



**STANDARD PROCEDURE  
GIFTS AND HOSPITALITY**

Doc. no. STD-GR-CCSJV-ANC-001-E

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**STANDARD PROCEDURE**

**GIFTS AND HOSPITALITY**

**STD-GR-CCSJV-ANC-001-E**


**REFERENCE MSG  
MSG ANTICORRUPTION**

<b>Prepared</b>	<b>Checked</b>	<b>Approved</b>
Compliance Officer Christo Mey	Compliance Committee Gabriel Almandoz	Chairman Roberto Uberti

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## 1. INTRODUCTION

### 1.1 OBJECTIVES OF THE DOCUMENT

The present Standard Procedure has two objectives:

- to regulate Gifts and Hospitality offered to, or received by, CCS JV Personnel; and
- to establish rules, roles, responsibilities, mode to comply with in the management and reporting for Gifts and Hospitality made by CCS JV or CCS JV Personnel for third-parties

### 1.2 AREA OF APPLICATION

The present Standard Procedure applies to CCS JV.

The operating process for requesting and reporting Outgoing Hospitality (or Entertainment Expenses for third parties) carried out by CCS JV Personnel and any CCS JV Personnel who are travelling on Personnel Business Trips, according to what defined in specific CCS JV regulatory documents.

This Standard Procedure is part of CCS JV's Anti-Corruption regulatory documents as required by CCS JV's Anti-Corruption MSG.

If an addressee of this Standard Procedure suspects that there is a new or greater Anti-Corruption risk for CCS JV in the transaction, or if there are doubts about the interpretation and/or application of the provisions of this document regarding Anti-Corruption aspects, the addressee must contact the Compliance Officer or the Compliance Committee of CCS JV, which will suggest possible actions/solutions.

### 1.3 METHODS OF IMPLEMENTATION

This Standard Procedure is for immediate application for CCS JV.

### 1.4 REFERENCE DOCUMENTS


- "Model 231 (includes the Code of Ethics)" of CCS JV (hereafter, referred to as "Model");
- "Anti-Corruption" Management System Guideline (Doc. no. MSG-GR-CCS JV-ANC-001-E);

### 1.5 GENERAL PRINCIPLES

The persons involved in the activities regulated by this Standard Procedure operate in compliance with the regulatory, organisational and powers system. They shall also act in accordance with the law, applicable regulations and in compliance with the principles established below.

**Traceability** – the persons involved in the activities regulated by this Standard Procedure ensure - each within their own sphere of responsibility - that the activities and documents pertaining to the process remain traceable, by seeing to it that the respective sources, information and checks can be identified and reconstructed. Furthermore, all documents shall be archived and stored, in compliance with current applicable legislation, using dedicated information systems, whenever available.

**Confidentiality** – without prejudice to the transparency of the tasks performed and the obligations of disclosure imposed on applicable provisions, including those relating to the keeping and updating of lists of persons with access to privileged and significant information, all persons involved in the activities regulated by this Standard Procedure are under obligation to ensure the appropriate degree of confidentiality for all information that may

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come to their attention by virtue of their position.

**Segregation of duties** – in the activities regulated in this Standard Procedure, a segregation of duties and responsibilities must be provided, in order to prevent situations in which activities are concentrated on specific parties, which may contribute to creating conditions of risk with regard to the reliability of the information and the correct performance of duties. In dividing / assigning the activities, incompatible duties between and within the functions shall be segregated in accordance with the segregation principles prescribed by the internal control system applicable to the different entities. In practice, the principle is applied in relation to the nature of the activity concerned and the type and degree of risk associated with it, with a view to preventing the formation of unduly cumbersome organisational structures, especially in entities of moderate size.

**Conflict of interest** – The relationship of personnel involved in the activities regulated in this Standard Procedure with their counterparts shall aspire to the highest standards of ethical behaviour in compliance with the CCS JV Code of Ethics. Every effort must therefore be made to avoid all situations and activities which could give rise to a conflict with the company's interests or which could interfere with a person's ability to take decisions impartially in the best interests of the company and in full observance of the principles and contents of the Code of Ethics and of the company's Model, the "Anti-Corruption" MSG and, in general, with the correct performance of their duties and responsibilities. Every situation that may constitute or determine a conflict of interest shall be reported and managed in accordance with the Code of Ethics and with the "Anti-Corruption" MSG.


**Anti-corruption policy** – CCS JV prohibits all forms of corruption, without exception. In particular, CCS JV prohibits: (a) offering, promising, giving, paying, authorising anyone to give or pay, directly or indirectly, a financial or other benefit to a Public Official or private party (Active Bribe); (b) accepting, or authorising someone to accept, directly or indirectly, financial or other benefits or the requests or entreaties for financial or other benefits from a Public Official or private party (Passive Bribery), when the intention is: (i) to induce a Public Official or private party to perform improperly any function of a public nature or any activity connected with a business or to reward them for the improper performance of such a function or activity; (ii) to influence any official act (or failure to act) by a Public Official or any decision in violation of any his/her official duty; (iii) to obtain or secure an improper advantage in the conduct of business; or (iv) in any case, to violate the applicable laws. Prohibited conduct includes financial or other benefits offered to or received by CCS JV Personnel (Direct Bribery) or by anyone acting on behalf of CCS JV (Indirect Bribery) in connection with CCS JV's business.

