

ANTIN-BRIBERY POLICY

Code of conduct

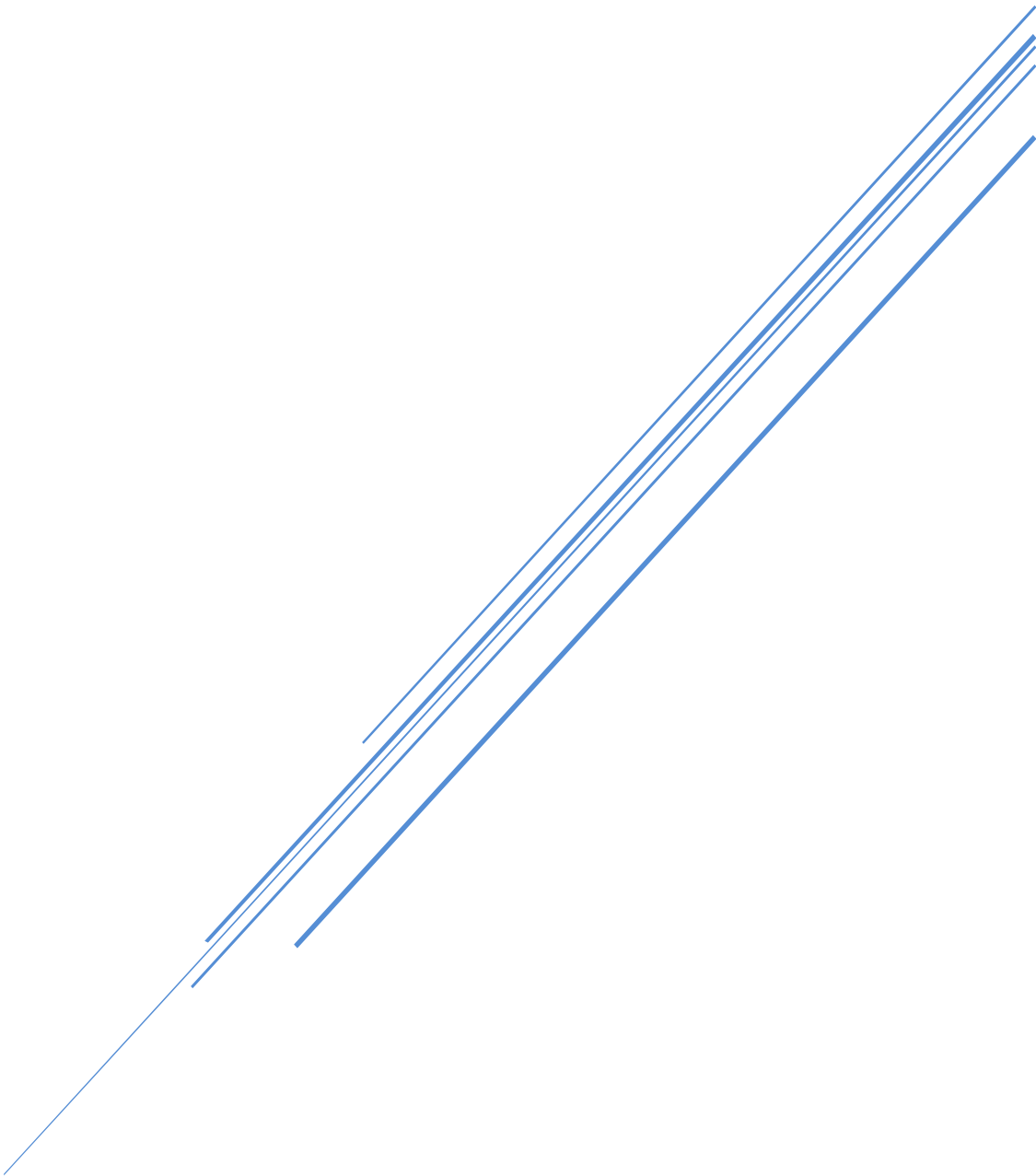


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Anti-Bribery Policy

1. Policy statement

The objective pursued through this policy and the Tone From the Top of OMB's Top Management is to assert how our company is committed to Anti-Bribery national laws of all countries with whom OMB works, not just to be compliant with standard and applicable national regulation but even in order to adequate business practices, human resource practices and treatment of employees and customers.

