OFFICINE MACCAFERRI S.p.A.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

SPECIAL SECTIONS

Edition no. 1 – October 26, 2009

Edition no. 2 – March 20, 2013

Edition no. 3 – March 21, 2016

Edition no. 4 – July 27, 2016

Edition no. 5 – [●] 2019

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PURPOSES

The purpose of these Special Sections is to define the management rules and the behavioural principles that all Recipients of the OM's Model must follow in order to prevent, in the context of the specific activities carried out therein and considered "at risk", the commission of the crimes provided for by Legislative Decree 231/2001, as well as to ensure conditions of correctness and transparency in the conduct of business activities.

Specifically, this Model aims at:

- indicating the rules that the Recipients are required to observe in order to correctly apply the preventive measures established by the Company for the management of the crimes at issue;
- providing the Supervisory Body and other control functions with the tools to carry out monitoring, control and verification activities.

In general, all the Recipients must adopt, each for the aspects of their competence, behaviours that conform to the determinations contained in the following documents:

- the Model - General and Special Sections;
- the Code of Ethics;
- internal regulations (policy, regulations, organizational procedures);
- the system of powers (powers of attorney and proxies) and organizational provisions in force.

Any other element of the internal regulations (policy, organizational procedure, work instruction) must be defined consistently and in compliance with the principles and control elements provided for by this Model.

RISK ASSESSMENT METHODOLOGY AND THE RISK-PRONE AREAS AND ACTIVITIES

Article 6, paragraph 2, lett. a) of Legislative Decree 231/2001 indicates, among the essential elements of the organization, management and control models, the identification of the so-called "risk-prone areas and activities", *i.e.* the activities of the Entity in which one of the crimes expressly referred to by the Legislator may occur.

The illegal conduct, expressly referred to in the legislation at issue, falls into the following categories:

- Crimes against the Public Administration and its assets (articles 24 and 25 of the Decree)
- Cybercrimes and Unlawful data processing (article 24-*bis* of the Decree)
- Crimes committed by criminal organizations (article 24-*ter* of the Decree)
- Offences regarding forgery of money, public credit instruments, revenue stamps and instruments or distinctive signs (article 25-*bis* of the Decree)
- Crimes against Industry and Commerce (article 25-*bis*.1 of the Decree)

- Corporate crimes (article 25-*ter* of the Decree)
- Crimes committed for the purpose of terrorism or subversion of democracy (article 25-*quater* of the Decree)
- Crime of female genital mutilation practices (article 25-*quater*.1 of the Decree)
- Crimes against the individual (article 25-*quinquies* of the Decree)
- Market Abuse (article 25-*sexies* of the Decree)
- Manslaughter by criminal negligence and serious or very serious accidental injury committed in breach of legislation governing the safeguarding of workplace health and safety regulations (article 25-*septies* of the Decree)
- Receiving, laundering and using money, goods or assets of unlawful origin *(*article 25-*octies of the Decree)*
- Crimes related to infringement of copyrights (article 25-*novies* of the Decree)
- Inducement not to make statements or to make false declarations to the judicial authority (article 25-*decies* of the Decree)
- Environmental Crimes (article 25-*undecies* of the Decree)
- Employment of illegally resident foreign citizens (article 25-*duodecies* of the Decree)
- Racism and xenophobia (article 25-*terdecies* of the Decree)
- Transnational crimes (article 10, Law of 16 March 2006, No. 146)

In order to comply with the provisions of the aforementioned Legislative Decree 231/2001, OM has implemented the activities referred to in the "Risk Assessment 231" attached to this document, which are reported below:

- analysis of the activities carried out by each staff and operational function of OM, through interviews with the relevant managers;
- identification and mapping of "risk-prone areas and activities" and "instrumental[1]" activities relating to the aforementioned Departments;
- risk profile analysis, for each "risk-prone areas and activities", by identifying potentially achievable crimes;
- analysis of the methods of carrying out illegal conduct;
- identification of the corporate processes within which the controls must be provided to monitor the identified risks.

In particular, the identification and assessment of crimes' potential risks have been implemented through:

[1] An activity is defined as "instrumental" where it is not directly exposed to the possibility of committing a crime, represents the means by which the crime can be committed.

- the preliminary examination of all the reality of OM, according to the characteristics of the same and the type of business activities carried out, proceeding to exclude those hypotheses of crime deemed not configurable;
- the identification of the activities/processes within which the crimes may be committed, also in consideration of the possible ways of implementing unlawful conduct, and the evaluation of the components of the preventive Internal Control System.

From the first point of view it is noted that, in proceeding to the preliminary examination of the OM reality, the peculiarities of the sector in which the Company operates and its history have been taken into account.

As a result of the analysis conducted, some types of offenses contemplated in the Decree have been evaluated as not configurable or of remote verification in the context of the business activities carried out by OM, in consideration of the nature or specificity of the same with respect to the Company's business (*i.e.* Offences regarding forgery of money, public credit instruments, revenue stamps and instruments or distinctive signs, article 25-*bis* of the Decree, with the exception of the hypothesis referred to in article 473 c.p.[2]; Crime of female genital mutilation practices, article 25-*quater*.1 of the Decree; trafficking in persons and enslavement, article 25-*quinquies* of the Decree; racism and xenophobia, article 25-*terdecies* of the Decree). For such occurrences, the company policy controls and principles and the rules of conduct set forth in the Code of Ethics, which is an integral part of this Model, are considered as sufficiently adequate.

From the second point of view, it should be noted that the mapping of the risks and of the Internal Control System of the Company was carried out through the analysis of the documentation acquired and the interviews, structured in consideration of the possible areas where the risk of committing crimes can occur.

In this regard, it should be noted that the crime of self-laundering (article 648-*ter*.1 c.p.) can be considered abstractly configurable in relation to all the risk-prone activities/areas attributable to the Company where the same, following the commission of a non-negligent crime, used, substituted or transferred, in economic, financial, entrepreneurial or speculative activities, money, goods or other benefits coming from the commission of the aforementioned crime, so as to concretely hinder the identification of the criminal origin.

Likewise, it should be noted that any predicate offense could constitute a crime committed by criminal organizations pursuant to articles 416 and 416-*bis* c.p. (respectively, in terms of "*criminal association*" and "*mafia-type associations, including foreign ones*"), subsisting when three or more people join together in order to commit more crimes[3]. Therefore, in relation to the aforementioned cases, it seems

[2] The aforementioned art. 473 c.p. provides for the crime of "*Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs*".

[3] More precisely, the criminal association is characterized by three fundamental elements, such as: a) the associative link tends to be permanent or otherwise stable, destined to last even beyond the realization of programmed crimes; b) the indeterminacy of the criminal program; c) the existence of an organizational structure, albeit minimal, suitable and above all adequate to achieve the criminal objectives targeted.

impossible to proceed with their traceability to particular corporate sectors of OM, being able to be considered abstractly configurable in the context of all company risk-prone activities/ areas, even if the risk of commission can, undoubtedly , considered to be greater with reference to the processes in which the Company establishes relationships with third parties.

With specific regard to the possible perpetrators of the predicate offenses, it seems appropriate to point out that, among the criminal hypotheses referred to by Legislative Decree 231/2001, there are some that require a particular qualification of the subject (these are the so-called "proper crimes"), so as to lead us to believe that the unlawful conduct can only be carried out by those who hold a specific role, function or office within the Entity (*i.e.* the Directors, General Managers, Auditors, Liquidators, Transferring Shareholders with regard to Corporate Crimes).

However, the article 5 of Legislative Decree 231/2001 includes, in the context of Top Managers, not only those who perform functions of representation, administration and management of the Entity, but also those who also exercise *de facto* management and control of the same (paragraph 1, letter a), in line with what was stated by the jurisprudence[4] on this point and by article 2639 c.c.[5], which provides for crimes concerning companies and *consortia* pursuant to Title XI of Book V of the Civil Code, which has codified the jurisprudential approaches that had preceded its introduction.

Thus the absence of a formal qualification for the offender could, however, not lead to an automatic exemption of liability.

Moreover, the same offenses as well as, more generally, any offense provided for by the Decree, can be committed by any person (employee or not) in complicity with the qualified subjects or with others pursuant to art. 110 c.p..

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[4] See, *ex multis*, Cass., Section V Pen., 6 May 2015, n. 51091: «*The notion of de facto administrator, introduced by art. 2639 c.c., postulates the exercise in a continuous and significant manner of the typical powers inherent in the qualification or function; nevertheless, significance and continuity do not necessarily entail the exercise of all the powers proper to the management body, but require the exercise of an appreciable management activity, carried out in a non-episodic or occasional manner. It follows that the proof of the position of de facto administrator translates into the verification of symptomatic elements of the organic integration of the subject with managerial functions - at any stage of the organizational, productive or commercial sequence of the company's activity, what are the relationships with employees, suppliers or customers or in any management sector of such activity, whether corporate, productive, administrative, contractual or disciplinary (...). As clarified in numerous pronunciations of this Section (Section 5, no. 43388 of 17/10/2005, Carboni, Rv. 232456; Section 5, no. 15065 of 02/03/2011, Guadagnoli, Rv. 250094) , the described characteristics do not imply the exercise of all the powers proper to the director of a company but require only the performance of an appreciable management activity in non-occasional or episodic terms, as appropriately highlighted by the territorial court in the contested judgment*»

[5] The aforementioned art. 2639 c.c., on the subject of «***Extension of subjective qualifications***», states the following: «*1. For the offenses envisaged by this title, the person formally invested with the qualification or holder of the function provided for by the civil law is equivalent to both those who are required to perform the same function, otherwise qualified, and those who exercise continually and significantly the typical powers inherent to the qualification or function. 2. Out of the cases of application of the rules concerning the crimes of public officials against the public administration, the sanctioning provisions relating to the directors also apply to those who are legally appointed by the judicial authority or by the public supervisory authority to administer the company or assets owned by the same or managed on behalf of third parties*» (*i.e.* the *de facto* manager).

Finally, it should be noted that, with the Law of 16 March 2006, n. 146, containing the "*Ratification and execution of the Convention and the United Nations Protocols against transnational organized crime, adopted by the General Assembly on November 15, 2000 and May 31, 2001*" (so-called Palermo Convention), was introduced the notion of "transnational crime", relevant also for the purposes of the Legislative Decree 231/2001, characterized by three main elements: its seriousness, detectable by the prescribed penalty limits; the place where it is, in whole or in part, committed and the involvement of a criminal organization in its realization.

Transnational crimes, qualified by article 10 of the aforementioned Law no. 146/2006 as offenses which determine the administrative liability of the entities, are: the aforementioned crime committed by criminal organizations pursuant to articles 416 and 416-*bis* c.p., to article 291-*quater* of the D.P.R. 23 January 1973, n. 43 ("*criminal association for the purpose of smuggling foreign tobaccos*") and to article 74 of the D.P.R. 9 October 1990, n. 309 ("*association aimed at the illicit trafficking of narcotic or psychotropic substances*"); the crimes concerning the "*trafficking of migrants*" pursuant to article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5, of Legislative Decree 25 July 1998, n. 286; and crimes concerning the "*obstruction of justice*" pursuant to articles 377-*bis* c.p. ("*Inducement not to make statements or to make false statements to the judicial authority*") and 378 cp. ("*Personal abetment*").

Due to the special nature of the transnational crime, the risk of committing the aforementioned offenses appears to exist in all the processes in which the Company establishes relationships with third parties that can be transnational in the meaning of the aforementioned legislation.

THE INTERNAL CONTROL SYSTEM

Article. 6 of Legislative Decree 231/2001 also establishes that the system of internal controls of the Entity must provide, in relation to the crimes to be prevented:

- specific protocols for planning the formation and implementation of the Entity's decisions;
- methods of managing financial resources suitable for preventing the commission of crimes.

Therefore, within the scope of the activities aimed at defining the Model, OM has identified the control principles that must oversee the Company's operations in the context of the management and operational processes related to the identified risk-prone areas/activities.

The control system, implemented by the OM, with reference to the aforementioned areas/activities, establishes:

- *General prevention protocols*, *i.e.* the general control principles based on the tools and methodologies used to structure the specific control elements;
- *Specific prevention protocols*, *i.e.* control procedures which constitute the control guidelines pursuant to Legislative Decree 231/2001 on the process and which may find greater variation and completion in the context of other internal regulatory sources (regulations, policy, organizational procedures , work instructions).

The Internal Control System of the Company pursuant to Legislative Decree 231/2001 also provides for the following levels of control (referred to in paragraph 4.3 below):

- Level I: Line monitoring and operational risk management;
- Level II and III: Continuous Monitoring and Audit.

General protocols

As for the general prevention protocols, the Control System, defined by OM also on the basis of the most recent indications provided by the main trade associations, as well as by national and international best practices, was built by applying the following:

Behavioural rules and codes of conduct

Dissemination of a Code of Ethics describing general behavioural rules to monitor the activities performed.

In particular, it is expressly forbidden for all Recipients of the Model to:

- engage in, collaborate with or give cause to the conduct of such behaviour that, taken individually or collectively, integrate, directly or indirectly, all the types of offenses referred to in Legislative Decree 231/2001;
- engaging, collaborating or giving cause to the performance of behaviours from which, although they are such as not to constitute a crime in themselves, a crime can occur.

The Company's policy is aimed at preventing the occurrence of conduct which is illegal or non-compliant with the Code of Ethics and, if it occurs, to put an end to any behaviour of this kind in the quickest and most reasonable way possible also taking, if applicable, the appropriate disciplinary measures.

Authorization and signatory powers

Preparation of a system of proxies:

- consistent with the assigned organizational and management responsibilities;
- containing the specific assignment of powers and limits, including the approval of expenses, of the subjects entitled to commit OM to third parties;
- defined in compliance with the jurisprudential principles and specific legal requirements where applicable (for example, article 16 of Legislative Decree no. 81/08 and subsequent amendments for the case of proxies in the field of safety at work).

Internal procedures and rules

Adoption of rules, where provided and in accordance with the protocols of this document, suitable for establishing responsibilities and operating methods for carrying out the activities and detailed regulation of the processes.

The internal regulation declines roles and responsibilities for the management, coordination and control of the corporate Departments at all levels, describing, in a homogeneous manner, the each proper activities.

Separation of duties

In the context of each relevant process pursuant to the legislation at issue, in order to ensure independence and objectivity, the intervention of several parties is guaranteed and the separation of activities between those who are in charge of making decisions and authorizing the deeds, performing the established operations, carry out on the same the opportune controls foreseen by the law and by the procedures of the Internal Control System.

An entire sensitive process pursuant to Legislative Decree 231/2001 cannot, therefore, be entrusted to a single subject.

In particular, in this Model, if in the context of a risk-prone process a reference is made to the activity of a Department, it is implicit to assume that the activity in question is carried out by the staff of the competent Department, in relation to the organizational structure in place, to perform this activity and that the Department Manager has the task of verifying and approving it.

Documentability and Traceability

The decision-making, authorization and performance process of each risk-prone activity must be verifiable *ex post*, through specific handwritten document or IT support.

More precisely, each company operation/activity, considered relevant pursuant to Legislative Decree 231/2001, must be adequately documented.

The relevant documents are duly formalized and must contain the date of compilation and the signature of the author/authorizer; the same are stored for a period of at least 10 years (without prejudice to any more restrictive regulatory requirements), in suitable places managed by the competent Department and in such a way as not to allow subsequent modification except with specific evidence, also in order to protect the confidentiality of the data contained therein and to avoid deterioration or loss.

If IT systems are used for sensitive activities, they ensure:

- the correct allocation of each individual transaction to the parties responsible for it;
- the traceability of each operation performed (insertion, modification and deletion) only by authorized users;
- archiving and storage of the records produced.

Access to stored documents is allowed only to authorized parties (including the Supervisory Body and any other appropriately titled internal control functions).

Management of third party documentation

Third parties documentation, of any nature and for any purpose, containing confidential, even to potential unfair competition, exploitable to obtain advantages

even in the interest of the Company, must be kept and preserved, in compliance to the current legislation on the processing of personal data, by the relevant Department Managers, subject to formal authorization by the parties entitled to use the counterparty.

Conflict of interest

The parties involved in OM's corporate processes act against their counterparts according to relationships based on the highest levels of ethics of conduct, as also set forth in the Code of Ethics.

Therefore, the aforementioned subjects are required to avoid any situation and activity in which a conflict of interest may arise for the Company or which may tend to interfere (or appear to have the potential to interfere) with the ability of the employee or collaborator to act in conformity to his duties and responsibilities which summarize the primary interest, to be carried out in full compliance with the principles and contents of the Code of Ethics and the Model.

Anyone who is, even potentially, in a situation of conflict of interest has the obligation to refrain from participating in the adoption of decisions or activities that may involve alternatively:

- own interests;
- interests of the spouse, of cohabitants, of relatives, of kindred within the second degree;
- interests of persons with whom he has regular relationships.

However, there is an obligation to refrain in any other case where there are serious reasons of convenience and to leave the place of the vote, because the mere presence of the subject in question can potentially influence the free expression of the will of others.

The conflict may concern interests of any nature, including non-pecuniary ones, such as those deriving from the intention of wanting to support political, trade union or hierarchical superiors.

The Recipients of the Model are required to immediately notify the conflict of interest in writing to their hierarchical superior or to the competent body of the Company, which will evaluate, even with the support of the functions set up for this purpose, the actual existence of the conflict and declare to the Chairman of the Board of Directors and/or to the competent Department as well as to the Supervisory Body the initiatives taken to remove the effects.

Specific protocols

As for the specific prevention protocols, the Model sets out in relation to each risk-prone area/activity, the control elements which must guide their operation[6].

[6] More detailed evidence of these protocols can be delegated to the entire body of the Company's legislation (policies, procedures, work instructions).

These elements are listed within the Special Sections of which the document is composed, dedicated to the categories of predicate offense considered relevant for the Company, consisting of five paragraphs:

- the first relating to the "*Special Section Function*", which indicates its objective;
- the second concerning the description of the "*Relevant Offenses*" and the penalties applicable to the Entity;
- the third aimed at identifying the "*Risk-prone areas*" within which the risk of committing the crimes treated in the individual Special Section is configured;
- the fourth in which the "B*ehavioural principles*" are set out, which, in accordance with the Code of Ethics, specify the rules of conduct that must inspire the behaviour of the Recipients of the Model in order to prevent the commission of the crimes at issue;
- the fifth which envisages the "*Information Flows to the Supervisory Body*", *i.e.* the methods and timing with which communications must be made to the Body appointed to control and verify the effectiveness and adequacy of the Model by the Recipients.

The centrality of this part of the Model, aimed at concretely modulating social action, is clearly evident.

Internal Control Levels

As mentioned above, OM's Internal Control System has the following levels of control:

- Level I: Line monitoring and operational risk management;
- Level II and III: Continuous Monitoring and Audit.

In particular, with regard to Level I, it should be noted that the Department Managers constitute the first defence against the risk of crimes and, consequently, they are the direct referents of the Supervisory Body, for their respective competence, and for each information and control activity.

These, also identified by the internal organizational system and authorized to access all relevant information, have the following responsibilities:

- supervise the regular performance of the transaction of which they are the referents;
- ensure that the related processes are carried out in line with the OM codes of conduct, according to the provisions of the internal regulatory sources and the applicable legislation, and in compliance with the principles of transparency and traceability;
- ensure that all the controls on the underlying activities defined in the context of general and specific prevention protocols are carried out by the individuals involved in the process;

- assist the Supervisory Body, as far as their respective competence is concerned, in monitoring the compliance with the provisions of the Model;
- to work, in coordination with the Supervisory Body, to analyse the training needs of personnel under their own area of responsibility;
- inform and train collaborators and subordinates regarding the risks of crime connected to the activities carried out and the preventive measures provided;
- contribute to the analysis and updating of the possible risks of its area of activity, proposing the Supervisory Body, as well as the competent Departments, organizational and managerial solutions.

Without prejudice to the obligation on all Recipients to promptly notify the Supervisory Board of any exceptions, anomalies or atypical situations found with respect to the determinations contained in the Model and all facts, acts or omissions that may affect the observance of the same, the Department Managers also have the obligation to:

- periodically inform the Supervisory Body about the progress of the activities, according to the indications established in this document;
- promptly inform the Supervisory Body if particular relevant situations occur, the efficacy and adequacy of the prevention protocols, as well as any violation of the Model implemented by the personnel or collaborators of the Company.

With regard to Level II, the Supervisory Body:

- ensures coordination of the risk prevention and management system pursuant to Legislative Decree 231/2001 and verifies the suitability of the Model to prevent the crimes of interest pursuant to the aforementioned Decree;
- monitors the implementation and compliance by the Department Managers of the protocols and measures envisaged by the Model, also through the acquisition of periodic certifications by the Managers themselves;
- monitors the functioning and observance of the Model; to this end it ensures, also in collaboration with external, qualified, autonomous and independent subjects, the planning and implementation of internal inspection activities aimed at assessing compliance with the defined prevention protocols;
- monitors the adequacy of the communication channels defined for reporting illegal or suspicious behaviour and/or not in line with the Model protocols.

SPECIAL SECTION A
CRIMES AGAINST THE PUBLIC ADMINISTRATION AND ITS ASSETS, INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE DECLARATIONS TO THE JUDICIAL AUTHORITY

Function of the Special Section A

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the "Recipients" of this Model must comply with during the management of the activities at risk, which are associated with the crimes referred to in articles 24, 25 and 25-*decies* of Legislative Decree 231/2001, in compliance with the principles of transparency, timeliness, collaboration and traceability of the activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

However, in order to better identify and illustrate the "risk-prone crime" it is appropriate to specify what is to be understood as "Public Official" and "Public Service Representative" according to criminal law.

These notions find their normative definition in the articles 357 and 358 c.p.

Therefore, according to art. 357 c.p., **Public Officials** "are those who exercise a public legislative, judicial or administrative function. To the same effects, the administrative function regulated by public law and authorization acts, and is characterized by the manifestation of the government will or by its performance through clearance and certification power".

Pursuant to paragraph 1 of the aforementioned article, all those subjects who, independently from any relationship with the State or public body, exercise a legislative, judicial or administrative function are qualified as Public Officials. The concrete activity carried out by the subject is relevant in order of this qualification, which must be defined as "public function" regardless of formal subjective requirements, such as, for instance, the existence of a relationship with the State or the public body.

Instead, the notion of "**public administrative function**" is identified by the art. 357, para. 2, c.p. as a function governed by "rules of public law", that is, from those rules aimed at pursuing a public purpose and protecting a public interest.

In particular, it is identified as: a) an activity governed by rules of public law and by authoritative acts and b) characterized by the exercise of specific and well-identified powers (such as deliberative, authoritative and certifying powers).

According to art. 358 c.p., **Public Service Officer** are "those who somehow provide a public service. A public service is to be understood as an activity regulated as a public function, but characterized by the lack of the typical powers of the latter, excluding the performance of simple order tasks and merely material work".

Therefore, on the basis of the foregoing, the functions entrusted to the subject indicate whether or not he in charge of a public service, which must consist in the care of public interests or in the satisfaction of needs of general interest, regardless of the nature of the entity. From what has been said, it follows that the Public Service Officer can be described as the person who, somehow, provides a public service (that is, an activity governed by public law according to the care or the satisfaction of

public or general interest) although it is devoid of formal powers of a deliberative, authorization or certification nature, typical of the public administrative function.

In the identification of both figures there are inevitably margins of uncertainty. Therefore, for the purposes of configurability of the offenses referred to in Legislative Decree 231/2001, the Company assesses on a case-by-case basis whether the persons with whom it relates may or less be qualified as Public Service Officers..

Finally, it is reiterated that for the purposes of Legislative Decree 231/2001, the offenses referred to in articles 24 and 25 of the Decree are relevant if they are committed against the Public Administration, both Italian and foreign.

Crimes and administrative offenses relevant to the law

For the sake of completeness, all the hypotheses of crime that imply the administrative liability of the entities pursuant to articles 24, 25 and 25-*decies* of the Decree are shown below.

A.1 Crimes against the Public Administration and its assets *(articles 24 and 25 of the Decree)*

Embezzlement of funds to the detriment of the State or the European Union (art. 316-*bis* c.p.)

The offense occurs if, after having legitimately received funding, subsidies or grants from the Italian State or other public entity or the European Union, it is not proceeded to use such sums for the purposes for which they were intended (indeed, the conduct consists in having distracted, even partially, the sum obtained; it does not take into account the fact that the planned activity was in any case carried out).

Sanctions applicable to the Entity

- money penalty: up to 500 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 200 to 600 quotas is applied;
- disqualification measure: ban on negotiating with the Public Administration, except to obtain a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Unlawful receipt of public grants to the detriment of the State or the European Union (art. 316-*ter* c.p.)

The offense occurs in cases where – through the use or presentation of false statements/documents or the omission of mandatory information – contributions, loans, subsidized loans or other disbursements of the same type granted by the State, by other public bodies or by the European Union, are obtained without entitlement.

An aggravating circumstance was introduced by Law no. 3/2019 in the event that the fact is committed by a Public Official or a Public Service Officer with abuse of its quality or its powers.

The use of such disbursements is irrelevant, since the crime occurs when the loans are granted.

This hypothesis of crime is residual with respect to the most serious case of fraud against the State, in the sense that it occurs only in cases where the conduct does not integrate the aggravated fraud to obtain public money.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 200 to 600 quotas is applied;
- disqualification measure: ban on negotiating with the Public Administration, except to obtain a public service; exclusion from facilitations, loans, grants or

subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Extortion (art. 317 c.p.)

The crime occurs when a Public Official or a Public Service Officer, abusing his position, forces someone to procure undue money or other benefits.

This offense could be recognized in the case in which an Employee or an agent of the company competes in the offense committed by the Public Official, who, taking advantage of his quality, requires third party undue services (provided that such behaviour is carried out in the interest, even non-exclusive, of the Company).

Sanctions applicable to the Entity

- money penalty: from 300 to 800 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Corruption in the performance of duties (art. 318 c.p.)

The crime occurs in the event that a Public Official for the exercise of his functions or his powers, unduly receives, for himself or for a third party, money or other benefits or accepts their promise.

The activity of the Public Official may take place by a due act (for example: speed up a file whose evasion is within his competence) or by an act contrary to his duties (for example: a Public Official who accepts money to guarantee the award of a call for tenders).

This crime differs from extortion because there is an agreement between corrupt and corrupter aimed at achieving a mutual advantage, while in extortion the private party is subject to the conduct of the Public Official or the Public Service Officer.

Sanction applicable to the Entity

- money penalty: up to 200 quotas;

Corruption in an action contrary to official duties (art. 319 c.p.)

The crime occurs if a Public Official receives, for himself or for others, money or other benefits to perform, omit or delay acts of his office.

Sanctions applicable to the Entity

- money penalty: from 200 to 600 shares; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 300 to 800 quotas is applied;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or

subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

In cases the fact is considered as aggravated pursuant to art. 319-*bis* c.p., or the Entity has achieved a significant profit from such fact, the following sanctions will be applicable:

- money penalty: from 300 to 800 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Inducement to bribery (art. 322 c.p.)

The crime could be configured in the event that undue money or other benefits are offered or promised to a Public Official or Public Service Officer, for the exercise of its functions or its powers, if the offer or promise it is not accepted by him.

The offense could be configured in the event that undue money or other benefits are offered or promised to a Public Official or Public Service Officer, if it is made to induce to omit or delay an act of his office, or to act contrary to his duties, if the offer or promise is not accepted.

The penalty applies to the Public Official or to the Public Service Officer who solicits a promise or donation of money or other usefulness in order to exercise his functions or his powers.

Sanctions applicable to the Entity

- paragraphs 1 and 3, money penalty: up to 200 quotas;
- paragraphs 2 and 4, money penalty: from 200 to 600 quotas;
- paragraphs 2 and 4, disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Bribery in judicial proceedings (art. 319-*ter* comma 2 and art. 321 c.p.)

The crime occurs in the event that the company is part of a judicial proceeding and, in order to obtain an advantage in the proceedings itself, corrupts a Public Official (not just a magistrate, but also a clerk or other official). The crime in question is punished more severely than simple corruption.

Sanctions applicable to the Entity

- paragraph 1, money penalty: from 200 to 600 quotas;
- paragraph 1, disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public

Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services;

- paragraph 2, money penalty: from 300 to 800 quotas;
- paragraph 2, disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Illegal inducement to give or promise benefits (art. 319-*quater* c.p.)

The law punishes the Public Official or Public Service Officer who, abusing its quality or its powers, unlawfully induces anyone to give or promise money or other benefits, to him or to a third party, unless the fact constitutes a more serious offense.

Sanctions applicable to the Entity

- money penalty: from 300 to 800 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Bribery of a public service officer (art. 320 c.p.)

The provisions of articles 318 and 319 c.p. also apply to the Public Service Officer.

Illicit influences (art. 346-bis c.p.)[7]

This provision punishes anyone, outside the cases of complicity in crimes referred to in articles 318, 319, 319-*ter* and in the corruption crimes referred to in article 322-*bis*, exploiting or claiming existing or alleged relationships with a Public Official or a Public Service Officer or one of the subjects referred to in article 322-*bis*, unduly induce to give or promise, to himself or to others, money or other utility, such as the price of its own unlawful mediation to a Public Official or a Public Service Officer or one of the subjects referred to in article 322-*bis*, or to remunerate him in relation to the exercise of his functions or his powers.

The same penalty applies to those who unduly give or promise money or other benefits.

The penalty is increased if the person who unduly induce to give or promise, to himself or others, money or other benefits has the status of a Public Official or Public Service Officer.

The penalties are also increased if the facts are committed in relation to the exercise of judicial activities or to remunerate the Public Official or a Public Service Officer

[7] Provision introduced by Law no. 3/2019.

or one of the subjects referred to in article 322-*bis* in relation to the fulfilment of an act contrary to his duties or to the omission or delay of an act of his office.

If the facts are particularly tenuous, the penalty is reduced.

Sanction applicable to the Entity

- money penalty: up to 200 quotas.

Fraud to the detriment of the State or other Public Entity (art. 640, paragraph 2, no. 1, c.p.)

The crime occurs if artifices or deception such as to mislead and cause damage to the State (or to another Public Entity) are put in place, in order to achieve an unfair profit.

For instance, the crime may occur in the case in which, in the preparation of documents or data in order to participate in tender procedures, untruthful information are provided to the Public Administration (for example, supported by artefacts), in order to obtain the award of the tender itself.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 200 to 600 quotas is applied;
- disqualification measures: ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Aggravated fraud for the purpose of obtaining public funds (art. 640-*bis* c.p.)

The offense occurs if the fraud is committed to unduly obtain contributions, loans, subsidized loans or other disbursements of the same type granted by the State, other public bodies or the European Union.

This type of event can occur in the event that artifices or deception are put in place, for example by communicating untrue data or by preparing false documentation or by omitting due information, in order to obtain public funding.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 200 to 600 quotas is applied;
- disqualification measures: ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Computer fraud against the State or other public entity (art. 640-*ter* c.p.)

The offense occurs if, by altering the functioning of an IT or telematic system or by manipulating the data contained therein, an unfair profit is obtained by the Company causing damage to third parties. Specifically, the crime in question can occur if, once

a loan has been obtained, the computer system is violated in order to insert a loan amount higher than that obtained legitimately.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction from 200 to 600 quotas is applied;
- disqualification measures: ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Extortion, bribery and incitement to bribery of members of the International Courts, European Communities, international parliamentary assemblies or International Organizations and officials of the European Communities and foreign States (art. 322-*bis* c.p.)

The provisions of articles 314, 316, from 317 to 320 and 322, third and fourth paragraphs, c.p. also apply:

1) to the members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;

2) to officials and agents hired by contract pursuant to the statute of officials of the European Communities or the regime applicable to agents of the European Communities;

3) to persons commanded by the Member States or by any public or private body in the European Communities, which perform functions corresponding to those of officials or agents of the European Communities;

4) to the members and employees of bodies set up on the basis of the Treaties establishing the European Communities;

5) to those who, in other EU Member States, perform functions or activities corresponding to those of Public Officials and Public Service Officer;

5-*bis*) to judges, prosecutor, deputy prosecutors, officials and agents of the International Criminal Court, to persons controlled by States Parties to the Treaty establishing the International Criminal Court which perform functions corresponding to those of officials or agents of the Court itself, to the members and employees of bodies set up on the basis of the Treaty establishing the International Criminal Court.