**Transactions involving the interests of directors and statutory auditors and transactions with related parties** – Before finalising any transaction or amending the terms and conditions of a transaction that has already been approved, the functions involved in the tasks regulated by the Standard Procedure shall perform proper controls, check compliance with applicable procedures and guarantee the relevant information/notification requirements, according to the company's regulations on transactions involving the interests of directors and statutory auditors and transactions with related parties, as defined therein.

**Sustainability** – CCS JV is committed to creating value for all its stakeholders and to contributing to the sustainable development of the countries in which it operates. CCS JV's commitment with its partners, contractors and customers to establish and strengthen mutual trust and cooperation includes encouraging the adoption of its principles of sustainability and good practices.

**Maximising synergies** – CCS JV promotes cooperation at all levels and between all businesses through the integration of technical, technological and business know-how and the development of continuous synergies between businesses and processes.

**Market approach / orientation** – the departments / functions involved in the activities regulated by this Standard Procedure shall plan and implement initiatives to disseminate correct and up-to-date information about CCS JV and in particular about its industrial, economic and financial results to shareholders, investors and, more in general, to the financial community, complying with disclosure obligations imposed by current

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regulations, in accordance with the highest ethical standards, in compliance with the Code of Ethics and safeguarding CCS JV's reputation in the market.

**Value creation / maximisation** – all of CCS JV's activities shall be aimed at increasing, in the long term, the value of CCS JV's assets and of its managerial and technological skills and knowledge, as well as at creating value and welfare for all stakeholders.

**Transparency** – the persons engaged in the activities regulated by this Standard Procedure shall operate in such a way as to guarantee the utmost transparency in the performance of their duties and to provide full and truthful disclosure.

**Continuous improvement** – CCS JV assures the continuous improvement of its processes through a suitable monitoring system. The functions shall promote the monitoring, development and dissemination of the know-how relating to the activities regulated by this Standard Procedure. In order to guarantee continuous improvement, performance must be monitored through suitable monitoring and reporting tools.

**Satisfaction of customer departments / functions** – The functions involved in the in the task governed by this Standard Procedure must enable the achievement of the required performance in terms of reliability, availability and fulfilment of the expectations of customer functions through cooperation and continuous alignment with them, in compliance with the expenditure limits defined by CCS JV. Understanding the requirements and needs expressed, the constant monitoring of work performed, and feedback of the effectiveness of the services supplied are the main tools to allow maximisation of the satisfaction of the customer departments.

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## 2. DESCRIPTION OF ACTIVITIES

### 2.1 PRINCIPLES OF CONDUCT

In line with what define in the Code of Ethic and the Anticorruption MSG, Gifts and Hospitality either received or made may be received and made where it is in the context of a commercial courtesy, and it does not compromise the integrity and/or reputation of either party, and cannot be construed by an impartial observer as aimed at creating an indebtedness or obtaining undue advantages. This principle must be mandatorily respected also when CCS JV Personnel provide Gifts and/or Hospitality through personal economical resources;

Any Incoming and Outgoing Gifts or Hospitality must be reasonable and in good faith and must have the following characteristics:

- a) not be a cash payment;
- b) be given in good faith and for legitimate business purposes;
- c) not be prompted by the wish to exercise undue or illegal influence or by expectations of reciprocity;
- d) be reasonable, according to the circumstances;
- e) be in good taste and compliant with widely-accepted standards of professional courtesy;
- f) comply with local laws and regulations applicable to the Public Official or private citizen, included, where existing, the codes of conduct of the organizations and their own entities.

The Outgoing Gifts are allowed when from an objective point of view are expenses made reasonably and in good faith.

In particular those expenses are reasonable and in good faith when they are directly related to:


- (i) the promotion, demonstration, or explanation of products or services; or
- (ii) the execution or performance of a contract with a public administration body;
- (iii) attendance at training seminars or workshops; or
- (iv) are in furtherance of developing or maintaining cordial business relationships;

Moreover, every to Gifts and Hospitality related expenses must:

- (i) comply with CCS JV Code of Ethic, the Anticorruption MSG and the present Standard Procedure;
- (ii) be recorded accurately and transparently in the company's financial information according to CCS JV's rules in relation to financial statements and accountability;
- (iii) supported by appropriated reference documentation in order to identify the name, the qualification of each beneficiary, as well as the scope of the expense.

Any Outgoing Gifts and/or Hospitality for a Family Member or designee of a Business Partner or of Public Official or private citizen that was proposed by a Business Partner or Public Official or as a result of the recipient's relationship to a Business Partner or Public Official is forbidden.