The scope of this policy is to comply with all applicable Anti-Bribery laws, including but not limited to specific regulations such as the Italian Legislative Decree no. 231/2001, the US Foreign Corrupt Practices Act (FCPA) 1977, the UK Bribery Act 2010 and all national regulations applicable to different countries where OMB operates, and to accounting laws covering accurate reflection of all transactions on OMB's books and records.

This policy supports the OMB Code of Conduct by establishing a prohibition of bribery in all forms and through the definition of roles, responsibilities, decision making, and operational procedures to which all OMB's personnel must adhere in management of business relationships.

2. Background

Certain activities related to Public and private customers (such as providing gifts, contributions, entertainment, travel-related benefits or facilitation/improper payments) can violate Anti-Bribery laws around the world. OMB may be legally responsible under some circumstances for bribes or attempted bribes made or offered by Third Parties with whom OMB deals business. In addition Bribery exposes OMB and all its personnel to various risks like prosecution, fines and imprisonment.

Failing to implement adequate procedures to prevent bribery by OMB's personnel or anyone acting on OMB's behalf, no matter where in the world the bribery takes place, exposes the Company to the risk of fines, expulsion from contracts and significant reputational damage. Furthermore, many clients ask for confirmation of the possession of adequate procedures to prevent kind of bribery being made in the execution of contracts.

This is the reason why this policy prohibits all forms of bribery, requires integrity assessments of Third Parties, internal approvals, proper books and records entries, and it imposes records retention requirements for the key risk areas identified by the company.

3. Definitions

"Government Official" includes any:

- Government employees or elected/appointed officials
- Political party
- Candidate for political office (even if not currently in office)
- Consultant, speaker or advisor retained by OMB who is a government employee
- Employee of a quasi-public agency and other companies or organizations partly or completely owned or controlled by a government

"Third Parties" includes any person or entity with which OMB does business and includes, but may not be limited to, any of the following when they do business with OMB or otherwise act on OMB's behalf:



- Consultants
- Suppliers
- Distributors
- Agents
- Independent Contractors

“**Bribery**” is the act of offering, promising, giving, requesting or accepting anything of value (i. e. money, gifts, hospitality, favors, information, job opportunities) or any benefit or advantage with the purpose to obtain an improper advantage.

“**Corruption**” Is the misuse of power used for personal or private advance, of the person who corrupts or a Third Party they are associated with. The corruption can be performed in different ways and it is usually frequent in the public or government sector. Bribery is one of the forms of corruption.

“**Facilitation/improper payment**” is a small sum of money paid to someone (often to public officials) in order to speed up and/or secure the performance of their duty. Some examples can be small payments to facilitate routine government action, such as to an immigration official to speed up a customs check or visa application. Facilitation/improper payments are still bribes and they are prohibited by this policy.

“**Improper advantage**” is defined to mean something to which the company is not clearly entitled, such as a price increase approval, improper influence on a decision to purchase OMB’s products at a government institution or commercial business, favorable product specification selection, contract award, grant of operating permits, product use/registration approval, favorable court decision, or tax dispute settlement.

“**Gift & Entertainment**” are included gifts, travel expenses, accommodation, services, entertainment, and any other gratuitous item, event, benefit or thing of value received from or offered to any person in connection with the company.

“**Red Flags**” are signals of risky situations related to bribery actions (i.e. a person/company that might be involved in bribery acts or facilitation/improper payments or person/company that shows an inclination or proposal to violate Anti-Bribery regulations).

“**Tone from the Top**” is a term used to indicate organization's general ethical climate, as established by its Board of Directors and Management Committee. It is the statement of commitment to compliance made by the Top Management; having a strong tone at the top helps the company in prevention of fraud and other unethical practices.

“**Whistleblowing**” is the disclosure by a person, usually an employee, to the public or to those in authority, of mismanagement, corruption, illegality, or some other wrongdoing. A worker can report things that aren’t right, are illegal or if anyone at work is neglecting their duties.

4. Addressee

This policy applies to all OMB's personnel and Third Parties and their activities in public and private sector. With the terms personnel and Third Parties are identified the members of the Board of Directors, members of the Management Committee, members of Compliance Committee, employees, consultants, suppliers, agents and, in general, Company's employees and of its subsidiaries. In addition the Anti-Bribery Policy applies to all clients with whom OMB deals Business activities.

