



GROUP ANTI-CORRUPTION POLICY

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1. INTRODUCTION

1.1. PREAMBLE

Fighting corruption is a major challenge worldwide. Corruption is a major obstacle to sustainable development and democracy and also has a considerable impact on the private sector: it impedes economic growth, distorts competition between companies and poses serious legal and reputational risks for businesses.

Corruption is also very costly for business: according to an estimate by the World Bank, reported by the Global Compact Network Italy, in many areas of the world, businesses face a cost burden of around 10% due to corrupt practices. The World Bank has estimated that corruption has become a \$1 billion industry¹.

Because of this, companies are increasingly adopting anti-corruption measures as part of their corporate governance systems to defend their reputation and the interests of shareholders.

The Cembre Group has always carried out its business in compliance with the ethical principles of legality, honesty, transparency, impartiality and respect that form the foundation of its corporate culture and are enshrined in the Group Code of Ethics adopted from 25 March 2008, within the framework of the Organizational Model pursuant to Legislative Decree 231/2001.

The increasing international importance of the Company and the Group means it is necessary to adopt, in addition to the governance and policy instruments already formalized, an instrument defining the principles and policies to be adopted in the performance of corporate operations, so that they are carried out in compliance with the principal international regulations to prevent and sanction bribery of Public Officials and corruption among private individuals.

Therefore, the Board of Directors at Cembre S.p.A. has decided to issue this document to complement the Group Code of Conduct called the 'Anti-Corruption Policy' (hereinafter also the "Policy"). The purpose of the Policy is to provide reference guidelines for combating corruption and to disseminate the principles and rules to be followed to exclude corrupt conduct of any kind within the group, whether direct or indirect, active or passive.

1.2. SCOPE OF APPLICATION / RECIPIENTS

This Policy was approved by resolution of the Board of Directors at Cembre S.p.A. on 11 November 2021. Any further subsequent amendments and/or additions shall enter into force on the day

¹See "La legge anticorruzione - volume I" by Jazzetti-Bove, ed. Giapeto 2015.

provided for by law or regulation or by resolution of the Board of Directors, or, in case of urgency, by the Chairman of the Board of Directors or by the Chief Executive Officer.

The Policy applies to managers, employees and collaborators of the Cembre Group, members of the governing bodies and all those who have professional relationships with Group companies, within the scope of their activities and within the limits of their responsibilities (hereinafter the "Recipients"). The Recipients shall receive due communication to make them aware of the Policy.

Compliance with the rules contained in the Policy must be considered an essential part of the contractual obligations of Cembre Group employees, as well as suppliers, external collaborators, consultants, commercial partners and agents.

From the date of adoption of this Policy, the undertaking by third parties who have professional relationships with Group Companies to comply with the Anti-Corruption Laws shall be envisaged in specific contract clauses and shall also be included in the process for selecting and qualifying potential partners interested in collaborating with the Cembre Group, taking into consideration, for example, the adoption of a similar policy or the possession of specific certifications, such as ISO 37001.

Finally, should local regulations in any of the countries in which the Group operates be more restrictive than this Policy, Cembre undertakes to operate in compliance with these stricter regulations.

2. REFERENCES

2.1. ANTI-CORRUPTION LAWS

The number of countries that have adopted anti-corruption legislation prohibiting and sanctioning bribery (of their own Public Officials, of Public Officials in other countries, internationally and between private individuals) is steadily increasing.

The Cembre Group carries out its business activities in different countries and jurisdictions, and is thus potentially subject, together with its staff, to compliance with Italian regulations and those of the countries in which it operates or may operate in the future (hereinafter "Anti-corruption Laws"), including laws ratifying international conventions, such as, by way of example and not limited to:

- the Foreign Corrupt Practices Act passed by the US Congress in 1977;
- the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 1997 (whose implementing regulations have been fully effective in Italy since 2001);

- the United Nations Convention against Corruption, adopted by the General Assembly on 31 October 2003 and ratified in Italy with Law No 116 of 2009;
- Legislative Decree 231/2001 *Disciplina della responsabilità amministrativa delle società e degli enti* (Regulations on the administrative liability of companies and bodies);
- the Spanish *Ley Organica* No 5 of 22 June 2010;
- the French 'Sapin II' law (*LOI no 2016-1691 du 9 décembre 2016 relative to la transparence, à la lutte contre la corruption et à la modernization de la vie économique*);
- the UK Bribery Act, enacted in the UK in July 2011.