Gifts offered to CCS JV Personnel different form the type of Outgoing Gifts and Hospitality defined and regulated by paragraph 2.2 of the present Standard Procedure are not admissible.

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## 2.2 OPERATING METHODS: INCOMING GIFTS AND HOSPITALITY

### 2.2.1 Gifts and Hospitality, offered by third-parties to, or received by CCS JV Personnel:

Any Gifts and Hospitality offered by third-parties to or received by CCS JV Personnel must, from an objective point of view, be reasonable and without creating an obligation of any kind.

CCS JV Personnel who is offered with, or receive a Gift or Hospitality must verify the compliance of that a Gift or Hospitality with the requirements of the present Standard Procedure.

If following this evaluation, the Gift or Hospitality cannot be considered as a commercial courtesy CCS JV Personnel must

1. refused it;
2. inform immediately their direct superior and<sup>1</sup> the Compliance Officers and
3. request for their registration in the "Incoming Gifts and Hospitality" Register, according to the modality indicated in the following paragraph 2.2.2.

In case CCS JV Personnel is offered, or CCS JV Personnel receive, Gifts and Hospitality which can be considered as commercial courtesy whose actual or estimated value exceeds (or is likely to exceed) individually the "single gift threshold" or cumulatively, when received from or offered by the same subject or entity in a calendar year, the "cumulative threshold" indicated in the following paragraph 2.2.2, CCS JV Personnel must immediately:

1. inform their direct superior<sup>2</sup> who will assess compliance with the principles established in this Standard Procedure;
2. request their recording in the "Gifts and Hospitality" Register, whether they are accepted or refused, according to what indicated in the following paragraph 2.2.2.

In the case of subsidiaries/branches that are not based in Italy, the "single gift threshold" indicated in the following paragraph 2.2.2 can be lowered by the CCS JV Management taking into consideration the characteristics of the related country (e.g. average cost of living, the economy, etc.), and in that case the "cumulative threshold" must be reduced accordingly. In such cases the CCS JV Management must immediately formalize those threshold reductions and give adequate communication internally to its organization. Moreover, he/she must communicate to the Compliance Officers and to the responsible of the CCS JV's Functions to which the subsidiary/branch refers to, the reduced threshold amount that applies to the subsidiary/branch.

### 2.2.2 Entering Gifts And Hospitality Register

Any Gifts and/or Hospitality offered by third-parties to, or received by, CCS JV Personnel (even if refused, on the basis of the effective or estimated values) reported in the below scheme, must be registered in an accurate and transparent manner in the "Incoming Gift and Hospitality Register" (FORM\_GR-CCSJV-ANC-001-E).

<sup>1</sup>For positions reporting directly to the Chairman of the Board of Directors and the Project Director of CCS JV, information is provided to the structures identified respectively by the Chairman of the Board of Directors and the Project Director of CCS JV for the purpose of keeping the register, which provide periodic reporting for the Chairman of the Board of Directors and the Project Director of CCS JV. For the Management of CCS JV, information is provided to the Human Resources function, the Compliance Committee and to the CCS JV's Compliance Officers.

<sup>2</sup> See Note 1.



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Types of Gifts and Hospitality offered by third-parties, or received by CCS JV Personnel	Threshold		Obligation to deny	Register	Inform the direct supervisor	Inform the Compliance Committee
	Europe	Mozambique				
Gifts and Hospitality that can be considered as act of commercial courtesy	≤ 150 € single threshold	≤ 100 € single threshold		✓	✓	
	≥ 150 € single threshold	≥ 100 € single threshold		✓	✓	✓
	≥ 600 € cumulative threshold	≥ 300 € cumulative threshold		✓	✓	✓
Gifts and Hospitality that cannot be considered as act of commercial courtesy of any values			✓	✓	✓	✓

- in the compilation of the “Incoming Gifts and Hospitality Register” it has to be indicated if there are Incoming Gifts and Hospitality Register offered by, or received by, the same subject or entity more than once in a year;
- the value of the Incoming Gifts and Hospitality received or offered in the same solar year by the same subject or entity is the same or superior to 600 € (cumulative threshold) or equivalent (even if the effective or estimated value singularly each of each Gift or Hospitality is not superior to the single threshold above indicated).


The Incoming Gifts and Hospitality Register includes the following information:

- the name of the CCS JV employee who was offered, or received the Gift and Hospitality (beneficiary);
- indication of the name of the direct superior (checker) and the date the CCS JV employee (beneficiary) informed his/her direct supervisor;
- the name of the company or person who made the offer or provided the Gift and Hospitality;
- the date the offer of Gift and Hospitality was made to the CCS JV employee (beneficiary);
- a brief description of the Gift and Hospitality (e.g. gifts, hospitalities or other benefits), indication of the actual or estimated value;

In CCS JV the “Incoming Gifts and Hospitality Register” is maintained by the Human Resources function of the company<sup>3</sup>.