5-*ter*) to persons who perform functions or activities corresponding to those of Public Officials and Public Service Officer within international public organizations;

5-*quater*) to members of international parliamentary assemblies or of an international or supranational organization and to judges and officials of international courts.

he provisions of articles 319-*quater*, second paragraph, 321 and 322, first and second paragraph, c.p. also apply if money or other benefits are given, offered or promised:

1) to the persons indicated in the first paragraph of article 322-*bis* c.p.;

2) to persons who perform functions or activities corresponding to those of Public Officials and Public Service Officer in other foreign States or international public organizations.

If the persons indicated in the first paragraph of article 322-*bis* c.p. carry out functions corresponding to those of Public Officials, they are assimilated to them, or in other cases to Public Service Officer.

A.1*bis* Inducement not to make statements or to make false declarations to the judicial authority *(art. 25*-decies *of the Decree)*

Inducement to refrain from making statements or to make false statements to the legal authorities (art. 377-*bis* c.p.)

The crime occurs if someone, with violence or threat or by offering or promising money or other benefits, induces the person called to make statements to the judicial authority not to make such statements or to make false declarations that can be used in criminal proceedings, when this has the right to remain silent[8], unless the fact constitutes a more serious offense.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas.

[8] These are individuals who hold the status of a suspect (or accused), their relatives to whom the law confers the right not to answer, pursuant to art. 199 c.p.p. and of the subjects who take on the role of a suspect (or accused) of a connected crime, as long as they have not already assumed the office of witness.

Relationship with foreign legislation on organizational, management and control models: *UK Bribery Act* (2010) and *Foreign Corrupt Practeces Act - FCPA* (1977)

The operation of OM is not limited to the Italian territory, extending also abroad and, for what it may concerned in the United Kingdom and the United States. It is therefore necessary to point out that, with respect to the operations carried out therein, the *UK Bribery Act* (2010) and the *FCPA* (1977) must be considered.

Both regulations establish a responsibility for the companies in the case of commission of corruption by any parties related to them.

In particular, the *Bribery Act*, which came into force on 1 July 2011, punishes the company that fails to prevent corruption, both active and passive, both public and private, from subjects who operate in its name and/or on its behalf (or in any case *associated persons*), with interdictory and pecuniary sanctions of unlimited amount. The provision has an extra-territorial extension, being able to be applied both to companies established under English law, wherever operating, and to foreign companies that carry out activities in the Anglo-Saxon territory.

A specific provision of the *Bribery Act* provides for the exclusion of liability for the legal person (so-called "exempt"), if this proves to have effectively adopted specific procedures aimed at preventing the corruption, according to the guidelines provided from time to time by the British Ministry of Justice.

Even the American *FCPA* forbids domestic companies, or entities listed on US markets, or companies operating in the US, to bribe foreign public officials. In this case, the adoption of a *compliance and ethical program* by the responsible company constitutes a mitigating factor of the sentence.

The abstract relevance of various regulations in the context of OM's operations has led the Company to draw up the safeguards and procedures referred to in this Special Section with the specific aim of mitigating the risks of committing the aforementioned common law cases. To this end, controls and procedures are inspired not only by the principles developed in the national context, but also by those formulated within the aforementioned legal systems.

By way of example, the instructions of the British Minister of Justice have been taken into consideration which, in relation to the adequate procedures referred to in the *Bribery Act*, requires that they present the following characteristics:

- *Risk Assessment*: identification and assessment of the risks of committing corruption offenses;
- *Top-level commitment*, understood as a commitment by top management in the fight against corruption;
- *Due Diligence* Activities on the counterparties and on the methods of conducting commercial relations;
- Definition of clear and accessible Policies and procedures;
- Communication and training, ie effective implementation of policies and related staff training;
- Monitoring and *review* of the actual application of the procedures.

In summary, the controls and procedures implemented by OM for the prevention of crimes against the Public Administration (and, in general, the crimes provided for by Legislative Decree 231/2001) are aimed at preventing the commission of any corruptive act be it qualified as such pursuant to Italian law, or by other legislation.

A.2 Risk-prone areas

The risk-prone areas of the Company, with reference to the crimes against the Public Administration and its assets and to the Crime of inducement not to make statements or to make false declarations to the Judicial Authority, are attributable to the following activities:

- *Management of relations with subjects belonging to Italian or foreign Public Administration*
- *Request and use of financing, subsidies and public contributions*
- *Acquisition of authorizations, licenses, concessions, certificates or similar measures and communications to public bodies*
- *Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits*
- *Intercompany financial and commercial relations management*
- *Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships*
- *Management of requirements and purchases*
- *Management of assignments and consultancy*
- *Real estate management*
- *Asset management*
- *Selection and hiring of staff*
- *Staff development and incentive*
- *Management of attendance and travel expenses*
- *Management of current accounts, collections and payments*
- *Credit management*
- *Litigation management*
- *Management of gifts and entertainment expenses*
- *Management of events, sponsorships and donations*
- *Management and use of Information Systems*

The Recipients are required to adapt their behaviour to the contents of this document.

A.3 Behavioural principles

Some of the general principles applicable to the Recipients.

In general, it is forbidden to contribute to the realization of conduct that may fall within the aforementioned cases referred to in articles 24, 25 and 25-*decies* of Legislative Decree 231/2001.

Violations of the principles and rules set forth in the Code of Ethics and in this Special Section are also forbidden.

In particular, with reference to the individual risk-prone areas/activities, the following principles and behavioural rules are noted.

Management of relations with subjects belonging to Italian or foreign Public Administration

The Recipients who, due to their duties or special assignment, are involved in the Management of relations with subjects belonging to Italian or foreign Public Administration, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to ensure that:

- the aforementioned reports take place in respect of:
  - laws;
  - current regulations;
  - principles of loyalty, correctness and clarity;
  - Code of Ethics;
- relations with representatives of the Public Administration are managed exclusively by the Managers specifically authorized by the Top Managers, or by the persons delegated by them;
- meetings with public subjects are attended, where possible, by at least two representatives of the Company; any exceptions must be properly justified
- the traceability of the relationships maintained with the Public Administration (date, objectives, participants and results), through the drafting and archiving of internal memoranda, relating to meetings with representatives of the Public Administration, to be sent quarterly to their hierarchical superior; to fill all relevant communications with the Public Administration, both incoming and outgoing;

Within the aforementioned behaviours it is **forbidden** to:

- promise, offer or in any way pay or provide sums of money, goods in kind or other benefits (except in the case of gifts or utilities of modest value and in any case in compliance with normal commercial practice), also as a result of unlawful pressures, to Public Officials or private interlocutors, when they are in charge of a public service, or to intermediaries with the aim of promoting or favouring the interests of the Company or of influencing the independence of judgment, regardless of the nature of the relationship. The aforementioned provisions cannot be circumvented by resorting to different forms of aid or contributions (such as assignments, consultancy, advertising, sponsorships, employment opportunities, commercial opportunities or of any other kind);

- maintain and undertake such behaviour and actions towards spouses or relatives of the persons described above;
- surrender to recommendations or pressures coming from Public Officials or Public Service Officers or intermediaries and accept from these gifts or other benefits;
- behave in a manner intended to improperly influence the decisions of officials who deal with or make decisions on behalf of the Public Administration;
- provide or promise to provide, solicit or obtain information and/or documents that are confidential or otherwise such as to compromise the integrity or reputation of one or both parties in violation of the principles of transparency and professional correctness;
- represent the Company by a consultant or a "third party" who is not formally authorized and when conflicts of interest may arise; in any case, they and their staff are subject to the same requirements as the Recipients;
- submit inaccurate and/or untruthful declarations and attestations by showing documents, in whole or in part, that do not correspond to reality or by omitting the presentation of real documents;
- keep misleading behaviour towards the Public Administration such as to induce the latter in error.

All the persons involved are required to communicate, without delay, to its manager or to the management of the Company and, at the same time, to the Supervisory Body, any conduct carried out by those working for the public counterpart, aimed at obtaining favours, illicit donations of money or other benefits , also in relation to third parties, as well as any critical issues or conflict of interest arise in connection with the Public Administration.

Request and use of financing, subsidies and public contributions

All Recipients involved in the activity of Request and use of financing, subsidies and public contributions also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to guarantee the implementation of the following safeguards:

- correctness, transparency, completeness and truthfulness in the preparation and presentation of declarations/documents attesting facts and news aimed at obtaining public funding;
- if the opportunity to obtain public financing arises, the Manager of the interested company department submits the project to the Company's authorized parties to obtain authorization to proceed as "Operation Manager", also formally entitled to manage the relations with the paying public body;
- the Operation Manager takes care of the requests in which the necessary documentation is to be prepared and transmitted to the paying body, after authorization and subscription by the entitled subjects of the Company;
- the Operation Manager can request data and information from the competent internal Departments in order to prepare the file for the application;

- before forwarding to the Public Administration, the aforementioned information, provided in a way traced by the involved Departments, as well as all the documentation to be transmitted to the public subject, in paper or electronic format, are submitted to the Legal Representative, or to the persons provided with appropriate powers based on the system of proxies in place, in order to verify their validity, correctness, completeness, truthfulness and updating;
- in the event that the documentation to be sent to the Public Administration is produced - in whole or in part - with the support of third parties (for example engineering companies, technical experts, etc.), or third parties are directly entrusted with the assignment of the request for financing and subsequent reporting on behalf of the Company, the selection of the same must always take place in compliance with the prescriptions in relation to the "Management of requirements and purchases" and to the "Management of assignments and consultancy" referred to in this Special Section. The Operation Manager is however required to monitor the correct completion of the transferred activities;
- the Departments involved in activities that must be reported ensure the correct summarization of the same and of the accountable costs, also in terms of objectives achieved and documentation produced;
- the Operation Manager, together with the Departments involved, on the basis of the information received and the documentation produced, verifies the correct summarizing in compliance with the accounting standard;
- the accounting statement, with all the supporting documentation required by the contractual relationship, is prepared by the Operation Manager, in collaboration with the Departments involved and, where required by the service contract, also with the support of legal and corporate affairs services of the Parent Company, in compliance with the reporting standard, then formally communicated to the Customer.

Within the aforementioned behaviours it is **forbidden** to:

- present untruthful declarations, certify the possession of non-existent requisites, required by law or administrative acts, as well as present documents in whole or in part that do not correspond to reality or omit the exhibition of real documents in order to request or obtain contributions/financing;
- allocate the amounts referred to in the previous point for purposes other than those for which they were obtained;
- keep misleading behaviour towards the Public Administration.

All the persons involved are required to communicate, without delay, to their hierarchical manager or to the management of the Company and, contextually, to the Supervisory Body any anomaly found in relation to the risk-prone activity at issue, and to report to the aforementioned Body, on an annual basis, the list of financing or benefits requested and obtained by the Company.

Acquisition of authorizations, licenses, concessions, certificates or similar measures and communications to public bodies

All Recipients involved in the Acquisition of authorizations, licenses, concessions, certificates or similar measures and communications to public bodies, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to ensure that:

- the activities related to the acquisition of authorizations, licenses, concessions, certificates or similar measures by the Public Administration, as well as related to any communications, also via computer, are conducted in a correct, transparent and traceable manner, in compliance with current legislation;
- the necessary information to request the release of the aforementioned measures is formally communicated to the Public Administration only by persons appropriately entitled by the Company, who ensure their truthfulness, updating and completeness;
- the Department responsible for fulfilling obligations with the Public Administration, while producing the documentation to be communicated, acquires the data, the certifications and any other necessary information; if said Department is not in a position to autonomously produce the documentation, it is activated to formally request the appropriate information from the competent Departments;
- the compliance with the obligations connected with the license, concession, authorization or similar measures is attested by the competent Department, which is required to ensure the truthfulness, updating and completeness of the data and information produced and transmitted;
- a record of the request acceptance by the Public Administration and all the necessary documentation to allow verification of the fulfilment of all procedural requirements are stored;
- the segregation between the subjects in charge of providing the necessary information and documentation, the subjects in charge of drawing up the request/declaration and the subjects in charge of verifying, approving and signing it are implemented;
- for the purposes of correct and legitimate access to the information systems of the Public Administration:
    - an adequate confirmation to the passwords enabling access to such systems owned, for service reasons, by certain internal subjects belonging to specific corporate Departments is given;
    - a punctual verification of compliance by the subjects themselves with the security measures adopted by the Company and the privacy regulations is carried out.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the individual competent Department is required to periodically communicate, on an annual basis, to the Supervisory Body the list of authorizations, licenses or concessions requests and/or obtained.

Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits

To all the Recipients who, due to their office or their function or specific mandate, are involved in the - Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure complete and immediate collaboration with the Authorities or Supervisory and Control Bodies (*i.e.* Judicial Authorities, Tax Police, I.N.A.I.L., Labour Inspectorate, Revenue Agency, A.S.L.), guaranteeing that the various phases of the verification process, such as request acceptance for information or inspection, verification and reporting, are carried out according to methods aimed at ensuring correctness, transparency and traceability of relations with the members of the Control Bodies;
- guarantee, during the inspection verification phase at the Company offices, that at least two corporate resources participate in the meetings, which must provide timely information to the appointed persons of the Company/Top Managers. If, for reasons of expediency, confidentiality or otherwise, the meeting takes place or must be conducted individually, must be in writing motivated;
- provide, if the assessment phases are preceded by a generic invitation from the Company to appear before the Public Authorities, that the appearance is preferably made through two appropriately delegated parties;
- pass on any request for documentation received from the appointed officials through the Managers of the Departments involved or the authorized subjects of the Company;
- take action, if it is not in a position to produce the required documentation, to formally request the necessary documentation to the competent Departments;
- track the outcome of the inspection in a specific report, indicating the information provided, the findings made and the position taken by the Company, attaching the requested and delivered documentation;
- ensure that, if the Control Body issues an inspection/verification report, it is signed by the entitled internal subject; the person in charge will take care of all subsequent activities that may be necessary with the Control Body, in coordination with the competent Departments.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the Heads of the Departments involved make a timely notification to the Supervisory Body both in relation to the inspections received and the related outcomes, and in case in which the Judicial Authority has started an investigation against the subjects referable to the Company or in which the same has been involved, and in case of critical issues, anomalies, disputes or conflict of interests emerged in the context of the relationship with the subjects belonging to the Public Administration.

Intercompany financial and commercial relations management

All Recipients who, due to their position or their function or specific appointment, are involved in the management of Intercompany financial and commercial relations, also in collaboration with the functions provided by SECI, where required by

existing agreements, are **obliged** to ensure the implementation of the following safeguards:

- relations with and between Group companies must be managed in compliance with the principles of managerial autonomy, fairness, transparency and effectiveness, as well as of asset segregation;
- the Company, within the limits established by current legislation, provides in a timely and complete manner the information, clarifications, data and documentation required by SECI in the performance of its control functions;
- may entertain, on behalf of OM, relations with SECI and with the other companies of the Group exclusively those persons who have been formally appointed or authorized to do so;
- intercompany transactions must always take place in accordance with criteria of substantial correctness and must be previously regulated on the basis of contracts stipulated in writing. These operations must be regulated at market conditions, based on assessments of reciprocal economic convenience, also having regard to the common objective of creating value for the entire Group;
- the criteria for determining the considerations for the services rendered or received must be identified and, with reference to the commercial and/or financial transactions carried out with Group companies, these fees must be determined using predefined methods and policies, including the comparison with the market prices[9];
- definition of an authorization procedure in the event that conditions differing from market values or predefined criteria and policies are established;
- preparation, on an annual basis, of a statement relating to intra-group transactions concluded during the reference period, to be sent to the Board of Directors and the Supervisory Body.

With particular reference to the hypothesis in which service contracts are stipulated with SECI and/or with the subsidiaries, the Company, also in accordance with Group policies/procedures, ensures that:

- these agreements meet the needs of rationalization and efficiency of the business activities of the parties involved and, in particular, of the beneficiary company;
- the provision of the services, object of the aforementioned agreements, is governed by a written contract, in which the roles and responsibilities are clearly identified as well as, in compliance with the principles of inherence, appropriateness and certainty, the object, the methods of execution and the exact fee;
- in particular, the supply of the service takes place in accordance not only with the current legislation, but also with the preventive measures established by the internal control system of the Company, also through the provision of specific clauses with which the parties undertake to comply of the principles

[9] The criteria used to determine the price of these transactions must be tracked.

and organizational, management and control principles established in this Model as well as in the Code of Ethics;

- clauses with which the company receiving the service is required to certify the truthfulness and completeness of the information and documentation sent to the disbursing company, for the purposes of performing the services requested, are adopted;
- the effectiveness of the supply of the service is verified, through careful monitoring with regard to compliance with the agreed conditions and procedures;
- appropriate termination clauses are adopted to protect the Company in the event of a counterparty being convicted pursuant to and in accordance with Legislative Decree 231/2001, and/or safeguard clauses in the event of default or incorrect fulfilment.

In the context of the activity at risk in question it is **forbidden** to:

- engaging in behaviours that may directly or indirectly integrate an offense in the context of intercompany relationships, such as, but not limited to:
  - transfers of money between current accounts of Group companies that are not adequately justified by commercial transactions or any cash pooling contracts;
  - use of encrypted bank accounts;
  - payment for services that have not actually been supplied;
  - payment in cash or with non-traceable means of the consideration for intercompany services.

All the parties involved are required to promptly communicate to the Board of Directors any situations of personal conflict of interest with that of the Company, and to the Supervisory Body any anomalies found, as well as, on an annual basis, the service contracts that govern the relationships between OM and the Group companies.

Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships

All Recipients who, due to their office or their function or specific appointment, are involved in Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to ensure the implementation of the following safeguards:

- compliance with the principles of the Code of Ethics, the current legislation and regulations in force;
- any investments and disinvestments, in terms of mergers, acquisitions or demergers, that involve the Company must be subjected to a preliminary investigation process carried out by an internal assessment team, identified on the basis of predefined criteria, including relevance and competence;

- the preliminary analysis must include:
    - a process of due diligence and a technical and economic evaluation[10];
    - verification of reliability and reputation of the counterparty according to the indications declined for the processes related to the Management of requirements and purchases and to the Management of assignments and consultancy;
- the outcome of the preliminary investigation is communicated to the top management bodies for the relevant resolutions;
- meetings with counterparty representatives (such as decision-making or programmatic meetings, aimed at formalizing deeds/contracts/agreements) must be conducted in compliance with the rules of conduct expressed in the corporate Code of Ethics and must preferably be attended by at least two Company representatives. However, the date, the objectives/motivations and the participants of these meetings must be tracked and this information must be properly filed and stored.

In particular, in developing relations with other Italian or foreign Partners through the establishment of new companies and/or the signing of joint venture contracts or similar, the Recipients are further **obliged** to:

- ensure that the selection of the Partner are authorized by the entitled subjects of the Company, in accordance with the current system of powers of attorney/internal proxies, and are made on the basis of objective, transparent and documented criteria;
- identify as potential Partners subjects who have a respectable reputation and who are engaged only in lawful activities and who are inspired by ethical principles similar to those contained in the Company's Code of Ethics;
- verify the commercial reliability and professional standing of the Partners in line with the determinations established by passive cycle, also using data or information obtained from independent third party/companies, for example, through the verification of the absence in international black lists, the request for informative brochures, self-declaration relating to pending charges, the latest financial statements and any other useful information;
- do not establish any business relationship if the results of the verification indicated above lead to a negative assessment by the Partner and do not constitute any form of collaboration with companies that have been convicted in criminal proceedings or that have criminal proceedings in progress[11].

Within the aforementioned behaviours, it is **forbidden** to:

- commit the Company with verbal contracts with the counterparty;
- issue or accept invoices for non-existent transactions;

[10] If it is decided to entrust the analysis to independent and qualified third parties, they must be selected in compliance with the control elements established for the Management of requirements and purchases and to the Management of assignments and consultancy.

[11] With particular reference to the cases envisaged by Legislative Decree 231/2001.

- make payments and recognizing reimbursement of expenses in favour of the counterparties, which are not adequately justified in relation to the type of activity carried out, which are not supported by fiscally valid documents and which are not shown on the invoice and not provided for in the contract;
- certify receipt of non-existent commercial services;
- create equity funds for contractual transactions, from outside the accounting system, at conditions higher than those on the market or for totally or partially inexistent billing;
- settle additional fees, premiums or exception with respect to the provisions of the signed contract;
- establish relationships with Partners or third parties if there is a well-founded suspicion that this could expose the Company to the risk of committing one of the crimes governed by Legislative Decree 231/2001.

Management of requirements and purchases

All Recipients who, due to their office or their function or specific appointment, are involved in Management of requirements and purchases, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to ensure that:

- in carrying out the aforementioned activity, the Code of Ethics, the current legislation and regulations in force as well as the rules outlined below for the selection and management of suppliers are respected;
- the acquisition of works, services and supplies takes place in compliance with the principles of effectiveness, efficiency and cost-effectiveness, as well as the arm's length, non-discrimination and equal treatment principles, based on what was previously planned by the competent Departments in relation to verifiable criteria, as much as possible objective, standardized, predetermined and linked to actual management and business needs;
- the Departments or internal subjects entitled to request for services, those responsible for authorize them and those with powers of signature are appointed in advance and in accordance with the powers conferred by the system of powers of attorney/corporate powers and organizational responsibilities, for each type of purchase and amount bands, so as to guarantee that all the operations and acts performed fall within the scope of the powers conferred;
- each purchase is motivated and submitted for approval by the budget holder, subject to verification with the area budget, or by the entitled parties of the Company based on the system of powers and proxies in force. If a Purchase Request is not present in the budget, it must be submitted for approval by the Company's authorized parties;
- the criteria used in the selection of Italian or foreign suppliers are predefined, including price, quality, payment terms, reliability and timeliness of deliveries;
- the commercial reliability and the professional reputation of the suppliers are verified, also through the establishment of a supplier registry, through the

request, for example, of information brochures, Chamber of Commerce certificates with bankruptcy statement, specific authorizations requested by the law, self-declarations relating to pending proceedings, last financial statements, anti-mafia statements and any other useful information. In particular, the following elements are to be assessed among the requirements of reliability/integrity of economic operators, based on the type of subject, supply or service and relative amounts, to be acquired also through a substitute declaration:

- the correspondence between the corporate purpose and the subject of the requested service, by verifying the company registration;
- the inexistence of the state of insolvency, bankruptcy, liquidation, preventive arrangement or other equivalent situation, as well as disqualification measures imposed pursuant to Legislative Decree 231/2001;
- the absence of convictions of directors and partners or of the owner, if an individual entrepreneur, for any crime concerning professional integrity, such as to prejudice the exercise of the activity or the reputation/reliability of the company;
- the compliance with the contribution, tax, social security and insurance rules in favour of its employees and collaborators;
- the supplier selection process:
  - occurs, through the comparison of several offers[12], except for special cases that must be properly motivated (such as low-value contracts, intercompany agreements, specific and/or mandatory requirements, etc.);
  - is implemented, in the technical-economic evaluation phase of the offers, with the involvement of several internal subjects;
  - foresees the following safeguards:
    - the adoption of the best quality/price ratio, as a guiding parameter of the offers evaluation criteria;
    - the evaluation, during the selection process, of the ability of contractors or self-employed workers to guarantee the protection of health and safety of both the workers employed by them and those of the Company;
    - the verification of the technical-professional suitability of contractors or self-employed workers in relation to the work to be contracted out or by contract of work or administration, according to the procedures set out by art. 26, paragraph 1, of Legislative Decree no. 81/2008;
    - the communication to the aforementioned subjects of detailed information both on the specific risks existing in the environment in which they operate, and on the prevention

[12] At least 3 offers for contract of an annual value higher than € 30.000,00.

and emergency measures adopted in relation to their own activity;

- the development of a "Single Document for the Evaluation of Interference Risks" (DUVRI) aimed at:
  1. cooperating in the implementation of prevention and protection measures against occupational risks;
  2. coordinating prevention and protection measures against the risks to which workers are exposed, informing each other, also in order to eliminate the risks due to interference between the works of the various companies involved in the execution of the overall work.

- guarantees that the aforementioned contracts indicate the costs related to work safety, with particular reference to those related to the specific contract;
- provides for the formalization and traceability of the verifications carried out on the mandatory documentation - pursuant to the relevant legislation - at the time the contractors enter the plant;

- only supplies deemed appropriate with respect to market values and actual needs are provided; the hierarchical manager who identifies and negotiates the supply of the good and/or service must certify, with a declaration to be sent to the administration before payment and to be filed with the Company, the congruity of the agreed fee. This certification can also be expressed by sending a specific e-mail;

- the traceability of the supplier selection process is guaranteed, through the formalization and filing of the relative supporting documentation.
- in the management of relations with suppliers, contractual clauses are introduced with which:
  - the company concerned declares to comply with the principles set out in Legislative Decree 231/2001, as well as to comply with the principles of the Code of Ethics adopted by the Company;
  - the company concerned declares, where possible, that it has put in place all the necessary obligations and safeguards aimed at preventing the offenses indicated above;
  - the company concerned declares that it employs exclusively staff employed under a regular employment contract and has adopted the measures provided to protect the individual and the worker in full compliance with the law;
  - the Company's right to terminate the contract pursuant to art. 1453 c.c. in the event of non-truthfulness of the aforementioned declarations and/or failure to comply with the commitments undertaken.

- in particular, in the contracts for supply of goods protected by industrial/intellectual property rights, specific clauses are provided with which it is confirmed that:
    - the counterparty is the legitimate holder of the economic exploitation rights on the trademarks, patents, distinctive signs, designs or models or on intellectual works (*i.e.* software, data banks), object of sale or concession in use or has obtained anyway , from the legitimate owners, the authorization to grant them to third parties, and has complied with the legislation protecting industrial property and copyright;
    - trademarks, patents, distinctive signs, designs or models as well as intellectual property, subject to assignment or concession in use, do not violate any right of third parties;
    - the counterparty undertakes to indemnify and hold the Company harmless from any damage or injury as a result of the non-truthfulness, inaccuracy or incompleteness of such declarations;
    - the non-truthfulness of the aforesaid declarations constitutes (or could constitute) in all respects a serious breach, pursuant to art. 1455 c.c.;
- if these clauses are not accepted by the counterparty, the Company must notify the Supervisory Body by sending a summary e-mail of the reasons given;
- are carried out:
    - in case of goods, the verification of compliance of the sender and the goods received with respect to what was ordered, as far as possible (check of consistency of the quantities and type of material between the delivery note accompanying the goods delivered/DDT and the order or the contract of the supplier);
    - in case of services, verification of the regularity of the service, verifying compliance with the contractual terms;
    - upon receipt of the passive invoice, for the purpose of its acceptance, verification of the successful and correct sevice in accordance with the contractual requirements;
    - payment instructions, commitments and guarantees issued by the Company to third parties only with the prior authorization of subjects with appropriate powers;
- a prompt communication to the competent Department is made of any delays and/or defects detected during the service, and a proposal is formulated of the possible actions to be taken;
- the physical inventory of the warehouses subject to comparison with the theoretical data recorded by the company application system is periodically performed, also taking into consideration the scrapping and disposal of goods/material occurred in the reference period, with consequent analysis of the causes of any deviations in the warehouse movements, object of

communication to the competent Department for the verification of the quantities and reasons for movement;

- in the matter of safety at work, the Employer or any Delegated Persons, each according to the responsibilities and the spending powers assigned by the system of powers of attorney and proxies in force, shall, also in collaboration with the competent Department, in the case of unplanned purchases, which cannot be postponed and which are urgent, the absence of which could immediately lead to the risk of serious or very serious injuries to the Company's workers (or external parties, under its scope of responsibility), to the prompt processing of the purchase request, selecting, after motivation, the assignment procedure deemed most appropriate in relation to the risks highlighted;
- the regularity of payments is verified, with reference to the full coincidence between recipients and counterparties actually involved.

Within the aforementioned behaviours, it is **forbidden** to:

- make inadequately documented payments;
- make payments in cash, on encrypted or non-registered accounts of the supplier or other than that provided for in the contract;
- make payments in countries other than that of the supplier's residence;
- create funds for (totally or partially) unjustified payments;
- carry out any commercial or financial transaction, both directly or through a third party, with subjects (natural or legal persons) whose names are contained in the Lists available at the Bank of Italy, or by subjects controlled by them, when such control report is known; perform services in favour of consultants, partners and suppliers that do not find adequate justification in the context of the contractual relationship established with them and recognize their remunerations that are not adequately justified in relation to the type of task to be performed and the local practices in force;
- offer, promise, give, pay, accept any request for money or other benefits to/from a subject related to the counterparty or authorize anyone to give or pay, directly or indirectly, any sum of money, other benefits, advantages or any value to a subject belonging to or linked to the counterparty in order to inappropriately promote the interests of the Company or in any case in violation of current legislation;
- apply other forms of aid or contributions (gifts, sponsorships, representation expenses towards third parties, assignments, consultancy, assistance and support to family members, etc.) that have the same purposes as those aforementioned;
- settle additional fees, premiums or contractual exceptions unless expressly authorized by a party with appropriate powers;
- recognize reimbursement of expenses to suppliers, and in general other fees, which are not included in the contract;
- establish relationships with suppliers if there is a well-founded suspicion that this:

- employ foreign citizens without a regular residence permit;
- subject their employees to unsuitable health and hygiene conditions;
- employ staff by exploiting and taking advantage of the relative state of need as defined by the legislator[13];
- could expose the Company to the risk of committing one of the crimes governed by Legislative Decree no. 231/2001.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the competent Department is required to periodically communicate, on a six-monthly basis, to the Supervisory Body a summary report on the purchases made, indicative suppliers, purchase types and amount.

Management of assignments and consultancy

All Recipients who, due to their office or their function or specific appointment, are involved in Management of assignments and consultancy, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure transparency, objectivity and traceability in the selection of consultants/professionals/law firms of which the Company avails in the exercise of its activities, appropriately assessed in relation to the area of competence, size, experience and reliability and reputation of the counterparty[14];
- apply for external consultants only following a real need corresponding to specific and predetermined objectives and projects;
- select the consultant/professionals/law firm as part of a panel of preliminarily qualified operators, also applying appropriate rotation policies, or by activating market research, after comparing several offers. Where, for operational needs, also continuity of action by the collaborator, it is necessary to apply for repeated or fiduciary assignments, the requesting Department must motivate the aforementioned needs in writing;
- proceed with the assignment of the single appointment by:
  - formal request presented by the company subject concerned;
  - preparation of a report including the indication relating to the expressed need, to the possible solution, to the consultant/professional/law firm candidate to follow the activity;
  - request for more estimates and adequacy assessment by the competent department;
  - authorization by the Company's entitled parties[15];

[13] See article 603-*bis*, paragraph 3, c.p., on the matter of «I*llicit brokering and labour exploitation*».

[14] In accordance with the control elements established for *Management of requirements and purchases.*

[15] Based on spending limits in accordance with the system of powers of attorney/company delegations.

- regulate relations with consultants/professionals/law firms, including labour law firms, by means of prior written agreements and on the basis of pre-established fees. The competent Departments are required to assess the adequacy of the fees applicable to each contract/agreement, taking into consideration the requirement of compliance with the market references;
- establish in the formal agreements, duly signed by the entitled subjects of the Company and the counterparty on the basis of the powers assigned to them, specific resolution and safeguard clauses in accordance with the control elements established for the aforementioned Management of requirements and purchases;
- certify the performance of each professional/firm appointed, verifying the correctness of the invoices issued with respect to the activities actually carried out and the rates conventionally established in the reference contract/assignment.