OMB is committed to take appropriate action against bribery and corruption, through internal disciplinary action against Manager and/or employees involved in bribery actions; and/or terminating contracts with Third Parties including reporting the matter to an appropriate government department, regulatory agency or to the police.

Company's employees are also expected to comply with the Business Gifts and Entertainment Policy which may be helpful in identifying circumstances where corporate entertainment or gift to a client may be acceptable and not related to bribery.

OMB's stakeholder and clients are requested to understand, accept and fully comply with the OMB Anti-Bribery and Corruption Program which includes OMB Anti-Bribery Policy, OMB Code of Conduct and all the related procedures such as Gift & Entertainment Policy etc.

5. National regulations references

OMB's internal protocols:

- OMB's Model of Organization ex. Italian Legislative Decree no. 231/2001
- OMB'S Code of Conduct
- OMB's Policies and Procedures
- Any regulatory document/tool that updates and/or supplements to the corporate documents above
- With reference to the subsidiaries, documents transposition/integration might be emitted and related regulations issued by OMB

Laws / regulations:

- Legislative Decree no. 231/2001
- Italian Anti-Corruption Law 190/2012
- The US Foreign Corrupt Practices Act (FCPA) 1977
- UK Bribery Act 2010
- Other public laws and commercial anti-corruption regulations in force in the countries in which OMB operates (see summary table "National Regulations") and the international anti-corruption treaties such as, but not limited to, the Convention of the Organization for Economic Cooperation and Development on Combating Bribery of Foreign Public Officials

The table below shows the sources of law in force in the field of Anti-Corruption in the main countries in which OMB operates:

Nations		National Regulations
1	Italy	<ul style="list-style-type: none"> Italian Anti-corruption Law n° 190/2012 Legislative Decree no. 231/2001
2	Canada	<ul style="list-style-type: none"> Canada's Corruption of Foreign Public Officials Act (CFPOA) 1998
3	America	<ul style="list-style-type: none"> the Foreign Corrupt Practices Act (FCPA), 1977
4	United Kingdom	<ul style="list-style-type: none"> The UK Bribery Act 2010
5	Saudi Arabia	<ul style="list-style-type: none"> National Anti-Corruption Commission 2011
6	Singapore	<ul style="list-style-type: none"> Prevention of corruption law 1960
7	Malaysia	<ul style="list-style-type: none"> Anti-corruption act 575/1997
8	Japan	<ul style="list-style-type: none"> Article 197 of Japan's Penal Code Unfair Competition Prevention Law ("UCPL") 1999
9	Korea	<ul style="list-style-type: none"> Anti- corruption Act n.6494/2001
10	China	<ul style="list-style-type: none"> The PRC Criminal Law The PRC Anti Unfair Competition Law and the Interim Rules of the State Administration for Industry and Commerce on Prohibition of Commercial Bribery 1993

6. Key Risk Areas / Fraud Risks

In addition to Anti-Bribery obligations, OMB requires specific due diligence, internal legal and business approvals, financial reporting, and document retention requirements in the company's key risk areas identified below:

- Relationships with Third Parties (JV, consultants, agents etc.)
- Relationships with public officials and funding to political parties obtaining permits, licenses, etc.
- Cash flows
- Shipping
- Selection, recruitment and management of staff
- Customs and forwarding



- Gifts, entertainments, sponsorships and donations

Bribery and inducements can take the form of facilitation/improper payments or in-kind advantages such as gift, loans, fees, rewards, entertainments or favor in general. Examples of high risk transactions related to bribery and corruption are:

- Gifts: tickets for events not attended by OMB representative, charitable contribution in the name of agencies or government officials
- Monetary Donation: forms of contributions with checks and participations to fundraiser events
- Political Contribution: monetary and mostly political contributions
- In-Kind Contribution: offering through the utilization of OMB's facilities and/or employee without charging any cost
- Meals/Events: events organized or associated with a bona fide business purpose (OMB presentation, training, customer meeting)
- Sponsored Event: sponsorship of events organized by OMB with key strategic clients
- Entertainment: such as theatre tickets, sporting event tickets etc.
- Travel Expense: in which are involved government officials/agencies or clients for reasonable travel and travel related expenses for a bona fide professional reason, lodging/transportation (airfare, taxi, train, car rental)
- Educational Grant: OMB's contributions to educational institution

All potential high risk level examples shown above require prior authorization from the Department Manager, and if necessary by the Compliance Manager, as a result of the high risk exposure to corruption such as illegal payments.