<sup>3</sup> In order to guarantee transparency and traceability, when the Incoming Gifts and Hospitality, which exceeds the single and cumulative values indicated in paragraph 2.2.2, is offered to the Chairman of the Board of Directors and the Project Director of CCS JV the aforementioned Gift and Hospitality must be entered in the Register maintained by the competent structures identified for this purpose, respectively, by the Chairman of the Board of Directors and the Project Director of CCS JV. As regards the gifts received by the members



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## 2.3 OPERATING METHODS: OUTGOING GIFTS AND HOSPITALITY

### 2.3.1 Gifts offered by CCS JV Personnel to third-parties (or to other CCS JV Personnel)

The Gifts offered by CCS JV Personnel to third-parties or to other CCS JV Personnel are divided into external Gifts namely promotional items or gifts intended for external contacts to the company (for example gifts for customers, investors, journalists, etc.), Gifts to other CCS JV Personnel namely promotional items or gifts intended for internal company contacts and their family members (for example gifts to CCS JV Personnel on occasion of events such as strategy line-up meetings, open doors, women's day, mother's day, end of year parties for children of employees, etc.), Gifts relating to HSE initiatives or promotional items or gifts intended for internal company contacts on the occasion of achieving HSE targets (for example gifts to CCS JV Personnel on the occasion of reaching the milestone of 1 million working hours without accidents, LiHS campaigns, etc.).

The gifts offered by CCS JV Personnel to third parties or to other CCS JV Personnel must comply with the principles indicated in the "Anti-corruption" MSG and the authorization and handling procedures envisaged in this Standard Procedure.

The process of authorization of the expenses of the Gifts offered by CCS JV Personnel to third-parties or CCS JV Personnel and of the subsequent disbursement must be supported by adequate reference documentation in order to identify the beneficiary of the gift, as well as the purpose of the same.

The Head of Social Responsibility Dpt ensures, through his own structure, the correct management of orders for Outgoing Gifts of CCS JV and its subsidiaries in line with what provided by the MSG "Supply Chain", as well as the traceability of the related authorization and handling process (purchase, delivery) of the objects.

The objects identified as gifts are selected after acquiring the opinion of Head of Social Responsibility Dpt .

Outgoing Gifts must be accurately and transparently registered by the requesting unit in the "Outgoing gifts and hospitality" register, according to what described in paragraph 2.3.4.

The Gifts that the requesting function intends to offer during the year must be planned within the Company Budget / Forecast and included in the Communication Budget / Forecast assessed by the Chairman of the Board of Directors of CCS JV.

The communication Budget / Forecast is elaborated by the Social Responsibility Dpt supported by the AFC - Planning and Control function of CCS JV.

The Communication Budget / Forecast is presented by the Social Responsibility Dpt to Chairman of the Board of Directors of CCS JV for overall evaluation and approval. Once approved, the communication Budget / Forecast is sent by the Social Responsibility Dpt to the AFC-Planning and Control function, with the reporting of any deviations from the information previously provided by the AFC-Planning and Control function itself, following the CCS JV planning and control process defined in a specific regulatory document.

#### 2.3.1.1 Gifts Request


The request for Gifts whether it is Gifts offered by CCS JV Personnel to third-parties or that it is Gift offered by CCS JV Personnel to other CCS JV Personnel must be sent to the Social Responsibility Dpt through a specific Form 4 "Request for Gifts in stock" respecting the authorization procedure specified below:

The request, made by the requesting unit (holder of the cost center), must be authorized from AUTHORIZED POSITION:

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of the Board of Directors other than the Chairman of the Board of Directors and the Project Director of CCS JV, the modality for registering the gifts and the related information can be established by the BoD, upon the proposal of the Compliance Committee.

<sup>4</sup>Form "Request to purchase gifts" (Doc. N.FORM \_ GR-GROUP-ANC-003 -I) and Form "Requests for gifts in stock to the Sustainability, Identity and Corporate Communication function" (Doc. No. FORM \_ GR -GROUP-ANC-004 -I)

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- for CCS JV - by the Chairman of the Board of Directors or by a Macrostructure manager for the branches of CCS JV - by the Branch Manager and by the competent Macrostructure manager of CCS JV to which the branch belongs;
- for the subsidiaries - by the Top Management and by the competent manager in Macrostructure of CCS JV to which the company belongs;
- for the branches of the subsidiaries - by the Branch Manager and the competent manager in Macrostructure of CCS JV to which the branch belongs; for extra-budget gifts, the approval of the Mother-Company Company Top Management is also envisaged.

The process must be traced and in any case the requests must be consistent with the approved budgets, they must indicate the requested object, the quantity, the beneficiary and the unit cost.

If the request does not fall within the approved budget, the request must be duly motivated and subjected to the evaluation and authorization of the Chairman of the Board of Directors of CCS JV respecting the above procedure: applicant unit (holder of the cost center), authorizer.

Requests for gifts in stock by the Social Responsibility Dpt are processed by the function itself; in the case of a request to purchase gifts, please refer to paragraph 2.3.1.2 below.