As part of the aforementioned behaviours, it is **forbidden** to:

- supply services in favour of consultants/professionals/law firms that are not adequately justified in the context of the contractual relationship established with them and acknowledge their remuneration that is not adequately justified in relation to the type of task to be supplied and the local practices in force ;
- confer duties and/or consultancy to subjects or third parties which are at risk of commit organized crime, terrorism and money laundering or a crime in order to obtain interests or advantages for the Company or for themselves;
- offer or confer an assignment or consultancy to a subject belonging to or linked to the counterparty, or accept the related request, in order to improperly promote or favour the interests of the Company or, in any case, in violation of applicable laws;
- grant to consultants/professionals/law firms additional fees or contractual derogations unless expressly authorized by a person with appropriate powers;
- establish relations with consultants/professionals/law firms if there is a well-founded suspicion that this could expose the Company to the risk of committing one of the crimes regulated by Legislative Decree 231/2001.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Real estate management

All Recipients who, due to their office or their function or specific appointment, are involved in Real estate management, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure correctness, transparency and traceability in real estate transactions carried out in the name and on behalf of the Company, acting in compliance with applicable laws and regulations;
- maintain trade relations with third parties (public or private), for the purpose of renting or buying/selling real estate of the Company or on its behalf, only if a mandate has been formally conferred to do so (with appropriate power of attorney or organizational provision for internal parties, or with a specific

clause in the collaboration contract or consultancy or partnership for the other subjects indicated);

- attend the meetings with the representatives of such third parties, aimed at formalizing contracts/agreements, at least in two. Of these meetings, however, the date, the objectives/motivations, the participants and the outcome of the same must be tracked;
- manage the aforementioned relationships in compliance with the rules of conduct expressed in the corporate Code of Ethics and set out in this document in relation to relationships with public and private counterparties;
- immediately suspend any relationship, and promptly inform the Supervisory Body, in the event that requests are received, explicit or implicit, for benefits of any kind from third parties, their representatives or intermediaries, or if they have induced them to give or promise money or other benefits;
- identify the real estate assets of potential interest to the Company or property owned by the same to lease or sale to third parties, based on the analysis of the needs and/or the business investment plan, also with the assistance of commercial intermediaries/external consultants. The latter are required to comply with the management principles and rules expressed in this document also through the provision, in the context of the relative contracts, of specific termination clauses in the event of violation of aforementioned rules as well as those contained in the corporate Code of Ethics;
- provide, in the preliminary phases to the stipulation of real estate contracts/agreements, as well as in the subsequent phases in the management of the relationship, in the case of buyers/sellers/landlords/conductors/real estate intermediaries of not recognized reliability, to the appropriate counterparty reliability/integrity verifications in accordance with the control elements established for the Management of requirements and purchases;
- ensure that the negotiation, definition and renewal of economic and contractual conditions are carried out according to pre-established criteria, or in any case objective, verifiable, based on market values, also by resorting to external technical opinions and/or qualified external consultants. Any economic and contractual conditions not in line with the aforementioned determinations must be duly justified and approved by the Company's authorized parties;
- guarantee the approval of the established economic and contractual conditions, together with all the documentation also necessary for the appropriate identification of the counterparty, by the authorized parties of the Company;
- ensure the signing of the real estate contract, prepared by the competent internal Departments, only by the entitled parties of the counterparty and the Company, in accordance with the powers conferred by the system of powers of attorney and proxies in force.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Asset management

All Recipients who, due to their office or their function or specific appointment, are involved in Asset management, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to guarantee the implementation of the following safeguards:

- operate in compliance with the principles of correctness, transparency and traceability in the management of company assets (cars, mobile phone, tangible assets, technical instrumentation, etc.), observing the applicable laws and regulations, as well as the policy/procedures in force;
- the competent Departments ensure the inventory of the relevant assets, or the unambiguous identification where applicable, the registration in the system also through the management of a dedicated registry, identification of the place of storage/use/installation and of the Department involved, which is responsible for the correct management of the asset;
- the competent Departments provide for the planning and implementation of appropriate maintenance activities, also by preparing appropriate schedules and keeping track of all the connected activities, as well as the constant monitoring of the integrity and compliance of the assets with the current legislation;
- the competent Departments are required to register the users of the asset, appropriately authorized by the Company's entitled parties, as well as the charges, terms and conditions of use, including the duration, the purposes/destinations and reasons of utilization;
- the competent Departments also ensure appropriate monitoring activities regarding the correct use of the assets by the users, ensuring compliance with the pre-established conditions of use;
- the users must comply with the defined policy/procedures and appropriate codes of conduct for the possession, use, custody and conservation of the assets, as well as communicate any changes to the competent Departments during use or return in the pre-established usage parameters, anomalies or non-conformities found, and possible events of loss or theft;
- the procedures for the disposal of company assets (such as donation or sale) are established by the competent Departments; the divestment activities are carried out in compliance with the applicable control elements established in this document and with the internal policy/procedures.

As part of the aforementioned behaviours, it is **forbidden** to:

- misappropriate Company's or third parties' assets, even temporarily and/or exploiting errors of others;
- lend or donate assets to individuals or third parties at risk from organized crime, terrorism and money laundering or a crime committed in order to obtain interests or advantages for the Company or for themselves.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Selection and hiring of staff

All Recipients who, due to their office or their function or specific appointment, are involved in Selection and hiring of staff, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics, the current legislation and regulations in force;
- operate in compliance with the meritocracy and equal opportunities criteria, without any discrimination based on sex, racial and ethnic origin, nationality, age, political opinions, religious beliefs, health status, orientation sexual, social-economic conditions, in relation to the real needs of the Company;
- carry out selection activities aimed at guaranteeing that the selection of candidates is made on the basis of objective considerations of the professional and personal characteristics necessary for the execution of the work to be carried out, avoiding any kind of favouritism;
- in particular, ensure the periodic planning process of the Company's workforce in relation to the needs of the corporate Departments, the budgetary constraints and the regulatory/contractual provisions, subject to approval by authorized parties;
- activate the personnel selection process, subject to the authorization of the competent Departments, based on the needs expressed in the aforementioned planning and on the basis of a traced and motivated request of the requesting Department; any requests for assumptions not included in the budget, or not provided for in staff planning, must be appropriately justified, therefore authorized by the appropriately entitled parties;
- ensure that:
  - the personnel search and selection process takes place:
    - through the comparison of several suitable candidates with respect to the required requisites, selected on the basis of the screening of curricula vitae received, or with the support of third-party personnel selection agencies, employment centres or employment agencies or *Head Hunters*;
    - through the involvement of the requesting Department and the other involved Departments, based on a shared assessment of the technical-professional and attitudinal capacities of the candidate examined;
    - for collaborations, through the application of appropriate rotation policy; if for operational needs, including continuity of action by the collaborator, it is necessary to apply for repeated tasks, the requesting Department must motivate in writing the aforementioned needs;
  - the definition of the economic conditions is consistent with the position held by the candidate and the responsibilities/tasks assigned, in compliance with the internal policy and/or the relevant CCNL, and in line with market values in relation to the type of employment relationship and the professional figure concerned, and subject to the authorization of the Company's entitled parties. Any economic proposals that are not in line with the aforementioned determinations must be justified and tracked;

- the direct or indirect relationships of the candidate with subjects of the Public Administration are ascertained and evaluated, also through self-declaration, during the selection process;
- the verification of the reliability/integrity of the selected candidate takes place through the examination of a self-declaration, made pursuant to the current legislation, certifying the absence of criminal record pursuant to Legislative Decree 231/2001;
- the formal documents/letters/deeds aimed at assuming personnel are signed by the internal subjects with specific power of attorney or proxies on the subject and by the candidate concerned;
- personnel is employed only and exclusively with a regular employment contract;
- in addition, in the use of external collaborators:
  - appropriate termination clauses are provided for in collaboration agreements in the event of non-compliance or violation of the Code of Ethics and the provisions of this Model and receipt and viewing by the employee of the aforementioned documents;
  - the effective supply of service is verified on the basis of what is formally certified by the requesting Department in accordance with the objectives of the project and/or the consultancy;

- during the insertion of new personnel, guarantee verification of the acknowledgment of the following documents: this Model, the Code of Ethics, the information relating to privacy and risks in the field of Safety at Work specific to the job to be filled;
- comply with the legal obligations inherent to the authorizations for facilitated assumptions, guaranteeing, in the preparation of the relative documentation, diligence and professionalism in order to provide the competent public bodies with clear, complete and truthful information.

Within the aforementioned behaviours it is **forbidden** to:

- operate according to favouritism;
- tolerate forms of irregular or child labour or exploitation of labour;
- hire personnel, also for temporary contracts, without comply with the regulations in force (for example in terms of social security and welfare contributions, residence permits, etc.);
- assume or promise to hire, in the absence of the meritocracy requirements and the real needs of the Company, personnel connected to the Public Administration or relatives of public officials, or persons close to these subjects or intermediaries;

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the competent Department is required to annually communicate to the Supervisory Body a summary of all the assumptions/collaborations carried out during the relevant period, indicating the requesting Department and any *staffing* methods in derogation of the control procedures/elements described in this process.

Employment of third country staff

In addition to the management protocols defined for Selection and hiring of staff, the Company ensures that the process of hiring and/or employing third-country nationals is in compliance with current legislation on immigration and guarantees the following additional safeguards:

- correct implementation of operating procedures for hiring foreign staff, defined by the competent bodies (Interior Ministry, Immigration Offices, etc.);
- validity verification on the residence permit and/or the prior stipulation of the residence contract, if the foreign worker is already resident in Italy;
- supervision on the maintenance of the validity requirements of the residence permit (deadline, request for renewal, renewal or revocation), requesting its renewal at least 4 months before the indicated deadline and activating the appropriate actions should any violations of the aforementioned requirements be found or may arise ;
- in the event that the Company makes use of third parties, who operate in its name and on its behalf, to carry out the aforementioned activities, they are required to guarantee the implementation of the control elements defined in this Model through their organizational structure. To this end, appropriate safeguard clauses must be included in the contracts stipulated with these third parties and appropriate verification activities regarding the correct execution of the commissioned activities.

Within the aforementioned behaviours it is **forbidden** to:

- hire personnel, also for temporary contracts, without compliance with the regulations in force concerning social security, taxation, insurance and immigration regulations, etc.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Staff development and incentive

All Recipients who, due to their office or their function or specific appointment, are involved in Staff development and incentive, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure transparency and impartiality in the process of assessment and professional growth of its staff; career development systems and incentive systems that may be adopted are objective and proportionate to individual and company performance;
- if provided by the company strategic guidelines, annually on the occasion of the budget elaboration, define on the basis of the indications of the Department Managers the portion to be allocated to the staff incentive and development and pay increase system, as well as the policy, the objectives to be achieved and the tools for evaluating the results achieved[16];

[16] Pay bonuses and increases must be in line with company performance and commensurate with market values.

- assess, at the end of the observation period, the degree of achievement of the defined objectives, to propose the measure of the incentives/salary increases to be recognized, subject to approval by the entitled parties.

Within the aforementioned behaviours it is **forbidden** to:

- promise or grant promises of career advancement to personnel close to public officials or intermediaries, when this does not conform to the real needs of the Company and does not respect the principle of meritocracy.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Management of attendance and travel expenses

All Recipients who, due to their office or their function or specific appointment, are involved in Management of attendance and travel expenses, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to guarantee the implementation of the following safeguards:

- accounting for staff attendance/absences, verifying and ensuring that within the Company working conditions that respect personal dignity, equal opportunities and a suitable working environment are ensured, in compliance with the collective bargaining regulations of the sector and social security, tax and insurance legislation. In particular, it must be ensured that working hours, rest periods, holidays, permits and mandatory expectations are consistent with the provisions of the relevant C.C.N.L. and current legislation;
- verify that the employees' travels have been previously authorized by his hierarchical Manager;
- ensure that the prior request for travel funds is transmitted to the competent Department which authorizes the payment in advance, if necessary;
- correctly report the expenses incurred for the transfer, in compliance with the reimbursable expense items also defined in specific internal policies, through the preparation of an expense report, to be attached the relative fiscally valid receipts;
- verify, before making the reimbursement, that the expenses incurred are inherent in the performance of the work and adequately documented by the allegation given above and that the employee, at the end of the trip, has submitted the expense report for approval to the hierarchical superior;
- check that the expense report is sent to the competent Department which, following verification of the correctness and completeness of the supporting documentation, provides for reimbursement;
- manage any travel requests for non-employees (customers, consultants, etc.) in the same way as for employees and must be properly justified, authorized and properly reported.

Within the aforementioned behaviours it is **forbidden** to make reimbursement of expenses that:

- have not been previously authorized;
- are not adequately justified in relation to the type of activity carried out;

- are not supported by fiscally valid receipts;
- are not shown in the note.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Management of current accounts, collections and payments

All Recipients who, due to their office or their function or specific appointment, are involved in Management of current accounts, collections and payments, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics, the laws and regulations in force with reference to the methods of execution of payments/collections and financial transactions;
- motivate the use of financial resources and certify their relevance and congruity;
- guarantee the traceability of the decision-making phases relating to financial relationships with third parties, by archiving the relevant documentation supporting the transactions;
- ensure that all the provisions on bank current accounts in the name of the Company, as well as payments made in different ways (for example, non-transferable checks, company credit cards), are adequately documented and authorized according to the current system of proxies;
- provide for the establishment of relationships exclusively with credit/financial institutions of undeniable integrity and financial stability, as well as the establishment of such relationships or the disposal of those in existence only with prior authorization by the Company's entitled parties;
- proceed with the operations of opening/closing current accounts, to the allocation of the funds contained therein, to the request for credit lines and other operations, even of an extraordinary nature, only if duly justified and authorized by the Company's entitled parties, in accordance with the powers conferred by the system of proxies in force;
- provide for periodic bank reconciliation and account monitoring activities, as well as a timely notification, by the competent Functions to the entitled parties, of any anomalies or discrepancies encountered in defining the appropriate actions to be taken;
- authorize the management and handling of financial flows only subjects with specific power of attorney;
- set limits on the autonomous use of financial resources, by defining quantitative thresholds consistent with the roles and organizational responsibilities assigned to individual persons;
- ensure that all cash flow movements are carried out with traceable instruments;
- to guarantee that all payments are made with invoices managed by the system with the relative orders and in any case approved by the requesting

Department which attests to the supply thereof and consequently authorizes the payment. In particular, before the payment arrangement, it is necessary to verify:

  - the formal regularity and correctness of the invoice received and any associated transport documents, or the correspondence/capacity of the relevant contract/order and the personal data of the creditor;
  - the presence of all signatures authorizing payment by the entitled parties;
  - the authorization by the internal contact person, identified as responsible for the contract or the creditor, to regularly supply the service and the amounts to be paid, also by recording the completeness of the documentation certifying the supply/performance[17];

- guarantee that the payment of invoices in the absence of order/contract takes place upon motivation and approval of the competent approval position and authorization of the entitled parties;
- record the anomalies in the amounts invoiced and the return operations due to quantitative/qualitative discrepancies in deliveries to the customer;
- make payments exclusively in the ways permitted by current legislation, to guarantee the traceability of the operation carried out, the amount, the sender, the recipient and the reason;
- execute payment transactions by home banking, through a special security device, according to the amount and in accordance with the system of proxies in force, or by entitled parties;
- do not allow cash payments, with the exception of those of non-significant value (revenue stamps, etc.) or purchases in the square[18], allowed for urgent expenses and a predefined maximum amount established in compliance with legal limits;
- ensure that payments through cash are properly authorized;
- for the management of cash and purchases in the square, provide for the correct accounting and administrative management of the receipts, receipts and invoices relating to the expenses incurred, the latter being the object of approval by the internal referents / competent approval positions;
- keep the supporting documentation for the registration of cash flows by the competent Department, which ensures the periodic monitoring of the cash deposit / handling;
- allow the use of credit or prepaid cards provided that:

[17] The Head of the competent Departments keeps the administration area informed of the anomalies found in acceptance of the goods and of the actions taken with the supplier.

[18] The purchase on the square is a purchase made in case of urgency where pre-established conditions are present, such as, precisely, the urgency and/or limited amounts and the impossibility or economic convenience to follow the normal purchase procedures can be demonstrated

  - the authorized parties/beneficiaries are prior identified;
  - the control of congruity and consistency of the expenses made with the established determinations is guaranteed, also through the verification of the related tax valid justifications;

- with reference to the active cycle, ensure the preparation and issue of the active invoice:
  - on the basis of the customer order, the quantities delivered and the established prices, or the debit note in the event of a quantitative/qualitative anomaly in the goods delivered by the supplier;
  - subject to approval by the competent Departments of the actual delivery of the products to the customer in accordance with the Sales Order;

- guarantee:
  - for any cash entry, the verification of the correspondence of the receipts with the related documents of the active cycle, as well as the verification that there are no anomalous elements in the receipt, non-correspondent sender, missed correspondence of payment with the bill issued;
  - periodic check with bank statements to verify the completeness of the amounts collected through bank transfers, bank receipts, checks and bills of exchange;
  - periodic monitoring of all incoming and outgoing movements and the communication to the competent Functions of any anomalies found during the payment and collection phase, for the definition and implementation of adequate preliminary actions to the payment arrangement or consequent to the collection phase.

Within the aforementioned behaviours, it is **forbidden** to:

- make payments for cash or non-traceable means of payment;
- make inadequately documented or unauthorized payments;
- create funds for (totally or partially) unjustified payments;
- make payments for which the adequacy of the agreed consideration has not been attested;
- open accounts or savings accounts anonymously or with a fictitious header and use accounts opened at foreign branches where this is not related to the underlying economic/commercial activity;
- promise or pay sums of money, even through third parties, to the employees of private counterparties, even personally, for the purpose of promoting or illegally favouring the interests of the Company.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the competent Department is required to periodically communicate, on an annual basis, to the Supervisory Body a summary report on the closing

operations of the current and destination accounts of the relative funds, as well as any anomalies found in the collection and payment activities.

Credit management

All Recipients who, due to their office or their function or specific appointment, are involved in Credit management, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to guarantee the implementation of the following safeguards:

- constant updating of the accounting situation *vis-à-vis* debtors and the related due dates, providing for the correct allocation and timely recording of individual credit items and related collections;
- the periodic preparation of the summary situation of the overdue receivables subject to communication to the Department Managers; the Departments are required to return, within a set deadline, an information note containing the indications relating to the possible causes and methods of treatment of the credit situations;
- upon the expiry of each credit, within a predetermined time frame also in relation to the type of customer and in relation to what has been agreed with the Company's entitled parties, the issue of one or more formal solicitation notices to the debtor;
- if the collection has not occurred within the established terms, the activation, subject to the authorization of the Company's entitled parties, in accordance with the powers conferred by the system of proxies in force, a repayment plan or legal action or the motivated decision to stop the recovery action.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found to the Supervisory Body, the competent Department is required to periodically communicate, on an annual basis, a summary statement of the receivables written off with the relative amounts.

Litigation management

All Recipients who, due to their office or their function or specific appointment, are involved in Litigation management, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- transmit to the competent Department, if it is acknowledged the existence of the conditions for the activation of a dispute with third parties, all the elements necessary to assess the case and, if necessary, with the prior agreement of the Company's entitled parties, start the appropriate procedure, attaching the documentation showing the reasons for the action and all relevant documents;
- evaluate, where necessary with the support of external professionals/lawyers, both in the pre-litigation management phase and in the litigation, both active and passive, the possible actions to be taken out of court, mediation and/or settlement, object of sharing with the entitled parties;
- to ensure, following the assignment entrusted to the designated professional / law firm:

- the traceability of all the documentation provided to the external legal representative and of the actions established and communicated to it;
- the constant monitoring of the activities carried out and of the procedural strategy implemented by agreement with the external lawyer, also through the elaboration, by the same, of information regarding the progress of the process. The results of this monitoring activity are communicated to the Top management bodies;
- the traceability of the reasons given by all the parties (external lawyers, interested parties, etc.) regarding the decisions established for the outcome of the procedure.

Within the aforementioned behaviour, it is **forbidden** to:

- perform services or payments in favour of external lawyers, consultants, experts or other third parties that operate on behalf of the Company in the context of the activities regulated by this protocol, which are not adequately justified in the context of the contractual relationship established with them;
- adopt behaviours contrary to the laws and the Code of Ethics during formal and informal meetings, also through external lawyers/consultants, to induce judges or members of arbitration boards (including auxiliaries and office experts), or their intermediaries, to unduly favour the interests of the Company;
- adopt behaviours contrary to the laws and the Code of Ethics during inspections/controls/verifications by public Bodies or office experts, to influence the judgment/opinion in the interest of the Company, also through external lawyers and consultants.

With particular reference to relations with the Judicial Authority, in addition to the set of rules referred to in this protocol, the Recipients also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to operate in compliance with the Code of Ethics, current legislation and regulations in force and to know and respect the following:

- in relations with the Judicial Authority, the Recipients are required to lend effective collaboration and to make statements that are truthful, transparent and exhaustively representative of the facts;
- in relations with the judicial authority, the recipients and, in particular, those who should be investigated or accused in a criminal proceeding, also connected, inherent to the work performed in the company, are required to freely express their representations of the facts or to exercise the right not to respond agreed by law;
- reject any attempt to condition the content of their statements and promptly inform their hierarchical superior as well as the Supervisory Body;
- all Recipients, in addition, must promptly notify, through the existing communication tools within the Company (or with any communication tool, as long as in compliance with the principle of traceability), the Supervisory Body of each act, testimony and judicial proceeding (civil, criminal or administrative) that sees them involved, under any profile, in relation to the work activity performed or in any case related to it. The Supervisory Body

may inform the Head of the legal area or other Company Managers, as well as take part in meetings with company representatives and any legal advisors involved;

- the Supervisory Body must be able to obtain full knowledge of the proceeding in progress, also through participation in meetings related to the relative proceedings or in any case preparatory to the defensive activity of the same Recipient, also in the cases in which the aforementioned meetings envisage the participation of external consultants.

Within the aforementioned behaviours it is **forbidden** to:

- coerce or induce, in any form and in any way, in the misunderstood interest of the Company, the intention of the Recipients to respond to the Judicial Authority or to make use of the faculty of not answering;
- accept, in relations with the Judicial Authority, money or other benefits, including through consultants of the same Company;
- induce the Recipient, in relations with the Judicial Authority, to make false statements.

Without prejudice to the obligation, for all the parties involved, to carry out the communications indicated above and to report any anomalies found, the competent Function is required to periodically communicate, on an annual basis, to the Supervisory Body of a list of the active and passive disputes initiated and those concluded, with indication of the object, value and name of the external professional.

Management of gifts and entertainment expenses

All Recipients who, due to their office or their function or specific appointment, are involved in Management of gifts and entertainment expenses, are required to conduct these activities in a transparent and documentable manner and to observe the existing legal provisions on the subject, the behavioural rules referred to in the Code of Ethics of which the Company has adopted, as well as the methods set out below in this Special Section.

Courtesy gifts or acts of hospitality[19] are permitted only when:

- are reasonable and such, by nature or by value, that they cannot be interpreted by an impartial observer, as aimed at obtaining favourable treatment by the recipient of the same or, in any case, such as not to influence the independence of judgment in the relations with the Company;
- they are always carried out in compliance with the internal rules as well as motivated and addressed to subjects connected to company activities (*i.e.* clients, business partners) and to which reputational requisites generally accepted, and in relation to legitimate business purposes;
- fall within the area budget and are authorized by Company's entitled parties[20];

[19] Gifts/hospitality can never consist of cash payments.

[20] In the case of courtesy gifts or acts of extra-budget hospitality or any exceptions to the aforementioned operational indications, these must be the subject of a detailed request, specifically

- are modest in amount and given, taking into account the recipient's profile, on the occasion of holidays, special occasions or promotional moments, according to the local customs and practices in force in institutional or professional relationships;
- are adequately documented, indicating the motivation and the beneficiary, so as to allow their traceability.

As for entertainment expenses:

- they are permitted in respect of subjects and corporate Department authorized by the Company's entitled parties, in compliance with a total amount of expenses to be dedicated to representation activities;
- they must be inherent to the company activities and reported through the preparation of an appropriate expense report, to which the relative valid tax returns are attached, providing the indication of the date, the type of expense, the amount and the beneficiary third parties.

Within the aforementioned behaviours it is **forbidden** to:

- promise or give free gifts, any form of gift or free service, directly or indirectly, to Italian or foreign Public Officials, or their family members, as well as to customers, suppliers and business partners, or their intermediaries, which may appear connected with the business relationship with the Company, or aimed at influencing the discretion or independence of judgment or inducing to ensure any advantage for the Company or, in any case, for purposes other than institutional and service purposes;
- grant advantages of any kind in favour of representatives of the Italian or foreign Public Administration (by way of example: recruitment, conferment of professional, commercial or technical assignments to persons particularly close to the Public Administration) that can determine the same consequences provided for previous point;
- offer or promise gifts or free services outside of the provisions of company practice and exceeding normal commercial or courtesy practices;
- pay tributes to third parties if there is a well-founded suspicion that this could expose the Company to the risk of committing one of the crimes regulated by Legislative Decree 231/2001;
- receive gifts, goods, services, services, payments, directly or through a third party, which may even only potentially affect the discretion or independence of judgment in the exercise of their functions. In the event that the staff receives gifts/services that go beyond the ordinary courtesy relationship, in order to acquire favourable treatments in the conduct of any business activity, the direct hierarchical superior must be notified immediately, who will promptly communicate to the sender of the gift/service company policy on the point and immediately inform the Company's entitled parties.

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motivated and authorized by the hierarchically highest position of the competent structure, except for the company provisions provide for higher level authorizations.

In general, any requests for money or favours of any kind for which the Company is the principal or recipient must be immediately communicated to the entitled parties and to the Supervisory Body for the adoption of the consequent measures.

All the parties involved are also required to communicate any anomalies found to the Supervisory Body and, in any case, the gifts offered must be adequately documented to allow verifications.

Management of events, sponsorships and donations

All Recipients who, due to their office or their function or specific appointment, are involved in Management of events, sponsorships and donations, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics, the laws and regulations in force;
- ensure that the program of events, sponsorships and any donations is consistent with corporate communication strategies and that these initiatives fall within the areas permitted by the Company (social, cultural, artistic and institutional events and initiatives) and are adequately motivated and planned/provided only for business and corporate image purposes. They may also be aimed at carrying out studies, research, conferences and seminars on subjects of interest for the Company;
- verify that the aforementioned events, sponsorships and donations fall within the scope of a specific budget approved by the Company's top management[21] and follow a specific decision-making process, providing that they are formalized through appropriate contractual instruments and adequately tracked. In particular:
    - with regard to events/sponsorships, formalize the relative agreements through a contract prepared by the competent Departments of the Company and duly signed by the parties of OM and entitled counterparty, based on the system of powers in force, and ensure the management of feedback from each event, documenting the contents, the organization and the outcome;
    - with regard to donations, document information regarding the good or amount you intend to donate, the motivation at the base of the donation and the beneficiary in whose favor you intend to make it, and submit the relative request to the Company's entitled parties, in order to evaluate the feasibility, also from an ethical point of view of the same, and approve;

[21] If the specific adhesion is not provided for in the budget of the requesting Function, the approval of the Company's authorized parties is required.

- formally identify the parties and Departments entitled to authorize and carry out these initiatives, so as to guarantee a clear and adequate segregation of duties and responsibilities[22];
- verify that the beneficiaries of the initiatives/donations operate in compliance with the principles of the Company, guaranteeing the transparency and traceability of the identification process and ascertaining that the aforementioned beneficiaries, if not of an institutional nature, meet the requirements of reliability and integrity as well as professionalism, competence and experience in the sector, and are not found in situations that could lead to conflicts of interest or incompatibility with the Company;
- not admit initiatives in favor of political parties, movements, committees, political-trade union organizations, or their members and candidates.

Within the aforementioned behaviors it is **forbidden** to:

- promise or grant contributions for sponsorships in order to ensure improper competitive advantages for the Company or for other illicit purposes;
- promise or grant contributions for sponsorships connected with the conclusion of a direct or indirect business transaction;
- promise or grant contributions for sponsorships to subjects (natural or legal persons) whose names are contained in the Lists available at the Bank of Italy, or by subjects controlled by them, when such control relationship is known;
- provide sponsorships to third parties if there is a well-founded suspicion that this could expose the Company to the risk of committing one of the crimes regulated by Legislative Decree 231/2001;
- recognize the reimbursement of travel/accommodation expenses to participants of the sponsored events when they are Public Officials and/or professionals who work on behalf of the Public Administration.

Without prejudice to the obligation, for all the parties involved, to report any anomalies found, the competent Department is required to periodically report, on a half-yearly basis, to the Supervisory Body summarizing the events promoted, sponsorship initiatives/promotions carried out and donations made during the reference period, with an indication of the bodies involved and the relative amounts incurred/paid/donated.

Management and use of Information Systems

All Recipients who, due to their office or their function or specific appointment, are involved in Management and use of Information Systems, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to guarantee the implementation of the safeguards contained in the specific section referred to in **Special Section B** of this Model

[22] For example, the subject/Department that signs the sponsorships or the Partnership agreements must be different from the subject/Department that attests the service rendered and from the subject/Department that makes the payment.

A.4 Information flows to the Supervisory Body

The Recipients of this Model who manage significant activities pursuant to articles 24, 25 and 25-*decies* of the Decree, during the execution of their functions, shall promptly notify, in writing, the Supervisory Body of any information concerning exceptions or violations of the behavioural principles provided for in this chapter.

Furthermore, by way of example, the Recipients are required to transmit to the Body:

- any behaviours put in place by those who work for the public counterparty, aimed at obtaining favours, illicit donations of money or other benefits, including towards third parties;
- measures or information from Judicial Police or any other Authority from which investigations are carried out for offenses relevant for the purposes of the Decree, also related to proceedings against unknown persons;
- every act, testimony and judicial procedure (civil, criminal or administrative) that sees them involved, under any profile, in relation to the work activity performed or in any case related to it as well as requests for legal assistance in case of judicial proceedings against the relevant offenses for the purposes of the Decree;
- information on the disciplinary proceedings carried out and any sanctions imposed, the measures taken or the substantiated decision to file the disciplinary proceedings against company personnel;
- the relevant information regarding any anomalies, conflict of interests in the relationships with Public Administration, as well as any critical aspects of the rules set out in the Model.

Each Manager, for its area of expertise, must send to the Supervisory Body:

- **annually** (by 31 January) a report relating to:
  - the loans and facilities requested and obtained by the Company;
  - authorizations, licenses or concessions requested and/or obtained;
  - intercompany transactions concluded during the reference period, to be sent also to the Board of Directors and service contracts between OM and SECI/companies of the Group;
  - the closing operations of the current and destination accounts of the relative funds as well as any anomalies found in collection and payment activities;
  - the receivables written off with the related amounts;
  - the active and passive disputes initiated and concluded, with indication of the object, value and name of the external professional.
- on a **quarterly basis** (April 30th for the 1st quarter, July 31st for the 2nd quarter, October 31st for the 3rd quarter and January 31st for the 4th quarter of each year), an internal memorandum about meetings with representatives of the Public Administration, sent to its hierarchical superior or, file and send to the Supervisory Body, again on a **quarterly basis**, an internal memorandum

about all relevant communications with the Public Administration, both incoming and outgoing;

- on a **six-monthly basis** (July 31st for the 1st semester and January 31st for the 2nd semester of each year) a report with:
    - the summary of contacts with the Public Administration;
    - a summary statement of the purchases made, with an indication of the suppliers, the types of purchase and the amount;
    - the indication of the events promoted, the sponsorship/promotion initiatives carried out and the donations given during the reference period, with an indication of the bodies involved and the relative amounts incurred/paid/donated;
    - a list of "special" gifts.

The Human Resources Manager must send a report to the Supervisory Board on a **six-monthly basis** (July 31st for the 1st semester and January 31st for the 2nd semester of each year) with:

- the assumptions/collaborations carried out in the reference period, indicating the requesting Department and any staffing methods in derogation of the control procedures/elements described in this document;
- a list of assumptions performed "outside" procedure;
- a copy of the residence permit with evidence of its expiry date.

In case of inspections by the Public Administration, each Manager must promptly inform the Supervisory Body about the PA that intervened, the Company staff that was present at the time of the inspection and the activity carried out.

The information flows must be sent to the Supervisory Body as the form referred to in the document "Information flows to the SB" which is an integral part of this document.

With reference to the activities managed by SECI under a "Supply of service contract", the SECI's SB may at any time request information from the OM's SB, in order to monitor the execution of the services requested to SECI.

Similarly, the OM's SB may request information from the SECI's SB or – after informing the latter – directly from SECI, for the purpose of the proper execution of the supervision.

SPECIAL SECTION B
IT CRIMES, UNLAWFUL DATA PROCESSING AND CRIMES RELATED TO INFRINGEMENT OF COPYRIGHTS

Function of the Special Section B

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the "Recipients" of this Model must comply with during the management of the activities at risk, which are associated with the crimes referred to in articles 24-*bis* and 25-*novies* of Legislative Decree 231/2001, in compliance with the principles of transparency, timeliness, collaboration and traceability of the activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

For the sake of completeness, all the hypotheses of crime that imply the administrative liability of the entities pursuant to articles 24-*bis* and 25-*novies* of the Decree are shown below.