All employees must obtain the necessary authorizations by the Direct Superior/Department Manager before to proceed with purchases and/or expenses related to high corruption risks. The request of authorization must be escalated per mail to the Manager responsible of the Department in which the personnel deal business. The Compliance Manager and the Compliance Committee must be involved in the e-mail exchange in any doubt is raised.

Regular monitoring activities must be conducted by the Administrative Department in accordance with the Compliance Committee and the Management Committee to compare pre-approvals amounts of purchases and expenses to the booked amounts.

Additional controls must be performed on a regular basis, at least once a year, through an internal assessment of Key Risk Areas, in order to verify the continuing relevance of the categories of expenses and/or business behaviors identified in the high risk of corruption for the Company.

7. Roles & Responsibilities

The following list describes roles and responsibilities for the implementation of OMB Anti-Bribery Policy:

- **Management Committee:** The Management Committee has to:
 - i. Evaluate annually, in coordination with the Compliance Committee and Department Managers involved, the scope of the Risk Assessment
 - ii. Define and/or confirm annually, in accordance with the OMB Board of Directors and the Compliance Committee, the authorizations eventually requested from OMB Board of

- Directors and/or Management Committee for the Appointment of specific Third Parties and assignment of related risk level
- iii. Define additional controls or limitations requested to establishing the relationship in case of high risk level identified
 - iv. Approve, in coordination with the Compliance Committee, the analysis performed in relations to new Third Parties to be appointed
 - v. For each Department identify a Responsible in charge of the verification of respect of the Anti-Bribery Policy
 - vi. Approve, in coordination with the Compliance Committee, the annual training plan contents
- **Compliance Committee:** The Compliance Committee has to:
 - i. Verify the adequate applicability of OMB Anti-Bribery and Corruption Program including OMB Code of Conduct, OMB Anti-Bribery Policy, all linked procedure concerning high risk level areas and all related national regulations
 - ii. Examine the annual review of the Risk Assessment Process of the company
 - iii. Approve, in coordination with the Management Committee, the analysis performed in relations to new Third Parties to be appointed
 - iv. Approve, in coordination with the Management Committee, the annual training plan contents
 - **Compliance Manager:** is required to establish and maintain an adequate implementation and respect levels of OMB Anti-Bribery Policy that includes:
 - i. Monitoring of the Company's levels of Compliance for the annual risk identification
 - ii. Identification and updating of Anti-Bribery standards for the risk identified
 - iii. Issue analysis and resolution regarding Anti-Bribery and Corruption
 - iv. Provide guidance to solve consistently issues and providing instructions for addressing specific issues as they arise
 - v. Verify that a qualified employee for each Department monitors on the Third Parties' works
 - vi. Provide periodic reports, at least annually, on the Company's compliance and issue specific reports in case of Anti-Bribery concerns
 - vii. Manage, in coordination with the HR Department, the delivery of the training course content to all company's personnel through specific modules depending on different roles
 - **Department Managers** involved in the sensitive Risk Areas/Departments identified are responsible for implementing control processes in their business operations reasonably in order to satisfy the requirements of OMB Anti-Bribery Policy. The Department Manager must:
 - i. Define and perform the annual Risk Assessment
 - ii. Implement appropriate control processes to monitor, review approve and mitigate risks related to highest risk areas/ activities identified such as Business Entertainment, Sponsorships, Donations and other high risk payment activities
 - iii. Identify a qualified employee responsible for the Third Party's work for each department
 - iv. Verify that all new Third Parties have been identified, approved and rated at a specific risk level prior to the appointment, and managed in accordance with this Policy and provide the related supporting documents to the Compliance manager and the Management Committee as evidence of the analysis performed
 - v. Implement appropriate controls to mitigate risks related to Third Party relationships in their Business activities
 - vi. Provide periodic reports on a regular basis as determined by this Policy
 - vii. Include Anti-Bribery Policy within their training plan
 - **HR Department** is responsible for:
 - i. Definition of the annual training Plan

- ii. Communication to all company's personnel of training plans approved and related calendars
- iii. Manage, in coordination with the Compliance Manager, the delivery of the training course content to all company's personnel through specific modules depending on different roles
- **Employees:** all OMB's personnel must comply with the relevant requirements of law and regulation as well as the Company's policies and procedures related to the Anti-Bribery Policy. In addition, employees must receive periodical training as appropriate to their role in order to familiarize themselves with the anti-corruption risks related to their Business Department and related operations and be vigilant in recognizing risk and escalating red flags of potential anti-corruption issues identified in the course of their business activity.