#### **2.3.1.2 Manage the Gift purchase**

Once the requests for Gifts from the requesting unit have been received, the Social Responsibility Dpt , according to the procedure described in the paragraph above, invites the requesting unit to issue delivery orders for the purchase, at the supplier with whom the competent procurement function of CCS JV has stipulated contracts for the purchase of items relating to the Gifts, checking in advance their correspondence with respect to the request received.

In the event that the foreign subsidiaries deem it appropriate to make use of an on-site supply rather than through the competent procurement function of CCS JV, due to the lower purchase costs, the difficulties in customs procedures, the shipping or sorting procedures in the foreign countries, the same may submit the request to the Social Responsibility Dpt for autonomous purchase of Gifts through suppliers activated directly on site by the foreign subsidiaries themselves, in line with what provided by the MSG "Supply Chain". In this case, the request of the foreign subsidiaries must expressly indicate the reasons for applying for local suppliers and be subject to the prior authorization of the Social Responsibility Dpt which verifies the adequacy of the reasons given.


The Social Responsibility Dpt communicates the technical specifications relating to the Gifts to be purchased and ensures the monitoring of compliance with the technical specifications by the foreign subsidiaries. To this end, the foreign subsidiaries must highlight the Social Responsibility Dpt of the use of those technical specifications in the purchase contract.

#### **2.3.1.3 Reporting:**

The Social Responsibility Dpt arrange and keep update a summary report of the Gifts delivered<sup>5</sup>.The report shall contain:

- purpose;
- beneficiary;
- item description;
- purchase value;
- the request received with indication of the related authorization;
- quantity delivered;

<sup>5</sup> The report also reports the requests to purchase Gifts independently through suppliers activated directly on site by foreign subsidiaries.

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- delivery date.

The report is archived by the Social Responsibility Dpt .

### **2.3.2 Hospitality performed by individual CCS JV employees in favor of third parties (or Attention costs towards third parties). Request for authorization and reporting<sup>6</sup>**

Hospitality (or Entertainment Expenses) made by individual CCS JV employees in favor of third parties, including Public Officials, must comply with the principles indicated in the MSG "Anti-corruption" and in the present Standard Procedure and must be approved in line with the following highlighted process.

In particular, these Hospitalities, to be supported within the limits of the provisions of the related unit budget and according to the activities carried out by the employee, must be previously authorized by the Authorized Position<sup>7</sup>:

- for CCS JV - by the Chairman of the Board of Directors or by a Macrostructure manager of company in accordance with the amount limits defined in the Form "Hospitality authorization levels" (Doc. FORM \_ GR-CCSJV-ANC-007 -E);
- for subsidiaries - by the Company's Top Management or by a person in charge of the Macrostructure of the company, in accordance with the amount limits defined in the "Hospitality authorization levels" form (Doc. FORM \_ GR-CCSJV-ANC-007 -E);
- for the branches of CCS JV - by the Branch Manager or by the competent manager in Macrostructure of CCS JV to which the branch belongs, in accordance with the amount limits defined in the Form "Hospitality authorization levels" (Doc. FORM \_ GR-CCSJV -ANC-007 -E);
- for subsidiaries of subsidiaries - by the branch manager or the Top Management of the parent company, in accordance with the amount limits defined in the form "Hospitality authorization levels" (Doc. FORM \_ GR-CCSJV-ANC-007 -E);

The employee that needs to perform an expense related to Hospitality for third-parties:


- must fill out the Form "Authorization request for hospitality expenses" (Doc. no. FORM\_GR-CCSJV-ANC-005-E) in use to the Social Responsibility Dpt and sign it. The following information must appear in the form: name of the unit and of the person making the request, the amount, the name/function of the person/company that he/she intend to entertain;
- must submit the Form "Authorization request for hospitality expenses" (Doc. no. FORM\_GR-CCSJV-ANC-005-E) to the Authorized Position.
- Once received the authorization, the employee can perform the expense related to the Hospitality in favour of third-parties.

Subsequently, once the expense is performed, the employee:

- fill in the Form "Reporting of authorization hospitality" (Doc. no. FORM\_GR-CCSJV-ANC-006-E) and sign it, specifying the name and title of each beneficiary of the expense and its purpose;
- attaches to the Report the supporting documentation of the expenses made and, with the exception of

<sup>6</sup> The operating procedures for requesting authorization and reporting on Hospitality (or Entertainment Expenses) carried out by top managements of CCS JV Personnel Business Trips, according to defined in specific CCS JV regulatory documents.

<sup>7</sup> If the authorization cannot be requested in advance for valid and objective reasons of urgency or operational impossibility, the signing of the report by the authorized position will be valid as an authorization.

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cases of urgency or operational impossibility<sup>8</sup>, the original authorized by the enabled Position of the Form "Authorization request for hospitality expenses" (Doc. N. FORM \_ GR-GROUP-ANC- 005- E). For the purpose of reimbursement, invoices or payment receipts headed to CCS JV or sent by the service providers are not accepted;

- submit the Report, authorized by the Authorized Position, to the pertinent personnel administrative function, which will fulfil all relevant obligations, for the subsequent reimbursement.