In brief, the Anti-Corruption Laws:

- prohibit payments made either directly and indirectly, as well as offers or promises of a payment or other benefit for the purposes of bribery, to Public Officials or private individuals, including payments made to anyone with the knowledge that such payment will be shared with a Public Official or private individual;
- require companies to set up and keep books, records and accounts that, in reasonable detail, accurately and fairly report transactions, expenditures (even if not 'significant' from an accounting perspective), acquisitions and disposals of assets.

2.2. INTERNAL REGULATORY REFERENCES

- Cembre Group Code of Ethics;
- Organization, Management and Control Model of Cembre S.p.A. pursuant to Legislative Decree No. 231/2001, applicable to the Parent Company Cembre S.p.A.;
- any procedures adopted by the companies of the Cembre Group, also in compliance with locally applicable regulations.

2.3. ROLES AND RESPONSIBILITIES

Violation of the Anti-Corruption Laws can seriously damage the Group's reputation and result in serious harm to corporate activities, such as fines, ban on contracting with public bodies, confiscation of the profits of the offence and claims for damages. Natural persons involved in bribery may also be subject to criminal sanctions, including imprisonment.

All the Recipients are responsible for complying with this Policy, each within his/her area of competence. In addition, persons in supervisory and coordination positions are responsible for ensuring compliance with the Policy among their collaborators and for taking appropriate measures to prevent, identify and report potential violations.

All Recipients are required to read and follow this Policy in full, which is available at <http://www.cembre.com>.

3. GENERAL PRINCIPLES

In line with the Group's Code of Ethics, Cembre prohibits corruption without exception. In particular, Cembre prohibits:

- offering, promising, giving, paying, soliciting or authorizing someone to give or pay, directly or indirectly, including through an intermediary, a financial advantage or other benefit, to a Public Official or a private individual (Active Corruption)
- accepting a request or solicitation from, or authorizing/soliciting someone to accept, directly or indirectly, including through an intermediary, an economic advantage or other benefit from any counterparty (Passive Corruption)

when the intention is to:

- a) persuade or incite, even through an intermediary, a Public Official to perform any function of a public nature, or reward them for having performed such a function;
- b) influence an official act (or omission) by a Public Official or any decision in breach of official duty;
- c) persuade any private party to omit or perform an act in breach of the obligations inherent to their office or the obligations of loyalty, or rewarding them for doing so;
- d) obtain or secure an improper advantage in relation to business activities;
- e) violate applicable Anti-Corruption Laws.

Prohibited conduct includes the offer or reception, by Cembre personnel (direct corruption) or by anyone acting on behalf of the company (indirect corruption), of an economic advantage or other benefit in relation to business activities, including in relation to mere incitement that does not result in the actual act of bribery.

This prohibition is not limited to payments, but also includes, by way of example and not limited to:

- gifts, gratuities, sponsorships and donations;
- third party hospitality expenses, meals and transport;

- supplies, professional assignments, employment or investment opportunities;
- more favourable commercial conditions;
- 'facilitation payments', as defined in Para. 4.5;
- assistance or support to family members;
- other advantages or benefits;

for the purposes of acts of corruption.

For the purposes of this Policy, the attempt is as significant as the actual execution of an act of corruption.

In addition to compliance with the Group's Code of Ethics and that outlined above, the following general principles shall apply, to guarantee an adequate system of internal control and risk management:

- **Segregation of duties:** the performance of company activities must be based on the principle of separation of duties, whereby the person authorizing an operation must be different from the person who performs the operation and the person who controls it.
- **Attribution of powers:** the powers of authorization and signature must be: i) consistent with the organizational and management responsibilities assigned; ii) clearly defined and known within the Company.
- **Impartiality and absence of conflicts of interest:** any situation that may give rise to a conflict of interest must be reported promptly and, where possible, avoided.
- **'Know your partner':** process managers must, within the scope of their duties and responsibilities and in compliance with the criteria of reasonableness and proportionality, adopt procedures to verify the reliability, reputation and suitability of a third party with whom the Group intends to establish a professional and commercial relationship.
- **Transparency and traceability of processes:** every activity must be verifiable, documented and properly filed.
- **Clarity and simplicity:** the duties and responsibilities of all those involved in the Group's processes, including activities and controls, must be defined in a clear and simple manner.
- **Staff training:** specific staff training plans must be envisaged in relation to the anti-corruption measures adopted by the Group, with particular reference to those operating in the sensitive areas specified below.

