

ANTI-CORRUPTION POLICY

1 PREAMBLE

An ethical approach to business is for Marsilli of fundamental importance to translate its values into management activities and in the relations with its stakeholders. In light of the above, the Marsilli Group has adopted its own Code of Ethics as an integral part of the organization and management model, and as a guide and reference for those who, at different levels, operate in the name and behalf of the Group. Within the Code of Ethics, Marsilli has included a list of general principles and anti-corruption guidelines in various operational areas which are further explained in this document for their application in each business area. In this regard, all those who, in various capacities, act in the name or on behalf of Marsilli are urged to align their behaviour to the strictest observance of this Anti-corruption Policy, as an expression and synthesis of the values in which we believe and which inspire us in our daily work.

2 INTERPRETATIVE NOTE

The Anti-corruption Policy is effective within the scope of the activities carried out by the Marsilli Group, as better explained below. Although it is drafted to provide a clear operational reference, it cannot be considered as a legal document, where language and terminology are essential to its clear interpretation.

Therefore, all Recipients, as defined below, are urged to sensibly read and implement it, taking into account the operational context and purposes for which the Anti-corruption Policy was drafted. This also implies that, in case of interpretative doubts, they should always opt for a guarantee approach, which promotes virtuous behaviour aimed at aimed at implementing the principles laid down in this Anti-corruption Policy.

3 DEFINITIONS

In addition to the definitions herein, the following terms shall have the meaning hereby assigned to them:

“**Marsilli Group**”, or “**Marsilli**”, shall refer to Marsilli S.p.A and the companies directly or indirectly controlled by Marsilli S.p.A.

“**Quid pro quo**” means any form of benefit or advantage offered, solicited, promised, given or received by or to any natural or legal person, which is beneficial or advantageous to said person or any other natural or legal person, including but not limited to:

- (i) Cash or other equivalent means, including loans, gifts or prizes;
- (ii) Any form of deferred payment of cash, or other equivalent means, including but not limited to derivatives and securities;

- (iii) Job offers or promises of a future employment;
- (iv) Favourable conditions on a product or service, including discounts on products or gifts;
- (v) Entertainment/hospitality that are outside the permitted payment referred to in Section B of this Anti-corruption Policy (including payment for travel, hotels, meals or accommodation);
- (vi) Discounted or free tickets for events, etc.;

In order for that person to act or refrain from acting in connection with the fulfillment of their duties and in order to obtain or retain business or any other advantage. This is regardless of whether the person soliciting or receiving the quid pro quo is the same person who is to perform or refrain from performing the role or activity in question. **“Bribery”** means any behaviour intended to offer, promise, give, accept, request, solicit or receive an undue advantage (financial or non-financial), directly or indirectly, regardless of the position held, in violation of the applicable laws, as an inducement or reward (quid pro quo) from a person who acts or refrains from acting with regards to the performance of that person's duties.

“Recipients” of this Anti-corruption Policy are the Representatives (including employees) of Marsilli Group companies.

“Management” refers to the hierarchical reference, within the specific company of the Marsilli Group, as indicated by its “Administrative Body”.

“Anti-corruption laws” includes: the Italian Criminal Code; Article 2635 c.c.; article 2635 bis c.c.; the Legislative Decree 231/100 (“the Decree 231”); the Anti-corruption legislation of the countries in which Marsilli operates; international anti-corruption treaties and conventions such as, but not limited to, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption.

“Trade unions” refers to any association that operates for the interests of the workers.

“Administrative body” refers to the subject to whom the operational responsibility for the management of the specific Marsilli Group company is attributed. For the purposes of this Anti-corruption Policy, for the parent company Marsilli S.p.A., the Administrative Body is to be identified in its Chief Executive Officer. For the other Group companies, in the respective legal representative.

