the emission limit values set for that purpose by the regions pursuant to article 101, paragraph 2. Until new regional regulations are issued, the emission limit values indicated in Table 4 of Annex 4 to section three of this decree shall apply;
- d) discharges of water coming from the processing of natural stone as well as from the washing systems of mineral substances, as long as the relevant sludge consists exclusively of water and natural inerts and do not entail damage to the water-bearing layers or instability of the soil;
- e) discharges of rainwater channelled in separate sewer networks;
- f) water coming from overflowing water tanks, from maintenance operations of water-potable networks and from the maintenance of aqueduct wells.

Linde Material Handling Italia S.p.A.

Organisation, Management and Control Model Pursuant to Leg. Decree no. 231 of 8 June 2001

updated during the BOD meeting held on December 13th, 2017

updated by the CEO on June 26th, 2018

Special Section X: Environmental crimes.

Annex 5 to the third section of the decree.

- **Discharges to the subsoil and underground water (art. 104 Leg. Decree no. 152 of 3 April 2006)**

The legal provision forbids all direct discharges to underground water and the subsoil ⁽³⁷⁾.

Apart from certain cases ⁽³⁸⁾, discharge in the subsoil and in underground water, already existing and duly authorised, must be channelled into surface water bodies or intended, where possible, for recycling, reuse or agronomic use. In case of failure to comply with the indicated obligations, the discharge authorisation is revoked.

- **Discharges into sewers (art. 107 Leg. Decree no. 152 of 3 April 2006)**

Without prejudice to the obligation to comply with emission limit values ⁽³⁹⁾, discharges of industrial wastewater into sewers are subject to technical rules, to regulatory prescriptions and to the limit-values adopted by the pertinent local Authority based on the characteristics of the system, and in such a way to safeguard the receiving water basin and to comply with regulations on the discharge of city wastewater defined pursuant to article 101, paragraphs 1 and 2.

- **Authorisation to emissions into the atmosphere (art. 269 Leg. Decree no. 152 of 3 April 2006) and relevant Sanctions (art. 279 of the same decree)**

The need for authorisation for emissions into the atmosphere is established by art. 269 of the Consolidated Environmental Law, which states that - except for the provisions of article 267, paragraph 3, by paragraphs 14 and 16 of this article and by article 272, paragraph 5 - *«for all systems that produce emissions, proper authorisation must be requested pursuant to section five of this decree»*.

To this end, *«The operator that intends to install a new system or move an existing system from one place to another shall presents to the pertinent authority an authorisation request, accompanied by:*

- a) *the project of the system describing the specific activity for which the system is intended, the technical solutions adopted in order to limit emissions and the quantity and quality of said emission, the operating methods and the quantity, type*

⁽³⁷⁾ As an exception to the ban, the pertinent authority, after performing a preliminary survey, may authorise discharges in the same water-bearing stratum of the water used for geothermal purposes, of the infiltration water of mines or quarries or of the water pumped during the course of specific civil engineering jobs, including those of thermal exchange systems.

As an exception to the ban, the pertinent authority, after performing a preliminary survey also aimed at verifying the absence of foreign substances, may authorise discharges in the same water-bearing stratum of water used for the washing and processing of inerts, provided the relevant sludge consists exclusively of water and natural inerts and their discharge does not cause any damage to the water-bearing stratum. To this end, the local Regional Agency for Environmental Protection (ARPA) ascertains, at the expense of the entity requesting the authorisation, the quantitative and qualitative characteristics of the sludge and the absence of any possible damage to the water-bearing stratum, expressing a binding opinion with regards to the discharge authorisation.

⁽³⁸⁾ Provided for by paragraphs 2, 3, 5 and 7 of art. 104 of Leg. Decree no. 152 of 3 April 2006.