B.1 Cybercrimes and Unlawful data processing (article 24-*bis* of the Decree)

Malicious hacking of an information or computer system (art. 615-*ter* c.p.)

This provision protects IT privacy and confidentiality of data stored in computer systems or transmitted via computer systems. It provides for two distinct offenses: unauthorized access in a IT or electronic system protected by security measures, and to stay against the express or tacit will of those who have the right to exclude you.

IT system is the complex of physical (hardware) and abstract (software) elements that make up a processing apparatus. Telematic system is any communication system in which the exchange of data and information is managed with IT technologies.

Conduct occurs when the agent abuses the security barriers of both the hardware and the software. The law does not require the agent to have knowledge of all or a large part of the data stored in the violated system. It is sufficient, in order to commit the crime, that the barriers of protection have been overcome and that the data contained in it have begun to be known.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Wiretapping, blocking or illegally interrupting computer or information technology communications (art. 617-*quater* c.p.)

This provision protects the confidentiality of computer communications or the right to the exclusivity of the knowledge of such contents, both in respect of conduct of undue capture and the detection of illicitly learned content.

The offending conduct consists alternatively of fraudulently intercepting, preventing or interrupting communications between computer systems.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Installing devices aimed at wiretapping, blocking or interrupting computer or information technologies communications (art. 617-*quinquies* c.p.)

This provision protects the confidentiality of information or news electronically transmitted or processed by individual computer systems.

The offense occurs if any implementation of equipment suitable for intercepting, preventing or interrupting computer or telematic communications is put in place.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Damaging computer information, data and programs (art. 635-*bis* c.p.)

This provision sanctions anyone who destroys, degrades, cancels, alters or suppresses information and computer programs, unless the fact constitutes a more serious offense.

The penalty is increased if the fact is committed with personal violence or with threat, or with abuse of the quality of system operator.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services (art. 635-*ter* c.p.)

This provision sanctions the conduct of anyone who carries out actions aimed at destroying, deteriorating, deleting, altering or suppressing information, data and IT programs used by the State or other public body or related to them or otherwise of public utility, unless the fact constitutes more serious crime.

The penalty is increased if the act results in the destruction, deterioration, cancellation, alteration or suppression of information, data or IT programs.

If the act is committed violently to the person or with threat or abuse of the quality of system operator, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Damaging information or computer systems (art. 635-*quater* c.p.)

This provision sanctions the conduct of destruction or damage of others IT or telematic systems (or obstacles to their operation) that are realized through the destruction and damage of information, data and programs or their introduction or transmission, unless the fact constitutes more serious crime.

If the act is committed violently to the person or with threat or abuse of the quality of system operator, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Damaging public utility information or computer systems (art. 635-*quinquies* c.p.)

This provision sanctions the same conduct described in the previous point, committed to the detriment of IT or telematic systems of public utility.

If the act is committed violently to the person or with threat or abuse of the quality of system operator, the penalty is increased

Sanctions applicable to the Entity

- money penalty: from 100 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; prohibition of advertising goods or services.

Unauthorised possession and distribution of access codes to information and computer systems (art. 615-*quater* c.p.)

The offending conduct consists alternatively in procuring, or buying in any way the availability (it is totally irrelevant that the access code to the computer system of others was obtained illegally) reproducing, or copying in one or more copies, disseminating or disclosing, communicating or physically disclosing to third parties codes, keywords or other means suitable for access to a computer or telecommunications system of others, which are protected by security measures, or in providing appropriate instructions to allow a third party to access a computer system of others protected by security measures.

Distribution of computer equipment, devices or computer programs for the purpose of damaging or blocking an information or computer system (art. 615-*quinquies* c.p.)

This provision intends to preserve the correct functioning of information technology. It sanctions the conduct of anyone who procures, produces, reproduces, imports, disseminates, communicates, delivers or otherwise makes available to other equipment, devices or computer programs, in order to unlawfully damage an IT system, the information, data or programs contained therein or related to it, or to favour the, totally or partially, interruption or the alteration of its operation.

The reference is, among other things, to the so-called *viruses*, that are programs capable of modifying or erasing data from an IT system.

Forgery of public or private electronic documents (art. 491-*bis* c.p.)

This provision sanctions the conduct of IT documents with probative effectiveness by extending the application of the rules on falsehood in deeds (material and ideological falsehood) to hypotheses of falsehood in IT documents.

The purpose of the provision is to protect public faith by safeguarding the IT document in its evidential value.

After the amendment introduced with Law 16 January 2016 no. 7, the provision (which applies to the previous wording) no longer contains any reference to the IT document of a private nature, it is an informed provision.

Sanctions applicable to the Entity

- money penalty: up to 400 quotas;
- disqualification measures: ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Computer fraud by providers of electronic signature certification services (640-*quinquies* c.p.)

This provision sanctions those, who in the exercise of their certification services of electronic signature and in order to provide to themselves or others an unfair profit or to cause damage, violate legal obligations to issue a qualified certificate.

Sanctions applicable to the Entity

- money penalty: up to 400 quotas;
- disqualification measures: ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

B.1*bis* Crimes related to infringement of copyrights (article 25-*novies* of the Decree)

These are crimes provided for by Law 633/1941 in order to protect copyright. In particular:

Criminal protection of the rights of economic and moral utilization (Art. 171, paragraphs 1 and 3, lett a.bis), 3, L. 633/41)

Article 171, paragraph 1, lett. a-bis), L. 633/1941 represses the conduct of those who, without having the right to any purpose and in any form, make available to the public, by placing it in a system of telematic networks, through connections of any kind, a work of protected intelligence, or part of it.

The following paragraph 3 provides for an increase in sentence if the conduct is committed over works of others not intended for publication, or with usurpation of the work paternity, or with deformation, mutilation or other modification of the work itself, if it is offended to the honour or reputation of the author.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;

- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Criminal protection of software and databases (Article 171-*bis*, paragraph 1, L. 633/41)

This provision sanctions those who, in order to obtain profits, duplicate computer programs or imports, distribute, sell, hold for commercial or business purposes, lease programs contained in unmarked media (by the Italian Society of authors and publishers – SIAE). The same conduct is also prosecuted if it is inherent in any means solely intended to allow or facilitate the arbitrary removal or functional avoidance of devices applied to protect a computer program.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;

- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Criminal protection of audio-visual works (Article 171-ter, L. 633/41)

The first paragraph of this provision punishes a series of conduct if they are carried out for non-personal use and in order to obtain profits; in particular the following conduct are sanctioned:

- the abusive duplication, reproduction, transmission or dissemination in public by any procedure, totally or partially, of an intellectual work intended for the television, cinema, sale or rental circuits, disks, tapes or similar media, or any other backup containing phonograms or videograms of musical opera, cinematographic or audio-visual works or sequences of moving images;

- the abusive reproduction, transmission or dissemination in public, by any procedure, of literary, dramatic, scientific or educational, musical or dramatic-musical works, or multimedia, even if included in collective or composite works or databases;

- out of the cases of conspiracy in duplication or reproduction, the introduction into the territory of the State, holding for sale or distribution, distribution, marketing, leasing or sale in any capacity, projection in public, the transmission to television by any procedure, the transmission by radio, the public listening of duplications or abusive reproductions referred to above;

- the holding for sale or distribution, marketing, sale, rental, sale in any

capacity, public screening, transmission by radio or television in any process, videotapes, tapes, any support containing phonograms or videograms of musical opera, cinematographic or audio-visual works or sequences of moving images, or any other backup for which it is prescribed, pursuant to the law on copyright, the affixing of mark by the SIAE, without the mark itself or with counterfeit or altered markings;

- the retransmission or diffusion by any means of an encrypted service received by means of apparatus or parts of equipment suitable for the decoding of conditional access transmissions, in the absence of agreement with the legitimate distributor;
- the introduction into the territory of the State, possession for sale or distribution, distribution, sale, rental concession, transfer for any reason, commercial promotion, installation of devices or special decoding elements that allow access to an encrypted service without payment of the fee;
- the manufacture, importation, distribution, sale, hire, transfer for any reason, advertising for sale or hire, holding for commercial purposes of equipment, products or components or the supply of services that have the prevailing purpose or commercial use of circumventing effective technological prevention measures or are mainly designed, produced, adapted or implemented with the aim of making it possible or facilitating the avoidance of the aforementioned measures;
- the abusive removal or alteration of the electronic information which identify the protected work or material, as well as the author or any other rights holder under the copyright law, or the distribution, importation for purposes of distribution, broadcasting by radio or television, communication or making available to the public of works or other materials protected from which the aforementioned electronic information has been removed or altered.

Instead, the second paragraph of the provision sanctions:

- the abusive reproduction, duplication, transmission, diffusion, sale, marketing, transfer in any capacity or importation of more than fifty copies of works protected by copyright and related rights;
- the communication to the public for profit and in violation of the provisions on the right of public communication of an intellectual work protected by copyright, or part of it, through connections of any kind[23];
- the conduct described in paragraph 1 carried out by those who exercise in an entrepreneurial form the reproduction, distribution, sale, marketing or importation of works protected by copyright and related rights;
- the promotion or organization of the illegal activities referred to in the first paragraph.

The third paragraph provides for a mitigating factor if the fact is particularly tenuous,

[23] This conduct is very similar to that provided for by the art. 171, paragraph 1, letter a *bis)*, but differs from the latter because it provides for the specific intent to make a profit and to communicate it to the public instead of making it available to the same.

while the fourth paragraph provides some ancillary penalties, or the publication of the sentence, prohibition of a profession or an art, the temporary interdiction from the management offices of legal entities and companies and suspension the broadcasting license or authorization for the production or commercial activity up to one year.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Criminal responsibility for the media (Article 171-*septies*, 633/41)

This provision provides for the penalty imposed for the conduct referred to in paragraph 1 of art. 171-*ter* also for:

- producers or importers of supports not subject to the SIAE marks, which do not communicate to the same within thirty days from the date of placing on the national territory or import the data necessary for the univocal identification of the same supports;
- anyone who falsely declares the fulfilment of the obligations deriving from the legislation on copyright and related rights.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Criminal responsibility relating to audio-visual broadcasts with conditional access (Article 171-octies, L. 633/41)

This provision represses the conduct of those who, for fraudulent purposes, produce, sell, import, promote, install, modify, exploit for public and private use apparatuses or parts of equipment suitable for the decoding of audio-visual transmissions with conditional access, carried out via ether, satellite, cable, in both analogical and digital form. All the audio-visual signals transmitted by Italian or foreign broadcasters in such a form as to make them visible exclusively to closed groups of users selected by the person issuing the signal, regardless of the imposition of a fee for the use of this service.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;

- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

B.2 Risk-prone areas

The risk-prone areas of the Company, with reference to the Cybercrimes, unlawful data processing and crimes related to infringement of copyrights, are attributable to

- *Request and use of financing, subsidies and public contributions*
- *Acquisition of authorizations, licenses, concessions, certificates or similar measures and communications to public bodies*
- *Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits*
- *Management of requirements and purchases*
- *Staff training*
- *External web and print communication*
- *Management and use of Information Systems*

B.3 Behavioural principles

The following are some of the general principles to be considered applicable to Recipients.

In particular, it is forbidden to put in place conduct or conspiracy in conduct that may fall within the cases referred to in articles 24-*bis* and 25-*novies* of Legislative Decree 231/2001 referred to above.

Violations of the principles and rules set forth in the Code of Ethics and in this Special Section are also prohibited.

In particular, with reference to the individual risk-prone areas/activities, the following principles and behavioural rules are noted.

Request and use of financing, subsidies and public contributions

Acquisition of authorizations, authorizations, licenses, concessions, certificates or similar measures and communications to public bodies

Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits

Management of requirements and purchases

In relation to the aforementioned sensitive activities, reference is made to the safeguards contained in the respective sections referred to in Special Section A of this Model.

Staff training

All Recipients who, due to their office or their function or specific appointment, are involved in Staff training, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure compliance with the laws and regulations in force within the framework of the aforementioned process and, in particular, with regard to copyright;

- guarantee:
    - during the preparation and dissemination of teaching material, which they are not duplicated beyond the limits of the law and distributed texts protected by copyright;
    - the citation of the authors of the material that is distributed;
    - if it is necessary to photocopy, scan or include in an e-learning platform teaching material protected by copyright, the request and obtaining an explicit permission of the author or of those who received from these the rights;
    - in collaboration with the purchases competent Department, the presence, in the contracts stipulated with external companies/teachers, of specific clauses inherent to copyright, such as for example:
        - authorization, by the teacher, to distribute the materials produced to the students of the course or more generally to the employees if they want to use the didactic material even later;
        - obligation on the part of the teacher to use only original materials or in any case that he has the right to authorize the Company to reproduce;
        - authorization, by the teacher, to modify the texts of the material from these products.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

External web and print communication

All Recipients who, due to their office or their function or specific appointment, are involved in External web and print communication, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure correctness, transparency and traceability in the management of the external communication process, including through web channel and press, in compliance with the laws and regulations in force in matter of infringement of copyright;
- duly assess and authorize by the Company's entitles parties the information subject to external communication;
- with reference to the protection of copyright, guarantee:
    - the dissemination of codes of conduct to be used for the preparation of the publication's contents, aimed at prohibiting the duplication beyond the limits of the law and the distribution of works protected by copyright;
    - if informational content or images of third parties are published, the obtaining of the appropriate authorizations from the author or subjects having the rights;
    - the presence, in the contracts stipulated with third parties suppliers of texts or images or other intellectual works, of specific clauses inherent to copyright.

All the parties involved are required to communicate to the Supervisory Body any anomalies found.

Additional safeguards relating to this process are identified in the respective section of Special Section H, concerning market abuse, to which reference is made.

Management and use of Information Systems

All Recipients who, due to their office or their function or specific appointment, are involved in Management and use of Information Systems, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics and current legislation in the matter of *privacy*;
- guarantee the correct management of the technological infrastructures and the relative safety devices, in support of the company applications;
- ensure the implementation, or acquisition, of IT applications, taking into account the necessary security requirements, authentication, log management, application architecture;
- provide for the acquisition of systems and solutions from third parties, subject to the formalization of appropriate supply contracts integrating resolution clauses and penalties in relation to failure to comply with specific levels of service and imposed safety requirements, as well as the disclosure of proprietary information;
- carry out an analysis on the impacts and the assessment of the connected risks, which foresees appropriate backup solutions of the data resident on the servers on a daily basis and the supports adequately preserved;
- guarantee, in the matter of *privacy*, the unambiguous identification of all the users and Personal Data Processing Managers - internal, external or temporary - and their activities on IT systems, enabling their identities through appropriate authentication mechanisms, assigning access rights to systems and data;
- identify the rules and authorization procedures for requesting, defining, issuing, suspending, modifying and revoking, as well as for reviewing and monitoring user identifiers and the relative privileges, for the various corporate systems and applications;
- defining responsibilities, operating methods and information flows for the management of log files produced by IT systems, in order to keep the significant information concerning the use of the systems under control (subjects that have had access, action taken, etc.).);
- disseminate to all personnel appropriate codes of conduct and operating rules for the use of the work station and company IT systems, also with reference to the limits and conditions for Internet access[24] and electronic mail[25], as well

[24] With regard to internet access from company workstations, it may seem appropriate that it be filtered by the Company's protection systems, which prevent unprotected or free connections, allowing navigation based on security analysis and prohibiting users from attempting to access to

as for the use of personal access credentials to the Company's network and IT systems, in particular providing for the obligation to:

- use the assigned IT and network resources separately for the execution of their activities;
- keep closed their access privileges to the Company information systems, avoiding their transfer (also to colleagues) and knowledge of third parties;
- periodically update the passwords;

- define the responsibilities and operating methods to be adopted for the registration, classification and access to electronic documents, also in order to identify the resources to be allocated to data protection and to assess any violations, unauthorized modifications, damages or losses;
- guarantee the physical security of the systems through the adoption of appropriate operating methods and security measures adequate to the protection from unauthorized access and damage, even accidental, by hosting the centralized application servers in dedicated rooms. Access to these premises is reserved for IT personnel only;
- provide that the logical access to information systems is protected by user id and user password with expiration of 90 days. The credentials for accessing the systems are promptly eliminated for the staff dismissed and each user must have a personal id and password;
- adopt file protection mechanisms, such as passwords, conversion of documents in non-editable format;
- protect the network with firewalls and antivirus / antispam software, repeatedly updated during the day;
- guarantee the traceability of the documents produced through the archive of the various versions of the documents or in any case guarantee mechanisms for changes traceability.

The Internal Contact Person for the management of intercompany IT agreements, also with the support of SECI IT services, will:

- ensure, if necessary with the collaboration of the Privacy Managers, the periodic monitoring of the correct implementation of the technical-operational controls also established in the context of the outsourcing service, where existing, and the effectiveness of the technical-operational controls referred to adoption of adequate measures regarding privacy;

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unauthorized, and automatically inhibited, websites, providing for the possibility to request their unblocking, subject to the approval of your hierarchical manager.

[25] With particular reference to electronic mail, it seems appropriate to provide that all e-mail messages, being the exclusive property of the Company, are subject to the legal safeguard formula to protect it. Therefore, each user, in relation to the activities of sending/receiving messages, must behave prudently and diligently, avoiding: using company e-mail to send personal documents and/or for purposes other than those pertaining to the working activity; open any attachments contained in messages received from anonymous and unknown sender and/or with suspicious object.

- request information and clarifications from all company departments and from all those who deal with or have dealt with the sensitive transaction;
- verify that IT means and software protected by copyright are used;
- verify, to the extent of its competence, that service orders and company procedures implement the prevention principles and rules indicated.

Within the aforementioned, it is **forbidden** to:

- use computer resources (such as fixed or portable personal computers) and network resources assigned by the Company, for public order or morality and in order to commit offenses (including crimes against the individual, including the possession of pornographic material) or in any case racial intolerance, exaltation of violence or violation of human rights;
- exploit any vulnerabilities or inadequacies in the security measures of the IT or telematic systems of the company or third parties in order to gain access to resources or information other than those to which they are authorized to access, even in the case that such intrusion does not cause damage to data, programs or systems;
- alter public or private electronic documents, with evidential verification;
- access, without authorization, to an IT or telematic system or be held against the express or tacit will of those who have the right to exclude (the prohibition includes both access to internal information systems and access to information systems of public or private entities competitors, for the purpose of obtaining information on commercial or industrial developments);
- circumvent or attempt to circumvent company security systems (*i.e.* antivirus, firewall, proxy server, etc.);
- leave personal computer unattended and without password protection;
- obtain, reproduce, disseminate, communicate, or bring to the knowledge of third parties codes, keywords or other means suitable for access to a computer or telecommunications system of others protected by security measures, or provide appropriate instructions to third party in order to access a computer system of others protected by security measures;
- Procure, produce, reproduce, import, disseminate, communicate, deliver or otherwise make available to other devices, programs or computer programs in order to unlawfully manage an IT or electronic system, the information, data or programs contained therein or related to it, or to favour total or partial interruption or alteration of its functioning (the prohibition includes the transmission of viruses with the aim of damaging the information systems of competing entities);
- intercept, prevent or unlawfully provide computer or electronic communications;
- destroy, degrade, delete, modify information, data and computer programs (the prohibition includes unauthorized intrusion into the information system of competing entities, with the aim of modifying the information and data contained therein);

- destroy, deteriorate, delete, alter or suppress information, data and computer programs used by the State or by another Public Body or pertinent to them or otherwise of public utility;
- destroy, damage, render, totally or partially, unusable computer or telecommunications systems of others or of public utility or seriously impede their operation;
- install additional software/programs compared to those already existing and/or authorized by the competent Department;
- use non-original programs.

The aforementioned control measures are also applied by the Company for the purposes of preventing crimes related to copyright infringement.

Beyond the above rules, it is **forbidden** to:

- put in place, in the context of their own work activities and/or through the use of the Company's resources, conduct of any kind suitable for infringing the intellectual property rights of others;
- download illegal content or transmit to third parties content covered by copyrights;
- extract, copy, save and print on any support of information contained in databases, except in case of specific authorization for technical reasons;
- to access websites or use other tools that allow the exchange and sharing of content between users.
- introduce into the State, hold for sale, put on sale or otherwise put into circulation – in order to gain profits from it – goods/works made by usurping copyright or third party patents;
- disseminate – through telematic networks – an intellectual work or part of it;
- duplicate, import, distribute, sell, lease, disseminate/transmit to the public, hold for commercial purposes – or in any case to gain profits from it – computer programs, databases, literary, musical, multimedia, cinematographic, artistic works for which have not been fulfilled the obligations arising from the legislation on copyright and rights related to its exercise (Law no. 633/1941);
- entertain business relationships with (natural or legal) persons of which is known or suspected belonging to organizations operating outside the law, such as, but not limited to, people related to the environment of illegal reproduction of products protected by copyright (cd, dvd, books, etc.).

Without prejudice to the obligation of all the parties involved to communicate to the Supervisory Body any anomalies found, the Internal Contact Person for the management of the Intercompany IT agreements must promptly inform the Supervisory Body of significant facts or circumstances finds in the performance of sensitive activities by the Department or area of its competence and in any case guarantee the flow of information towards the aforementioned Body.

B.4 Information flows to the Supervisory Body

Without prejudice to the information obligations relating to the Special Sections referred to above, express reference was made, all the Recipients involved in activities referred to in articles 24-*bis* and 25-*novies* shall promptly report to the Supervisory Body any behavioural exceptions with respect to the rules indicated above, as well as those listed in the Code of Ethics or any unusual event, indicating the reasons for the differences and acknowledging the authorization process followed in such case.

Internal Contact Person for the management of the Intercompany IT agreements, also in collaboration with IT services of SECI, must send a report to the Supervisory Board on a **six-monthly basis** (31st July for the 1st semester and 31st January for the 2nd semester of each year) with:

- changes in corporate operations;
- any deactivated user profiles.

The Human Resources Manager must send a report to the Supervisory Board and to the Internal Contact Person for the management of the Intercompany IT agreements on a **six-monthly basis** (31st July for the 1st semester and 31st January for the 2nd semester of each year) with:

- a list of dismissed personnel.

The information flows must be sent to the Supervisory Body as the form referred to in the document "Information flows to the SB" which is an integral part of this document.

With reference to the activities managed by SECI under a "Supply of service contract", the SECI's SB may at any time request information from the OM's SB, in order to monitor the execution of the services requested to SECI.

Similarly, the OM's SB may request information from the SECI's SB or – after informing the latter – directly from SECI, for the purpose of the proper execution of the supervision.

SPECIAL SECTION C
CORPORATE CRIMES

Function of the Special Section C

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the Recipients of this Model must comply during the management of the activities at risk associated with the types of offenses referred to in art. 25-*ter* of Legislative Decree 231/2001, in compliance with the principles of maximum transparency, timeliness, collaboration and traceability of activities.

Specifically, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

For the sake of completeness, the following are all the types of offenses that establish the administrative liability of the bodies pursuant to art. 25-*ter* of the Decree.

It is to be noted that the cases referred to in articles 2621 and 2622 c.c. (False corporate communications and False corporate communications of listed companies, were subject to substantial changes following the entry into force of Law no. 69/2015. The previous legislation provided for a breach of the law provided and punished by the article 2621 c.c. and having the nature of a crime of danger, as well as the criminal offense referred to in article 2622 c.c., which sanctioned the conduct of false corporate communications committed to the detriment of the Company, shareholders and creditors. The reform contained in the aforementioned provisions, on the other hand, makes a distinction between the false corporate communications of unlisted companies and those of listed companies, sanctioning both cases as crimes of concrete danger. The new legislation also introduced a new type of offense for minor hypotheses (article 2621-*bis* c.c.) , also referred to in Article 25-*ter* of the Decree.

C.1 Corporate Crimes (art. 25-ter of the Decree)

False corporate statements (art. 2621 c.c.)

This provision sanctions the directors, general managers, managers in charge of drafting the corporate accounting documents, statutory auditors and liquidators, who, in order to obtain for themselves or others an unlawful profit, in the financial statements, reports or other communications direct to the shareholders or to the public, provided for by the law, consciously disclose material facts that do not correspond to the truth or omit relevant material facts whose communication is imposed by law on the economic, patrimonial or financial situation of the company or group to which it belongs , in a way that is concretely suitable for inducing others in error.

This case also concerns falsifications or omissions relating to assets owned or administered by the company on behalf of third parties.

Sanctions applicable to the Entity

- money penalty: from 200 to 400 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction increased by one third is applied.

Minor instances (art. 2621-*bis* c.c.)

The penalty is reduced if the facts referred to in article 2621 c.c. are of a minor nature taking into account the nature and size of the company and the manner or effects of the conduct.

The penalty is reduced if the facts referred to in article 2621 c.c. concern companies that do not exceed the limits indicated in the second paragraph of art. 1 of the R.D. March 16, 1942, n. 267[26].

[26] The limits of the art. 1, paragraph 2, of the R.D. March 16, 1942, n. 267 concern the joint possession of the following requirements:

The crime, following the amendment by Law no. 3/2019, can be exercised automatically.

Sanctions applicable to the Entity

- money penalty: from 100 to 200 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction increased by one third is applied.

False corporate statements by listed companies (art. 2622 c.c.)

Following the legislative reform introduced by L. n. 69/2015, art. 2622 c.c. now sanctions the crime of false communications committed within listed companies. In particular, the law punishes the directors, general managers, managers in charge of preparing the corporate accounting documents, the statutory auditors and the liquidators of companies issuing financial instruments admitted to trading on a regulated Italian or other EU market, who, in order to obtain an unfair profit for themselves or others, in financial statements, reports or other corporate communications directed to shareholders or to the public, consciously disclose material facts that do not correspond to the truth or omit relevant material facts whose communication is imposed by the Law on the economic, patrimonial or financial situation of the company or group to which it belongs, in a way that is concretely suitable for inducing others in error.

The companies indicated above are equivalent to:

a) companies issuing financial instruments for which a request for admission to trading has been submitted in a regulated Italian or other EU market;

b) companies issuing financial instruments admitted to trading on an Italian multilateral trading system;

c) companies that control other companies issuing financial instruments admitted to trading on a regulated Italian or other EU market;

d) companies that appeal to public savings or manage it.

The above provisions apply even if the falsities or omissions concern assets owned or administered by the company on behalf of third parties.

The crime, following the amendment by L 3/2019, can be exercised automatically.

Sanctions applicable to the Entity

- money penalty: from 400 to 600 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction increased by one third is applied.

Impeding company controls (art. 2625 c.c.)

The crime of prevented control occurs in the hypothesis in which, through the concealment of documents or other suitable artifices, the carrying out of the control

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a) assets of a total annual amount not exceeding € 300,000.00;
b) gross revenues for a total annual amount not exceeding Euro 200,000.00;
c) debts not even past due not exceeding Euro 500,000.00.

activities legally attributed to the shareholders and to other corporate bodies is prevented or simply hindered[27].

The offense is considered imputable to the company only in the hypothesis in which the impediment, or the simple obstacle has caused damage to the members, given the explicit reference to the second paragraph of this provision, pursuant to Legislative Decree. 231/2001.

Sanctions applicable to the Entity

- second paragraph, money penalty: from 100 to 180 quotas.

Unlawful return of capital (art. 2626 c.c.)

It concerns the conduct of directors who, outside the cases of legitimate reduction of the share capital, return the contributions to shareholders or release them from the obligation to perform it, reducing the integrity and effectiveness of the share capital to guarantee the rights of creditors and third parties.

Sanction applicable to the Entity

- money penalty: from 100 to 180 quotas.

Unlawful allocation of profits and capital reserves (art. 2627 c.c.)

The offense concerns the conduct of directors, who distribute profits, or advances on profits, which have not actually been achieved, or which are intended by law to reserve.

The case may also occur through the allocation of reserves, even if not made up of profits, which cannot by law be distributed.

Sanction applicable to the Entity

- money penalty: from 100 to 130 quotas.

Unlawful transactions regarding shares or quotas of the company or the parent company (art. 2628 c.c.)

The offense consists of the conduct of the directors through the purchase or subscription, outside the cases permitted by law, of their own shares or quotas or those of the parent company, in such a way as to cause damage to the integrity of the share capital and unavailable reserves, that cannot be distributed by law.

The last paragraph of the art. 2628 c. c. provides for an extinguishing cause of the crime consisting in the reconstitution of the capital or unavailable reserves «before the deadline for the approval of the financial statements for the year in relation to which the conduct was carried out».

Sanction applicable to the Entity

- money penalty: from 100 to 180 quotas.

Transactions to the detriment of creditors (art. 2629 c.c.)

[27] As amended by art. 37, paragraph 35, letter. a) of Legislative Decree 39/2010. The case of prevented auditing of auditing companies is regulated by Article 29 of Legislative Decree 39/2010 not expressly referred to by Legislative Decree 231/2001.

Operations in prejudice to creditors are constituted by the conduct of directors who, in violation of the provisions protecting creditors, make reductions in share capital or mergers with other companies or demergers, causing damage to creditors.

Proceeding on the complaint of the injured party (i.e. of one of the damaged creditors), the offense knows an extinguishing cause consisting of «compensation for damage to creditors before judgment».

Sanction applicable to the Entity

- money penalty: from 150 to 330 quotas.

Failure to disclose a conflict of interests (art. 2629-*bis* c.c.)

This crime occurs when a member of the BoD or the Management Board of a Company – with securities listed on regulated markets in Italy or in other EU Member States or widely distributed among the public pursuant to article 116 of the TUF, or a person subject to supervision pursuant to TUB, TUF, L. no. 576/1982, or Legislative Decree no. 124/2003 – violating the regulations concerning the interests of the directors envisaged by the Italian Civil Code, causes damage to the Company or to third parties.

More specifically, the law refers to art. 2391, first paragraph, c.c. which requires the members of the BoD to communicate (to the other members of the Board and to the Statutory Auditors) any interest they have, on their own account or on behalf of third parties, in a specific operation of the Company, specifying the nature, terms, origin and scope.

Sanction applicable to the Entity

- money penalty: from 200 to 500 quotas.

False creation of share capital (art. 2632 c.c.)

The offense relates to the conduct of the directors and the transferring shareholders who, even partially, form or increase the share capital in a fictitious way by *(i)* allocating shares or quotas in a total amount higher than the amount of the share capital, *(ii)* mutual subscription of shares or quotas, *(iii)* significant overvaluation of the contributions of assets in kind, credits or company's assets in the case of transformation. The overestimation can occur both in the phase of the company's constitution and in that of the capital increasing. With regard to the overestimation of the assets, it must be understood as equity, thus deducting the liabilities.

Sanction applicable to the Entity

- money penalty: from 100 to 180 quotas.

Improper allocation of company assets by liquidators (art. 2633 c.c.)

The offense occurs when anyone distributes social assets between the shareholders before the payment of the social creditors or the provision of the sums necessary to satisfy them, causing damage to creditors. Liquidators are the subjects actively involved in the commission of this offense and compensation for damages to creditors before the judgment is a way of extinguishing the crime.

Sanction applicable to the Entity

- money penalty: from 150 to 330 quotas.

Unlawful influence on the shareholders' meeting (art. 2636 c.c.)

The offense occurs when anyone, through simulated or fraudulent acts, determines the majority in the assembly, in order to obtain an unlawful profit for himself or others.

It should be noted that the Entity's responsibility is configurable only when the conduct provided by this article is carried out in the interest of the Entity itself. This makes it difficult to hypothesize the crime at issue that, as a rule, is carried out to favour interests of the party and not of the "Entity".

Sanction applicable to the Entity

- money penalty: from 150 to 330 quotas.

Stock price manipulation (art. 2637 c.c.)

This offense regards spreading of false information or carrying out simulated transactions or other artifices, concretely suitable to cause a significant alteration in the price of unlisted financial instruments or for which no request for admission to trading has been submitted on a regulated market, that is to significantly affect the reliance of the public on the stability of capital of banks or banking groups.

Sanction applicable to the Entity

- money penalty: from 200 to 500 quotas.

Hindering public supervisory authorities from performing their functions (art. 2638 c.c.)