A **“Related part”** with respect to Marsilli S.p.A is defined as a person who (ref. procedure for transactions with related parties adopted by Marsilli on March 17, 2014):

- A) Directly or indirectly, including through subsidiaries, fiduciaries or an intermediary:
 - (i) Controls Marsilli S.p.A, is controlled by it, or is subject to common control;
 - (ii) Has a share in Marsilli S.p.A sufficient to exert a significant influence on the latter;
 - (iii) Exercises control over Marsilli S.p.A jointly with other parties;
- B) is an associated company of Marsilli S.p.A;
- C) is a joint venture in which Marsilli S.p.A is a participant;
- D) is one of the Executives with Strategic Responsibilities of Marsilli S.p.A. or its parent company;
- E) is a close family member of one of the persons referred to in points (a) or (d);

F) It is an entity in which one of the persons referred to in points (d) or (e) exercises control, joint control or significant influence or holds, directly or indirectly, a significant share - but not less than 20% - of the voting rights;

“Political parties” are defined as any legally lawful organization made up of individuals who share ideas and objectives of public interest who act to promote and pursue those ideas and objectives through citizen consent.

“Anti-corruption policy”, hereinafter also referred to as the **“Policy”**, means the provisions of this document.

“Public Official” is generally defined as: any officer or employee of any governmental body, department or agency; any officer or employee of any national or international public organization or any department or agency (e.g., the United Nations, the World Bank, European Community bodies, the City Council, the national tax authority, etc.); any civil servant (employed in a state-owned company or other entity); any person acting in an official capacity on behalf of a governmental entity.

“Representatives” include employees, administrators, members of administrative and control bodies, as well as consultants or third parties working in the name or in behalf of Marsilli.

“Third parties” refers to counterparts in contractual relations with Marsilli.

4 ADOPTION OF ANTI-CORRUPTION POLICY

Marsilli firmly believes that commitment to the prevention of corruption is fundamental to promote a business ethic based on respect for legality, at any level, as well the dissemination of the ethical principles and values in which the Company believes.

Therefore, by adopting this Anti-corruption policy, Marsilli formally commits to:

- Establishing a list of principles and, if necessary, specific procedures, aimed at creating a Management System for the Prevention of Corruption (the **“Management System for the Prevention of Corruption”** or **“Management System”**, to be understood as the combination of this Anti-Corruption Policy and any specific procedures to be applied in certain areas) in order to strengthen the organization's measures to prevent and control corruption risks;
- Promoting a virtuous approach aimed at stigmatizing and repressing behaviours against the Management System for the Prevention of Corruption;
- Complying with current Anti-corruption legislation in whatever country Marsilli operates in, and promoting good organizational practices to prevent corrupt actions;
- Implementing and keeping up-to-date the Management System;
- Encouraging the reporting of suspected fraudulent behaviour, with respect for confidentiality and without fear of retaliation, through protected reporting channels, along with rules and safeguards for the protection of the reporting person;
- Disseminating this Anti-corruption Policy to all company levels and stakeholders;
- Training the recipients of this Anti-corruption policy.

5 CORRUPTION OFFENCES AND CONFLICT OF INTEREST

5.1 CORRUPTION OFFENCES.

Corruption offences concern:

- offer/giving of a quid pro quo by a corrupter for the purpose, or with the intention, of influencing the Recipient (who may be a private person or a Public Official), so that the person giving the quid pro quo obtains, directly or indirectly, an advantage;
- solicitation or receipt of a quid pro quo by the recipient, for the purpose or with the intention of advantaging, directly or indirectly, the party giving the quid pro quo.

This behaviour, which is the reason motivating the briber to give the quid pro quo, may manifest in innumerable forms, of which some simple examples are provided below:

- Favours the briber in a contract;
- Speeding up an administrative practice of interest to the briber;
- Promoting a false deposition, favourable to the briber, by a witness in a trial;
- Obtaining a report favourable to the briber from an official following an inspection.

Other scenarios, which represent the acts of the person soliciting or receiving the Counterpart, may manifest in different forms, of which some simple examples are given below:

- Favours the briber in a contract;
- Performing or omitting an act, of interest to the briber, in violation of the obligations of one's position;
- Giving false deposition, favourable to the briber, in a legal trial;
- Providing information favourable to the corruptor from an official after an inspection.

5.2 CONFLICT OF INTERESTS.

A conflict of interests arises when personal interests interfere, even potentially, with a Representative's ability to perform his or her duties without influence.

The following, merely as examples, are to be considered situations that cause a conflict of interest:

- Filling a corporate position whose decisions may lead, directly or indirectly, to the realization of personal interests in conflict with those of Marsilli;
- Holding information obtained in the performance of work activities and being at the same time in a position to use it, directly or indirectly, to gain a personal advantage at the expense of Marsilli.