4. SENSITIVE AREAS

The following paragraphs identify a series of Group activities defined as 'sensitive areas', within which corrupt practices theoretically could occur, and the rules that Cembre Group personnel and anyone acting on behalf of the Group must comply with in order to prevent such occurrences.

4.1. GIFTS AND ENTERTAINMENT EXPENSES

Any gift, financial advantage or other benefit - including hospitality and entertainment expenses - may be given or received if it falls within the context of normal business courtesy and is such as not to compromise the integrity and reputation of the parties, or to affect the recipient's independent judgement. It is permitted only in compliance with defined company procedures and must not be given/received if it could lead to a breach of the prohibition of corruption foreseen by the Group or by the reference regulations.

Any gift, advantage or other benefit - including hospitality and entertainment expenses - provided directly or through third parties must have the following characteristics:

- it must not be motivated by an attempt to exert unlawful influence (e.g. as a form of payment to third parties, public or private, that could influence the independence of judgement of the recipient or persuade them to secure any undue advantage);
- it must be reasonable and carried out in good faith;
- it must be carried out in relation to legitimate business purposes and be of moderate value;
- it must not consist of a sum of money (e.g. cash, cheque, bank transfer, or in any other form);
- It must be in line with the Anti-Corruption Laws, local laws and applicable regulations;
- it must be recorded in an accurate and transparent manner and supported by appropriate documentation;
- it must always be authorized in compliance with internal company procedures.

Any gift, advantage or other benefit received by Group personnel, either directly or indirectly (e.g. from family members), must comply with the following principles:

- it must fall within the bounds of normal courtesy and be of modest value;
- it must not be requested, demanded or accepted for the performance or omission of an act relating to the performance of their duties.

If Group personnel receive offers of gifts, financial advantages or other benefits - including hospitality - that cannot be considered acts of commercial courtesy of modest value, they must refuse them and report them in accordance with the procedures set out in Paragraph 6 of this Policy.

For the economic limits and type of gifts and the related approval and reporting methods, please refer to the internal procedures, and in particular to the 'Protocol for the management of gifts, donations and sponsorships' included in the Organizational Model 231.

4.2. SPONSORSHIPS

Sponsorship consists of contributions in support of an activity or event whose purpose is to promote the image of the Cembre Group and/or the business activities of the Group. These initiatives may include, by way of example but not limited to, social, environmental, sporting, artistic and cultural events. In order to prevent sponsorships from being considered a disguised form of conferring benefits to third parties in order to obtain an advantage for the Group, they must comply with the following principles:

- they must be authorized in compliance with the mandates and proxies defined within the Group;
- for the purposes of such approval, there must be an adequate description of the nature and purpose of the individual initiative;
- the amount paid in keeping with the sponsorship contract must be recorded in the accounting records in an accurate and transparent manner;
- payments must only be made after verifying that the service has actually been provided;
- the documentation relating to each sponsorship must be filed in such a way as to guarantee its traceability.

Internal company procedures - in particular the 'Protocol for the management of gifts, donations and sponsorships' included in the Organizational Model 231, to which reference should be made - govern the rules to be observed when requesting, approving and implementing a sponsorship.

4.3. POLITICAL CONTRIBUTIONS

Political contributions could be used for the purposes of corruption, as an improper means of maintaining or obtaining a business advantage (e.g. winning a contract or obtaining a permit or license).

In relation to these risks, the Group refrains from exerting any direct or indirect pressure, through its managers, employees or collaborators, on politicians or trade union representatives and does not make contributions of any kind, directly or indirectly, to political parties, movements, committees and political and trade union organizations, nor to their representatives or candidates, either in Italy or abroad, with the exception of contributions due on the basis of specific regulations.