⁽³⁹⁾ Provided for by paragraphs 2, 3, 5 and 7 of art. 104 of Leg. Decree no. 152 of 3 April 2006

and characteristics of the fuels which will be used, as well as, for systems subject to this condition, the technical minimum defined through the system parameters that characterise it, and

- b) *a technical report that describes the overall production cycle which the specific activity the system is intended for is part of and that indicates the foreseen time interval between the commissioning of the system and its operation at full capacity.»*

Art. 279 punishes those who, during operation of a plant, violates the emission limit values or the prescriptions established in the authorisation, in Annexes I, II, III or V to Section V of this decree, by the plans or programs or by the provisions referred to in article 271 or the prescriptions otherwise laid down by the pertinent authority.

▪ **Discharges of hazardous substances (art. 108 Leg. Decree no. 152 of 3 April 2006)**

For the substances listed in Table 3/A of Annex 5 to section three of Decree no. 52/2006, deriving from the production cycles indicated in the same table, the authorisations also establish the maximum quantity of the substance express in unit of weight per unit of element characteristic of the polluting activity, in other words per raw material or per product unit, in compliance with the contents of the same Table. The discharges containing the hazardous substances referred to in paragraph 1 are subject to the prescriptions contained in item 1.2.3. of Annex 5 to section three of the aforementioned decree.

▪ **Unauthorised waste management activity (art. 256 Leg. Decree no. 152 of 3 April 2006)**

The offence is committed when an activity of collection, transport, recovery, disposal, trade and brokerage of waste without the permit, registration or communication provided for by articles 208, 209, 210, 211, 212, 214, 215 and 216.

The offence is punished with a term of imprisonment from three months to one year or with a fine from € 2,600.00 to € 26,000.00 in case of non-hazardous waste; in case of hazardous waste, the term of imprisonment is from six months to two years and with a fine from € 2,600.00 a € 26,000.00.

The penalties are applied to owners of enterprises and to the persons in charge of entities, when they abandon or deposit waste in an uncontrolled manner or insert it in surface water or groundwater, in violation of the prohibition laid down in article 192,

paragraphs 1 and 2.

It is forbidden to set up or manage unauthorised landfills.

It is forbidden to carry out banned waste mixing activities.

- **Prohibition to abandon waste (art. 192 Leg. Decree no. 152 of 3 April 2006)**

The uncontrolled abandonment or deposit of waste on or in the ground is forbidden.

It is also forbidden to insert waste of any kind, in solid or liquid form, in surface water or groundwater.

- **Reclamation of sites (art. 257 Leg. Decree no. 152 of 3 April 2006)**

The offence is committed by anyone who causes pollution of soil, subsoil, surface water or groundwater, exceeding the risk concentration thresholds.

- **Violation of the obligations of communication, of maintenance of mandatory registers and of forms (art. 258 Leg. Decree no. 152 of 3 April 2006)**

The provision punishes those companies that collect and transport their own non-hazardous waste referred to in article 212, paragraph 8, and which do not voluntarily adhere to the waste traceability control system (SISTR) referred to in article 188-bis, paragraph 2, letter a), and transport waste without the special form indicated in article 193 or fill in said form with incomplete or inaccurate data.

- **Illegal shipment of waste (art. 259 Leg. Decree no. 152 of 3 April 2006)**

The regulation punishes anyone who carries out a shipment of waste constituting illegal trafficking pursuant to article 26 of (EEC) Regulation no. 259 of 1 February 1993, or carries out a shipment of waste listed in Annex II of the aforementioned regulation in violation of article 1, paragraph 3, letters a), b), c) and d), of said regulation ⁽⁴⁰⁾.