For Marsilli, conflict of interest is always assumed in the following situations:

- Holding shares or interests in Marsilli suppliers, customers or competitors;
- Holding positions of any kind (administrator, mayor, internal auditor, consultant, etc.) at Marsilli suppliers, customers or competitors;
- Holding a position for which decisions are to be made concerning one's relatives up to the 3rd degree of kinship.

A particular case of conflict of interest arises in relationships with Related Parties. Since 17 March 2014, Marsilli has adopted a specific procedure for the management of operations with Related Parties (the “Procedure”) - to which reference should be made for further details - with the aim of determining the criteria to be observed for the identification, investigation and approval of operations to be carried out by Marsilli with Related Parties, in order to ensure transparency, as well as substantial and procedural fairness of operations.

A particular case of conflict of interest situations involving Related Parties arises in intra-group relations when a Representative of a Marsilli Group company is found in the condition where one of his or her decisions has an influence on another company of the Marsilli Group for which he or she acts, at the same time, as Representative. Therefore, the conflict of interests, in all forms it may manifest, may have for Marsilli similar consequences to those produced by acts of Corruption; it should however be pointed out that being in a condition of conflict of interest would not necessarily lead to the realization of an act of Corruption as understood here.

6 RISK AREAS

With regard to corruption offences, the following activities may be considered at risk:

- Negotiation, execution and management of contracts with any party;
- Evaluation of suppliers and acceptance of supplies;
- Relationships with Public Officials (e.g., with regard to issues concerning workers' health and safety or the environment, for personnel management, tax issues, inspections, etc.);
- Management of or involvement in legal conflicts;
- Selection of partner, intermediaries, consultants and negotiation, conclusion/management of related contracts;
- Management of sponsorship activities and non-profit initiatives;
- Management of gifts, entertainment and hospitality costs;
- Reimbursement of costs incurred by employees;
- Selection and recruitment;
- Staff evaluation.

6.1 A – MAIN STANDARDS OF BEHAVIOUR.

6.1.1 Corruption offenses.

In the management of relations with third parties and with Public Officials, Marsilli, through its Representatives, undertakes to act with integrity and honesty and to comply with all applicable laws and regulations (including Anti-Corruption Laws).

Specifically, representatives shall refrain from giving, promising, offering, authorizing, requesting, receiving or soliciting the payment of quid pro quo, as defined in this Anti-corruption Policy.

In this regard, Marsilli must ensure that:

- Any significant relationship (e.g., administrative proceedings aimed at obtaining an authorization, license or similar act, etc.) established with Public Officials must be accompanied by appropriate documentation;
- At least two representatives are involved in the relations with public officials;

- Every hiring process is carried out exclusively on the basis of a real and demonstrable company need company, that the selection process involves at least two Representatives and is based on competence and professionalism criteria, through the involvement, if possible, of several applications;
- Cash disbursements are always supported by appropriate and adequate documentary evidence that allows verification of the purpose and the correctness of the payment made, as well as the accurate registration in the relevant Marsilli books and registers;
- Any contracts with third party are stipulated in writing, specifying all the terms of the agreement and that, before payment of the relevant invoices, the compliance of the services performed by the third party with the existing contractual provisions, the absence of conflicts of interests and the fulfilment of all obligations undertaken by the latter are verified;
- Preference is given to methods that guarantee the traceability of payments;
- The documentation provided is always truthful, correct, and compliant with the applicable law (including Anti-corruption laws);

Every representative is required to:

- Comply with the rules referred to in Section B below in relation to gifts, entertainment and hospitality received from - or offered to - a Public Official or Third Party;
- Declare any conflict of interests, or potential conflict of interests, as soon as said conflict, or potential conflict, is known;
- Before and during the business relationship with a Third Party, pay attention to its reputation In light of this Anti-corruption Policy and properly manage the relevant contractual relationship, as further described in Sections C and D below;
- Not to make any contribution to Political Parties or Trade Unions, as further described in section E below;
- Be careful when making donations or acts of liberality and charity or sponsorships in the name of Marsilli, as further described in section F below;
- Report as soon as possible any known or suspected act of bribery or any violation, or suspected violation of this Anti-corruption Policy in accordance with Section J below.