8. Identification, Escalation & Review of Potential Exposure to Anti-Corruption

The purpose of the OMB Anti-Bribery Policy, in coordination with the Code of Conduct, is to establish a framework that provides clarity to the processes within OMB Departments designed to:

- Prevent facilitation/improper payments and prevent the infringement of OMB Anti-Bribery Policy in order to reduce the risk of harms to OMB's reputation
- Detect exposure indicators to bribery/corruption risks at the earliest stage possible
- Promptly respond and remediate exposure to risks of corruption or potential violations
- Assess the root causes of issues or the identification of weaknesses in the program to prevent their recurrence

In order to meet these objectives, this policy will define and rule the following processes:

Risk assessment:

OMB's Departments must define and perform an annual Compliance Risk Assessment. OMB Management Committee, in coordination with the Compliance Manager and Department Managers involved in the sensitive processes, will evaluate on an annual basis the scope of the Risk Assessment with respect to understanding and identifying the nature of the risk exposure to corruption within the various OMB's Departments.

The results of the Risk Assessment Process will be reviewed annually by the OMB's Compliance Committee in conjunction with the OMB Management Committee and will inform all Department Managers about all implementation or modification of the control processes within the Company to manage the corruption risks identified.

Identification:

The Compliance Manager, in coordination with the Department Managers, is responsible of the monitoring of the Company's levels of Compliance for the annual risk identification. The scope of monitoring transactions, payments, or transparent deals is to expose indicators of possible corruption risks to the attention of the Company.

The risk identification will be performed even through the execution, by the different Manager involved, of Due Diligence analysis and management of external relationships with customers, Third Parties, administrative service providers, joint venture partners, commercial agents and marketing partners and other relevant parties with whom OMB establishes a relationship.

The analysis are reviewed and approved by the Compliance Committee and the Management Committee, and controlled through risk management processes by the Department Managers involved.



Consequently to the identification of Key Risk Areas specific controls/principles concerning bribery and corruption management and corruption-related indicators are updated and/or designed to manage the high risks areas identified, including the definition of annual training plan for all OMB's personnel, reporting required for the Third Parties or limits on relationships.

Through the annual risk assessment process the company provides a structure for the enhancement of transparency for the governance of third party risk management.

Escalation and Review:

Whenever an exposure to anti-Bribery and Corruption risk is identified, for example through the execution of a control process, the escalation is required.

Any potential issue must be escalated by all OMB's personnel to the Direct Superior/Department Manager and to the Compliance Manager in order to be analyzed and reviewed.

The Department Manager must take in consideration all issued raised by all OMB's personnel, asking for clarification and acquiring all supporting documents available in order to be able to verify the applicability of the risk/issue.

The Department Manager, once provided all the supporting documents, must submit the documentation to the Management Committee and to the Compliance Manager involving him for the analysis of the concern issued.

The analysis must be performed with the utmost discretion possible and subject to any possible request for anonymity of the person who issued the alert. Informal discussions can be made by the Compliance Manager with personnel suspected to be involved.

If any violation or attempted violation is verified the Department Manager must take promptly corrective actions, after the authorization of the Management Committee, to solve identified compliance weaknesses in the risk areas of the company, and appropriate disciplinary actions.

All OMB's personnel must collaborate fully and honestly in any company investigations related to compliance and integrity concerns

All cases where a violation or potential breach of the Anti-Bribery Policy is identified must be escalated to the OMB's Management Committee and to the Board of Directors.

Additional channel for escalating any potential issue concerning bribery and corruption are listed below:

- Informal talks to any Direct Superior
- Preparation of written reports to be sent to the Department Manager/Compliance Manager to be analyzed
- Recourse to the anonymous Whistleblowing system

OMB suggests reporting any issue personally, but if it is not possible or if it can create any kind of difficulties to the OMB's personnel, it is possible to raise the concern even in an anonymous way.