- **Activities organised for the illegal trafficking of waste (art. 452-quaterdecies of the Criminal Code) ⁽⁴¹⁾**

This provision punishes anyone who, for illicit gain, with multiple operations and

⁽⁴⁰⁾ Article 26 of Regulation (EEC) no. 259/93 of the Council of 1st February 1993 concerning the supervision and control of shipments of waste within, into and out of the European Community states that any shipment of waste:

a) effected without notification to all competent authorities concerned pursuant to the provision of this Regulation, or
 b) without the consent of the competent authorities concerned pursuant to the provisions of this Regulation, or
 c) effected with consent obtained from the competent authorities concerned falsification, misrepresentation or fraud, or
 d) not specified in a material may in the consignment note, or
 e) which results in disposal or recover in contravention of Community or international rules, or contrary to the provisions of articles 14, 16, 19 and 2 shall be considered illegal traffic

⁽⁴¹⁾ This specific type of offence was originally envisaged by art. 260 of Leg. Decree no. 152 of 3 April 2006 (Environmental laws), repealed by Leg. Decree no. 21 of 1 March 2018 (art. 7), and was transposed from the latter without any amendments to

through the fitting of vehicles and continuous organised activities, sells, receives, transports exports, imports or, in any event, illegally manages significant quantities of waste.

- **Sanctions for violation of emission limits (art. 279 Leg. Decree no. 152 of 3 April 2006)**

This provision punishes anyone who, during factory operations, exceeds the emission limit values or the prescriptions established by the authorisation, by Annexes I, II, III or V to section five of this decree, by plans and programs or by the regulations referred to in article 271 or the prescriptions otherwise issued by the pertinent authority.

- **Termination and reduction of the use of harmful substances – Measures to protect the stratospheric ozone layer and the environment (art. 3 Law no. 549 of 28 December 1993)**

The provision establishes the production, consumption, import, export, possession and trade of harmful substances listed in Table A annexed to the law and governed by the provisions contained in (EC) Regulation no. 3093/94 (*of the Council, of 15 December 1994, concerning substances that reduce the ozone layer*).

It should be noted that Law no. 68 of 22 May 2015, bearing "Provisions on the subject of crimes against the environment" (which became effective on 29 May 2015) has included in the "Catalogue of Offences" as per Leg. Decree 231/2001 the offences specified below,

the new article of the aforementioned Criminal Code (based on the principle of the so-called "code reserve" in criminal matters). Below please find the wording of the law:

« Criminal Code art. 452-*quaterdecies*

Activities organised for the purpose of illegal waste trafficking

Any person who, in order to gain unfair profit through transactions and through the preparation of means and continuous organised activities, sells, receives, transports, exports, imports or otherwise improperly handles large quantities of waste shall be punished with imprisonment from one to six years.

omissis».

The transposing of the specific type of offence into the new law also entails the amendment of article 25-*undecies* of Leg. Decree 231/2001 (Environmental offences), paragraph 8, which now states: «If the company or one of its organisational units are used for the sole or main purpose of allowing or facilitating commission of the offences referred to in art. 452-*quaterdecies* of the Criminal Code [*editor's note*: instead of to the repealed art. 260] and to article 8 of Leg. Decree no. 202 of 6 November 2007, the permanent prohibition from exercising the activity is applied pursuant to art. 16, paragraph 3, of Leg. Decree no. 231 of 8 June 2001».

the risk of commission of which was considered extremely remote by the Company:

- environmental pollution (art. 452-*bis* of the Criminal Code)
- environmental disaster (art. 452-*quater* of the Criminal Code)
- involuntary offences against the environment (art. 452-*quinquies*, in connection with articles 452-*bis* and *quater* of the Criminal Code)
- Conspiracy (common and mafia) aggravated by being aimed (including concurrently) to the commission of offences contained in title VI-*bis* of the Criminal Code (art. 452-*octies* of the Criminal Code)
- Trafficking and abandonment of highly radioactive material (art. 452-*sexies* of the Criminal Code.)

2.2. Sensitive Processes

- 2.2.1. Through the analysis carried out, Linde M-H has identified several Sensitive Processes within the scope of environmental crimes, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued,

shall nevertheless be subjected to constant verification and duly updated, if necessary.

2.2.2. The identified Sensitive Processes mainly refer to:

- a) discharges in water;
- b) waste management;
- c) pollution of soil and subsoil and reclamation;
- d) emissions into the atmosphere;
- e) the management of applicable regulations and of the fulfilments associated with the management of F-Gases;
- f) the management of applicable regulations on the subject of noise.