"Authorization request for hospitality expenses" form (Doc. FORM\_GR-CCSJV-ANC-005- E) must also contain the express declaration of the Applicant that the expense offered meets the qualitative criteria established by CCS JV regulations and the regulations applicable to the Administration to which the Public Official belongs<sup>9</sup>, including any codes of conduct specific to the Administration, and is not aimed at exercising illicit influence or at creating an obligation of gratitude or to gain an advantage improperly.

### 2.3.3 Hospitality made by Company (CCS JV and subsidiaries) in favor of third-parties

Expenses related to Hospitality made by the Company (CCS JV and CCS JV subsidiaries) in favor of third parties must comply with the principles indicated in the "Anti-corruption" MSG and in the present Standard Procedure.


The identification of the type and method to treat the hospitality and the choice and selection of the recipients of the Hospitality (hereinafter "guest") must be carried out on the basis of the following criteria:

- the Hospitality treatment must be directly connected to at least one of the following activities: (a) promotion, demonstration or illustration of products or services; (b) execution or fulfillment of a contract with a public administration; (c) seminars or training workshops; (d) occasional cultural, theatrical or sportive event organized for the development and maintenance of cordial business relationships;
- the choice of the guests must be carried out by each function according to objective criteria taking into account in particular the nature of the event to which the hospitality treatment is connected or the specific purposes pursued for the promotion and development of the business;
- in relation to the choice of the guests, any critical relationships between the potential guest, the entity or company to which he/she belong and CCS JV must be verified<sup>10</sup>;
- the identification of the type of benefit or the hospitality treatment to be offered to the guests must be assessed by each function in order to ascertain its compliance with the purposes pursued by the event to which the Hospitality is connected and in compliance with the principles of proportionality and reasonableness in relation to the role and position held by the potential guest;
- in order to ensure maximum transparency, the benefits that are intended to be offered to the guests and the corresponding economic value of the same must be explicitly made in writing and communicated to the guests (for example in the invitation letter). The indication of these benefits must be such as to guarantee each individual guest the possibility of assessing the compliance of the hospitality treatment offered with respect to the rules of the entity and / or the organization to which it belongs, so that the guests can communicate any obstacles to the acceptance of Hospitality;
- Hospitality must be intended exclusively for the identified guests according to the criteria described above. The same criteria must be applied with reference to any family members and / or companions of the

<sup>8</sup> If the authorization cannot be requested in advance for valid and objective reasons of urgency or operational impossibility, the signing of the report by the enabled Position will be valid as an authorization

<sup>9</sup> If the authorization cannot be requested in advance for valid and objective reasons of urgency or operational impossibility, the signing of the report by the enabled Position will be valid as an authorization

<sup>10</sup> For example, the existence of pending authorization processes or disputes with CCS JV or a subsidiary company

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guests.

The function that detects the need to bear expenses related to the Hospitality draws up and signs a note that must contain:

- (i) the indication of the names and titles and / or roles of potential guests;
- (ii) a detailed indication of the benefits, treatments and methods of hospitality that are intended to be offered to the guests;
- (iii) the detailed description of the event (e.g. workshop, promotional event or illustration of products or services, fulfillment of a contract with a public administration, training seminar) to which these Hospitalities are connected;
- (iv) the express declaration of the subscriber that the Hospitality that it is intended to offer meets the qualitative criteria established by CCS JV regulations.

The request must be authorized by the Authorized Position

- for CCS JV - by the Chairman of the Board of Directors or the Project Director<sup>11</sup> or by a Macrostructure manager for CCS JV branches - by the Branch Manager and by the competent Macrostructure manager of CCS JV to which the branch belongs;
- for the subsidiaries - by the Top Management and by the competent manager in Macrostructure of CCS JV to which the company belongs.

In the event that the recipient of the Hospitality is a Public Official, the above note must also contain (i) the express declaration of the subscriber that the Hospitality offered meets the qualitative criteria foreseen by the regulations applicable to the Administration to which the Public Official belongs, including any codes of conduct specific to the Administration, and is not intended to exercise an improper influence or create any obligation of gratitude or to obtain an advantage in an improper way and also (ii) must be sent in advance to Compliance Officers, which will respond by suggesting, where necessary, indications or actions.

Once the aforementioned authorization process completed, including the Compliance Officers feedback where provided, the expenses related to the Hospitality can be incurred for the purposes and in the manner indicated in the note.

Any modification of the benefits or of the recipients of the Hospitality, with respect to what is reported in the note, must be subjected again to the above authorization procedure.

In any case, these expenses must be consistent with the approved budget (communication budget).


These expenses, in addition to the registration in the special "outgoing Gifts and Hospitality" register referred to in the following paragraph, must be recorded in an accurate and transparent manner among the financial information of the company and with reasonable sufficient detail and must be supported by related documentation to identify the name and title of the beneficiaries as well as their purpose.