The offense takes place in the event that certain subjects (directors, general managers, statutory auditors, liquidators of companies or bodies and, in general, those subject to the public supervisory authorities pursuant to the law) expose, on the occasion of communications to the public supervisory authorities, to which are required by law, untrue material facts, even if it subject to valuation, or conceal, totally or partially, with fraudulent means, facts that they were required to disclose, about the company's financial or economic situation, even if the information concerns assets owned or administered by the company on behalf of third parties. In this case the offense is perfected in the event that the criminal conduct is specifically aimed at hindering the activity of the public supervisory authorities.

the offense also occurs if the activity of the public supervisory authority is effectively hindered by the aforementioned subjects, regardless of the purpose pursued by them and the kind of the conduct, which can be even omission.

Sanction applicable to the Entity

- money penalty: from 200 to 400 quotas.

C.1*bis* Corruption between individuals and instigation to corruption among private individuals *(art. 25-ter, lett. s bis) of the Decree)*

The Law 6 November 2012, no. 190 ("Provisions for the prevention and repression of corruption and illegality in the public administration") has extended the predicate offenses of the administrative responsibility of the Entity by inserting, in art. 25-*ter* lett. s bis), the crime of corruption between private pursuant to art. 2635 c.c.

The crime has been modified by D.Lgs. no. 38/2017.

The only reference to the conduct provided for by the third paragraph of the civil law, by virtue of which "whoever gives or promises money or other benefits to the persons indicated in the first and second paragraph shall be punished with the penalties provided therein", explicit that the Entity responsibility can only occurs in the event that it acts as a "corruptor" and not even as "corrupt". The area of relevance of Legislative Decree 231/2001 is therefore represented by the donation or promise of money or other benefits by a person belonging to companies or private entities towards directors, general managers, managers in charge of drafting corporate accounting documents, statutory auditors and liquidators of companies or a private entities, or its Managers or who is subject to the direction or supervision of these, attributable to another company or private entity.

This activity must be followed with a causal link from the fulfilment (even in an omission) by the "corrupt" subject of an act in violation of the obligations inherent in the office covered or the loyalty obligations[28].

The negative outcomes on the "Corrupt" belonging body must determine the violation of the obligations inherent in its office or loyalty obligations [29].

As regards the former, it is now assumed that the legislator wanted to refer to any generically qualified activity that is direct or indirect application of the powers inherent in the office held.

As regards loyalty obligations, the legal basis is art. 2105 c.c., which provides for a series of prohibitions from subordinate workers against their employer aimed at defining the field of lawful competition and, in this way, protects the entrepreneur's interest in the competitiveness of his company as an expression of the constitutionally guaranteed freedom of economic initiative pursuant to art. 41 Cost.[30].

The precise awareness of the violation of these duties for the fulfilment (or omission) of the act must connote the action of the offender: the psychological element is

[28] This is a hypothesis of antecedent own corruption. See Ambrosetti – Mezzetti – Ronco, Diritto penale dell'impresa, Bologna, 2012, 209.

[29] The inclusion in the typical event of art. 2635 c.c. of fidelity obligations follows the reformulation made by Law 190/2010.

[30] The jurisprudence tries to widen the scope of application, extending the contents of the fidelity obligation beyond the cases of "fair competition" provided by art. 2105 c.c. and integrating the provisions through the use of general clauses of fairness (Article 1175 of the Italian Civil Code) and of good faith (Article 1375 of the Italian Civil Code) in the execution of the contract. It follows an enlargement that includes also the cases in which the worker behaves in conflict with the aims and interests of the company.

therefore the fraud, which must be reflected on all the elements constituting the case (even at any intentional title with regard to the acceptance of the risk of causing damage to the company)[31].

As for the utility obtained, it must be of a determined entity (or at least determinable), as well as adequate: therefore it does not take into account the generic promise or the giving of gifts of modest value or in any case disproportionate to the achievable benefit.

The exclusion of administrative responsibility from an offense to the Entity to which the corrupt subject belongs is consistent with the criteria for imputation of liability pursuant to Legislative Decree 231/2001, whose basis of imputation is linked to the presence of an interest or advantage of the company itself[32].

Moreover, the Legislative Decree 15 March 2017, no. 38, modifying the letter s-*bis*), has also introduced, as a further predicate offense, the art. 2635-*bis*, paragraph 1, of the Italian Civil Code, regarding inducement to corruption among private individuals.

This rule, while configuring an autonomous crime hypothesis, follows the conduct referred to in art. 322 of the Italian Penal Code, punishing anyone who offers or promises money or other benefits to the same categories of persons indicated by art. 2365 c.c. belonging to companies or private organizations, so that they can perform or omit an act in violation of the obligations inherent in their office or fidelity obligations.

Private-to-private corruption (art. 2635 c.c.)

The law states that unless the fact constitutes a more serious offense, the directors, general managers, managers in charge of drafting corporate accounting documents, statutory auditors and liquidators, belonging to companies or private entities that, even through third party, solicit or receive, for themselves or for others, undue money or other utility, or accept the promise, in order to perform or to omit an act in violation of the obligations inherent to their office or of the obligations of fidelity, are punished with imprisonment from one to three years. The same penalty is applied if the offense is committed by those who in the organizational sphere of the company or private entity perform management functions other than those proper to the subjects referred to in the previous period. The penalty of imprisonment up to one year and six months is applied if the fact is committed by who is subject to the direction or supervision of one of the subjects indicated in the first paragraph.

Whoever, even through third party, offers, promises or gives undue money or other benefits to the persons indicated in the first and second paragraphs, is punished with the penalties provided for therein.

Sanctions applicable to the Entity

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[31] Consistent with the theoretical elaboration concerning corruption offenses pursuant to art. 318 ff. c.p., it is to be considered that the error of one of the parties does not rule out the malice of the other.

[32] It is recalled that the "interest" or "advantage" referred to in art. 5 of Legislative Decree 231/2001 represent two distinct concepts: the first has a subjective nature, keeping to the volitional sphere of the agent; the second, on the other hand, has purely an objective nature, recognizing any usefulness achieved by the company following the commission of the unlawful act.

- money penalty: from 200 to 400 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction increased by one third is applied.
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Incitement to corruption among private individuals (art. 2635-*bis* c.c.)

This provision punishes whoever offers or promises money or other benefits not due to directors, general managers, managers in charge of drafting corporate accounting documents, statutory auditors and liquidators, companies or private bodies, as well as those who exercise any managerial functions, to perform or omit an act in violation of the obligations inherent in their office or loyalty obligations.

Sanctions applicable to the Entity

- money penalty: from 200 to 400 quotas; however, if the Entity has achieved a significant profit or a particularly serious damage is derived, a pecuniary sanction increased by one third is applied.
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

C.2 Risk-prone areas

The risk-prone areas of the Company, with reference to Corporate crimes, are attributable to:

- *Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits*
- *Management of relations with auditing companies and third party certification bodies*
- *Intercompany financial and commercial relations management*
- *Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships*
- *Management of requirements and purchases*
- *Management of assignments and consultancy*
- *Real estate management*
- *Asset management*
- *Selection and hiring of staff*
- *Staff development and incentive*
- *Management of attendance and travel expenses*
- *Management of general accounting and budgeting*
- *Budget, forecast and reporting*
- *Management of current accounts, collections and payments*
- *Management of financial transactions*
- *Credit management*
- *Meetings with the BoD and the Assembly*
- *Litigation management*
- *External web and print communication*
- *Management of gifts and entertainment expenses*
- *Management of events, sponsorships and donations*

C.3 Behavioural principles

The following are some of the general principles to be considered applicable to all Recipients.

In particular, it is forbidden to put in place behaviour or to contribute to the realization of conducts that can be included in the offenses referred to in art. 25-*ter* of Legislative Decree 231/2001 referred to above.

Violations of the principles and rules set forth in the Code of Ethics and in this Special Section are also prohibited.

In particular, with reference to the individual risk-prone areas/activities, the following principles and behavioural rules are noted.

Management of obligations, communications and relations with public authorities and other Supervisory and Control Bodies, also during audits

Intercompany financial and commercial relations management

Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships

Management of requirements and purchases

Management of assignments and consultancy

Real estate management

Asset management

Selection and hiring of staff

Staff development and incentive

Management of attendance and travel expenses

Management of current accounts, collections and payments

Credit management

Litigation management

Management of gifts and entertainment expenses

Management of events, sponsorships and donations

In relation to the **aforementioned sensitive activities**, reference should be made to the provisions contained in the respective sections referred to in **Special Section A** of this Model.

External web and print communication

In relation to the **aforementioned sensitive activity**, reference should be made to the provisions contained in the respective sections referred to in **Special Section B** of this Model.

Management of relations with auditing companies and third party certification bodies

All Recipients who, due to their position or their function or specific appointment, are involved in the Management of relations with auditing companies and third party certification bodies, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure complete collaboration with private control and certification bodies (*i.e.* auditing companies and Quality and Environment certification bodies), guaranteeing that the various phases of the verification process are carried out in a manner aimed at guaranteeing correctness and transparency relations with representatives of the supervisory bodies, as well as the traceability of communications, decisions and outcomes of external auditing activities;
- manage relations with the auditing company and certification bodies according to the principles of correctness, transparency and truthfulness;

- carry out any attempt to influence, directly or indirectly, the judgment of the auditors and the certifiers;
- formalize the information flows to the auditing company and the certification bodies and keep track the main meetings (opening and closing meetings, etc.);
- make available to the inspectors, at the inspection verification phase, where possible, at least two employees of the Company who support the external verification activities;
- guarantee that any request for documentation by the verifiers in charge transits through the Head of the competent Department; if the latter is not in a position to produce the required documentation, he must take the necessary steps to formally request and track the necessary documentation;
- keep track of the inspection outcome, attaching the requested and delivered documentation;
- if the inspection body issues an inspection report, ensure that it is signed and kept by the Head of the competent Department for the management of the inspection.

All the parties involved are required to communicate to the Supervisory Body any anomalies found in relation to compliance with the indications of the Model.

Management of general accounting and budgeting

All Recipients who, due to their position or their function or specific appointment, are involved in the Management of general accounting and budgeting and in the preparation of the financial statements and the relative attachments, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics;
- guarantee the most rigorous accounting transparency at any time and under any circumstances;
- maintain a correct, transparent and collaborative behaviour, adhering to the most rigorous principles of correctness, transparency and truthfulness;
- comply with the law, applicable accounting standards and internal rules, in all activities aimed at preparing financial statements, consolidated financial statements and other corporate communications and tax returns, in order to provide members and third parties in general with truthful and correct information on the economic, equity, financial and fiscal situation of the Company;
- define and communicate to the Managers of the competent Departments, as well as to the Territorial Referents of the OM Group, the accounting criteria to be adopted also for the purposes of the consolidated financial statements, the closing calendar and appropriate codes of conduct to be used in the preparation and communication of pertinent administrative-accounting data, including the obligation to communicate clear, precise, complete and truthful information;

- prepare adequate administrative and accounting procedures for the preparation of the consolidated financial statements and financial statements, as well as any other communication of a financial nature, also aimed at the market; these procedures, subject to approval by the administrative and/or control bodies, are communicated to the parties and competent Departments;
- observe the rules of clear, correct and complete registration in the accounting of facts relating to the management of the Company;
- record any accounting records that reflect a corporate transaction, retaining adequate supporting documentation that allows to identify the reason for the transaction that generated the recognition and the relative authorization;
- proceed with the evaluation and recording of economic and financial elements in compliance with the criteria of reasonableness and prudence, clearly illustrating, in the related documentation, the criteria that guided the determination of the value of the asset;
- ensure compliance with the rules of segregation of duties between the person who carried out the transaction, who registers in the accounting and who performs the related control;
- strictly comply with all the rules established by law to protect the integrity and effectiveness of the share capital, in order not to damage the guarantees of creditors and third parties in general;
- manage documents, reports and other annotations correctly and sufficiently detailed, keeping records of the activities and ensuring their conservation by archiving it;
- guarantee a continuous alignment between the assigned user profiles and the role held within the Company in compliance with the principle of data integrity and traceability of accesses and subsequent changes;
- establish relations with the Authorities, including tax authorities with the utmost transparency, collaboration, availability and in full compliance with the institutional role played by them and the provisions of the law on the subject, the general principles and rules of conduct referred to in the Code of Ethics, as well as in the present Special Section. The Recipients must therefore promptly implement the requirements of the same Authorities and the required obligations with the utmost diligence and professionalism, in order to provide clear, accurate, complete, faithful and truthful information, in order to avoid conflict of interest situations and to inform them promptly and in the manner deemed most suitable;
- ensure that the documentation to be sent to the Authorities is produced by the persons competent in the matter and previously identified;
- promptly and correctly make, in a truthful and complete way, the communications and declarations provided for by the law, the regulations and the company regulations from time to time in force, to the Authorities, supervisory or control bodies, market and shareholders;
- proceed with the correct and timely registration in accounting of all management activities;

- operate so that the management facts are represented correctly and promptly so that the administrative-accounting system can achieve its purposes;
- report to the Administrative Responsible whether there are errors or omissions in the process of accounting for management events and conduct that is not in line with the foregoing provisions;
- carry out appropriate consistency verifications, balancing and reconciliation with the available data and accounting balances; if misalignments are found or variations are made with respect to the information communicated by the competent Departments/Territorial Referent of the OM Group, any adjustments are shared with the Departments/Referrers themselves and the authorized subjects of the Company;
- submit the draft financial statements, prepared by the competent Department (also in collaboration with external offices) and approved by the entitled parties, for consideration by the independent auditors and the Board of Statutory Auditors, prior to the communication and, therefore, approval by the competent corporate bodies , in compliance with the terms and criteria established by the current legislation;
- guarantee correctness, transparency and traceability in the management of relations with the Board of Statutory Auditors in the context of the control activities entrusted to it by the relevant legislation;
- ensure the preservation and archiving, in a manner suitable for guaranteeing its confidentiality and protection from unauthorized access, of the administrative and accounting documentation of the Company, in compliance with the applicable regulatory terms.

Within the aforementioned behaviours, it is **forbidden** to:

- take actions aimed at providing misleading information with reference to the actual representation of the Company, not providing a correct representation of the Company's economic, equity and financial situation;
- omit data and information required by law on the Company's economic, asset and financial situation;
- to return contributions to the shareholders or release them from the obligation to execute them, outside the cases of legitimate reduction of the share capital;
- allocating profits (or advances on profits) not effectively earned or allocated by law to reserves, as well as allocating reserves that cannot be distributed by law;
- make reductions in the share capital, mergers or demergers in violation of the provisions of law to protect creditors;
- in any case proceed with the formation or fictitious increase of the share capital;
- share the social assets among the shareholders, in the liquidation phase, before the payment of the social creditors or the provision of the sums necessary to satisfy them;

- alter or destroy financial and accounting documents and information available on the network through unauthorized access or other actions suitable for such purpose;
- to present untruthful statements to the Authorities, by presenting documents that are totally or partially not consistent to reality;
- implement activities and/or operations aimed at creating non-accounting availability, i.e. aimed at creating "black funds" or "parallel accounting".

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the competent Department is required to promptly notify the Supervisory Body of any observations that may be made by the Board of Statutory Auditors, the outcome of any inquiries or disputes by the Financial Administration, the list of operations carried out by way of derogation from the pre-established operating procedures and/or issued directly by the Top Managers.

Budget, forecast and reporting

All Recipients who, due to their position or their function or specific appointment, are involved in the Budget, forecast and reporting activities, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure correctness, timeliness and transparency in the conduct of activities aimed at defining the periodic budget and the drawing up of the final balances and forecasts of the Company;
- carry out the periodic process of planning, processing and consolidating the Company's budget, also in accordance with Group's provisions;
- defining the principles, criteria, rules, methods and deadlines for drafting the budget, the final balance, the reporting and the subsequent disclosure to the corporate Departments which hold the budget for the preparation of the pertinent budget, with adequate advance so to allow a timely analysis of the needs to conduct the activities of competence;
- ensure, in accordance with the established deadlines and procedures, the communication of the relevant budget, indicative of the following elements:
  - the volume of revenues based on the active contracts/agreements and the commercial opportunities that can be completed;
  - the need for total professional and infrastructural resources and the related economic-financial data;
- verify, and if necessary correct, the information received from each interested Department, in agreement with the Departments themselves, and perform budget consolidation;
- subject the processed budget to a formal approval validation process by the Company's entitled parties;
- ensure, on the basis of the forecast data received and the available final balance sheet information, the periodic verification of compliance with the defined budget, through the analysis of the deviations from the final balance

with respect to what was planned. The results of this verification are subject to examination by the competent Departments;

- elaborate periodically and within the established terms, on the basis of the available final data and information relating to new commercial/investment opportunities or changes to existing ones, the elaboration of new economic-financial values of competence, indicating any deviations from to what previously planned;
- any changes concerning the budget, the preliminary balance and the forecasts, subject to approval by the Company's entitled parties, are communicated to the competent/interested Departments.

All the parties involved are required to communicate to the Supervisory Body any anomalies found in relation to compliance with the indications of the Model.

Management of financial transactions

All Recipients who, due to their position or their function or specific appointment, are involved in the Management of financial transactions, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure that any investment operations in financial instruments are carried out, in compliance with current legislation, based on the strategies or guidelines defined by the Company and the Group;
- guarantee that investment/disinvestment operations take into due consideration what is indicated by the applicable laws and regulations, also with reference to operations that are not permitted or at risk of market manipulation;
- propose any investment/divestment opportunities (shares, bonds, etc.), also on the basis of what was previously planned to support the drafting of the budget, and provide for the relative authorization by the entitled parties according to the amount, in accordance with the system of powers in force;
- verify the reliability and integrity of the financial intermediaries used for securities purchase/sale transactions (credit institutions, brokers, etc.) by analysing appropriate economic/financial/equity stability indicators and verify their belonging to States reported as non-cooperative or with facilitate tax regimes;
- ensure the management of securities custody by arranging any transfers between accounts subject to the authorization of the Company's entitled parties.

Within the aforementioned behaviours it is **forbidden** to:

- simulate transactions or other artifices concretely suitable to cause a significant alteration of the price of financial instruments;
- put in place transactions that do not comply with laws and regulations in the matter of market manipulation.

Without prejudice to the obligation, for all the parties involved, to communicate any anomalies found, the competent Department is required to periodically communicate,

on a half-yearly basis, to the Supervisory Body a summary report on the investment/disinvestment operations made in the reference period.

Meetings with the BoD and the Assembly

All Recipients who, due to their position or their function or specific appointment, are involved in the Meetings with the BoD and the Assembly, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure the regular functioning of the Company and of the corporate bodies, guaranteeing and facilitating the free and correct formation of the assembly's and BoD's will;
- prepare, in compliance with the law and the articles of association, operating control procedures in relation to the following phases: regular convocation of the Board of Directors and the Shareholders' Meeting; deposit of shares with authorized intermediaries; deposit of any other document suitable for the adoption of resolutions by the Directors and shareholders; regular exercise of voting rights. In particular, these procedures must include:
    - the communication to the first organizational levels concerned of the dates set for the meetings of the Board of Directors and of the Meetings;
    - the preparation in compliance with the terms of the law, based on the indications received from the entitled parties to call the meeting[33], the notice of call and the related agenda, authorized by the aforementioned entitled parties, then communicated to the directors/members;
    - the request to the competent Departments for the necessary documentation to present the items on the agenda to the Board of Directors or to the Shareholders' Meeting;
    - the transmission of the aforementioned documentation to the directors/shareholders within the time limits established by the provisions, including internal ones, applicable in order to allow them a careful analysis and the possibility to request further information before the session; in particular, the timely provision of the financial statements to all the directors/shareholders must be ensured, in compliance with the relevant legislative and regulatory provisions, before the shareholders' meeting for the approval of the same, documenting the transmission, as well as the judgment by the certification company;
    - the filing and preservation of the documentation relating to the topics to be discussed in the BoD/Assembly to allow the consultation to the entitled parties of the relevant documentation;
    - the regularity of the constitution by the Chairman of the BoD/Assembly, verifying the existence of the requisites for the BoD and the total Shareholders' Meeting, or in the case of the Shareholders' Meeting the presence, also by proxy, of the internal share capital and the presence of the majority the administrative and control bodies, as well as the

[33] These subjects guarantee the convocation of the meeting also in compliance with the provisions of the current legislation.

regularity of the individual proxies of the shareholders and, in general, the right to attend the Shareholders' Meeting. To this end, the rules provided for by law and company by-laws apply;

- the right of all those present to be adequately informed regarding the topics of the agenda and the correct conduct of the discussion/meeting in compliance with the provisions of the law, ordering the postponement of the meeting if the conditions are met;

- ensure, with particular reference to extraordinary financial transactions (typically referring to the assumption of loans, underwriting and increases in share capital, granting of guarantees, granting of loans and subscription of bonds, acquisitions of business units or equity investments, other extraordinary operations such as mergers, demergers, contributions), that the person in charge, both the Board of Directors or another formally delegated person, has an adequate information support/illustrative report for the transactions in question for the Shareholders' Meeting, such as to enable it to express an informed decision and subsequently communicate it to the Board of Statutory Auditors based on the verifications of competence.

  In particular, the competent Department for each extraordinary finance transaction to be resolved, is required to prepare the appropriate documentation and assess its feasibility, strategic and economic convenience, including, where applicable:

  - qualitative and quantitative description of the target (feasibility study, financial analysis, studies and statistics on the reference market, comparisons between the various alternatives to carry out the operation);
  - characteristics and subjects involved in the transaction;
  - technical structure, main guarantees and collateral agreements and financial coverage of the transaction;
  - methods for determining the economic conditions of the transaction and indication of any external consultants/intermediaries/advisor involved;
  - impact on the future economic, financial and patrimonial situation.

- Guarantee that the aforementioned documentation is examined, shared and validated for final approval by the Board of Directors or another entitled person, sufficiently in advance. The competent Department prepares a specific file to be filed for each operation. The file also contains documentation certifying the decision-making phase (authorizing evidence from a formally entitled person and minutes from the Board of Directors);

- make available to the Shareholders, the Board of Statutory Auditors and the Independent Auditors the information and/or documents required by the same and/or necessary for the performance of the control activities assigned to them, ensuring compliance with the current legislation and keeping track of the accesses made ;

- ensure that the Directors promptly notify the Board of Directors and the Board of Statutory Auditors of all information relating to their offices or to the shares, directly or indirectly, owned in other companies, as well as the

relative terminations or changes, which due to the nature or type can reasonably allow to foresee any conflict of interests pursuant to art. 2391 c.c.;

- guarantee that the Directors who, in the event of a specific transaction of the Company, in a possible situation of conflict of interests, provide the Board of Directors with adequate information, indicating the nature, terms, origin and scope of the conflict;
- guarantee that the Department Managers who find, in relation to any type of business activity, a possible situation of conflict of interests, provide the competent Department and the Supervisory Body with adequate information, indicating the nature, the terms , the origin and extent of the conflict.

As part of the aforementioned conducts, it is **forbidden** to put in place, during meetings of the Board of Directors or Assemblies, simulated or fraudulent acts aimed at altering the regular procedure for the formation of the shareholders' will.

Without prejudice to the obligation, for the parties involved, to communicate to the Supervisory Body any anomalies found, the Department Manager is required to prepare and transmit to the aforementioned Body a summary statement of the operations carried out in the reference period.

C.4 Information flows to the Supervisory Body

Without prejudice to the disclosure obligations relating to the above Special Sections, the Recipients of this Model who find themselves having to manage significant activities pursuant to art. 25-*ter* of Legislative Decree 231/2001, must promptly communicate the following minimum information to the Supervisory Body:

- any requests for a quantitative change in data, compared to current procedures;
- any requests for changes in accounting principles;
- any findings and/or requests made by the Supervisory Authorities regarding the obligations required by the relevant regulations;
- uncommon requests made by the Directors and / or by the Statutory Auditors;
- each observation formulated by the Board of Statutory Auditors, the outcome of any assessments or disputes by the Financial Administration, the list of operations carried out by way of derogation from the pre-established operating procedures and/or issued directly by the Top Managers;
- any new activity and or any change to the assets recognized at the risk of their own competence;
- any anomalies, exception, violation or suspicion of violation of their knowledge with respect to the rules of conduct regulated therein, the laws of the law and the principles set forth in the Code of Ethics.

The Administrative Direction must send a report to the Supervisory Board on a **half-yearly basis** (31st July for the 1st semester and 31st January for the 2nd semester of each year) containing the minutes of the meetings containing resolutions concerning:

- changes in the members of the Board of Directors;

- the list of changes to the delegation system;
- the list of operations on capital and destination of profits;
- the list of extraordinary transactions (incorporation of companies, contributions, mergers, demergers, acquisitions or disposals of investments, *etc*.) and investment/disinvestment operations carried out during the reference period;
- other withholdings of interest for the institutional activity of the SB.

The Department Managers involved in the preparation of financial statements must send a report to the Supervisory Board **every six months** (31st July for the 1st semester and 31st January for the 2nd semester of each year):

- the list of updates to the procedure for preparing the financial statements.

The Department Managers must send a report to the Supervisory Board on a **half-yearly basis** (31st July for the 1st semester and 31st January for the 2nd semester of each year) with:

- a list of communications sent to the Supervisory Authorities.

The information flows must be sent to the Supervisory Body as the form referred to in the document "Information flows to the SB" which is an integral part of this document.

With reference to the activities managed by SECI under a "Supply of service contract", the SECI's SB may at any time request information from the OM's SB, in order to monitor the execution of the services requested to SECI.

Similarly, the OM's SB may request information from the SECI's SB or – after informing the latter – directly from SECI, for the purpose of the proper execution of the supervision.

SPECIAL SECTION D
MANSLAUGHTER BY CRIMINAL NEGLIGENCE AND SERIOUS OR VERY SERIOUS ACCIDENTAL INJURY COMMITTED IN BREACH OF LEGISLATION GOVERNING THE SAFEGUARDING OF WORKPLACE HEALTH AND SAFETY REGULATIONS

Function of the Special Section D

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the Recipients of this Model must comply during the management of the activities at risk associated with the types of offenses referred to in art. 25-*septies* of Legislative Decree 231/2001.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

The following are the offenses that provide for the administrative liability of the entities pursuant to art. 25-*septies* of the Decree.

D.1 Manslaughter by criminal negligence and serious or very serious accidental injury committed in breach of legislation governing the safeguarding of workplace health and safety regulations *(art. 25-*septies *of the Decree)*

Manslaughter by criminal negligence (art. 589 c.p.)

Anyone who causes, by criminal negligence[34], the death of a person incurs this crime.

Sanctions applicable to the Entity

- money penalty: from 250 to 500 quotas; in cases of violation of Article 55, paragraph 2, of the legislative decree implementing the delegation pursuant to Law August 3, 2007, n. 123, a pecuniary fine of 1000 quotas is provided;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Serious or very serious accidental injury (art. 590, comma 3, c.p.)

Anyone who causes a serious or very serious accidental injury to a person incurs this crime.

The personal injury is **serious (art. 583, paragraph 1, c.p.):**

1) if the fact causes a disease that endangers the life of the injured person, or an illness or an inability to perform ordinary occupations for a period of more than forty days;
2) if the fact produces the permanent weakening of a sense or an organ.

The personal injury is **very serious (art. 583, paragraph 2, c.p.)** if the fact causes:

- an certainly or probably incurable disease;
- the loss of a sense;
- the loss of a limb, or a mutilation that renders the limb unusable, or the loss of the use of an organ or the capacity to procreate, or a permanent and serious difficulty of the speech;
- deformation, or the permanent scar on the face.

Sanctions applicable to the Entity

[34] Or by imprudence, inexperience or failure to comply with laws, regulations, orders or disciplines.

- paragraph 3, money penalty: up to 500 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services

D.2 Risk-prone areas

The risk-prone area of the Company, with reference to crimes of manslaughter by criminal negligence and serious or very serious accidental injury committed in breach of legislation governing the safeguarding of workplace health and safety regulations, as identified in the Risk Assessment Document ("*DVR*"), to which reference is made for a complete review, is attributable to:

- *Occupational Health and Safety Management*

D.3 Behavioural principles

The following are some of the general principles to be considered applicable to the Recipients and able to reasonably cover all possible sources of risk.

In particular, it is forbidden to perform conduct or to contribute to the realization of conduct that can fall within the case referred to in the aforementioned art. 25-*septies* of Legislative Decree 231/2001.

Violations of the principles and rules set forth in the Code of Ethics and in this Special Section are also prohibited.

Occupational Health and Safety Management

The Company has adopted a Risk Assessment Document, pursuant to art. 28 of the Legislative Decree 81/2008.

The Company has set up a system of proxies/powers/appointments in order to define the responsibilities, duties and powers imposed on other parties called to operate in the health and safety system in the workplace. In particular, the following roles are clearly identified and formalized, to which precise obligations are assigned, pursuant to current legislation:

- the Prevention and Protection Service and its Manager;
- the Competent Doctor;
- the Safety Representatives of Workers;
- the Employees in charge of the implementation of fire prevention and firefighting measures, evacuation of workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, emergency management (firefighting teams and first aid teams).

The Board of Directors of the Company identifies the Employer by a specific resolution and power of attorney, if necessary.

It is mandatory for all the Recipients and the subjects having responsibilities in the management of the obligations provided for by health and safety workplace regulations, also according to the contractual agreements referred to above, to operate in compliance with the Code of Ethics, the current legislation and regulations in force and to guarantee, each within its own sphere of competence:

- the definition of targets about safety and health of workers and the continuous identification of risks;
- an adequate level of information/training for employees and suppliers/contractors, on the safety and health management system defined by

the Company and on the consequences deriving from failure to comply with the law and the conduct and control rules defined by the Company;

- prevention of accidents and illnesses and the emergency management;
- the adequacy of human resources – in terms of number and professional qualifications – and materials, necessary to achieve the targets set by the Company about the safety and health of its workers;
- the application of disciplinary measures in the case of breaches of the behavioural principles defined and communicated by the Company, in accordance with the disciplinary system provided by the General Section of this Model.

By way of example, violations of the obligations pursuant to art. 59 paragraph 1 lett. a) of Legislative Decree 81/2008 constitute a disciplinary offense. According to this article, workers must:

- observe the instructions given by the employer, the managers and the persons in charge, for the purposes of collective and individual protection;
- use the protection devices made available to them in an appropriate manner;
- immediately inform the employer, the manager or the person in charge any deficiencies of the means and devices referred to above, as well as any dangerous conditions they may become aware of, and take direct action, in an emergency situation, within the scope of their duties and possibility and without prejudice to the obligation set out below, in order to eliminate or reduce the situations of serious and impeding danger, giving notice to the workers' safety representative;
- do not remove or modify security or warning or control devices without authorization;
- do not carry out on their own initiative operations or proceedings that are not within their competence or that may compromise their own safety or that of other workers;
- participate in training programs organized by the Employer, even by entitled external consultants.

In general, all Recipients of the Model must comply with company regulations set out in order to preserve the safety and health of the workers and communicate promptly, to the competent Departments in predefined ways, any signs of risk or danger (for example, almost accidents), accidents (regardless of their seriousness) violations of company regulations.

The Recipients are **forbidden** to:

- perform, collaborate or give cause to the performance of conducts that, individually or collectively, integrate, directly or indirectly, the types of offenses falling under those considered above (article 25-*septies* of Legislative Decree 231/2001);
- perform or give cause to violations of the behavioural and control principles of the Model and of the company regulations regarding the management of safety and health at workplace.

Control principles

The Recipients involved in the management of the activities concerning safety and prevention must guarantee, each within their respective competence, the performance of the following controls:

Identification of those responsible, identification of powers and emergencies management

- the subjects who have been granted the powers in matters of safety, accident prevention and hygiene must exercise, within the area of their competence, all the aforementioned powers and fulfil all the obligations provided for by the law and regulations regarding safety, prevention accidents and environmental hygiene, applicable to the Company;
- the subjects who have been granted the powers in matters of security, with the support of the Head of the Prevention and Protection Service (RSPP), define roles, responsibilities and faculties of those who manage, execute and verify activities that influence the risks for health and safety.

The Company also:

- has an emergency management plan;
- identified an emergency response team, both in the event of fire and first aid.