2.2.3. In relation to these Sensitive Processes, Linde M-H has identified as being relevant – in connection with both headquarters and the Subsidiaries – the company processes listed here below:

- a) all production activities and, in particular, the workshop activity;
- b) all maintenance and repair activities of forklift trucks;
- c) the use or handling of forklift trucks, including at third-party facilities;
- d) the performance of general daytime office work (inks/toners of photocopying machines and printers and of electronic machinery in general).

2.3. General principles of behaviour

2.3.1. In view of the activity which it carries out, the Company attributes particular and primary importance – the same as it attributes to its own employees and associates – to environmental protection. In this view, the following must be complied with:

- a) regulations and provisions issued by the authorities on the subject of discharges in water and emissions into the atmosphere;
- b) regulations and provisions issued by the authorities on the subject of waste collection, transport, recovery, disposal, trade and brokerage.

2.3.2. Generally speaking, the Company's organisation system has to comply with the basic requirement of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources),

in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

The main recipients of the rules of behaviour and of the procedures are subjects equipped with powers and proxies on the matter. The corporate bodies and all employees and associates, even if non-employees, as well as service providers, are also recipients.

All the aforementioned subjects are required to refrain from implementing, contributing to or causing behaviours that may integrate the species of crime indicated above; they are also required to comply with the principles of behaviour and prohibitions set out in the Company's Code of Ethics and, generally speaking, with the provisions of this Model.

- 2.3.3. The provisions of the KION Group's Code of Compliance must be complied with.
- 2.3.4. The individuals responsible for environmental compliance are required to make sure that others are familiar and comply, in addition to the rules contained in the Model, with the regulations and instructions issued by the authorities in charge of environmental protection.
- 2.3.5. The Company undertakes, within the limits of its budgets, to adopt the best available technology and to refrain from taking decisions on environmental matters by referring exclusively to a cost and investment cutting policy.

2.4. Specific procedures

- 2.4.1. One of the Company's strengths is the integrated system for quality, safety, environmental management. The management of activities is based on consolidated practices defined in the aforementioned procedures aimed at preventing the risk of offences being committed; consequently, the company processes are under control.
- 2.4.2. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.
- 2.4.3. The prohibitions of a general nature specified below apply to both employees and members of the corporate bodies of Linde M-H, directly, and to service companies, consultants, suppliers and partners involved for various reasons in the Company's activities, as provided by special contractual clauses.
- 2.4.4. The members of corporate bodies and employees equipped with powers that can be exercised outside the Company must act within the limits of said powers.

Employees not equipped with said powers must request the assistance of individuals to whom the powers have been granted.

- 2.4.5. Procedures aimed at monitoring the Sensitive Processes must be followed, in particular those pertaining to the evaluation of environmental aspects, discharge of water and underground tanks, waste management, storage and handling of chemical products and the spillage or loss of substances ⁽⁴²⁾.
- 2.4.6. The Company must not make any discharges in water or emissions into the atmosphere without having first obtained the necessary authorisations. Investments requiring discharges of the type in question must be approved by the Managing Director equipped with relevant proxy or by a person authorised by the latter.
- 2.4.7. The Plant Manager or a person authorised by the latter has to arrange for periodically checking the limits specified in the authorisations held by the Company.
- 2.4.8. The Company has to comply with Group policies and procedures that regulate methods for the collection, transport, recovery, disposal, trade and brokerage of special waste and of hazardous waste, even in the case of Company assets held at third-party facilities ⁽⁴³⁾. The disposal must be entrusted to specialised suppliers equipped with the prescribed authorisations.
- 2.4.9. Moreover, the Company is also required to comply with the provisions of procedures pertaining to the replacement or disposal of spent batteries. The

⁽⁴²⁾ The complete and updated list of procedures implemented at the Company in connection with environmental crimes is contained in a separate document that shall be constantly updated and made available to the O.d.V.