6.1.2 Conflicts of interests

Representatives must ensure that every decision made by them is in the interest of Marsilli. Regarding this, representatives must avoid situations that could generate a conflict of interests, which is a situation that could compromise their ability to make judgments or adopt decisions independently, and hence compromise their ability to pursue Marsilli's interests. Every representative that finds himself/herself having an interest in conflict with Marsilli's one must refrain from taking any action in this regard and report the existence of the conflict to their own Management so that appropriate evaluations may be made and consequent action taken (e.g.: designate another Representative who is not in the same situation). This conflict is always assumed in cases of Related Party relationships.

Excluding the already reported cases and those handled through specific Procedure for the Management of Transactions with Related Parties, in any other case, the conflict of interest and the determinations made in this regard, must be reported to the competent Supervisory Board or, for non-Italian companies or those without a Supervisory Board, to the Supervisory Board of Marsilli S.p.A. Any report regarding the conflict of interest must be transmitted within ten days of the conflict arising.

6.2 B – GIFTS, ENTERTAINMENT AND HOSPITALITY

In accordance with the applicable anti-corruption laws, the present anti-corruption policy recognizes that the legitimate conduct of business may involve the offering of gifts, of different kind, to private or public subjects. The present anti-corruption policy does not intend to prohibit those offers when the purpose is exclusively the one of creating and developing strong business relations and not to obtain or grant an unfair advantage. Consequently, it's prohibited any kind of gift that could be interpreted as exceeding the normal and ordinary business practices and standards of commercial/professional courtesy, or otherwise aimed at obtaining favourable treatment in the conduct of any activity that can be linked to Marsilli. It should be noted that this rule regards both gifts given, promised or offered, and those received, meaning that a gift is any kind of benefit (e.g., participation in conferences that provide free multi-day stays; free subscriptions to magazines, offer of discounts or free memberships to clubs/gyms/pools/etc., the amount of which exceeds the modicum value below, etc.). Gifts can be granted, promised or offered to Third Parties (excluding public officials) exclusively by Representatives specifically authorized for that purpose, must be of moderate value, and correctly documented to allow appropriate verification. If the gift can't be considered of modest value according to any national regulations in force in the country in which Marsilli is operating, and in any case if it exceeds the amount of €100 (or an equivalent amount in foreign currency), it must be notified in advance to the Administrative Body in charge or other specifically appointed function, which will evaluate its appropriateness and compliance with current regulations as well as the Anti-Corruption Policy. In the absence of an expressed consent and authorization of the Administrative Body in charge (or other specifically appointed function), it will not be allowed to give out the corresponding gift.

Representatives can receive gifts or benefits only if they are of modest value. Gifts over € 100 can't be considered of modest value (or an equivalent amount in foreign country). In the case of receiving gifts that are not considered to be of modest value, and in any case, given the absolute presumption mentioned above, if they are worth more than €100 (or an equivalent amount in foreign currency), immediate notification must be given to the Administrative Body or other specifically appointed function, which will evaluate their adequacy and compliance with current regulations as well as the Anti-Corruption Policy. In the absence of the expressed consent and authorization of the appropriate Administrative Body (or other specifically appointed function), the corresponding gift should not be accepted and should therefore be immediately returned. It is not permitted to try to subdivide the gift in multiple parts with the objective of reducing its economic value and bring it within the above limit value. Under no circumstances are gifts of money or equivalent means (such as gift vouchers) to be given or accepted, regardless of value.

6.3 C – VERIFICATION OF THE THIRD PARTY

Whenever Marsilli engages in a business activity and makes use of the support, advice or collaboration of Third Parties, an adequate verification of the reputation of the Third Party involved in the relevant transaction, proportionate to the relevance of the activity, must be conducted in order to assess its reputation in the area of compliance with legality, with specific reference to compliance with Anti-Corruption Laws.

Such an inquiry must also take into account any "red flags," examples of which are given below, that may emerge in the contracting stages or in the execution of the relationship, and such as to provide negative indications of the reputation of the Third Party:

- communication of insufficient, false or contradictory information provided by the Third Party;
- requests that are inconsistent with the Third Party's business activity (e.g., requests for payments in an inappropriate manner, requests for invoices to be issued by companies outside the business relationship, etc.);
- request to structure a transaction in order to avoid normal registration requirements;
- request for the use of consultants or other third parties with close connections to a Public Official;
- refusal by third parties to sign a contract in writing;
- refusal by third parties to comply with this Anti-Corruption Policy.