4.4. DONATIONS

Donations made to charities, foundations and non-profit organizations (“donations”) present the risk that funds or assets of value be diverted for the personal use or benefit of a Public Official or private individual.

As set forth in the Code of Ethics, Cembre Group personnel are prohibited from:

- promising or paying sums of money, promising or providing goods in kind or other benefits, such as cannot be considered of modest value, to third parties, with the aim of promoting or favouring the interests of Group companies or such as to compromise the integrity and the reputation of one of the parties or to affect the independent judgement of the beneficiary;
- using other forms of aid or contributions which, under the guise of donations or sponsorships, have the same purposes as indicated above;
- providing gifts and/or donations that may create conflicts of interest.

Internal company procedures - in particular the ‘Protocol for the management of gifts, donations and sponsorships’ included in the Organizational Model 231, to which reference should be made - govern the rules to be observed when requesting, approving and implementing a donation.

4.5. FACILITATION PAYMENTS

The Cembre Group prohibits 'facilitation payments', i.e. unofficial payments made to Public Officials, persons in charge of public services and/or officials of Public Administration, aimed at facilitating and/or accelerating decisions made and the performance of activities related to the office held.

Such payments are solely intended to influence the timing of actions by public officials, not their outcome, and are prohibited by Cembre regardless of whether they are permitted by local laws in certain countries.

4.6. RELATIONS WITH PUBLIC OFFICIALS

Interactions with Public Administrations (PAs) can create potential risk situations in relation to acts of actual or attempted corruption of public officials, who may request improper benefits for acting in a manner inconsistent with their duties or in violation of the obligations inherent in their office.

The possible interactions of the Cembre Group with Public Authorities or representatives of Public Administration mainly concern:

- *relations with Public Administration within the context of participation in public tenders or private negotiations*, including preparing and submitting bids, negotiating and stipulating contracts and agreements with contracting authorities;

- *relations with Public Administration and Independent Administrative Authorities in Italy and abroad* for the performance of activities regulated by law (e.g. Revenue Agencies; Tax Authorities; Customs; Antitrust Authority; Data Protection Authority; CONSOB) and related obligations (e.g. preparation and transmission of data required by sector regulations);
- *obtaining / renewing administrative provisions, licenses, concessions and other administrative measures* necessary for the exercise of ordinary business activities and/or for the performance of activities instrumental to ordinary business activities;
- *fulfilment of obligations towards PA, including:* communication or reporting of data and/or information in response to requests made by the Public Administration in compliance with legal and contractual obligations; fulfilment of requirements relating to urban hygiene, waste disposal, environmental protection; fulfilment of obligations relating to compulsory placement for the inclusion and integration of disabled people and workers belonging to protected groups in the world of work;
- *checks and/or controls by PA;*
- *relations with the Judicial Authorities for the management of* judicial and extrajudicial disputes involving the Company;
- *management of applications for grants, contributions, subsidies, public funding or other facilities* and their subsequent reporting.

All dealings by personnel of Cembre Group Companies involving Public Officials must be conducted in compliance with the Group's Code of Ethics and this Anti-Corruption Policy, respecting the following principles and minimum standards:

- personnel must operate in compliance with all relevant legal and internal requirements;
- relations with Public Administration must be based on maximum transparency and fairness;
- it is forbidden to offer, directly or through intermediaries, sums of money or other benefits to Public Officials or persons in charge of a public service, in order to influence their activity in the performance of their duties;
- persons authorized to carry out activities in relation to public bodies must be formally delegated to carry out such activities;
- where possible, at least two representatives from Cembre or specifically delegated persons should participate in the meetings.

4.7. RELATIONS WITH THIRD PARTIES

Opportunities for bribery are frequent in dealings with third parties (suppliers, customers, consultants, business partners), particularly if they have a relationship with public officials.

Relationships with third parties in the context of business activities must be conducted in compliance with the Anti-Corruption Laws, the Code of Ethics and this Policy. This obligation must be explicitly accepted by counterparties when drawing up contracts, by means of specific clauses, or as part of the process of selecting and qualifying customers and suppliers.

Any suspected violation of the anti-corruption regulations in relations with third parties must be reported immediately as set forth in Paragraph 6 of this Policy.