⁽⁴³⁾ For example purposes, with regards to the forklift trucks held at the Customers' facilities, the waste is disposed of according to the special procedure, recording the in/out quantities in a special logbook.

disposal of spent batteries by battery recharging operators must be prohibited in case said operators are not equipped with the prescribed authorisations.

2.4.10. It is forbidden to:

- a) pursue the goal of saving costs and times to the detriment of environmental protection;
- b) exhibit or prepare false waste analysis certificates;
- c) exceed the limits of time and/or quantity for the temporary storage of waste;
- d) adopt conducts aimed at unduly influencing the opinion of the control authorities and bodies.

2.4.11. In case of waste is transported by the Company, the latter shall comply with all procedures aimed at monitoring the Sensitive Processes, and shall use authorised vans.

2.4.12. The legal obligations and regulations on the subject of traceability of waste must be complied with, including, when in force, obligations deriving from membership in the waste traceability electronic system (SISTRI) (obligations of communication and of keeping mandatory registers and forms).

2.4.13. Wastewater must be disposed of in a tank; emulsions of machine tools, spent oils and varnishing waste must be disposed of in special collection basins, and taken from these basins by external companies, after making sure that they possess the prescribed authorisation.

2.5. Resorting to third-party services or supplies

2.5.1. The suppliers of services or goods for any reason, just like the installers of systems, machines or other technical equipment, must be requested in relation to the nature of the good supplied or of the service rendered, to ensure their compliance to regulations on the subject of environmental protection.

Prior to assigning the job, the possession of the require authorisations/permits must be ascertained.

When outsourcing the job, the supplier's reliability and capacity to properly fulfil the undertaken obligations, in addition to the quality/price ratio of the good or the service being offered, must be evaluated

2.5.2. The contract entered into with third-party suppliers shall indicate the supplier's commitment to comply with all provisions contained in this Section X of the Model and with the Code of Ethics.

The contract shall also include the commitment by the service provider to refrain

from carrying out activities that may constitute any one of the *predicate offences* or that are in contrast with said contract.

The scope of the assignment and of the proxy granted to the service provider, as well as any powers of expenditure to be granted to said provider, and the actual exercise of said powers must be approved beforehand by the Company's Managing Director or by a person authorised to do so by the latter.

- 2.5.3. The contract shall also include a statement in which the service provider attests:
- a) to be familiar with the regulations referred to in Leg. Decree 231/2001 and with regulations on the subject of environmental protection, with specific reference to the assigned service, as well as with its implications for the Company,
 - b) to comply with the aforementioned regulations and with the provisions contained in this Special Section;
 - c) that its legal representatives and those who operate in the provision of services have never been convicted and are not at present charged or under investigation in criminal proceedings pertaining to the *predicate offences*; otherwise, and always provided the agreement is deemed absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted.

The service contract must also include a special clause regulating the consequences of the violation by the supplier of the provisions contained in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.).

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the

latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section X, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

SPECIAL SECTION XI

Predicate offences

concerning the employment of workers in violations of special provisions of the law

- 1) *Employment of illegally staying third-country nationals*
(art. 25-duodecies Leg. Decree no. 231/2001)
- 2) *Unlawful intermediation and exploitation of labour*
(art. 25-quinquies Leg. Decree no. 231/2001)

1. Purpose and structure of Special Section XI

Special Section XI refers to behaviours implemented by members of the corporate bodies and employees of Linde M-H, as well as by its suppliers and partners, as defined in the General Section of the Model, who are involved in Sensitive Processes concerning offences related to employment of workers in violation of special provisions of law.

The aim of the regulation is that all parties concerned behave in compliance with the laws in force, with the rules contained in the Model and in the Protocols, with the standards set out in the Code of Ethics, with the values and policies of the shareholders, for the purpose of preventing the commission of the *predicate offences* in question.