Definition of the targets for the workers' health and safety and identification and continuous assessment of risks and maintenance activities

The Employer, with the support of the Prevention and Protection Service Manager, must:

- define the targets and programs for the continuous implementation of the prevention and protection conditions in terms of safety and health;
- periodically perform a formal analysis of the existing environmental risks and impacts. The risk assessment must be repeated whenever organizational, technical and operational changes occur, and must describe the prevention and protection measures and the individual protection devices, as well as the program of measures deemed appropriate in order to implement the actions concretely achievable to reduce the entity of the identified risks. Specifically as regards the risk assessment activity and the "Risk Assessment Document", in compliance with the regulatory provisions (articles 28 ff. of Legislative Decree 81/2008) a Risk Assessment Document has been drawn up with the methods and criteria specified in the document itself and with the contents required by law. Such Document examines the individual areas where the relevant activities are developed in order to protect the hygiene, health and safety of workers.

The adequacy of the DVR is constantly monitored by the Prevention and Protection Service through the reports that arrive at the service itself and in any case periodically revised and, in the updated case, in the event of:

- significant changes to plants and in general to the production process;
- organizational changes or new company regulations;
- new provisions of law;

- the health surveillance results highlight the need;
- significant accidents;
- in any case, at least, every two years.

The Employer, with reference to the management of services, works and supplies provided by third parties in the operating units of the Company (owned or not) or by the Company at third party sites, limited to the scope of its responsibility, ensures, pursuant to art. 26 of Legislative Decree no. 81/2008 and subsequent amendments, also in collaboration of the competent corporate Departments:

- verification of the technical-professional suitability of the contractors and self-employed workers in relation to the works, services and supplies to be contracted out or by contract for work or administration;
- the preparation (in coordination with the Employer(s) of third-party companies and/or subcontracting companies) of a document, to be attached to the contract, which indicates the measures taken to eliminate or, where this is not possible, to minimize the risks from interference (DUVRI), in order to promote cooperation and coordination between employers, also providing for the estimation of the related charges not subject to reduction of preventive and protective measures concerning safety and health of workers;
- in collaboration with the competent Departments, the presence, in the procurement/supply contracts, of specific resolution and sanction clauses to be applied in the event of violation/omission of compliance with the regulatory requirements or requisites on safety imposed by the Company, applicable to the suppliers and contractors;
- the reliability analysis of the service provided, such as compliance with the regulatory provisions on safety and what is established in the DUVRI, in order to qualify the suppliers and direct the choice of subsequent supplies.

The Employer, or the Principal, with reference to the individual programs, projects or orders implying the execution of works by means of temporary or mobile construction sites pursuant to Title IV of Legislative Decree no. 81/2001 and subsequent amendments, ensures, also in collaboration with the competent Departments, if the Company is the purchaser of the works:

- verification of the technical-professional suitability of the self-employed enterprises/workers operating on site;
- the supervision of the work performed by the appointed persons in accordance with the law, subject to verification of the possession of the appropriate professional requirements defined by the standard, such as the Works Manager, the Safety Coordinator in the Design phase (CSP) and in the Execution phase (CSE), with particular reference to the preparation, updating, review and communication to the interested parties (contracting and executing companies) of the Safety and Coordination Plan (PSC) and of the Risk Prevention and Protection Dossier, prepared according to the regulations in force , as well as the monitoring and verification activities by said parties regarding compliance with the provisions contained therein.

Entrusting duties and tasks

With specific regard to the assignment of duties and tasks, the Employer, also in collaboration with the competent internal Departments, ensures, taking into consideration all the activities, including those performed at third-party sites, as well as the company offices in which the Company exercises its own productive activities, the definition of the criteria for the assignment of tasks to workers, both during the employment phase and in the case of transfer or change of job, based on their skills and conditions in relation to their health and safety, as well as to what emerged from the results of the health verifications performed.

Asset management

The Employer, also in collaboration with the competent internal Functions, ensures, taking into consideration all the activities, even those carried out by third parties, as well as the company offices, the maintenance of all company assets (such as buildings, plants, equipment, etc.) so that its integrity and adequacy are always guaranteed, through:

- periodic verifications of adequacy, integrity and compliance with applicable regulatory requirements. These verifications are to be carried out also at the time of entry into the company of new machines, equipment and before their use by the authorized operators together with a risk assessment related to their use before the relative operational use;
- the planning, execution and verification of inspection and maintenance activities, both ordinary and not, by qualified and suitable personnel.

Management of business trips and secondments

The Employer, also in collaboration with the competent internal Departments, ensures the correct management of transfers/secondments to subsidiary companies, construction sites, suppliers, customers, aimed at ensuring the protection of the health and safety of "transferred" workers, through:

- the communication to the aforementioned subjects of all the information/training necessary to safety perform the activities at the destination site;
- the verification, by the Occupational Doctor (MC), of their suitability for carrying out the activities at the destination site and the possession of the individual protection devices (DPI) necessary to safety perform the activities;
- the guarantee that on site, if not made in advance by the headquarters, all the necessary information is provided concerning the management of emergencies, escape routes, alarms and more, as well as on the use of DPI for access to specific areas ;
- the formalization of the operating procedures for the authorization to carry out business activities.

Training and information on safety and health for employees

Without prejudice to all the considerations expressed in the introduction, the Employer provides, with the support of the RSPP, to:

- organize and provide continuous training programs for workers, including those that work on a seasonal basis;
- organize and provide specific training programs to workers.

In consideration of the relevance of the training activities in matter of safety at work, the company training plans are aligned with the requirements of the State-Regions Agreement of 21 December 2011 and subsequent amendments.

Managers, with the support of RSPP, must:

- evaluate, during the selection process, the suppliers' ability to guarantee the health and safety protection of both the supplier's employees, who perform the requested work, and those of the Company;
- formally communicate to suppliers the behavioural and control principles adopted by the Company and defined by this Model.

Communication, participation and consultation

The Employer, in collaboration with the competent internal Departments, ensures, taking into consideration all the activities, including those carried out by third parties, as well as the company offices in which the Company carries out its productive activities:

- the definition of appropriate operating methods to receive, document and respond to:
    - internal communications, concerning security, between the various levels and Departments of the Organization: communication of information from the Top Managers to all workers (*top-down*) and vice-versa (*bottom-up*), as well as internal cross-functional;
    - relevant communications with interested external parties, also subject to periodic communication to the Supervisory Body;
- the involvement and consultation of the workers, also through the Workers' Safety Representatives, on the issues inherent to the various activities of the management system (for example, the choice of risk control measures, suggestions for improving the system, feedback on the introduction of new machines/equipment, etc.), including through participation in periodic meetings provided for by current legislation and in meetings aimed at exchanging information on the subject and pertaining to normal company operations.

Documented procedures, controls and operational criteria

The Employer, also in collaboration with the competent internal Departments, the RSPP and the MC, taking into consideration all the activities, including those carried out by third parties, as well as the company offices in which the Company carries out its productive activities, ensures:

- the definition, formalization and implementation of specific operational controls necessary to manage the risks connected to operations and work activities the health and safety risks of workers are identified, also in the context of risk assessment documents, (controls related to the purchase of goods or products of third parties, to the management of changes in production activities, substances or equipment used, etc.) or in any case situations whose absence could allow deviations from the policy and objectives defined by the Company;

- the identification, also on the basis of the analyses and assessments of the risks associated with social activities and productions, of specific dangerous activities, therefore the definition of the relative appropriate working methods and the qualification of the personnel involved, including, where applicable, the management of external firms and systems for issuing work permits and controlling access to dangerous places;
- the management of dangerous substances, in terms of identifying these substances (as well as updating the information connected to them), the places of use, the relative compatibility for use and storage in safe conditions, and therefore of controlling the accesses and the methods of use;
- the correct management of the design, production and supply phases of the products and, more generally, of the social productions, through:
    - the review, verification and validation of the design results in light of the safety requirements so that the products are designed and developed taking into account safe use, storage and transport;
    - the analysis and management of the risks associated with the acquisition and use of by-products and intermediates, or the procedures for approving the procurement of products, equipment and services in relation to their safety requirements;
    - the management of information for the safe transport, use, storage and maintenance of social productions by third parties.

Health surveillance

It is the responsibility of RSPP to monitor the performance of health surveillance by the Competent Doctor, by providing it with adequate space to perform his activity and to file of the documentation that emerges from such activity.

Provided that it is not to the detriment of the mandatory assessments required by law the Competent Doctor is responsible for assessing the adequacy and possibly updating of the surveillance program based on any eventual needs.

In particular, all subordinate workers are subject to medical screening. The Competent Doctor subjects the temporary workers to screening only after six months of continuous activity. This activity must be carried out in a targeted manner on the basis of the activities carried out and the consequent risks for the employees.

The outcome of the medical analysis is formalized in assessments of health fitness/unfitness issued in duplicate (one copy is given to the worker while the second is kept at the company or at the office of the Competent Doctor, depending on what has been agreed and formalized in the appointment of the Doctor) and in a summary report.

Furthermore, before each periodic medical examination, it is envisaged to update the job descriptions with specific risks.

Legislative compliance and periodic audits on the safety management system

The Employer, also making use of the collaboration of the RSPP, of the MC and of the competent company Functions, ensures, taking into consideration all the activities and the corporate offices, or the workplaces also with third parties:

- identification and updating of the legal requirements and other applicable requirements regarding health and safety at work;
- the identification of where these requirements apply (business area) and the definition of the actions to be taken in order to achieve the compliance with these requirements, as well as the assignment of the related responsibilities and implementation times;
- the communication of relevant information to the personnel and to the parties directly involved, also if they are external;
- the review of compliance of the activities carried out by the organization with the applicable requirements, periodic and on an event basis (for example, if changes occur in work activities with potential impact on health and safety, legislative or regulatory changes or voluntary agreements, or if non-conformities are found, etc.);
- periodic communication, on a six-monthly basis, to the Supervisory Body of a summary statement containing the state of legislative compliance in progress.

The RSPP guarantees the performance of periodic audits on the safety management system, carried out by an internal Department within the Company or by an external entity formally appointed, in compliance with the behavioural and control principles defined in this Model.

The Employer:

- approves the annual verification plan, which must include interventions aimed at verifying compliance with the rules and the correct implementation by all the members of the organization;
- verifies the report on the audits and in particular the findings (non-compliance and/or observations) and the related action plan (defined by the area/department subject to verification with the support of the person who carried out the checks), which indicates the necessary actions to remove the non-conformities found, the entity responsible for their implementation and the timing;
- approves the action plan.

All Recipients involved in safety management inform the Supervisory Body of anomalous situations or situations that do not comply with the provisions of this part of the Model and the Code of Ethics.

Furthermore, RSPP shall notify the Supervisory Body:

- the statistics relating to the accidents occurred, specifying the cause, any injuries and the relative severity;
- any change that requires or has required the updating of the related Risk Assessment Document;
- the list of investments provided in the field of accident prevention and hygiene and safety protection at work, supplemented by the list of related purchases made during the period in question in emergency situations and extra-budget in the respective plants;

- changes to the system of powers of attorney, through the Company Management.

Accident analysis

The Employer, in collaboration with the competent internal Departments, as well as the RSPP and the MC, ensures:

- the reporting, detection, internal investigation of accidents, injuries and occupational diseases in order to determine the deficiencies that can cause, even indirectly, the occurrence of accidents, as well as for the analysis of the causes and the identification and management of corrective actions, preventive and continuous improvement of the health and safety levels of workers;
- prompt communication to the Supervisory Body of the occurrence of an accident, the results of the relative investigations/analyses carried out on it and the actions established.

Conducting the safety management system review process

The Employer ensures:

- the management on an annual basis of at least one review meeting of the Safety Management System, aimed at assessing its adequacy, effectiveness and possibilities for improvement. During the review meetings the performances of all the elements of the System are analysed as described in this document, then minuted at least the following information:
    - reasons for any failure to achieve the objectives/targets, to modify them during the advancement phase and for any failed audit and training;
    - justifications (or reports for future investigations) of any negative performance trend of the system, in the period considered;
    - provisions for actions to adapt to new regulations that are soon to come into force which significantly affect the organization and its occupational health and safety policy;
- the promptly communication of the review results to the Board of Directors, to the interested Parties/Departments and to the Supervisory Body.

The Recipients will guarantee, each within the parts of their respective competence, the documentability of the process followed, keeping at disposal of the Supervisory Body – in an ordered archive – all the necessary documentation for this purpose.

D.4 Information flows to the Supervisory Body

All Recipients involved in Occupational Health and Safety Management are required to **promptly** inform the Supervisory Body of any critical issues or anomalous situations that do not comply with what is defined in this part of the Model and the Code of Ethics.

The Head of the Prevention and Protection Service must send a report to the Supervisory Body on a **six-monthly basis** (July 31st for the 1st semester and January 31st for the 2nd semester of each year) with:

- a summary table containing the current legislative compliance status;

- accident statistics;
- occurrence of accidents that have caused death or serious or very serious injury to personnel;
- occurrence of "almost accidents";
- inspections by Public Administration officials and related findings emerged following checks and assessments;
- changes and updates to the Risk Assessment Document;
- copy of the minutes of the RSPP meetings;
- training and final training plan for health and safety at work.

The RSPP is required to report to the Supervisory Body of any violations (summarized by homogeneous categories), by the competent Departments (internally verified or verified by competent authorities), related to fulfilments required by the legislation on health and safety at workplace and related corrective actions taken.

The information flows must be sent to the Supervisory Body as the form referred to in the document "Information flows to the SB" which is an integral part of this document.

SPECIAL SECTION E
CRIMES COMMITTED BY CRIMINAL ORGANIZATIONS
OFFENCES REGARDING FORGERY OF MONEY, PUBLIC CREDIT INSTRUMENTS, REVENUE STAMPS AND INSTRUMENTS OR DISTINCTIVE SIGNS
CRIMES AGAINST INDUSTRY AND COMMERCE
CRIMES COMMITTED FOR THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY,
RECEIVING, LAUNDERING AND USING MONEY, GOODS OR ASSETS OF UNLAWFUL ORIGIN AND SELF-MONEY LAUNDERING
TRANSNATIONAL CRIMES

Function of the Special Section E

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the Recipients of this Model must comply with during the management of the risk-prone activities connected to the types of offenses referred to in articles. 24-*ter*, 25-*bis*, 25-*bis*.1, 25-*quater* and 25-*octies* of Legislative Decree 231/2001 as well as by art. 10 of Law 146/2006, in compliance with the principles of maximum transparency, timeliness, collaboration and traceability of activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

For sake of completeness, here below all the types of offense, that establish the administrative liability of the entities pursuant to the aforementioned articles 24-*ter*, 25-*bis*, 25-*bis*.1, 25-*quater* and 25-*octies* of the Decree and by art. 10 of Law no. 146/2006, are reported.

E.1 Crimes committed by criminal organizations *(art. 24-ter of the Decree)*

Criminal association (art. 416 c.p.)

The law punishes those who promote, constitute, organize or participate in associations of three or more people for the purpose of committing more crimes.

The penalty is increased if there are ten or more members.

An increase in sentence is provided if the association leads to commit some of the crimes referred to in articles 600, 601, 601-*bis* and 602 c.p., as well as in article 12, paragraph 3-*bis*, of the consolidated text on immigration regulation and norms on the condition of the foreigner, pursuant to Legislative Decree no. 286/1998, as well as in articles 22, paragraphs 3 and 4, and 22-*bis*, paragraph 1, of the Law no. 91/1999.

An increase in sentence is also provided if the association leads to commit some of the crimes referred to in articles 600-*bis*, 600-*ter*, 600-*quater*, 600-*quater*.1, 600-*quinquies*, 609-*bis*, when the fact is committed to the detriment of a minor, 609-*quater*, 609-*quinquies*, 609-*octies*, when the fact is committed to the detriment of a minor, and 609-*undecies* c.p.

Sanctions applicable to the Entity

- money penalty: from 300 to 800 quotas; in the case referred to in the sixth paragraph a penalty ranging from 400 to 1000 quotas is applicable;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Mafia-type criminal association (art. 416-*bis* c.p.)

This provision sanctions those who are part of a mafia-type association formed by three or more people.

The association is of mafia-type when those who are part of it make use of the intimidation force of the associative bond and of the subjection condition and of silence that results from committing crimes, in order to acquire directly or indirectly the management or the control of commercial activities, granting authorizations, public procurement and services, or in order to gain unfair profits or advantages for

themselves or others, or in order to prevent or hinder the free exercise of voting right, or in order to obtain votes for themselves or others during consultations election.

The provisions of art. 416-*bis* c.p. also applies to the Camorra and to the other associations, regardless of locally names, which, taking advantage of the intimidating force of the association bond, pursue aims corresponding to those of mafia-type associations.

If the commercial activities of which the mafia-members intend to acquire or control are financed in whole or in part with the price, the product, or the profit of crimes, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Mafia vote-buying (art. 416-*ter* c.p.)

This provision sanctions who gets the promise or promises, through the methods referred to in paragraph 3 of article 416-*bis* (mafia methods), to get votes in exchange for money or other benefits. The same penalty applies to those who promise to get votes.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (one year minimum): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Kidnapping with purpose of robbery or extortion (art. 630 c.p.)

The crime takes place when someone kidnaps a person in order to achieve, for himself or for others, an unfair profits as the price of liberation.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (one year minimum): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from

facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances (art. 74 D.P.R. 309/1990)

This provision sanctions those who promote, establish, direct, organize or finance associations of three or more persons for the purpose of committing more crimes among those provided for in article 73 of the D.P.R. 309/1990.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (one year minimum): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Crimes of illegal manufacture, import into Italy, offer for sale, sale, possession and carrying in a public place or place open to the public of weapons of war or military weapons or parts thereof, explosives, illegal weapons and more common firearms, except those envisaged in Article 2, third paragraph, of Law of 18 April 1975, no. 110 (art. 407, paragraph 2, lett. *a)*, no. 5 c.p.p.)

E.1*bis* Offences regarding forgery of money, public credit instruments, revenue stamps and instruments or distinctive signs *(article 25-bis of the Decree)*

Forgery of money, and spending and import into Italy, through intermediaries, of forged money (art. 453 c.p.)

The provision punishes:

1) anyone who forges national or foreign currencies, having legal tender in the State or outside;
2) anyone who alters genuine currencies in any way, giving them the appearance of a higher value;
3) anyone, not being involved in counterfeiting or alteration, but in concert with the person who executed it or an intermediary, introduces into the territory of the State or holds or spends or otherwise puts into circulation counterfeit or altered coins;
4) anyone buys or otherwise receives counterfeit or altered coins from those who falsified them, or from an intermediary, in order to put them into circulation.

The same penalty applies to those who, legally authorized to produce, improperly manufacture, abusing the instruments or materials in its availability, quantities of coins in excess of the prescriptions.

The crime in question has the purpose of protecting the regularity of the monetary circulation and therefore it is essentially a crime of danger. The crime does not require, for its existence, proof of the establishment of a particular association in which individuals carry out specific roles, as proof of the existence of any relationship, even temporary, between forger or intermediary is sufficient.

Sanctions applicable to the Entity

- money penalty: from 300 to 800 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Forging money (Art 454 c.p.)

The provision punishes anyone who alters the currency indicated in the previous article, by changing the value in any way, or, with respect to the coins thus altered, commits any of the facts indicated in numbers 3 and 4 of such article.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Spending and import into Italy, without intermediaries, of forged money (Art. 455 c.p.)

The provision punishes anyone who, outside the cases provided for in the two previous articles, introduces into the territory of the State, buys or holds counterfeit or altered coins, in order to put them into circulation, or spend them or otherwise circulate them.

Sanctions applicable to the Entity

- money penalty: the money penalties established for the crimes provided for by articles 453 and 454, reduced from one third to half;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Spending of forged money received in good faith (Art. 457 c.p.)

The provision punishes anyone who spends, or otherwise puts into circulation counterfeit or altered coins, received by him in good faith.

Sanction applicable to the Entity

- money penalty: up to 200 quotas;

Forging of revenue stamps, and importing into Italy, purchasing, possessing or circulating of forged revenue stamps (Art. 459 c.p.)

The provisions of articles 453, 455 and 457 also apply to the Forging of revenue stamps, and importing into Italy, purchasing, possessing or circulating of forged revenue stamps; but the penalties are reduced by one third. For the purposes of criminal law, revenue stamps are defined as stamped paper, revenue stamps, stamps and other values equivalent to these by special laws.

Sanction applicable to the Entity

- money penalty: the money penalties established for the crimes provided for by articles 453, 455, 457 and 464, second paragraph, c.p., reduced by one third;

Forgery of watermarked paper used to produce public credit instruments or revenue stamps (Art. 460 c.p.)

The provision punishes whoever counterfeits the watermarked card that is used for the manufacture of public credit cards or stamps, or purchases, holds or alienates such counterfeit card.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Manufacture or possession of watermarks or instruments intended for forging money, revenue stamps or watermarked paper (Art. 461 c.p.)

The provision punishes anyone who manufactures, buys, holds or alienates watermarks, computer programs and data or tools intended for counterfeiting or altering coins, revenue stamps or watermarked paper. The same penalty is applied if the conduct envisaged by the first paragraph relates to holograms or other components of the currency intended to ensure protection against counterfeiting or alteration.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Use of counterfeit or forged revenue stamps (Art. 464 c.p.)

The provision punishes anyone who, not being involved in counterfeiting or alteration, uses counterfeit or altered revenue stamps. If the values have been received in good faith, the penalty established in Article 457, reduced by a third, applies.

Sanction applicable to the Entity

- money penalty: up to 200 quotas;

Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs (Art. 473 c.p.)

The provision punishes anyone who, knowing of the existence of the industrial property title, counterfeits or alters national or foreign trademarks or distinctive signs of industrial products, or anyone, without being involved in counterfeiting or alteration, uses such counterfeit or altered marks or signs.

Anyone who counterfeits or alters national or foreign patents and industrial designs, or without being involved in counterfeiting or alteration, uses such counterfeit or altered patents, designs or models.

The offenses provided for in the first and second paragraphs are punishable on condition that the provisions of the internal laws, of the community regulations and of the international conventions on the protection of intellectual or industrial property have been observed.

Article. 473 c.p. it is a crime against the public faith.

It constitutes a crime of danger, sufficient for the completion of the crime that the mere danger to public faith can derive from counterfeiting or alteration. With reference to the punishable conduct “infringement” means a reproduction that is entirely superimposable on the original, capable of covering a degree of similarity equal to the slavish reproduction.

The alteration instead occurs when the reproduction is partial but such as to be confused with the original mark or distinctive mark.

To integrate the crime a generic imitation will not suffice, a simple impression that evokes to the buyer the presence of similar characters to the real product, but it will be necessary to carry out a real overlap between the allegedly false mark and that which is considered vulnerable.

As regards the material object:

- Trademark: it is an emblematic or nominative sign used by the entrepreneur to distinguish a product or a commodity: it is an indicator of the company’s provenance of the marked object;
- National or foreign distinctive signs of industrial products: it is a term of a controversial nature in which the doctrine includes all the marks of industrial products other than trademarks (for example, designations of origin, commercial names etc.);
- Patent: it is the certificate of traceability of a new invention or industrial discovery to a specific subject, to which the State grants - under certain conditions and limits - the exclusive right in the exploitation of the invention itself;

- Designs and models: which must be understood in the art. 473 c.p. certificates of concession relating to patents for industrial models and patents for ornamental designs and models.

As far as the subjective element is concerned, the intent consists not only in the awareness and will of counterfeiting or alteration, but also in the awareness on the part of the agent that the trademark (or the distinctive sign, etc.) has been deposited, registered or patented in the forms of law.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Import into Italy and sale of products with false signs (Art. 474 c.p.)

The law punishes anyone, outside the cases of competition in the crimes provided for in article 473 c.p., imports into the territory of the State, in order to gain profit, national or foreign industrial products with counterfeit or altered trademarks or other distinctive signs.

Out of the cases of competition in counterfeiting, alteration, introduction into the territory of the State, anyone holding for sale, puts up for sale or otherwise puts into circulation, in order to gain profit, the products referred to in the first paragraph is also punished.

The offenses provided for in the first and second paragraphs are punishable on condition that the provisions of the internal laws, of the community regulations and of the international conventions on the protection of intellectual or industrial property have been observed.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;
- disqualification measure (for a period not exceeding one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

E.1*ter* Crimes against Industry and Commerce *(article 25-bis.1 of the Decree)*

Disruption of freedom of trade and commerce (art. 513 c.p.)

The provision sanctions anyone who uses violence on things or fraudulent means to prevent or disturb the exercise of an industry or a trade, on complaint of the injured person, if the fact does not constitute a more serious offense.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas.

Illegal competition with threats or violence (art. 513-*bis* c.p.)

This provision sanctions anyone who during the exercise of a commercial, industrial or in any case productive activity, performs acts of competition with violence or threats.

Sanctions applicable to the Entity

- money penalty: up to 800 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Fraud against national industries (art. 514 c.p.)

This provision sanctions anyone who, by selling or otherwise putting into circulation, on the domestic or foreign markets, industrial products, with counterfeited or altered names, brands or distinctive signs, causes a detriment to the national industry.

Sanctions applicable to the Entity

- money penalty: up to 800 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Fraudulent trading (art. 515 c.p.)

This provision sanctions anyone who, in the exercise of a commercial activity, or in a public shop, gives the purchaser a thing for another, or a thing by origin, quality or quantity different from that declared or agreed, if the fact does not constitute a more serious crime.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas.

Sale of non-genuine foodstuffs as genuine (art. 516 c.p.)

This provision sanctions anyone who sells or otherwise puts on the market non-genuine food substances as if they were wholesome.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas.

Sale of industrial products with misleading signs (art. 517 c.p.)

This provision sanctions anyone who sells or otherwise releases intellectual property or industrial products, bearing names, brands or distinctive national or foreign signs,

which mislead the buyer on the origin, provenance or quality of the work or product, if the fact is not foreseen as a crime by another provision**.**

Sanctions applicable to the Entity

- money penalty: up to 500 quotas.

Manufacture and trade of goods made by misappropriating industrial property rights (art. 517-*ter* c.p.)

This provision sanctions who, knowing the existence of industrial property (patent) rights, manufactures or industrially uses objects or other goods made by usurping an industrial property (patent) rights or in violation of the same, without prejudice to the application of articles 473 and 474 c.p.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;

Infringement of geographical indications or designations of origin for agrifood products (art. 517-*quater* c.p.)

This provision sanctions anyone who:

- counterfeits or in any case alters geographical indications or denominations of origin of agro-food products;
- introduces into the territory of the State, holds for sale, sells with direct offer to consumers or in any case puts the same products in circulation with counterfeited geographical indications or denominations, in order to gain unfair profits.

Sanctions applicable to the Entity

- money penalty: up to 500 quotas;

E.1*quater* Crimes of terrorism or subversion of democratic order *(article 25-quater of the Decree)*

Article 25-*quater* of Legislative Decree 231/2001 introduced crimes relating to terrorism and subversion of democratic order.

For the sake of greater expositive clearness, the only description of the case referred to in art. 270-*bis* c.p. is quoted, in order to better define what is meant by "purpose of terrorism or subversion of democratic order".

However, it is specified that the art. 25-*quater* makes a general reference to all the hypotheses provided for by the penal code and by the special law on such matter, to which reference should be made.

Sanctions applicable to the Entity

For all the hypotheses described in this article, the applicable penalties are identified and differentiated according to the extent of the penalty provided for by the penal code or by special law. In particular:

- if the crime is punished with a penalty of imprisonment of less than 10 years, the money penalty is between 200 and 700 quotas;

- if the crime is punished with a sentence of imprisonment of not less than 10 years or with life sentence, the money penalty is between 400 and 1000 quotas;
- in cases of conviction for one of the crimes indicated in paragraph 1 of Legislative Decree 231/2001, the disqualification measure provided for by art. 9, paragraph 2 (prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services) is applicable for not less than 1 year.

Associations with purposes of terrorism, also international, or subversion of democratic order (art. 270 *bis* c.p.)

The crime of association with purposes of terrorism also international, or subversion of democratic order sanctions those who constitute, directs or finances an association that proposes the carrying out of acts of violence with the aim of terrorism also international or subversion of democratic order. The case is configured even if the association has a logistical base in the national territory but is aimed at carrying out the offenses outside of it. This provision sanctions not only who constitutes, directs or finances the association, but also the individuals who adhere to it.

Assistance to members (Art. 270 ter c.p.);

Enrolment with terrorist purposes, including international ones (Art. 270-*quater* c.p.);

Training in terrorist activities, including international ones (Art. 270-*quinquies* c.p.);

Financing of conduct with terrorist purposes (Art. 270-*quinquies*.1 c.p.)

Theft of assets or money subject to seizure (Art. 270-*quinquies*.2 c.p.)

Conducts for terrorism purposes (Art. 270-*sexies* c.p.p.);

Attack for terrorist purposes (Art. 280 c.p.);

Act of terrorism with deadly or explosive devices (art. 280-*bis* c.p.);

Acts of nuclear terrorism (Art. 280-*ter* c.p.)

Kidnapping for the purpose of terrorism or subversion (Art. 630 c.p.);

Urgent measures for the protection of the democratic order and public security (Art. 4 of Legislative Decree 625/79).

E.1*quinquies* Handling stolen goods, laundering and use of money, assets or utilities whose origin is illegal and Self-money Laundering *(article 25-octies of the Decree)*

Receiving money, goods or assets of unlawful origin (art. 648 c.p.)

The crime of handling stolen goods punishes those who buy, receive, cover or intrude in buying, receiving or concealing money or things from any crime. This

conduct is aimed at gaining a profit in favour of the author himself or a third party. It is necessary that the offender did not contribute to the realization of the crime from which the money or things come from. An aggravating circumstance is provided in the event that the conduct concerns money or other things deriving from aggravated robbery offenses, aggravated extortion, or aggravated theft.

Sanctions applicable to the Entity

- money penalty: from 200 to 800 quotas; in the event that the money, assets or other benefits come from a crime for which a maximum penalty of imprisonment of up to 5 years is provided for, a money penalty from 400 to 1000 quotas is applicable;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Money laundering (art. 648-*bis* c.p.)

Money laundering occurs whenever someone replaces or transfers money, goods or other benefits deriving from a fraudulent crime or performs other operations in relation the crime above. The conduct must hinder the identification of the criminal origin of money, goods or other benefits. As for handling stolen goods, money laundering also exists outside the conspiracy for the crime from which the money, goods or other benefits come from.

The conduct of "replacement" includes all activities aimed at influencing the criminal profit, separating every possible connection with the crime. The concrete operating methods may consist of banking, financial and commercial transactions, through which the economic benefits of illicit origin are exchanged with legitimate ones; or with the exchange of paper money in different currencies, with speculation on exchange rates, with the investment in government bonds, shares, etc.

The conduct of "transfer" is, in fact, a specification of the first one: in this hypothesis there is no replacement of the assets of illicit origin, but the movement of the same from one subject to another in order to lose track of the their origin and their actual destination.

The hypothesis of "other operations" is a closing clause and includes any conduct that can be identified in a specific fraudulent activity consisting in impeding or making more difficult the search for the author of the alleged crime.

Sanctions applicable to the Entity

- money penalty: from 200 to 800 quotas; in the event that the money, assets or other benefits come from a crime for which a maximum penalty of imprisonment of up to 5 years is provided for, a money penalty from 400 to 1000 quotas is applicable;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or

subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Use of money, assets or benefits of unlawful origin (art. 648-*ter* c.p.)

This provision sanctions anyone who, outside the cases of competition in the offense and outside of the abovementioned cases of handling stolen goods and money laundering, uses money, assets or other benefits whose origin is illegal, in economic or financial activities.

The sanctionable conduct is described with the verb use, which does not have a precise technical value and ends up with having a particularly wide scope, being able to match any kind of use of money, goods or other benefits whose origin is illegal, regardless of any objective or useful result for the agent.

The expression "economic and financial activities" is interpreted by the jurisprudence in a broad sense, such as to include any type of use, as long as it can be classified into activities aimed at producing or exchanging goods or services.

Sanctions applicable to the Entity

- money penalty: from 200 to 800 quotas; in the event that the money, assets or other benefits come from a crime for which a maximum penalty of imprisonment of up to 5 years is provided for, a money penalty from 400 to 1000 quotas is applicable;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Self-money laundering (art. 648-*ter*.1 c.p.)