6.4 D – CONTRACTUAL PROCEDURES

All fees and expenses paid to Third Parties must represent adequate and justifiable remuneration that is commercially reasonable under the circumstances and by reason of the legitimate services performed by Third Parties. Contracts involving the disbursement of funds by Marsilli must ensure that the funds are transferred only to the designated recipient and that, if a bank account is used for payment, which account is located in the jurisdiction where the commercial services in question are to be performed.

Accurate Financial and accounting records must be kept of every payment.

Marsilli's relationships with third parties must be properly documented.

The contractual documentation must include standard clauses which, based on the activity regulated by the contract, bind the counterparty to comply with the standards of conduct in this Anti-corruption Policy applicable to it.

6.5 E – CONTRIBUTIONS TO POLITICAL PARTIES AND LABOR ORGANIZATIONS

The financial sustain, or any other kind, provided to political parties and labor organizations could be perceived as an attempt to gain indirect advantage. Therefore, the payment of contributions, or the granting of other benefits, either directly or indirectly, to either Political Parties or Labor Organizations, nor to their representatives, is prohibited. This does not prohibit a Representative from exercising his or her personal right to participate in political and democratic processes as well as union associations.

6.6 F – CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS

Charitable contributions and sponsorships may be granted, promised or offered to Third Parties exclusively by specially delegated Representatives. That being said, while contributions or disbursements to charitable and non-profit organizations (such as, for example, charities and non-profit organizations) are normally considered good practice, those directed to organizations in which Public Officials, or Third Parties involved in business dealings with Marsilli, have a role may lead to violations of Anti-Corruption Laws.

In some cases, in fact, charitable contributions can be used as an artifice aimed at Corruption, like for example, in the case of a donation being made in favour of a charity controlled by a Public Official or Third Party involved in business dealings with Marsilli.

Therefore, although charitable contributions may be made, the Representatives delegated to do so must ensure that contributions do not constitute corruption or are made under conditions of conflict of interest.

Specifically, charitable contributions must respect these minimum standards:

- (i) every contribution must be made within the limits of prevision established by the Administrative Body as part of the approved annual budget;
- (ii) contributions must be effectuated only in favour of entities or non-profit organizations that are reliable and experienced and have an excellent reputation for honesty and legality, and are incorporated and registered in compliance with current legislation; individuals may not be beneficiaries of a donation in any way;
- (iii) must be verified the legitimacy of the contribution according to applicable laws;
- (iv) payments to the beneficiary entities must be made exclusively to the account registered in the name of the entity itself, through traceable methods;
- (v) contributions must be precisely and properly registered in Marsilli's book in accordance with current regulations and applicable accounting standards.

It should be noted that this rule does not prohibit a Representative from exercising his or her personal right to make charitable contributions from his or her own resources, provided that this does not give rise to any conflict of interest, actual or apparent, or is done in an attempt to obtain or retain some business advantage or to improperly or inappropriately influence the recipient.

Similarly to charitable contributions, sponsorship activities can generate violations of anti-corruption laws and, therefore, must respect the following minimum standards:

- (i) sponsorships must be authorized evaluating the objectives and the expected impact, as well as within the forecast limits set by the Administrative Body within the approved annual budget;
- (ii) sponsored subjects must have a recognized reputation for honesty and professional fairness;
- (iii) the sponsorship contract must be drawn up in writing and must include (1) a declaration by the counterparty that the amount paid by Marsilli will be used exclusively as consideration for the service rendered by the counterparty and that such sums will never be given to Third Parties, whether a Public Official or individuals, for the purpose of corruption; (2) the currency and the amount paid under the sponsorship contract; (3) terms and conditions of the payment, taking into account that such payments can be effectuated exclusively to the counterparty and in the counterparty's country of incorporation, only to the counterparty's registered account as stated in the contract, and never to numbered or cash accounts; (4) The counterparty's commitment to comply with applicable regulations, Anti-Corruption Laws and the provisions of this Anti-Corruption Policy;
- (iv) operations must be accurately and correctly registered in Marsilli's books and registers in accordance with current regulations and applicable accounting standards.