9. Whistleblowing

Whistleblowing is the disclosure by a person, usually an employee, to the public or to those in authority within the Company, of mismanagement, corruption, illegality, or some other wrongdoing.

All OMB's employees must report situations that aren't right, are illegal or in which anyone at work is neglecting their duties, including:

- Criminal offence
- Non-compliance with regulations by the Company (such as Anti-bribery laws)
- Attempts to cover up wrongdoing

In case of known violations of Bribery and Corruption laws by any Company employees or Third parties, the OMB's personnel must promptly report the issue through the anonymous whistleblowing system adopted by the company.

The whistleblowing system defines the obligation to report, to the Compliance Manager and to the Compliance Committee, any case of known violation or attempted violation contacting the following email address: compliance@ombvalves.com.

Reports must be as detailed as possible and supported by documents if existing, in order to conduct effective analysis.

The whistleblowing system ensures the anonymity of those who have reported the issue.

10. Training

The HR department is responsible for the definition of the annual training plan, divided into different modules depending on the role function of the addressee.

The implementation of the training plan must be conducted in coordination with the OMB's Compliance Manager, keeping in consideration the internal assessment of Key Risk Areas and the different sectors of relevance depending on the Department belonging.

The training plan must be consequently reviewed and approved by the Management Committee and by the Compliance Committee to verify the adequacy of the contents.

The approved training plan must be communicated to all OMB's personnel, including the related calendars, by the HR Department.

The addressees of the training courses are all OMB's personnel, including Third Parties.

Trainings must be provided on periodical basis to all OMB's personnel with different modules identified depending on the role function. The training course must concern OMB's Anti-Bribery Policy, Code of Conduct and all related policies and procedures, including facilitation/improper payment prevention and Third Parties risk management.

Personnel with responsibility for specific control functions designed to identify and assess exposure to corruption risks and personnel in functions exposed to such risks are involved in specific Anti-Bribery training.

Training course can be taught in classroom lessons or through web based trainings, but must be differentiated depending on the role of function concerned and the level of involvement in high risk situations.

The HR Department, in coordination with the OMB's Compliance Manager, will assist the development of anti-corruption training content and/or delivery as appropriate.

11. Standards of conduct & prohibitions

Company personnel are prohibited from offering, promising, authorizing or providing, directly or indirectly through Third Parties, any payments, gifts or anything of value to any Government Official or private customer in order to influence or reward any action or decision by such person in connection with official capacity or for the purpose of obtaining or retaining business or security an improper advantage.

The company strictly prohibits engaging in or tolerating bribery or any other form of corruption. In addition OMB's personnel are requested to keep accurate books and records and to maintain a system of internal accounting controls to ensure that all transactions are properly authorized.

In accordance to Anti-Bribery and Corruption regulations is permitted the occasional offer of gifts in favor of customers and suppliers, potential or existing, and their agents and representatives, in compliance with the laws and as long as are not exceeding a maximum value of courtesy, or they do not compromise the integrity and/or the reputation of one of the parties and that they cannot be interpreted by an impartial observer as aimed at creating an obligation of gratitude or to obtain undue advantages. It is also allowed the occasional offer of gifts of modest value in goods bearing emblems or distinctive signs of the company with promotional and qualification of the company image.

In the normal course of business relationships and at events such as conferences and promotional extraordinary meetings, is finally allowed to offer breakfasts and dinners and short stays in hotel and accommodation facilities, provided they are pure expression of hospitality and not excessive or unusual in value. For what concerns the offer of entertainments or forms of hospitality they must be appropriate and reasonable, consistent with local custom and should not be considered excessive in value by the Third Parties.

All OMB's personnel, in case of consistent gifts and/or entertainment such as participation in conferences and meetings, must provide supporting documents for the expenses occurred that must always be legitimate by verifiable business purpose.

It is not permitted under any circumstances the use of the petty cash available at the company for the incurring of expenses in question whether they are in favor of public or private entities.

In case of attempted extortion in respect of an employee or Third Parties, all OMB's personnel must avoid complying with the request and promptly inform the Direct Superior/Department Manager and the Compliance Manager providing information even though supporting documents if possible.

Written reports must be issued by the company's personnel in case of acceptance of any gift or other form of utility received in the exercise of the business activities in the interest of the same. Reports must be sent Compliance Manager/Compliance Committee and to the Management Committee.