### 2.3.4 "Outgoing gifts and hospitality register" (FORM \_ GR-CCSJV-ANC-002-E)

The "Outgoing Gifts and Hospitality Register" allows you to trace:

- Name / function that provided the Gift and / or Hospitality
- Gifts supplies;
- the Hospitality made by CCS JV to third parties;

<sup>11</sup> The Chairman of the Board of Directors is the author of the requests of the Project Director, while the Project Director is the author of the requests of the Chairman of the Board of Directors.

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- all the recipients of these benefits.

This Register is divided into two sections:

**A. "Gift",** which contain the following information:

- brief description of the requested object;
- quantity;
- unitary cost;
- indication and description of the specific project or type of event;
- recipients with the express indication of the names and titles and / or roles and of any companies / entities to which they belong<sup>12</sup>.

The individual functions that require the material related to Gifts, according to paragraphs 2.3 and subsequent of this standard procedure, once the authorization processes provided for in the aforementioned paragraphs are completed and having involved the Social Responsibility Dpt, also ensure the registration of all orders placed in this section of the "Outgoing Gifts and Hospitality" register.

**B. "Hospitality carried out by CCS JV in favor of third parties",** in which the following information is contained:

- a detailed indication of the Hospitality benefits and treatments;
- the description of the event (e.g.: workshop, promotional event or illustration of products or services, the fulfillment of a contract with a public administration, training seminar);
- value of individual Hospitality benefits and treatments;
- recipients of the Hospitality treatments with the express indication of the names and titles and / or roles and of any companies / entities to which they belong.

Once the procedure referred to in paragraph 2.2.3 has been completed, the function interested in supporting the expenses relating to outgoing Hospitality provides the registration in the appropriate section of the "Outgoing Gift and Hospitality Register".

Below is a summary scheme of the activities planned in relation to outgoing Gifts and Hospitality.

<sup>12</sup> In the event that, due to the type of event to which the Gifts are connected, it is impossible to determine and identify the recipients of the same, simply report the "Destination / Event" to which the gifts are connected.



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Types of Gifts and Hospitality offered by CCS JV Personnel	Register	Authorization	Involvement of Human Resources	Involvement of Compliance Officers
Section A				
Gift	✓	✓	✓	
Section B				
Hospitality made by CCS JV	✓	✓		
Hospitality made by CCS JV and addressed to Public Officials	✓	✓		✓

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### 3. ROLES AND RESPONSIBILITIES

**Authorized Position** - Position responsible for authorizing hospitality made by the company in favor of third parties and outgoing gifts.

**Employee** - Responsible for activating the authorization process for Gifts and Hospitality and for providing the appropriate reporting of the expenses incurred, using the related forms.

**Personnel administration unit** - Internal or external structure of CCS JV responsible for supervising the authorization cycle of the obligations necessary for the reimbursement for the Hospitality incurred by the employee.

**Administration, Finance and Control Function** - responsible on an annual basis, (in the person of the Project Business (AFC) Manager of CCS JV and in the person of the AFC Manager of each subsidiary) to prepare a report on the Hospitality incurred during the fiscal year. This reporting, after being approved by the Chairman of the Board of Directors of CCS JV or from the top management of the subsidiary, will be sent to the Consolidated Financial Statements and Accounting Principles unit of CCS JV which ensures the consolidation of the info received

**Social Responsibility Dpt of CCS JV** - responsible for addressing, coordinating, and controlling the management of outgoing gifts.

**Compliance Officers of CCS JV** - Responsible for providing specialist assistance in the area of anti-corruption.

### 4. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

<b>Chairman of the Board of Directors</b>	Who is assigned the legal representation of CCS JV and the powers delegated to the same by the Board of Directors.
<b>Corporate</b>	All Functions and Departments of CCS JV with the role of steering and controlling the processes, issues and aspects that are significant for the governance of the Group.
<b>Branch</b>	Branch of CCS JV or a Subsidiary.
<b>Group</b>	The whole of CCS JV and all of its Subsidiaries and Branches.
<b>Macrostructure</b>	In relation to Company: Chairman of the Board of Directors, Top Management together with the BOD direct level report.
<b>Subsidiary</b>	Company that is directly or indirectly controlled by CCS JV.
<b>Management</b>	The top level of management of CCS JV with executive power (Chairman of the Board of Directors, Board of Directors, or equivalent body prescribed by the Articles of Association of the company).





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**Incoming Gifts**

It means any economic advantage or other benefit, gifts, favourable conditions of products or services, discounts or personal credits, tickets for cultural or sporting events, gift vouchers, offered to or received by CCS JV Personnel by third parties.

Acceptance of these Gifts is allowed in compliance with and within the limits of what provided by the Code of Ethics, the "Anti-corruption" MSG and this Standard Procedure.

**Incoming Hospitality**

It means any hospitality (intended as meals, transport and other utilities) offered to, or received by, CCS JV Personnel by third parties in the context of carrying out the activities of competence (expenses addressed to employees are excluded).