4.7.1. SUPPLIERS AND CUSTOMERS

Cembre Group Companies could theoretically be held liable for corrupt activities carried out by customers and suppliers on behalf of or for the benefit of Cembre.

Cembre establishes business relationships only with customers and suppliers that respect the Group's principles of integrity, loyalty and professionalism. All Group companies manage their relations with third parties in a correct, transparent, fair and cooperative manner. Relationships must always be formalized in written contracts / orders, to be authorized and signed in accordance with the existing system of delegations and proxies.

Suppliers must not engage in corrupt conduct in relation to any person with whom they operate, whether a Public Official or a private individual. In particular, conduct is forbidden that is contrary to the duties of diligence, loyalty and professionalism and aimed at offering or obtaining from a Public Official or a private individual a sum of money or other benefit that is unlawful or in any case not due in relation to the services received or provided respectively.

Suppliers and external collaborators are selected according to procedures that comply with applicable laws and are based on criteria of transparency, competitiveness and efficiency. The selection is made in accordance with internal procedures, awarding equal opportunity to participants who meet the necessary requirements.

The procurement process and related activities are regulated in detail by company procedures, which identify the roles and responsibilities of the main players involved in the procurement process and define the procedures for the fair and transparent management of suppliers.

In relations with customers, the negotiation and fulfilment of contracts must not give rise to conduct or actions that can be traced back to active or passive corruption, complicity or favouritism, used in order to win a contract or tender, obtain preferential treatment (e.g. pre-qualification, contractual mechanisms) or favourable decisions (e.g. extension of deadlines, results of tests, complaints).

No illegal payment (or other form of advantage) may be made, directly or indirectly, to a representative of a public or private client to influence their decision-making process.

4.7.2. BUSINESS PARTNERS (AGENTS, INTERMEDIARIES, CONSULTANTS)

In order to avoid that in certain circumstances the Cembre Group may be held responsible for corruption committed by its Business Partners, these partners are obliged to comply with the Anti-Corruption Laws and the ethical standards established by the Cembre Group.

It is essential for Cembre Group companies to know their potential partners and be able to assess existing or potential risks arising from activities that are not in line with their internal regulations and/or ethical principles. In this sense, all employees, managers and directors must pay particular care and attention in the selection and evaluation of partners by carrying out adequate prior checks, in order to have a true and complete representation of their status and to ascertain their commercial and professional reliability.

In addition to this, each Cembre Group company is required to take all necessary steps to ensure that:

- a) all remuneration paid to agents, consultants and intermediaries with whom they do business is appropriate to the nature of the assignment;
- b) the agents, consultants and intermediaries with whom they do business do not use any part of this remuneration to make payments that are in conflict with the principles outlined in this Policy;
- c) agreements with agents, consultants and intermediaries with whom they do business include an explicit clause on the violation of Anti-Corruption Laws;
- d) agreements with agents, consultants and intermediaries with whom they do business are formalized in writing and specify the services to be provided and the fees to be paid for these services.

It is also forbidden for all partners of the Cembre Group (including customers and suppliers referred to in the previous paragraph) to offer or promise money or other undue benefits to employees, managers and directors of Cembre Group companies in order that they perform or omit to perform acts in violation of the obligations inherent to their duties or of the obligations of loyalty towards Cembre. The Cembre Group shall seek all legal remedies available against any bribery or attempted bribery of its representatives.

4.8. PERSONNEL SELECTION AND RECRUITMENT

Human resource management can potentially be exploited for corrupt practices (for example, if the activity is aimed at bribing a counterparty through offers of jobs or promotions, or if the counterparty makes the conclusion of a commercial agreement conditional to the hiring of a specific person).

Human resource management at the Cembre Group is based on principles of fairness and impartiality, in compliance with applicable labour laws and regulations. Decisions regarding searches, selection processes, career advancement and remuneration are based on objective, impartial factors such as performance appraisals, professional technical skills, and talent assessment.