Before the approval of travel expenses, gifts, entertainment, or political/charitable contributions for benefit of a Government Official the company's employees must verify to have received all the authorizations and the analysis eventually required by this policy, with particular attention given to high risk level clients and to circumstances which could give rise to suspicions of irregularities. Evidence of the authorization received must be submitted to the Compliance Manager before to authorization to proceed.

In relation to tenders by a potential customer audience it is prohibited to the personnel involved to:

- Draw up the technical specifications of a tender on behalf of the customer public
- Submit false documentation/analysis for the technical specifications of the tender and product to participate in a bid or to obtain licenses and/or permits
- Access, in an unauthorized manner, to the information systems of the Public Administration, to obtain and/or modify information for the benefit of the company technical-economical products and services offered / provided

In addition for what concerns the specific risks of facilitation/improper payments, OMB's personnel are required, in the management of relations with the professional, to:

- Ask for written confirmation of the requirements
- Make clear that official receipt are requested for the payment

- Refuse to pay and ask for clarification/confirmation about how to proceed when unclear information are received to define if a facilitation payment is a legal or regulatory requirement

Company personnel must retain sufficient information, such as supporting documents, in order to assure proper records in the company's accounting book as evidence of the correctness of the activities performed.

Company personnel whose duties may lead to involvement in any of the areas covered by the Anti-Bribery Policy or by the OMB's Anti-Bribery and Corruption Program must become familiar with and comply with this Policy and must participate to the training course of the company relating to the subject of this Policy.

12. Third Party: identification and risk management

All OMB's Third Parties who represent the Company are required to conduct business activities in a manner that is consistent with the OMB's Anti-Bribery and Corruption (ABC) Program (Code of Conduct, Anti-Bribery Policy and related policies and procedures).

All company personnel must follow this procedure when identifying and/or retaining the services of any Third Parties who deals business on behalf of the Company.

Before retaining the services of a potential Third Party, a qualified employee must be identified as responsible for the Third Party's work for each Department.

The qualified employee must ensure that:

- Appropriate due diligence has been performed on the Third Party before the counterpart is hired or retained or performs any services for or on behalf of the Company;
- The Third Party analysis has been completed fully and accurately, and submitted to the Compliance Committee and/or Compliance Committee and has been reviewed and approved before the Third Party is hired or retained or performs services for or on behalf of the Company;
- A written contract, properly and fully reviewed and approved under the Anti-Bribery and Corruption Program is in place governing the Third Party performance and services. If a Third Party might interact with Government Officials in the course of performing services for or on behalf of the Company, the Third Party's services may not be procured by a purchase order, invoice or unwritten agreement;
- The contract fully and accurately describe the nature and scope of the services to be performed and the manner in which the Third Party will be paid and reimbursed;
- The review and approval of the contract has been conducted in accordance with the Anti-Bribery Policy, in addition every contract must include compliance warranty to compliance to the OMB's Anti-Bribery and Compliance Program;
- All payments, commissions, reimbursement, expenses or compensations of any kind or nature provided to the Third Party are properly authorized in accordance to this policy and fully and accurately recorded in the Company's books and accounting records;
- The Third Party's activities are monitored to ensure the Agent is performing services in compliance with the contract, the national regulations and the company's Anti-Bribery Policy.

Each Department Manager must verify that all Third Parties have been identified, approved and rated at a specific risk level and managed in accordance with OMB Anti-Bribery Policy and in general with ABC Program.

Consequently all qualified employees must identify the Third Party and define the most appropriate risk level of the counterpart through the specific analysis which implies verification of:

- Implementation of a selection process for all Third Parties proposed in order to assure the adequacy and professionalism of the counterpart;
- Receipt of eventual authorizations required from OMB's Board of Directors and/or Management Committee for the Appointment of the Third Party (as defined on an annual basis by the Management Committee);
- Obligation of all Third Parties to accept and respect the principles of OMB's Code of Conduct, OMB Anti-Bribery Policy and other policies related to the sensitive areas identified;
- Definition of written guidelines and procedures regarding the rates on fees, gifts and entertainment, and the reimbursement of travel expenses and subsistence.

The risk rating assigned must be communicated to the Department Manager and to the Compliance Manager for review and approval of the risk rating assigned and any additional controls required.