In particular, below we will proceed to:

- list the *predicate offences* included in the specific category;
- indicate the general principles of behaviour to be complied with;
- indicate the procedures/practices which the members of the corporate bodies, employees and partners for various reasons of Linde M-H are required to comply with in order to properly apply the Model;
- equip the O.d.V. and the managers of other company functions with the tools they need to carry out the planned control, monitoring and verification activities.

2. The specific types of *predicate offence* concerning the employment of workers in violation of special provisions of the law (art. 25-duodecies and art. 25-quinquies Leg. Decree 231/2001)

2.1. *Predicate offences*

Below is a brief description of the *predicate offence* in question.

- **Employment of illegally staying third country nationals (Art. 22, paragraphs 12 and 12-bis, Leg. Decree no. 286 of 25 July 1998)**

The crime is committed when the Employer hires foreign workers lacking the staying permit or whose permit has expired – and for which application for renewal was not made within the terms of the law – revoked or cancelled.

In order for the company to be sanctioned, one of the aggravating circumstances listed below, which entail an increase in sanctions, have to exist: (i) the employed workers

are more than three; *(ii)* the employed workers are minors of non-working age; *(iii)* the employed workers are subjected to further conditions of exploitation (as specified in paragraph 3 of article 603-bis of the Criminal Code). The conditions of special exploitation are, in addition to the ones indicated in items (i) and (ii), having committed the offence exposing the workers to situations of serious danger, having regard to the characteristics of the jobs to be carried out and the work conditions.

▪ **Unlawful intermediation and exploitation of labour (art. 603-bis of the Criminal Code)**

The crime is committed by anyone who:

- a) recruits workers for the purpose of having them work for third parties under conditions of exploitation, taking advantage of the workers' condition of need;
- b) uses, hires or employs workers, including through the intermediation activity referred to in item 1) above, subjecting them to conditions of exploitation and taking advantage of their condition of need.

In order for the offence to be committed, the existence of one or more of the following conditions constitutes exploitation:

- c) the repeated payment of wages in a way that is blatantly different from the national or local collective labour agreements entered into by the most representative trade unions at the national level, or in any event disproportionate compared to the quantity and quality of the work performed;
- d) the repeated violation of regulations concerning work hours, rest periods, weekly rests, mandatory leave, vacation time;
- e) the existence of violations of rules on the subject of safety and hygiene in the workplaces;
- f) subjecting the worker to degrading work conditions, surveillance methods or living conditions ⁽⁴⁴⁾.

Specific aggravating circumstances entailing an increase in sanctions from one third to one half are: *(i)* the fact that the employed workers are more than three; *(ii)* the fact employed workers are minors of non-working age; *(iii)* having committed the

⁽⁴⁴⁾ The applicable punishment is a term of imprisonment from one to six years and a fine from € 500 to € 1,000 for each recruited worker, unless the fact constitutes a more serious offence.

If the facts are committed through violence or threat, the applicable punishment is a term of imprisonment from five to eight years and a fine from € 1,000 to € 2,000 for each recruited worker.

offence exposing the exploited workers to situations of serious danger, having regard to the characteristics of the jobs to be carried out and the work conditions.

2.2. Sensitive Processes

Through the analysis carried out, Linde M-H has identified a few Sensitive Processes within the scope of employment of illegally staying third-country nationals, checking the existence or procedures that govern them or identifying the need to supplement them with new protocols. The procedures in question, already in existence or newly-issued, shall nevertheless be subjected to constant verification and duly updated, if necessary.

The Sensitive Processes identified on the basis of documentation pertaining to the risk assessment process mainly refer to the resorting to service contracts as well as temporary employment agencies or cooperatives the services of which the Company decides to use.

The individuals interviewed recognised the opportunity to implement procedures in connection with the obligation of service companies that collaborate with the Company to provide the information requested with regards to their own employees, as well as an updated DURC, as well as to formalise the relative sanctions in case of failure to comply with said requests.

2.3. General principles of behaviour

Generally speaking, the Company's organisation system has to comply with the basic requirement of formalisation and clarity, of segregation of powers and roles so that a single person cannot manage an entire Sensitive Process on their own (even with regards to the request and possibility to handle financial resources), in particular with regards to the granting of representation, responsibility, definition of hierarchical lines and operational activities.