Acceptance of such Hospitality is permitted in compliance with and within the limits of what provided by the Code of Ethics, the "Anti-corruption" MSG and this Standard Procedure.

**Outgoing Gifts**

It means: any economic advantage or other benefits, gifts, favorable conditions for products or services, discounts or personal credits, tickets for cultural or sporting events, gift vouchers, issued by CCS JV to third parties or to CCS JV Personnel, supervised by the Sustainability, Identity and Corporate Communication function of CCS JV, which are divided into:

- External Gifts: ie promotional items or gifts to external contact of the company;
- Gifts to CCS JV Personnel: i.e. promotional items or gifts for internal company contacts and their family members;
- Gifts related to HSE initiatives or promotional items or gifts intended for internal company contacts on the occasion of the achievement of HSE targets (for example gifts to CCS JV staff on the occasion of reaching the milestone of 1 million working hours without accidents, etc.).

**Outgoing Hospitality**


It means any hospitality made by individual CCS JV employees in favor of third parties (or Entertainment Expenses for third parties): low-value expenses, such as those related to meals, made by individual CCS JV employees in favor of third parties, including Public Officials, as part of the performance of the relevant activities and falling within the context of acts of professional courtesy and aimed at maintaining and developing relations with third parties.

Hospitality carried out by the Company (CCS JV and subsidiaries of CCS JV) in favor of third parties: expenses related to transportation, accommodation in hotels, lunches or dinners, tickets or invitations for cultural, theatrical or sporting events offered by CCS JV to third parties, including Public Officials and aimed at maintaining and developing relationships with third parties.

The delivery of these Gifts or Hospitality must be carried out in compliance with and within the limits of what provided by the Code of Ethics, the "Anti-corruption" MSG and this Standard Procedure.

**CCS JV Personnel**

the directors, senior managers, members of corporate bodies, managers and employees of CCS JV.

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**Incoming Gifts and Hospitality Register** Register in which Gifts and Hospitality, offered to third parties by CCS JV Personnel are reported in an accurate and transparent manner (even when refused).

**Outgoing Gifts and Hospitality Register** Register in which Gifts and Hospitality (Entertainment Expenses), offered to, or received by third parties, by CCS JV Personnel are reported in an accurate and transparent manner (even when refused).

## 5. CONTROLS, DOCUMENT STORAGE AND KEEPING ACCOUNTING RECORDS

The Compliance Committee of CCS JV shall independently review and assess the internal controls in order to verify compliance with the requirements of this Standard Procedure, on the basis of its own annual audit programme.

All departments and functions involved in the activities regulated by this document shall ensure, each for matters under its responsibility and also by means of the information systems used, the traceability of data and information and shall provide for archiving and storing of the produced hardcopy and/or electronic documentation, and for controls to verify compliance with this document, in order to enable the reconstruction of the different phases of the implemented processes.

The accounting records relating to the activities covered by this Standard Procedure shall accurately and comprehensively reflect all transactions carried out by the company. All costs and expenses, revenues and income, inflows and outflows, as well as all commitments, are fully represented in the accounting records in a truthful and accurate manner, in accordance with the applicable accounting standards and with the "General accounting plan of CCS JV" and they have adequate supporting documentation, issued in accordance with applicable laws.

Unless otherwise prescribed, the original, hard copy and/or electronic documentation shall be retained for at least 10 years.

## 6. VIOLATION REPORTS


Any suspected or known violation of Anti-Corruption Laws or this Standard Procedure shall be reported immediately in one or more of the following ways:

- to the employee's direct superior - or to the primary contact in CCS JV of the business partner (e.g. vendors, consultants, partners of joint ventures) when the report of the violation comes from the business partner;
- to the Compliance Committee or other equivalent company body, in compliance with the Model;
- to the Manager charged with preparing the Company's Financial Reports of CCS JV;
- to the Compliance Officers of CCS JV;
- and, in any case, through the dedicated channels indicated in the CCS JV anti-corruption regulatory document that regulates the reports, including anonymous ones, received by CCS JV.

The direct superior, the Compliance Officers of CCS JV and the competent Human Resources function shall consult to identify the best way to proceed, including the possible enforcement of appropriate disciplinary measures.

## 7. DISCIPLINARY MEASURES

CCS JV shall exert all reasonable efforts to prevent behaviours in violation of Anti-Corruption Laws and / or of

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this Standard Procedure and to stop and punish any contrary behaviours followed by the recipients of the Procedure.

CCS JV shall take suitable disciplinary measures, as provided by the Model and by the collective employment agreement or by other applicable domestic regulations, against the recipients of the Standard Procedures (i) whose actions are discovered to violate Anti-Corruption Laws or this Procedure (ii) who do not participate in or complete training, and / or (iii) who unreasonably omit to note or report any violations or who threaten or carry out retaliations against others who report such violations.

Disciplinary measures may include termination of employment.