Each Department must also:

- Formally request and application of higher levels of security to Third Parties operating in high risk countries (Please refer to the corruption Perception index defined annually by Transparency International, Website: <http://www.transparency.org>);
- Provide supporting documentation to the OMB's Compliance Manager or Management Committee of the identification process occurred for classify and risk rating the new Third Party through evidences of:
 - i. how relationships with Third Parties, specifically suppliers/vendors/commercial sales and marketing or joint venture partners are established;
 - ii. pre-determined mechanism within the process of assessment/selection to identify potential facilitation/improper payment risks;
 - iii. escalation of potential risks by the Department Manager to ensure that Third Parties are managed properly.

A list of all Third parties currently performing services for or on behalf of the Company must be implemented providing current contacts information for the Third Party, specification of location(s) where the Third Party is rendering services and summarization of the nature of Third Party's services.

13. Penalties for violations

Violation of this Anti-Bribery Policy means breaking the law, subjecting yourself and the company to criminal penalties or civil sanctions and loss of contracts and the defense of export privileges.

Compliance with this procedure is mandatory.

Failure to comply with the terms of this policy may subject the individual to disciplinary actions, up to and including termination of contracts.

In consideration of the above OMB will terminate also the engagements with consultants, agents, distributors, independent contractors and any other Third Parties who are unwilling or unable comply with Company's procedure and consequently to represent OMB in a consistent manner in accordance with national regulations. In addition, if necessary, the Company eventually will request damages.

14. Network for implementation of the program and escalation of issues

OMB's Compliance Manager will establish an Anti-Bribery Compliance Network to facilitate communication, analysis, and developments related to this Anti-Bribery Policy. The purpose of this network is to provide a



centralized process across Departments and subsidiaries for effective communication to enhance consistency in the administration of the ABC Program, deliver advice of common applicability, clarify instructions and deliver training content.

15. Red flags

Red Flags means risk indices of references, or alarm signals that can occur in certain situations with regards to the risks of corruption.

Company's personnel, in dealing business activities can better judge cases of potential high risk level situations by verifying the existence of red flags.

In case of red flags identified by the personnel the supporting documents must be sent to the Direct Superior/Department Manager and to the Compliance Manager to clarify any doubtful situations and receive a written authorization to proceed with the business activities.

Examples of potential risk situations can be:

PAYMENTS:

- Requests for payments to receiver/countries different from that indicated in the tender documents or for payments in other countries
- Use of atypical methods of payment, of large amounts/greater amounts than agreed in the contract reference without right causes
- Requests of unusually large or excessive fees, commissions or similar payments

THIRD PARTIES:

- Recommendation of the Third Party by a Government Official or a customer
- Existence of relationships in the hands of the Third Party, with public officials who can improperly influence the decision of the Public Official
- Suspicions of violation or possible violation of national laws or policies (i.e. prohibitions on commissions, currency or tax law violations) in the arrangements proposed by the Third Party
- Failure of compliance with standards set by the OMB's ABC Program
- Evidence of information about a Third Party, indicating his possible involvement in unfair trade practices or potential corruption cases
- Designation of multiple Third Parties for the same scope of work
- Payments for which the receiver is reluctant to issue tax receipt
- Refuse from the Third Party to provide Anti-Bribery certifications/compliance with national regulations or in executing a written agreement

CASH DISBURSEMENT:

- Evidence of cash payments from other than an established petty cash account
- Lack of documentation for petty cash transactions
- Non-routine and/or overuse of petty cash

BUSINESS GIFT AND ENTERTAINMENT:

- Employee expense and corporate credit card reimbursement indicates any of the following information:
 - i. Not adequate or inconsistent supporting documentation
 - ii. Evidences of approval
 - iii. No compliance with record keeping procedures
 - iv. Suspicious or illegitimate expenses
- Requests of travel expenses for family members Public or private customer or for additional paid travel not directly related to Company business
- Unreasonable Adherence to unfavorable contract terms

GRANTS & DONATIONS:

- Charitable Donation proposed and solicited by a Customer
- Situations where a reasonable person may conclude that the Company could receive an improper advantage because of the proposed Charitable Donation
- Donation to organization where the Director, manager, owner or shareholder is a Government Official from whom the Company may receive business offers that could be influenced by the Government Official