The recipients of the model shall comply with regulations on the subject of employment of third-country nationals, as well as with the General Principles and with the Rules contained in the General Section of the Model, or referenced by said section such as management manuals and the system documentation underlying the certifications, with the Code of Ethics, with the specific procedures, both in Italy and abroad.

It is forbidden to implement, collaborate in or cause behaviours which, taken individually or collectively, constitute, directly or indirectly, the types of offences included among the aforementioned ones; it is also forbidden to behave in violation of the company principles and procedures provided for in this Special Section.

The Company encourages compliance with the Code of Ethics and respect for truth and

transparency of the documentation used, under any circumstances.

2.4. Specific procedures

2.4.1. The Company is required to follow, attributing suitable evidence, specific procedures ensuring the traceability and transparency of the choices made, keeping all backup information available for the O.d.V.

2.4.2. Members of the corporate bodies and employees who have been granted powers that can be exercised outside the Company must act within the limits of said powers. Employees lacking said powers must request the assistance of individuals to whom such powers have been granted.

2.4.3. The existing procedures may be changed or cancelled through a measure by the Company's top management (Managing Director).

Likewise, the Company's top management (Managing Director) shall proceed to issue any new procedures as the case may be.

2.4.4. The employment (intended as the actual performance of the job) of labour, both hired directly by the Company and through resorting to temp agencies or cooperatives, in the event of third-country nationals, has to concern workers who possess a stay permit, or who have applied for renewal of their stay permit within the limits of the law; or whose work permit has not been revoked or cancelled.

2.4.5. Contracts with temp agencies or with cooperatives have to contain specific guarantees with regards to the above.

In particular, the aforementioned contracts have to include a special statement by the contracting parties specifying that they:

- a) are familiar with the regulations referred to in Leg. Decree 231/2001 and with its implications for the Company,
- b) are familiar with the regulations referred to in Leg. Decree no. 286 of 25 July 1998, with special reference to art. 22;
- c) are familiar with art 603-*bis* c.p. as amended by law 29 October 2016 n. 199;
- d) are committed to complying with the prohibitions indicated above;
- e) are committed to complying with the provisions of this Special Section XI;
- f) have never been sentenced and are not at present charged or under investigation in connection with criminal proceedings related to predicate offences; otherwise, and always provided the agreement is deemed

absolutely necessary and to be preferred over a contract with other subjects, special precautionary measures will have to be adopted,

- g) are committed to refrain from carrying out activities that may constitute any one of the *predicate offences* or that are in contrast with said contract.

Consultants and suppliers must commit themselves to comply with the Model and with the Code of Ethics of Linde M-H, or, in the case of companies, to adopt their own Model and Code of Ethics that govern the prevention of offences envisaged in the Model and in the Code of Ethics of Linde M-H.

Contracts entered into with consultants and suppliers must also include a special clause governing the consequences of a violation by the latter the provisions referred to in Leg. Decree 231/2001 (such as, for example, express resolution clause, penalties, etc.); in case of existing contracts, a specific *addendum* will have to be drawn up for the most relevant cases.

3. Checks carried out by the O.D.V.

3.1. Reporting to the Supervisory Body

The Company will report to the Supervisory Body any criticalities it may detect within the scope of first-level checks.

The Company will provide the O.d.V. with any information and documentation which the latter may require.

The O.d.V. is granted full and free access to all the relevant company documentation.

3.2. Activities of the Supervisory Body

Without prejudice to the provisions contained in the General Section, the Supervisory Body conducts specific checks in full autonomy and, periodically, random checks on the company activities carried out within the scope of the Sensitive Processes and on compliance with the Protocols referred to in this Special Section XI, aimed at verifying the proper implementation of said Protocols in connection with the prescriptions contained in the Model.

The O.d.V. will report to the Company's top management any anomalies or criticalities it may detect.

ANNEXES