Article. 648-*ter*.1 sanctions anyone who, having committed or abetting to commit a fraudulent crime, uses, substitutes or transfers in economic, financial, business or speculative activities, the money, goods or other benefits deriving from such crime, in order to concretely hinder the identification of their criminal origin.

Out of the previous cases, the conduct for which money, goods or other benefits are destined for mere use or personal enjoyment are not punishable.

Sanctions applicable to the Entity

- money penalty: from 200 to 800 quotas; in the event that the money, assets or other benefits come from a crime for which a maximum penalty of imprisonment of up to 5 years is provided for, a money penalty from 400 to 1000 quotas is applicable;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

E.1*sexies* Transnational crimes *(article 10, Law no. 146/2006)*

Definition of transnational crime

Article 3 of Law no. 146/2006 defines as "transnational" the offense in which an organized criminal group is involved and which is sanctioned with imprisonments for a maximum period of at least 4 years, provided that such offense:

- is committed in more than one State;
- is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State;
- is committed in one state, but is involved in an organized criminal group that is engaged in criminal activities in more than one State;
- or, finally, is committed in one State, but has "substantial" effects in another State.

Criminal association (art. 416 c.p.)

The law punishes those who promote, constitute, organize or participate in associations of three or more people for the purpose of committing more crimes.

The penalty is increased if there are ten or more members.

An increase in sentence is provided if the association leads to commit some of the crimes referred to in articles 600, 601, 601-*bis* and 602 c.p., as well as in article 12, paragraph 3-*bis*, of the consolidated text on immigration regulation and norms on the condition of the foreigner, pursuant to Legislative Decree no. 286/1998, as well as in articles 22, paragraphs 3 and 4, and 22-*bis*, paragraph 1, of the Law no. 91/1999.

An increase in sentence is also provided if the association leads to commit some of the crimes referred to in articles 600-*bis*, 600-*ter*, 600-*quater*, 600-*quater*.1, 600-*quinquies*, 609-*bis*, when the fact is committed to the detriment of a minor, 609-*quater*, 609-*quinquies*, 609-*octies*, when the fact is committed to the detriment of a minor, and 609-*undecies* c.p.

Mafia-type association (art. 416-*bis* c.p.)

The provision sanctions those who are part of a mafia-type association formed by three or more people.

The association is of mafia-type when those who are part of it make use of the intimidation force of the associative bond and of the subjection condition and of silence that results from committing crimes, in order to acquire directly or indirectly the management or the control of commercial activities, granting authorizations, public procurement and services, or in order to gain unfair profits or advantages for themselves or others, or in order to prevent or hinder the free exercise of voting right, or in order to obtain votes for themselves or others during consultations election.

Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances (art. 74 D.P.R. 309/1990)

This provision sanctions those who promote, establish, direct, organize or finance associations of three or more persons for the purpose of committing more crimes among those provided for in article 73 of the D.P.R. 309/1990.

Provisions against illegal immigration (art. 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of Legislative Decree July 25, 1998, no. 286)

Unless the fact constitutes a more serious offense, this provision sanctions anyone who promotes, directs, organizes, finances or carries the transport of foreigners in the territory of the State or performs other acts aimed at obtaining their illegal entrance into the territory of the State, or other State in which the person is not a citizen or has no permanent residence title.

Inducement not to render declarations or to render false statements to the judicial authority (art. 377-*bis* c.p.)

This provision sanctions anyone who, with violence or threats, or with an offer or promise of money or other benefits, induces someone not to render declarations or to render false statements to the judicial authority that can be used in criminal proceedings, when the latter has right to remain silent, unless the fact constitutes a more serious offense.

Personal abetment (art. 378 c.p.)

This provision sanctions anyone who, after a crime for, which the law provides for life sentence or imprisonment, has committed, and outside the cases of aiding, helps anyone to evade the Authority's investigations, or to escape from the research of this.

E.2 Risk-prone areas

Crimes committed by criminal organizations, Crimes committed for the purpose of terrorism or subversion of democracy and Transnational crimes, due to what is specified in the Risk Assessment Methodology paragraph and the "risk-prone areas and activities", are mainly attributable to the processes in which OM establishes relationships with third parties, such as:

- *Intercompany financial and commercial relations management*
- *Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships*
- *Management of requirements and purchases*
- *Management of assignments and consultancy*
- *Event management, sponsorships and donations*

as well as, as regards Association crimes and Transnational crimes, the following additional processes:

- *Real estate management*
- *Selection and hiring of staff*

The risk areas of the Company, with reference to Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-money laundering, are attributable to:

- *Intercompany financial and commercial relations management*
- *Management of requirements and purchases*
- *Management of assignments and consultancy*
- *Real estate management*
- *Selection and hiring of staff*
- *Management of attendance and travel expenses*
- *Management of current accounts, collections and payments*
- *Management of financial transactions*
- *Credit management*
- *Litigation management*
- *Management of events, sponsorships and donations*

Limited to the crime of Self-money laundering, taking into account what was stated in the paragraph relating to the *Risk Assessment Methodology*[35], but wishing

[35] That is to say that the same can be considered abstractly configurable in relation to all the activities / risk areas referable to the Company where the same, following the commission or the competition in the commission of a crime of a non-negligent nature, used, replaced or transferred, in economic, financial, entrepreneurial or speculative activities, money, goods or other benefits deriving from the commission of the aforementioned crime, so as to concretely hinder the identification of the criminal origin.

to identify the activities most exposed to the risk of verification of this case, in addition to the aforementioned processes, the following must be considered:

- *General accounting management and budgeting*
- *Meetings of the Board and the Assembly*
- *Management of tax aspects*

The risk-prone areas of the Company, with reference to the Offences regarding forgery of money, public credit instruments, revenue stamps and instruments or distinctive signs and, in particular, to the crime referred to in art. 473 c.p.[36], as well as Crimes against industry and commerce, and in particular in articles 517 and 517-*ter* c.p.[37], are attributable to the following activities:

- *Research and development of products, technologies and solutions*
- *Management of requirements and purchases*

[36] Please note that the art. 473 c.p. provides for the crime of "*Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs*".

[37] Articles 517 and 517-*ter* c.p. concern, respectively, the crimes of "*Sale of industrial products with misleading signs*" and "*Manufacture and trade of goods made by misappropriating industrial property rights*".

E.3 Behavioural principles

The following are some of the general principles to be considered applicable to all Recipients.

In particular, it is forbidden to put in place conduct or to contribute to the realization of conduct that can be included in the aforementioned offenses referred to in articles 24-*ter*, 25-*bis*, 25-*bis*.1, 25-*quarter* and 25-*octies* of Legislative Decree 231/2001, as well as in art. 10 of Law no. 146/2006.

Violations of the principles and rules set forth in the Code of Ethics and in this Special Section are also prohibited.

In particular, with reference to the individual risk-prone areas/activities, the following principles and behavioural rules are noted.

Intercompany financial and commercial relations management

Extraordinary transactions (investments, mergers, acquisitions), joint ventures and partnerships

Management of requirements and purchases

Management of assignments and consultancy

Real estate management

Selection and hiring of staff

Management of attendance and travel expenses

Management of current accounts, collections and payments

Management of financial transactions

Credit management

Litigation management

Management of events, sponsorships and donations

In relation to the aforementioned sensitive activities, reference is made to the safeguards contained in the respective sections referred to in **Special Section A** of this Model.

General accounting management and budgeting

Meetings of the Board and the Assembly

With reference to the aforementioned activities, on the other hand, reference is made to the safeguards contained in the respective sections referred to in Special Section C of this Model.

Management of tax aspects

All Recipients who, due to their office or their function or specific appointment, are involved in Management of tax aspects, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure that the activities relating to the management of the fiscal aspects are conducted in a correct, transparent and traceable manner, in compliance with the regulations in force applicable to the Company;

- guarantee, also by means of the aforementioned external studies, on the basis of the general accounting management process and the formulation of the financial statements, the correct observance of the regulatory obligations regarding the periodic declaration relating to income and value added taxes, as well as payment of taxes (value added tax, certified withholdings, staff contributions, etc.);
- prepare, starting from the identification of the elements necessary for the correct attribution of the values subject to the declaration, the statutory mandatory declarations based on the standards required by the applicable legislation, subject to verification and approval by the entitled parties of the Company based on the powers conferred by the system of powers of attorney and company proxies;
- provide, in accordance with the terms of the law, for the timely communication/transmission of mandatory legal declarations to the bodies in charge;
- prepare, in compliance with the terms of the law, the payment models (Value Added Tax and deemed to be certificates of competence) and proceed with the timely payment, subject to authorization by the competent Function;
- provide, in compliance with the terms of the law, for the preparation of the payment Models relating to the withholdings of competence (personal and similar), and therefore to the prompt payment of said models;
- regulate relations with external legal/tax firms through a specific contract within which, to protect the Company, appropriate safeguard and resolution clauses are provided for in the event of non-fulfilment or incorrect fulfilment of the obligations arising from the bond;
- verify the correctness of the work of the external studies used by the Company;
- guarantee correctness, transparency and traceability in the management of relations with Consob, Borsa Italiana and the other control bodies, with particular reference to the analysis and verification of the correct management of the relevant obligations by the Company[38], in compliance with of the control elements set out in this Model and relating to the processes of Management of obligations, communications and relations with the supervisory and control bodies and of relations with the relevant officials during inspections.

Without prejudice to the obligation on the part of all the actors involved to communicate to the Supervisory Body any anomalies or atypical situations encountered, the Function Manager is required to prepare and transmit a report, on an annual basis, summarizing the operations carried out.

Research and development of products, technologies and solutions

[38] In particular, the requests received from such control bodies as well as the information/documentation provided to them must be tracked.

All Recipients who, due to their office or their function or specific appointment, are involved in Research and development of products, technologies and solutions, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure that research, development and design of new products, technologies and solutions are conducted in a correct, transparent and traceable manner, in compliance with current legislation;
- verify, before registering each trademark, logo or any distinctive sign, Italian or foreign, that they have not already been registered, at national or EU level;
- ensure that research, development and design activities include, in the case of products, technologies and particularly original solutions, priority searches also through the use of dedicated databases, aimed at verifying that there are no products, technologies or solutions protected by the industrial property law;
- provide for market monitoring activities, *i.e.* products, technologies and solutions on the market, also in order to identify the relative composition;
- carry out prior art searches also with reference to the analysis of trademarks and distinctive signs, patents, industrial designs (national or foreign), of products, technologies and solutions on the market, also for the purpose of verifying the confusability and misleading of the trademarks or distinctive signs used by the Company;
- guarantee the traceability of its products by implementing specific systems and procedures that allow at any time to reconstruct the "upstream" and "downstream" process of each product, technology and solution, as well as make available to the competent Authorities, if they require information on this matter.

Within the aforementioned behaviours, it is **forbidden** to:

- counterfeit or alter, in any way, (national or foreign) trademarks or distinctive signs or patents, industrial designs, whose ownership is attributable to other companies, or employ counterfeit or altered industrial property rights;
- design (national or foreign) industrial products with names, brands or distinctive signs to mislead the buyer as to the origin, origin or quality of the work or products/technologies/solutions;
- use names or distinctive signs for the subsequent marketing, also through the intermediary of or in competition with the Companies of the Group, of products/technologies/solutions, capable of producing confusion with names or distinctive signs belonging to or legitimately used by other companies;
- carry out any fraudulent practice or able to mislead the customer/final consumer;
- slavishly imitate a competitor's products/technologies/solutions;
- make the description of a product, technology and solution not exactly corresponding to the real one.

All recipients involved are required to promptly notify the Supervisory Body of any anomalies found.

E.4 Information flows to the Supervisory Body

The Recipients of this Model who, in carrying out their business, find themselves having to manage significant activities pursuant to articles 24-*ter*, 25-*bis*, 25-*bis*.1, 25-*quater* and 25-*octies* of the Decree, as well as to the art. 10 of Law 146/2006, must **promptly** communicate to the Supervisory Body, in writing, any information concerning exceptions or violations of the control and behavioural principles established therein.

Each Department Manager, for the area of its competence, must send the following to the Supervisory Body:

- **annually** (by 31 January) a report, on an annual basis, summarizing the operations carried out.

The information flows must be sent to the Supervisory Body as the form referred to in the document "Information flows to the SB" which is an integral part of this document.

With reference to the activities managed by SECI under a "Service supply contract", SECI's Supervisory Body may at any time request information from OM's Supervisory Body, in order to monitor the performance of the services requested by SECI.

In the same way, OM's Supervisory Body may request information from the SECI's Supervisory Body or - after informing the latter - the SECI Departments, for the purpose of correctly carrying out the supervision.

SPECIAL SECTION F
ENVIRONMENTAL CRIMES

Function of the Special Section F

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural principles to which the Recipients of this Model must comply during the management of the risk-prone activities related to the offenses referred to in art. 25-*undecies* of Legislative Decree 231/2001, in accordance with the principles of maximum transparency, timeliness, collaboration and traceability of activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

For sake of completeness, the following are all the offenses that provide for the administrative liability of the Entity, pursuant to art. 25-*undecies* of the Decree.

F.1 Environmental crimes *(art. 25-undecies of the Decree)*

Environmental pollution (art. 452-*bis* c.p.)

This provision sanctions anyone who illegally, significantly and measurably, degrades:

- water, air, or significant portions of the ground or subsoil;
- an ecosystem, biodiversity including agriculture, flora and fauna.

When the pollution is produced in a protected natural area or subjected to a landscape, environmental, historical, artistic, architectural or archaeological constraint, or to the detriment of protected animal or plant species, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 250 to 600 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Environmental disaster (art. 452-*quater* c.p.)

This provision sanctions anyone who unlawfully causes an environmental disaster. An environmental disaster is, alternatively, constituted by:

- the irreversible alteration of an ecosystem's equilibrium;
- the alteration of an ecosystem's equilibrium whose elimination is particularly burdensome and achievable only with exceptional measures;
- the offense to public safety, due to the relevance of the fact for the extension of the compromise, its harmful effects or for the number of injured or exposed to danger persons.

When the disaster is produced in a protected natural area or subjected to a landscape, environmental, historical, artistic, architectural or archaeological constraint, or to the detriment of protected animal or plant species, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 400 to 800 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or

subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Intentional crimes against the environment (art. 452-*quinquies* c.p.)

This provision sanctions anyone who commits with negligence any of the aforementioned offenses (articles 452-*bis* and 452-*quater* c.p.).

Sanctions applicable to the Entity

- money penalty: from 200 to 500 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Trafficking and abandonment of highly radioactive material (art. 452-*sexies* c.p.)

This provision sanctions anyone who illegally gives, acquires, receives, carries, imports, exports, attests to others, holds, transfers, abandons or illegally disposes of highly radioactive material, unless the fact constitutes a more serious offense.

The penalty is increased if the danger derives from impairment or deterioration of:

- water, air, or significant portions of the ground or subsoil;
- an ecosystem, biodiversity, also of agriculture nature, flora or fauna.

If the conduct results in danger for life or for personal safety, the penalty is increased.

Sanctions applicable to the Entity

- money penalty: from 250 to 600 quotas;
- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

Aggravating circumstances (art. 452-*octies* c.p.)

This provision provides for an increase in sentence if the association referred to in art. 416 c.p. is directed, exclusively or concurrently, to the purpose of committing some of the environmental crimes referred to in Title VI-*bis* of the Penal Code.

The penalty is increased if the association referred to in art. 416-*bis* c.p. is aimed at committing some of the crimes provided for by Title VI-*bis* c.p. or at the acquisition of management or control of commercial activities, concessions, authorizations, public tenders or public services in the environmental field.

The penalties are increased if the association includes Public Officials or Public Service Officer that perform functions or perform services in the environmental field.

Killing, destruction, capture, taking, and possession of protected wild fauna and flora specimens (art. 727-*bis* c.p.)

This provision sanctions anyone who, outside the permitted cases:

- kills, catches or holds specimens belonging to a protected wild animal species, unless the fact constitutes a more serious offense;
- destroys, withdraws or holds specimens belonging to a protected wild flora specimens;

except in cases where the action concerns a negligible quantity of such specimens and has a negligible impact on the conservation status of the species.

Sanctions applicable to the Entity

- money penalty: up to 250 quotas.

In order to apply this provision, "protected wild animal or plant specimens" means those referred to in Annex IV of Directive 92/43/EC and Annex I of Directive 2009/147/EC.

Habitats vandalism (art. 733-*bis* c.p.)

This provision sanctions anyone who, outside the permitted cases, destroys an habitat inside a protected site or in any case degrades it, compromising its conservation status.

Sanctions applicable to the Entity

- money penalty: from 150 to 250 quotas.

Criminal punishment relating to industrial wastewater discharges, without authorization (Art. 137, paragraphs 2, 3, 5, 11 and 13, D.Lgs. 152/06)

This provision sanctions anyone who:

- opens or otherwise makes new industrial wastewater discharges containing dangerous substances indicated in Tables 5 and 3/A of Annex 5 to the third part of Legislative Decree no. 152/2006, without authorization, or continue to make or maintain such discharges after the authorization has been suspended or revoked;
- performs an industrial wastewater discharges containing dangerous substances indicated in Tables 5 and 3/A of Annex 5 to the third part of Legislative Decree no. 152/2006, without fulfilling the authorization requirements, or other disposition made by the competent authority, pursuant to articles 107, paragraph 1, and 108, paragraph 4;
- in relation to the substances indicated in Table 5 of Annex 5 to the third part of Legislative Decree no. 152/2006, in the industrial wastewater discharges, exceeds the limit values set out in Table 3 or, in the case of discharging on the ground, in Table 4 of Annex 5 to the third part of Legislative Decree no. 152/2006, or the more restrictive limits set out by the Regions, Autonomous Provinces or competent Authority, pursuant to article 107, paragraph 1;
- does not observe the prohibition of discharging on the ground and the subsoil, provided for in articles 103 and 104 of Legislative Decree no. 152/2006.

The crime also punishes the discharge - in sea waters by ships or aircraft - of substances or materials for which the absolute prohibition of discharge is imposed, pursuant to the provisions contained in the international conventions on the matter in force and ratified by Italy , unless they are in such quantities as to be quickly rendered harmless by physical, chemical and biological processes, which occur naturally at sea and provided that prior authorization is obtained from the competent authority.

Unauthorized waste management activity (a rt. 256, paragraphs 1 lett. a) and b), 3, 4, 5, 6, D.Lgs. 152/06)

This provision sanctions anyone who:

- performs a waste collection, transport, recovery, disposal, trading and intermediation activity in the absence of the required authorization, registration or communication pursuant to articles 208, 209, 210, 211, 212, 214, 215 and 216 of the Legislative Decree no. 152/2006;
- creates or manages an unauthorized landfill;
- constructs or manages an unauthorized landfill intended to dispose, even in part, of hazardous waste;
- in violation of the prohibition set out in article 187, carries out unauthorized mixing activities;
- make temporary storage of hazardous medical waste at the production site, in violation of article 227, paragraph 1, letter b).

Sanctions applicable to the Entity

- paragraph 1, letter a), money penalty: up to 250 quotas;
- paragraph 1, letter b), money penalty: from 150 to 250 quotas;
- paragraph 3, first sentence, money penalty: from 150 to 250 quotas;
- paragraph 3, second sentence, money penalty: from 200 to 300 quotas;
- paragraph 3, second sentence, disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.
- money penalty: up to 250.

Site remediation (art. 257, paragraphs 1 and 2, D.Lgs. 152/2006)

This provision sanctions anyone who:

- causes pollution of the soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations, if it does not provide for reclamation in accordance with the project approved by the competent authority in the context of the procedure referred to in the articles 242 ff. of Legislative Decree no. 152/2006;

- omits the communication referred to in article 242 of Legislative Decree no. 152/2006.

The pollution conduct referred to in the first point is aggravated by the use of hazardous substances.

Sanctions applicable to the Entity

- paragraph 1, money penalty: up to 250 quotas;
- paragraph 2, money penalty: from 150 to 250 quotas.

Breach of the disclosure obligations and requirements to maintain mandatory registers and forms (art. 258, paragraph 4, D.Lgs. 152/2006)

This provision sanctions anyone who:

- transports waste without the form referred to in article 193;
- indicates incomplete or incorrect data in such form;
- prepares a false certificate about the analysis of waste in relation to the nature, composition and chemical-physical characteristics of the waste itself;
- uses a false certificate during transport.

Sanctions applicable to the Entity

- money penalty: from 150 to 250 quotas.

Illicit traffic of waste (art. 259, paragraph 1, D.Lgs. 152/2006)

This provision sanctions anyone who carries out a shipment of waste constituting illicit traffic pursuant to article 26 of the Regulation (EEC) 1 February 1993, no. 259 (now entirely replaced by the EC Regulation 14 June 2006, no. 1013), or dispatches waste listed in Annex II to the aforementioned Regulation (waste that is destined to recovery) in violation of the provisions on these activities, such as article 1, paragraph 3, letters a), b), c) and d) of the Regulation itself. The conduct is aggravated in case of shipment of hazardous waste.

Sanctions applicable to the Entity

- money penalty: from 150 to 250 quotas.

Activities organized for illicit waste traffic (art. 452-*quaterdecies* c.p.)[39]

This provision sanctions anyone who, in order to achieve an unfair profit, with more operations and through the preparation of organized continuative means and activities, transfers, receives, transports, exports, imports, or in any case handles abusively large quantities of waste. The conduct is aggravated if it is of highly radioactive waste.

Sanctions applicable to the Entity

- paragraph 1, money penalty: from 300 to 500 quotas.

[39] Following the entry into force of Legislative Decree 21/2018, the reference to art. 260 of Legislative Decree 152/2006, (now repealed) refers to the new art. 452 *quaterdecies* c.p. (Activities organized for illicit waste traffic).

- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services;

- paragraph 2, money penalty: from 400 to 800 quotas;

- disqualification measures: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

This article provides for a further disqualification measures: if the Entity or one of its organizational units are permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crimes referred to in article 260 of Legislative Decree 152/06, the penalty of definitive exclusion from the exercise of the activity pursuant to article 16, paragraph 3, of Legislative Decree 231/2001, is applicable.

Illicit waste combustion (art. 256-*bis*, D.Lgs. 152/2006)

The provision punishes anyone who sets fire to litter or uncontrolled waste.

The conduct is aggravated in the event that the offense is committed in the context of a business activity or otherwise organized or if the fact is committed in territories which, at the time of the conduct or in the previous five years are or have been affected by declarations state of emergency in the waste sector.

The owner of the company or the person in charge of the organized activity is also responsible under the autonomous profile of the omitted supervision of the work of the material perpetrators of the crime however referable to the company or the activity itself.

IT system for monitoring the traceability of waste (art. 260-*bis*, paragraphs 6, 7 e 8, D.Lgs. 152/2006)

This provision sanctions:

- anyone who, in preparing a waste analysis certificate, used in the waste tracking system, provides false indications on the nature, composition and chemical-physical characteristics of the waste or inserts a false certificate in the data to be provided for the purpose of traceability of waste;

- the carrier who fails to accompany the transport of waste with a paper copy of the “SISTRI - movement area” and, if it is necessary, on the basis of current legislation, with a copy of the analytical certificate that identifies the characteristics of the waste. The conduct is aggravated in case of transport of hazardous waste;

- the person who, during transport, makes use of a waste analysis certificate containing false information on the nature, composition and chemical-physical characteristics of the waste transported;

- the carrier who accompanies the transportation of waste with a paper copy of the fraudulently altered "SISTRI - movement area" card. The conduct is aggravated in the case of hazardous waste.

Sanctions applicable to the Entity

- paragraph 6, money penalty: from 150 to 250 quotas;
- paragraph 7 second and third sentence, money penalty: from 150 to 250 quotas;
- paragraph 8, first sentence, money penalty: from 150 to 250 quotas;
- paragraph 8, second sentence, money penalty: from 200 to 300 quotas.

Crimes relating to emissions (art. 279, paragraph 5, D.Lgs. 152/2006)

This provision sanctions anyone who, in the exercise of an establishment, violates the emission limit values or the prescriptions established by the authorization, by Annexes I, II, III or V to the fifth part of the Legislative Decree. 152/2006, by the plans and programs or legislation referred to in article 271 or by the provisions otherwise imposed by the competent authority, which also determines the exceeding of the air quality limit values required by current legislation.

Sanction applicable to the Entity

- money penalty: up to 250 quotas

International trade of endangered animal and plant species (art. 1, paragraphs 1 and 2, Law February 7, 1992 no. 150)

Unless the fact constitutes a more serious offense, this provision sanctions those who, in violation of the Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications, for the specimens listed in Annex A to the same Regulation and subsequent modifications:

- imports, exports or exports specimens, under any customs procedure, without the required certificate or license, or with an invalid certificate or license pursuant to article 11, paragraph 2a, of the Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications;
- fails to comply with the requirements for the safety of specimens, specified in a license or certificate issued in compliance with Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications and of the Regulation (EC) no. 939/97 of the Commission, of May 26, 1997, as amended;
- uses the aforementioned specimens in a manner that is not compliant with the provisions contained in the authorizations or certifications issued together with the import license or subsequently certificates;
- transports or transits, even on behalf of third parties, specimens without the required license or certificate, issued in compliance with Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications and of the Regulation (EC) no. 939/97, of the Commission Regulation, of May 26, 1997, as amended and, in the case of export or re-

export from a third State who contracts the Washington Convention, issued in accordance with the latter, or without sufficient evidence of their existence;

- trades artificially reproduced plants in contrast with the requirements provided by article 7, paragraph 1, letter b), of Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications and of the Regulation (EC) no. 939/97, of the Commission, of May 26, 1997, and subsequent modifications;
- holds, uses for profit, purchases, sells, exhibits or holds for sale or for commercial purposes, offers for sale or otherwise gives specimens without the required documentation.

The conduct is aggravated in case of recidivism and if the crime is committed in the exercise of business activity.

Sanctions applicable to the Entity

- paragraph 1, money penalty: up to 250 quotas;
- paragraph 2, money penalty: from 150 to 250 quotas.

International trade of endangered animal and plant species (art. 2, paragraphs 1 and 2, Law February 7, 1992 no. 150)

Unless the fact constitutes a more serious offense, this provision sanctions those who, in violation of the Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications, for the specimens listed in Annexes B and C to the same Regulation and subsequent modifications:

- imports, exports or exports specimens, under any customs procedure, without the required certificate or license, or with an invalid certificate or license pursuant to article 11, paragraph 2a, of the Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications;
- fails to comply with the requirements for the safety of specimens, specified in a license or certificate issued in compliance with Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications and of the Regulation (EC) no. 939/97 of the Commission, of May 26, 1997, as amended;
- uses the aforementioned specimens in a manner that is not compliant with the provisions contained in the authorizations or certifications issued together with the import license or subsequently certificates;
- transports or transits, even on behalf of third parties, specimens without the required license or certificate, issued in compliance with Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and modifications and of the Regulation (EC) no. 939/97, of the Commission Regulation, of May 26, 1997, as amended and, in the case of export or re-export from a third State who contracts the Washington Convention, issued in accordance with the latter, or without sufficient evidence of their existence;
- trades artificially reproduced plants in contrast with the requirements provided by article 7, paragraph 1, letter b), of Regulation (EC) no. 338/97 of the Council, of December 9, 1996, and subsequent implementations and

modifications and of the Regulation (EC) no. 939/97, of the Commission, of May 26, 1997, and subsequent modifications;

- holds, uses for profit, purchases, sells, exhibits or holds for sale or for commercial purposes, offers for sale or otherwise gives specimens without the required documentation, limited to the species listed in Annex B to the Regulation.

The conduct is aggravated in case of recidivism and if the crime is committed in the exercise of business activity.

Sanction applicable to the Entity

- money penalty: up to 250 quotas.

International trade of endangered animal and plant species (art. 3 *bis*, paragraph1, Law February 7, 1992 no. 150)

This provision sanctions any conduct of falsification or alteration of certificates, licenses, import notifications, declarations, communications of information, in order to acquire a license or a certificate, or to use false or altered certificates or licenses (aforementioned crime pursuant to article 3-*bis*, paragraph 1, Law 150/1992).

Sanctions applicable to the Entity

- money penalty: up to 250 quotas, in case offenses sanctioned with imprisonments for a maximum period of at least one year;
- money penalty: from 150 to 250 quotas, in case offenses sanctioned with imprisonments for a maximum period of at least one year;
- money penalty: from 200 to 300 quotas, in case offenses sanctioned with imprisonments for a maximum period of at least one year;
- money penalty: from 300 to 500 quotas, in case offenses sanctioned with imprisonments of more than three years.

International trade of endangered animal and plant species (art. 6, paragraph 4, Law February 7, 1992 no. 150)

This provision sanctions those who hold alive specimens of mammals and reptiles of wild species and alive specimens of mammals and reptiles coming from captive reproductions that constitute a danger to health and public safety.

Sanction applicable to the Entity

- money penalty: up to 250 quotas**.**

Cessation and reduction of the use of ozone-depleting substances (art. 3, paragraph 6, Law December 28, 1993 no. 549)

This provision sanctions those who violate the regulation that provide for the cessation and reduction of use (production, marketing, import and export) of harmful substances to the ozone layer.

Sanction applicable to the Entity

- money penalty: from 150 to 250 quotas**.**

Fraudulent pollution (Art. 8, paragraphs 1 and 2, D.Lgs. November 6, 2007 n. 202)

This provision sanctions the fraudulent discharge of pollutants into the sea. The conduct is exacerbated if the violation provokes permanent or particularly serious damage to the quality of the water, to animal or plant species or to parts of these.

Sanctions applicable to the Entity

- paragraph 1, money penalty: from 150 to 250 quotas**.**
- paragraph 2, money penalty: from 200 to 300 quotas**.**

Culpable pollution (art. 9, paragraphs 1 and 2, D.Lgs. November 6, 2007 n. 202)

This provision sanctions the culpable discharge of pollutants into the sea. The conduct is exacerbated if the violation provokes permanent or particularly serious damage to the quality of the water, to animal or plant species or to parts of these.

Sanctions applicable to the Entity

- paragraph 1, money penalty: up to 250 quotas**.**
- paragraph 2, money penalty: from 150 to 250 quotas**.**

F.2 Risk-prone areas

The risk-prone areas of the Company, with reference to environmental crimes, are attributable to:

- *Management of activities with environmental impact*
- *Management of purchase of goods and services (including consultancies)*

F.3 Behavioural principles

The activities related to the **management of activities with environmental impact and the management of purchase of goods and services (including consultancies)** could present risk profiles in relation to the commission of environmental crimes.

The risk profiles could arise in the hypothesis in which a subordinated subject or a Top Managers of OM, in order to obtain an economic saving for the Company, dispose of the waste without observing the modalities set out in the regulations or stipulate contracts with carriers, disposers or intermediaries that are not qualified and/or do not have the necessary legal authorizations.

Main controls for the ISO 14001 certification

The headquarters and establishments of Castilenti and Bellizzi have obtained ISO 14001 certification; therefore all environmental impact activities are governed by the specific procedures established for the environmental management system.

The phases and the main control elements of the environmental management system, adopted by the Company and generally applicable to all sensitive activities, are described below.

Planning

The Company has developed its own Environmental Policy whose applicability is reviewed and, if necessary, updated periodically.

Specific procedures have been adopted and implemented to identify the environmental aspects of their activities and assess their impact on the environment.

Environmental objectives and targets are defined for each company site whose achievement is periodically monitored.

Implementation and operation

The Industrial Management is responsible for guaranteeing the resources (human, specialist, organizational, technological and financial) necessary to establish, implement, maintain and improve the environmental management system.

Each company site has a Representative of the Management for environmental aspects and an Environmental Management System Manager.

All the roles of the environmental management system are formalized in an organization chart and in a specific job description and all the documentation of the environmental management system is available to employees on the company intranet and periodically communicated to all levels of the organization.

The Company has adopted specific procedures for monitoring the documentation of the environmental management system that define the procedures for drawing up, updating, approving and communicating the relevant documents.

All intermediaries and service providers used to manage environmental impact activities are selected according to the methods envisaged for suppliers of goods and services.

The main suppliers (of raw materials and/or other services) are asked to fill in specific forms to evaluate the characteristics of the production chain and the methods for managing environmental emergencies.

Specific performance indicators for monitoring the environmental management system are defined, formalized, implemented and periodically monitored, and specific procedures for the management of environmental emergencies are defined and implemented.