This process is managed in compliance with the following rules:

- the need for recruitment must be proven by specific plans or requirements, authorized by persons with the appropriate authority;
- multiple parties must be involved in selection, recruitment and evaluation processes in order to ensure fairness and transparency. In particular, the person who expresses the need to recruit new personnel must be different from the person who approves the budget and a third person who searches for and selects candidates;
- checks must be made of the congruence between the candidate's qualifications and the position to be filled;
- checks must also be made to ensure there are no situations and circumstances that could adversely affect the selection process (e.g. potential conflicts of interest, family ties with representatives of public authorities and government bodies, pending charges, incompatibility, etc.).
- the awarding of bonuses and other incentives requires a justified proposal and formal approval, in accordance with the existing system of delegations and proxies;
- the traceability of all stages of the process must be guaranteed; the decisions taken must always be formalized in writing and the relative documentation duly filed;
- all employment relationships must be formalized in writing and authorized and signed by persons with the appropriate authority, in line with the system of delegations and proxies. Workers must accept and agree to the Cembre Group Code of Ethics;
- recruitment must comply with the relevant local legislation in the country in question (e.g. laws on mandatory recruitment, holding valid residency permits, etc.).

4.9. BOOKKEEPING AND MANAGEMENT OF FINANCIAL RESOURCES

The Anti-Corruption Laws prescribe particular precautions in relation to bookkeeping and the management of financial resources, in order that companies are able to prevent (ex ante) and detect (ex post) any payments and collections made for corruption purposes.

The Group ensures, including through training, that its managers, employees and collaborators are aware that they must operate in compliance with the principles of truthfulness, completeness and timeliness of accounting information. By virtue of these principles, each operation / transaction must be authorized, verifiable, legitimate, consistent and congruous and must be correctly and promptly registered / recorded in the company accounting system according to the criteria indicated by law, internal procedures and on the basis of applicable accounting principles.

The management of financial resources must also comply with the principles of transparency, verifiability, traceability and pertinence to the company's activities, as provided for by the specific internal procedures.

All Group employees must comply with the laws, regulations and procedures on corporate accounting. It is forbidden to behave in any way that could prejudice the transparency and traceability of the financial statements.

The system of internal controls set up as part of the administrative-accounting procedures, together with the periodic checks carried out by the competent supervisory bodies, provide a reasonable assurance of the reduction of the risks associated with the proper keeping of company accounts and the correct recording of operations in the accounting records.

5. TRAINING AND INFORMATION

All employees of Cembre Group companies are provided with information and training, at the time of hiring and in refresher courses, on their responsibilities and the risks to which they may be exposed in the performance of their duties.

New recruits are provided with a copy of the Group's Anti-Corruption Policy and Code of Ethics (in addition to a copy of the Organizational Model pursuant to Legislative Decree 231/2001, for employees of the Parent Company).

In order to ensure adequate understanding and awareness of this Policy and the importance of compliance with it and with the Anti-Corruption Laws, Cembre Group Companies require all their employees to carry out a mandatory anti-corruption training/information course, with a different degree of detail according to their qualifications and the level of involvement in sensitive activities.

The Group Code of Ethics and this Policy must also be provided to all those who enter into contractual relationships with Group Companies and are available for all stakeholders on the website <http://www.cembre.com> .

6. WHISTLEBLOWING

The recipients of this Policy are required to report, even anonymously, any violation of the laws in force on corruption or of this Anti-corruption Policy by Group employees, collaborators or third parties who have professional relationships with Group companies.

Failure by employees to report unlawful action that has come to their attention shall, in itself, expose the employee(s) in question to possible disciplinary action.

Reports can be made by following the 'Whistleblowing Procedure', attached hereto for ease of reference.

Reports received shall be handled in accordance with the aforementioned Procedure, ensuring the confidential nature of the report and protecting the reporting party against possible retaliation.

7. SANCTION SYSTEM

Any violations of the Anti-Corruption Policy by Recipients belonging to the Cembre Group shall lead to the application of disciplinary measures. All violations shall be subject to adequate and proportionate disciplinary sanctions, also taking into account the criminal implications of the related conduct.

Violations of the Anti-Corruption Policy by third parties shall be assessed with a view to adopting the most appropriate countermeasures, such as unilateral termination of the contract.

In the event of investigations by the competent authorities, Cembre shall offer its full cooperation.

Annexes:

1. Whistleblowing Procedure