7 TRAINING AND COMMUNICATION WITH THE RECIPIENTS

Marsilli will organize informative sessions to be carried out periodically for every recipient of the present anti-corruption policy, with references to:

- The applicable Anti-Corruption Law, the importance of compliance with these laws, and potential penalties for violation
- The corruption risks to which each person is possibly subject;
- The aspects related to each person's role within Marsilli and the Group and the corruption prevention management system;
- preventive actions to be taken and reports to be made in relation to the risk or suspicion of malpractice;
- the contents of this Anti-Corruption Policy.

Training should provide practical examples of how the corruption can be relevant for subjects involved other than including information about how to make reports, treat suspected or reported corruption and conduct an appropriate evaluation on a Third Party.

8 APPLICATION OF ANTI-CORRUPTION POLICY

The responsibility for the application of the present anti-corruption policy is up to, in the respective companies of the Marsilli group, to their Administrative Bodies, which can exercise it directly, or through their proxies or through specially established bodies (e.g., Anti-Corruption Committee). This must be communicated to all Recipients through adequate information.

The body responsible for implementing the Anti-Corruption Policy must:

- supervise the implementation of the Management System for the Prevention of Corruption;
- provide counselling and guidance for staff on the Corruption Prevention Management System and issues related to corruption in general;
- if delegated by the Governing Body, report on the performance of the Corruption Prevention Management System to the Governing Body of the relevant Group company.
- Provide guidance on channels and methods for reporting violations (see Section J).

9 DISCIPLINARY MEASURES AND CONTRACTUAL REMEDIES

Violations of anti-corruption laws may result in sanctions of various kinds, including fines or measures restricting a person's freedom, as well as damage to Marsilli's reputation. Failure of any Representative to comply with this Anti-Corruption Policy may result in disciplinary action that may lead to the interruption of the business relation for right cause, in accordance with any applicable laws and labor contracts.

The violation of the present anti-corruption policy, or of anti-corruption laws, by Third Parties, may lead to termination of the contract as well as reporting to the relevant authorities and claiming damages.

10 SIGNALING SYSTEM

This anti-corruption policy aims also to encourage reporting, in good faith, or on the basis of a reasonable and confidential belief, without fear of retaliation, including anonymously, of actual or suspected violations of this Anti-corruption Policy or the Anti-corruption Laws. Reports should be directed to the attention of the relevant Supervisory Board or, for non-Italian companies or those without a Supervisory Board, to the attention of the Supervisory Board of Marsilli S.p.A. Therefore, each Recipient is expected to report any violation or suspected violation of this Policy or the Anti-Corruption Laws to the appropriate Supervisory Board. Every society of Marsilli has the task of providing information about channels and modes of reporting.

Vigilance for violations of the Anti-Corruption Policy and Anti-Corruption Laws may take into consideration certain behaviours engaged in by Representatives that, if properly substantiated, may be considered valid indications of violation. In this regard, the following situations and/or behaviours are deemed such:

- Superficial attitude toward this anti-corruption policy;
- Offering and/or accepting regular gifts from contractual counterparts;
- Maintaining close private relationships with contractual counterparts;
- Keeping a lifestyle manifestly beyond the possibilities arising from the employment relationship, without any known explanation;
- Being subject to addictions (gambling, drugs, etc.);
- Inviting colleagues to bend, break or ignore rules and procedures for the benefit of a contractual counterpart;
- The inclination to tolerate and justify shortcomings in the supply of Third Party products or services, such as poor quality, late delivery or high prices, etc.

Every recipient is required to cooperate with the investigation about a suspected misconduct. Failure to cooperate and provide real and truthful information may result in disciplinary action. Marsilli ensures the absolute confidentiality, as well as the absence of retaliation, against anyone who, in good faith, makes a report or cooperates in an investigation. Anyone who retaliates will be subject to disciplinary actions including dismissal for cause, in accordance with applicable laws. Any retaliation, even if suspected or threatened, must be reported immediately.

11 POLICY REVISION AND PERFORMANCE INDICATORS.

Marsilli incorporates the principles of this anticorruption policy in its management model and undertakes to verify annually its adequacy regarding the purposes pursued and the context. In order to monitor the status of effective implementation of the anti-corruption policy, Marsilli, in this regard, undertakes to identify some specific performance indicators (KPI) and track their progress on annual basis.