Verification

All non-conformities of the environmental management system must be reported and give rise to one or more corrective actions.

The environmental management system is subject to annual audit by the competent Departments.

Management review

The management review is periodically carried out. Any requests for corrective, preventive, improvement or modification of the environmental management system are periodically subjected to verification and monitoring.

Behavioural principles

All Recipients who are involved in the waste disposal process, due to their activity or their function, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- operate in compliance with the Code of Ethics, current legislation and regulations in force;
- be constantly updated on the regulations in force and comply with them;
- assign specific powers to the persons responsible for managing disposal activities;
- identify the nature and characteristics of waste and assign the correct classification in order to define the correct disposal methods, according to the law;
- obtain the appropriate waste management authorizations;
- subject industrial wastewater to regular analyses;
- subject emissions into the atmosphere to regular analyses in order to verify their compliance with the legal limits;
- ask the competent authorities for the specific authorizations for the operation of the plants that produce emissions into the atmosphere, even in the event of substantial changes to the plants;
- ensure that periodic maintenance is carried out on the plants, in order to ensure compliance with the parameters set out by the authorizations obtained;

- stipulate contracts with suppliers responsible for collecting and disposing of waste with the appropriate authorizations and requesting them the anti-mafia information pursuant to art. 10 of the D.P.R. 252/1998;
- ascertain the existence of the authorizations of intermediaries, transporters and final disposal companies, if the disposal company does not coincide with the transporter;
- provide for the compilation of the mandatory documentation (registers/forms);
- promptly update the appropriate registers required by law.

Within the aforementioned behaviours, it is **forbidden** to:

- deposit the waste in unauthorized landfills or without the appropriate authorizations according to the type of waste;
- set fire to abandoned or stored waste;
- discharge wastewater without the necessary authorizations;
- use suppliers responsible for waste collection and disposal, who are not provided with the appropriate authorizations.

F.4 Information flows to the Supervisory Body

The Recipients of this Model who, in carrying out their business, find themselves having to manage significant activities pursuant to art. 25-*undecies* of Legislative Decree 231/2001, must promptly communicate to the Supervisory Body, in writing, any information concerning exceptions or violations of the control and behavioural principles established therein.

In case of inspections by the Public Administration (by way of example: ARPA), the Industrial Manager promptly sends **promptly** to the SB a report containing the indication of the Public Administration intervened, the staff of the Company present at the time of the inspection and the related activities that were carried out.

The Industrial Manager must send a report to the Supervisory Board on a half-yearly basis (31st July for the 1st semester and 31st January for the 2nd semester of each year) with:

- a list of inspections by Public Officials and related findings that emerged following verifications and assessments;
- any changes and updates to the delegation system for the management of disposal activities;
- a list of waste management authorizations requested and already obtained;
- a list of new suppliers responsible for the collection and disposal of waste with the relative authorizations;
- a list of any updates to registers required by law;
- the training plan and final balance of the training provided in the environmental field.

The Industrial Manager is required to report to the Supervisory Body of any violations (summarized by homogeneous categories), by the designated functions (internally verified or verified by competent authorities), related to the formalities required by the environmental legislation and related corrective actions taken.

The information flows must be sent to the Supervisory Body as the form referred to in the document “Information flows to the SB” which is an integral part of this document.

SPECIAL SECTION G
CRIMES AGAINST THE INDIVIDUAL
EMPLOYMENT OF ILLEGALLY RESIDENT FOREIGN CITIZENS
RACISM E XENOPHOBIA

Function of the Special Section G

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural standards to which the Recipients of this Model must comply during the management of the activities at risk associated with the types of offenses referred to in articles 25-*quinquies*, 25-*duodecies* and 25-*terdecies* of Legislative Decree 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration and traceability of activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

The following case is an offense which provided for the administrative liability of entities pursuant to articles 25-*quinquies*, 25-*duodecies* and 25-*terdecies* of the Decree.

G.1 Crimes against individual personality *(art. 25-quinquies of the Decree)*

The Law of November 3, 2016, no. 199 "Provisions on the fight against black labour and exploitation of labour in agricultural sector" has widened the category of crimes included in the crimes against the individual personality (art. 25-*quinquies*), introducing the case of illicit brokering and exploitation of labour. In this Special Section G, among the cases referred to in art. 25-*quinquies* of Legislative Decree 231/2001, only the conduct relating to *Illicit intermediation and exploitation of labour* is applicable to the Company.

Enslaving or holding in slavery or servitude (art. 600 c.p.)

The provision referred to in art. 600 c.p. provides for a crime of multiple circumstances, supplemented alternatively by the conduct of those who exercise on a person powers corresponding to those due to the owner or by the conduct of the person who reduces or maintains a person in a state of continuous subjection forcing work or sexual services or, in any case, services of exploitation.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Child prostitution (art. 600 *bis* c.p.)

The interest protected by this provision is the free psychophysical development of a child, who can be jeopardized by any type of commoditisation of his body. For this reason, the Legislator, in addition to the punishment of the person who induces or exploits the prostitution of a under-age, has also provided for the criminal liability of the client's conduct for which it is sufficient that the under-age received money or other economic benefits in exchange for benefits of a sexual kind.

Sanctions applicable to the Entity

- paragraph 1, money penalty: from 300 to 800 quotas;
- paragraph 2, money penalty: from 200 to 600 quotas;
- disqualification measure (only for paragraph 1) (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or

concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Child pornography (art. 600 *ter* c.p.)

The case governed by art. 600-*ter* c.p. aims at sanctioning not only all commercial or economic activities that are carried out by means of under-age involving images or pornographic performances, but also the behaviours that give rise to pornographic material in which under-age are used.

Sanctions applicable to the Entity

- paragraphs 1 and 2, money penalty: from 300 to 800 quotas;
- paragraphs 3 and 4, money penalty: from 200 to 600 quotas;
- disqualification measure (only for paragraphs 1 and 2) (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Possession of pornographic material (art. 600 *quater* c.p.)

The art. 600-*quater* c.p. is of a closed and residual nature, since, in order not to leave unpunished some exploitation of minors for the purpose of illegal sexual practices, it covers the cases in which it does not occur the concrete danger of the dissemination of the material, as it emerges from the statement "outside the hypotheses provided for in the previous article".

Sanctions applicable to the Entity

- money penalty: from 200 to 600 quotas;

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Trafficking in persons (art. 601 c.p.)

Trafficking in human beings or trafficking in persons is a criminal activity which includes the capture, seizure or recruitment, as well as the transportation, transfer, accommodation or reception of one or more persons, using illicit means and in order to exploit them.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Purchase and sale of slaves (art. 602 c.p.)

The crime in question occurs if the conduct described pursue utilitarian goals to be achieved through the creation of conditions characterized by compression of freedom of self-determination, so that the person offended is transformed into a simple object of economic or sexual exploitation.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

Illicit intermediation and exploitation of labour (art. 603 *bis* c.p.)

This provision sanctions anyone who: a) recruits manpower in order to allocate it to work with third parties under exploitative conditions, taking advantage of the workers' needs; b) uses, hires or employs manpower, also through the intermediation activity referred to above, subjecting workers to exploitative conditions and taking advantage of their needs.

The new art. 603-*bis* c.p. also specifies that the existence of one or more of the following conditions constitutes an exploitation index: 1) the repeated remuneration in a manner that is clearly different from national or territorial collective agreements stipulated by the most representative trade unions at national level, or in any case disproportionate to the quantity and quality of the work performed; 2) the repeated violation of the regulations concerning working hours, rest periods, weekly rest, mandatory expectation, holidays; 3) the violations of the rules on safety and hygiene at workplace; 4) subjecting the worker to degrading working conditions, methods of surveillance or housing situations.

Sanctions applicable to the Entity

- money penalty: from 400 to 1000 quotas;
- disqualification measure (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime in question, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

G.1*bis* Employment of illegally resident foreign citizens *(art. 25-duodecies of the Decree)*

Fixed-time and full-time employment (art. 22, paragraph 12 *bis*, D.Lgs. 25.7.1998 no. 286)

The crime occurs when the employer employs foreign workers:

- without a residence permit;
- whose residence permit has expired and has not been requested to be renewed in accordance with the law;
- whose residence permit has been revoked or cancelled.

The aforementioned offense involves the administrative responsibility referred to in the Decree when:

- recruited workers are more than three;
- these are minors of non-working age;
- intermediate workers are exposed to situations of serious danger, having regard to the characteristics of the services to be performed and working conditions.

Sanctions applicable to the Entity

- money penalty: from 100 to 200 quotas, within € 150.000.

Transportation of foreigners in the territory of the State (art. 12, paragraphs 3, 3 *bis*, 3 *ter*, 5. D.Lgs. 25.7.1998 n. 286)[40]

Unless the fact constitutes a more serious offense, this provision sanctions anyone who promotes, directs, organizes, finances or transports foreigners into the territory of the State or performs other acts aimed at illegally obtaining entry into the territory of the State, or other State of which the person is not a citizen or has no permanent residence title. For this crime there is a penalty for each person in the event that:

[40] Crime introduced by Law no. 161/2017.

a) the fact concerns the illegal entry or stay in the territory of the State of five or more persons;

b) the person transported has been exposed to danger to his life or his safety in order to obtain illegal entry or stay;

c) the person transported has been subjected to inhuman or degrading treatment in order to obtain illegal entry or stay;

d) the fact is committed by three or more persons in competition with each other, or by using international transport services or documents that are counterfeit or altered or in any case illegally obtained;

e) the authors of the fact have the availability of weapons or explosive materials.

If such facts are committed by using two or more of the hypotheses referred to in letters a), b), c), d) and e) above, the penalty provided therein has increased.

The prison sentence is also increased for each person if the facts:

a) are committed in order to recruit people to be used for prostitution or in any case for sexual or labour exploitation, or they concern the entry of minors to be used in illegal activities in order to facilitate their exploitation;

b) are committed in order to gain profit, even indirectly.

Unless the fact constitutes a more serious offense, this provision also sanctions anyone who favours the stay of foreigners in the territory of the State, in order to obtain an unfair advantage from the condition of illegality of the foreigner or from the context of the crimes described above.

Sanctions applicable to the Entity

- paragraphs 3, 3 *bis* and 3 *ter*, money penalty: from 400 to 1000 quotas;
- paragraph 5, money penalty: from 100 to 200 quotas;
- disqualification measure: prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

G.1*ter* Racism and xenophobia *(art. 604 bis c.p.)*[41]

The crime of racism and xenophobia occurs if the propaganda, instigation and incitement, committed in such a way that it derives concrete danger of diffusion, are based totally or partially on the denial of the Holocaust or of the genocide, crimes against humanity and war crimes, as defined by articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to the Law of July 12, 1999, no. 232.

Sanctions applicable to the Entity

[41] Article introduced by Law no. 167/2017 "Provisions for the fulfilment of the obligations deriving from Italy's membership of the European Union - European Law 2017".

- money penalty: from 200 to 800 quotas;
- disqualification measure (for at least one year): prohibition of activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; ban on negotiating with the Public Administration, except for obtaining a public service; exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted; prohibition of advertising goods or services.

If the Entity or its organizational unit is permanently used for the sole or prevailing purpose of allowing or facilitating the commission of the crime referred to in paragraph 1, the sanction of definitive disqualification from the exercise of the activity applies, in accordance with art. 16, paragraph 3, Legislative Decree 231/2001.

G.2 Risk-prone areas

The risk-prone areas of the Company, with reference to *crimes against the individual*, and in particular relating to *Illicit intermediation and exploitation of labour*, refers to the:

- *Management of requirements and purchases*
- *Management of Information Systems*

The risk-prone areas of the Company, with reference to C*rimes of employment of illegally resident foreign citizens*, refer to the:

- *Management of requirements and purchases*
- *Management of assignments and consultancy*
- *Selection and hiring of staff*

The Recipients are required to adapt their behaviour to the contents of this document.

G.3 Behavioural principles

The following are some of the general principles to be considered applicable to all Recipients.

It is forbidden to put in place conduct or contribute to the realization of conducts that may fall within the case referred to in art. 25-*quinquies* and 25-*duodecies* of Legislative Decree 231/2001 referred to above.

Conducts in violation of the principles and rules provided by the Code of Ethics and this Special Section are also prohibited.

Management of requirements and purchases

Management of assignments and consultancy

Selection and hiring of staff

In relation to the aforementioned sensitive activities, reference is made to the safeguards contained in the respective sections referred to in **Special Section A** of this Model.

Management of Information Systems

In relation to the aforementioned sensitive activity, reference is made to the safeguards contained in the respective section referred to in **Special Section B** of this Model.

G.4 Information flows to the Supervisory Body

The Recipients of this Model who, in carrying out their activities, find themselves having to manage significant activities pursuant to articles 25 quinquies, 25 duodecies and 25 terdecies of Legislative Decree 231/2001, guarantee information flows to the Supervisory Body as indicated in the relevant section of the aforementioned Special Sections.

G.4 Information flows to the Supervisory Body

The Recipients of this Model who, in carrying out their activities, find themselves having to manage significant activities pursuant to art. articles 25-*quinquies*, 25-*duodecies* and 25-*terdecies* of Legislative Decree 231/2001, must guarantee information flows to the Supervisory Body as indicated in the relevant section of the aforementioned Special Sections.

SPECIAL SECTION H
MARKET ABUSE

Function of the Special Section H

The purpose of this Special Section is to illustrate the responsibilities, criteria and behavioural principles to which the Recipients of this Model must comply during the management of the risk-prone activities related to the offenses referred to in art. 25-*sexies* of Legislative Decree 231/2001, in accordance with the principles of maximum transparency, timeliness, collaboration and traceability of activities.

In particular, this Special Section aims to:

- define the procedures that the Recipients must observe in order to correctly apply the provisions of the Model;
- support the Supervisory Body and the Managers of the other corporate Departments to exercise control, monitoring and verification activities.

Crimes and administrative offenses relevant to the law

The following case is an offense which provided for the administrative liability of entities pursuant to art. 25-*sexies* of the Decree.

H.1 Market Abuse

Insider dealing (Art. 184 TUF)[42]

1. Anyone who is in possession of privileged information due to his status as a member of the administration, management or control of the issuer, the participation to the capital of the issuer, or the exercise of a working activity, a profession or a function, even public, or an office, is punished with imprisonment from one to six years and with a fine of twenty thousand to three million euros if:

- acquires, sells or performs directly or indirectly other operations on its own account or on behalf of third parties, on financial instruments using the same information;
- communicates this information to others, outside the normal exercise of work, profession, function or office or a market survey carried out pursuant to article 11 of Regulation (EU) no. 596/2014;
- recommends or induces others, on the basis of these, to carry out any of the operations indicated in letter a).

2. The same penalty referred to in paragraph 1 shall apply to anyone who is in possession of privileged information due to the preparation or execution of criminal activities and carries out any of the actions referred to in the same paragraph 1.

3. The judge can increase the fine up to three times or up to the maximum amount of ten times the product or the profit achieved by the crime when, due to the significant offensiveness of the fact, the personal qualities of the offender or the entity of the product or of the profit achieved by the crime, it appears inadequate even if applied to the maximum.

3-*bis*. In the case of transactions relating to financial instruments referred to in article 180, paragraph 1, letter a), numbers 2), 2-*bis*) and 2-*ter*), limited to financial instruments whose price or value depends on the price or the value of a financial instrument referred to in numbers 2) and 2-*bis*) or has an effect on this price or value, or relating to auctions on an authorized auction platform such as a regulated market for emission allowances, the penalty is that of the fine of up to one hundred and three thousand and two hundred and ninety-one and of arrest up to three years.

Market manipulation (Art. 185 TUF)[43]

1. Anyone who spreads false news or puts in place simulated operations or other artifices concretely suitable to cause a significant alteration of the price of financial instruments, is punished with imprisonment from one to six years and with a fine from twenty thousand to five million euros.

[42] Article amended by Legislative Decree no. 107/2018.

[43] Article amended by Legislative Decree no. 107/2018.

1-*bis*. It is not punishable who committed the act through purchase orders or transactions carried out for legitimate reasons and in accordance with accepted market practices, pursuant to article 13 of Regulation (EU) no. 596/2014.

2. The judge can increase the fine up to three times or up to the maximum amount of ten times the product or the profit achieved by the crime when, due to the significant offensiveness of the fact, the personal qualities of the offender or the entity of the product or of the profit achieved by the crime, it appears inadequate even if applied to the maximum.

2-*bis*. In the case of transactions relating to financial instruments referred to in article 180, paragraph 1, letter a), numbers 2), 2-*bis*) and 2-*ter*), limited to financial instruments whose price or value depends on the price or the value of a financial instrument referred to in numbers 2) and 2-*bis*) or has an effect on this price or value, or relating to auctions on an authorized auction platform such as a regulated market for emission allowances, the penalty and that of the fine of up to one hundred and three thousand and two hundred and ninety-one and of arrest up to three years.

2-*ter*. The provisions of this article also apply to:

a) facts concerning spot contracts on goods that are not wholesale energy products, capable of causing a significant alteration of the price or value of the financial instruments referred to in article 180, paragraph 1, letter a);

b) facts concerning financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk, which are likely to cause a significant alteration of the price or value of a spot commodity contract, if the price or value they depend on the price or value of these financial instruments;

c) facts concerning benchmarks.

According to the art. 39, paragraph 1, of Law no. 262/2005, the penalties provided for by this provision are doubled within the limits set for each type of penalty by Book I, Title II, Chapter II, of the c.p..

H.2 Risk-prone areas

The risk-prone areas of the Company, with reference to the Market Abuses, refer to the following activities:

- *General accounting management and budgeting*
- *Management of financial transactions*
- *Meetings of the Board and the Assembly*
- *External web and print communication*
- *Management of privileged information*

H.3 Behavioural principles

The following are some of the general principles to be considered applicable to all Recipients.

It is forbidden to engage in conduct or contribute to conduct that may fall within the case referred to in art. 25-*sexies* of Legislative Decree 231/2001 referred to above.

The conduct in violation of the principles and rules set forth in the Code of Ethics and in this Special Section is also prohibited.

General accounting management and budgeting

Meetings of the Board and the Assembly

With reference to the aforementioned activities reference is made to the safeguards contained in the respective sections referred to in **Special Section C** of this Model.

Management of financial transactions

With reference to the aforementioned activity, in addition to the safeguards contained in the respective section referred to in **Special Section C** of this Model, all Recipients who, due to their position or their function or specific appointment, are involved in the Management of financial transactions, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- observe the rules governing the price formation of financial instruments, rigorously avoiding the adoption of suitable behaviour to cause a significant alteration, taking into account the concrete market situation;
- ensure that the management of investments in financial instruments is carried out in compliance with appropriate policies or guidelines approved by the Company's Top Managers, aimed at regulating the purposes of eligible investments/operations, the type of financial instruments permitted as well as the limits of operations or amount by type of transaction, tolerable risk levels, the reliability rating of the counterparties subject to financial transactions, as well as the criteria to be used for the valuation of the securities in the portfolio and the determination of the price;
- determine the investment/disinvestment opportunities, or the possible financial transactions of the Company, and submit them to the authorization of the Company's entitled parties according to the amount, in accordance with the system of powers and proxies in force, also on the basis of what was preliminarily planned to support budgeting;
- duly take into consideration, when identifying/selecting possible transactions in financial instruments, what is indicated by the laws and regulations in force concerning transactions that are not permitted or at risk of market manipulation. If the Head of the competent Department identifies transactions that are even potentially at risk of manipulating the market, he must notify the Company in advance in order to obtain the authorization to proceed;
- adequately motivate the operations in financial instruments not adhering to the aforementioned Policies/guidelines, to be subjected to verification and subsequent approval by the competent Departments;

In the context of the aforementioned behaviours it is **forbidden** to implement:

- simulated operations or other artifices concretely suitable to cause a significant alteration of the price of financial instruments;
- operations that do not comply with the provisions of regulations and regulations concerning market manipulation;

- also ensure:
    - the systematic performance analysis of the securities in the portfolio and subject to acquisition, aimed at any investment/disinvestment operation and aimed at their valorisation, in compliance with the Company's accounting policies and any internal guidelines for determining the fair value of the securities approved by the Company's authorized parties;
    - verification of the reliability and integrity of the financial intermediaries used for the purchase/sale of financial instruments [44] (brokers, etc.), through the analysis of appropriate economic/financial/equity stability indicators and the verification of belonging to States reported as non-cooperative or subsidized tax regimes according to the indications of national and/or supranational bodies operating in the anti-money laundering and the fight against terrorism, as well as to the white lists published by the Revenue Agency and the Bank of Italy black lists;
    - the management of securities custody by arranging any transfers between accounts subject to authorization by the Company's entitled parties;
    - at least on an annual basis, the production of periodic reports on the summary *asset allocation* of the financial instrument transactions entered into by the Company [45] during the reference period, subject to communication to the Company's entitled parties, after their request.

Without prejudice to the obligation, for all the parties involved, to communicate to the Supervisory Body any anomalies found as well as facts and/or symptomatic behaviour of *Market Abuse* (with the consequent obligation of the aforementioned Body to promptly report to the Governing and/or Control Body situations that, in practice, may integrate a manipulative offense for the purposes of the initiatives and provisions of their respective competence), the Function Manager is required to prepare and transmit a summary report, on a half-yearly basis, of the operations carried out, in accordance with the deadlines and procedures established by the procedure dedicated to communications to the aforementioned Body.

External web and print communication

With reference to the aforementioned activity, in addition to referring to the safeguards contained in the respective section referred to in **Special Section B** of this Model, all Recipients involved, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure correctness, transparency and traceability in the management of the external communication process, also through the web channel and the press, in compliance with the applicable laws and regulations concerning market abuse[46];

[44] If credit institutions of undoubted reliability and integrity are not used.

[45] That is also indicative of the transactions carried out that do not comply with the Policies/guidelines established by the Company.

[46] External communications falling under the management of Privileged Information, pursuant to and in compliance with applicable legislation and regulations, are governed in this document in the "Management of Privileged Information" process.

- the information subject to external communication must be duly evaluated and authorized by the authorized parties of the Company. In particular, an appropriate internal assessment procedure must be envisaged by the competent functions and approval by the parent company functions in the case of data and information of a *price sensitive*[47] and *business sensitive* nature[48];
- constantly monitor communications from outside, in order to identify the presence of news in the public domain[49] relating to the sphere of interest of the Company, subject to timely communication to the relevant corporate Bodies and to the Departments concerned, which evaluate, also using of the collaboration of the *Information Contact Person*[50] and/or the *Privileged Information Committee*[51], the type, nature and potential impact on the price of the financial instruments of the news, also for the purpose of assessing the need to restore information symmetry to the public, in accordance with the current legislation and applicable regulations;
- elaborate according to the modalities provided by the sector regulations, also in agreement with the *Information Referent/Privileged Information Committee*, the communications concerning a Privileged Information to be disclosed to the outside, to be subjected to prior verification and approval by the aforementioned *Committee* and/or of the authorized subjects of the Company[52];
- with reference to communication through the company website[53], provide that the *Information Referent*, in collaboration with the appointed and competent Functions, guarantee, in compliance with the provisions of the Company Code for the treatment of privileged information and the applicable laws and regulations, which the publication / dissemination of corporate information takes place promptly, with clarity, correctness, transparency, completeness, equal accessibility and uniformity of information.

Within the aforementioned behaviours it is **forbidden** to:

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[47] That is information and documents that are not in the public domain, suitable, if made public, to significantly influence the price of the financial instruments issued by any of the Group companies listed on regulated markets.

[48] In other words, information and documents regarding products, brands, suppliers, development projects and the organization of Group companies.

[49] That is to say published by information bodies of national importance (press, agencies, other mass media) or even on specialized websites with credibility for market operators.

[50] Person appointed by the Company, responsible for the management of Privileged Information based on the relevant provisions of the Privileged Information Code.

[51] Body appointed by the Company, composed of several subjects having authority, competence and responsibility to ensure the correct management of Privileged Information relating to it, to which the news is submitted in order to establish its price sensitive nature.

[52] In order to verify the correctness, updating and truthfulness of the information subject to external communication.

[53] Or on financial information sites and discussion forums.

- disseminate incorrect, outdated or generally false or misleading information, rumours or news, directly or indirectly, concerning the Company, likely to cause a prices alteration of financial instruments, also aimed at favouring or disadvantaging certain subjects.

All the actors involved are required to communicate to the Supervisory Body any anomalies found.

Management of Privileged Information

All Recipients involved in the Management of Privileged Information, also in collaboration with the functions provided by SECI, where required by existing agreements, are **obliged** to:

- ensure the correct management and treatment of Privileged Information[54], in terms of timeliness, completeness and adequacy, as well as appropriate methods of communication, both inside and outside the Company, of documents and information concerning the same, in compliance with current legislation on the subject of corporate information, in order to guarantee symmetry and truthful information to the public, protecting the market and investors;
- adopt an internal procedure for handling privileged information with which to regulate and further detail the determinations established in this process;
- identify and appoint a company *Referent* for the management of Privileged Information;
- establish, if deemed appropriate or where required by applicable regulations, the register of informed persons, *i.e.* the company system in which both the subjects who have access to a specific Privileged Information and those who, in consideration of the functions performed, have access on a permanent basis to all Privileged Information. In particular, the aforementioned Referent, once the interested parties have been registered, promptly informs them of the registration in the Register, the obligations of confidentiality against them and the penalties imposed in the event of failure to comply with the provisions on the management of Inside Information
- guarantee the confidentiality of the information contained within the aforementioned corporate system, ensuring that access to the same is limited to clearly identified persons, the accuracy of the information provided, as well as the relative storage and archiving;
- provide that the Interested Subject is required to:
    - if he communicates or becomes aware of the communication to another person (natural or legal person) of Privileged Information, immediately communicate in writing to the Contact Person the identification data of said subject, for the purpose of immediate registration in the Register or the appropriate update of the data related to it, according to the methods described in this process;

[54] Information as defined by Regulation (EU) n. 596/2014 of the European Parliament and of the Council, of 16 April 2014 ("MAR") and of Legislative Decree 24 February 1998, n. 58 ("TUF").

  - take appropriate measures to prevent third parties from accessing the Privileged Information being used for the time strictly necessary for the performance of their duties, as well as for archiving and storage in a manner that guarantees maximum confidentiality;
  - guarantee the utmost confidentiality of Privileged Information concerning the Company of which they are aware, ensuring the adoption of all necessary caution so that the circulation in the corporate context of such Information takes place without prejudice to the confidential nature of the same, until the same they are not communicated to the market in the manner established in this document and in the Code adopted by the Company;

- provide that anyone considers the obligation to proceed with the communication to the market of a Privileged Information of which he has become aware, or believes to be in possession of potentially Privileged Information, is obliged to communicate this circumstance to the contact;
- ensure that the assessment regarding the existence and necessity of communicating, in a timely or delayed manner, a Privileged Information to the market, subject to authorization by the Company's entitled parties, is carried out by the authorized subjects, in collaboration with the competent Departments;
- establish that the competent Departments and the Referent are obliged to justify the existence of any conditions for the delay[55], also for the purpose of their transmission to the competent Authorities;
- ensure that relations with analysts, professional investors, market operators or with the press are carried out only by persons authorized by the Company's entitled parties and in accordance with established procedures that guarantee the homogeneity of the information disclosed in the external communication;
- ensure that the Investor Relations Function is required to communicate, with adequate advance, all the information and documentation to be distributed to the Referent, who is required, also in collaboration or through the competent and competent Departments, to implement the information requirements for the management of the aforementioned meetings[56], including the preventive information and the communication of the documentation to be disseminated to the relevant Authorities/Bodies, as well as to make the documentation available to the public, through means deemed suitable for the purpose, with prior authorization by entitled parties of the Company;
- provide that interviews and meetings with journalists, as well as conferences and seminars concerning Privileged Information, be carried out exclusively

[55] In accordance with current legislation, the Company may delay, under its responsibility, the communication to the public of Inside Information, provided that all the following conditions are met:
- immediate communication would probably affect the legitimate interests of the Company;
- the delay in communication would probably not have the effect of misleading the public;
- the Company is able to guarantee the confidentiality of the information in question.

[56] In compliance with the provisions of the regulations and applicable regulations concerning information to the market.

by the Company's entitled parties and by the competent Departments, previously authorized, also in accordance with the organizational and corporate governance system;

- ensure that the opportunity to make public speeches, interviews, seminars and conferences, as well as the possible topics that will be dealt with, are communicated, with adequate advance, to the Investor Relations and to the Heads of the competent Departments;
- ensure that the disclosure to the public, from anyone given in such circumstances, is necessarily limited to what has already been made known to the public, in the manner prescribed by the current legislation and regulations in force.

With particular reference to the *Internal Dealing* transactions, the Company appoints a *Company Referent* in charge of receiving, managing and disseminating to the market any information relating to Relevant Operations[57].

The *Company Referent*, also in collaboration with the competent subjects and Departments, draws up and updates the list of names of Relevant Persons and Closely Associated Persons[58], according to the procedures established by the applicable regulations.

The *Company Referent*, in compliance with the procedures and deadlines defined in the Internal Dealing procedure adopted by the Company[59], are required to communicate to the Company and to the relevant competent authorities, also through the *Company Referent*, information relating to Relevant Operations carried out by themselves and/or by the Closely Associated Persons.

The *Company Referent* ensures, in the manner and within the pre-established deadlines indicated in the aforementioned procedure, the receipt, understanding and acceptance of the Code by the *Company Referent*, also by signing a declaration certifying the acceptance of the provisions set out therein, including the insertion of their name in the list of Relevant Persons, as well as the awareness of his own legal obligations and those concerning the Closely Associated Persons, in addition to the sanctions envisaged in the event of non-compliance with the same obligations.

Furthermore, in the contracts with external Collaborators and with Partners, a specific clause is inserted which governs the consequences of the violation by the same of the rules of the Decree as well as the principles set out in the Model (for example, express termination clauses, penalties), with reference, in particular, to the case of violation of the confidentiality obligations on the processing of company information, even of a privileged nature.

Without prejudice to the obligation, for all the actors involved, to communicate any anomalies found, the *Company Referent* is required to promptly notify the Supervisory Body of any illegal dissemination of a Privileged Information.

Within the aforementioned behaviours it is **forbidden** to:

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[57] Transactions defined as such pursuant to the relevant law/regulations.

[58] Subjects defined as such according to the relevant law/regulations.

[59] In accordance with applicable laws / regulations.

- carry out, in any form and for any reason, purchase, sale or other operations on financial instruments, using the Privileged Information that has become known due to its status as a member of the administrative, management or control bodies of the issuer, or of the participation in the capital of the issuer;
- carry out the same operations using the Privileged Information known in the exercise of a working activity, a profession, a function or an office;
- communicate such information to third parties, unless this occurs in the normal exercise of the job, profession, function or office, and in the presence of confidentiality obligations, except in cases where such disclosure is required by law, by other regulatory provisions or specific contractual agreements with which the counterparties have undertaken to use them exclusively for the purposes for which said information is transmitted and to maintain its confidentiality;
- recommend or induce third parties to perform the operations in question, based on the same information;
- participate on the Internet in discussion groups or chat rooms concerning financial instruments in which there is an exchange of information concerning the Company, unless these are institutional meetings carried out by the entitled parties for which a verification of legitimacy by the competent Departments or there is no exchange of information whose non-privileged nature is evident;
- request to obtain Privileged Information of the Company, if not pursuant to the current legislation;
- discuss Privileged Information in places where strangers, or in any case subjects who are not authorized to know this information in accordance with current legislation, are present;
- discuss Privileged Information by telephone, in public places, using the "hands-free" function, in order to prevent Privileged Information from being listened by outsiders or in any case by persons who are not authorized to know such information in accordance with current legislation;
- leave documentation containing Privileged Information in places where it could easily be read by people who are not authorized to know such information in accordance with current legislation. The documents containing Privileged Information must be kept in closed cabinets or, for the structures that are equipped with them, in the appropriate security cabinets. Electronic documents containing Privileged Information must be handled with particular confidentiality, scrupulously observing the security rules for the use of computer workstations;
- carry out institutional communications without prior coordination with the competent Departments for this task and without complying with the relevant procedures;
- disseminate false or misleading market information by means of communication, including the Internet, or by any other means, also capable of causing a prices alteration of financial instruments;

- disseminate to the public assessments or news without first verifying the reliability of the source and the non-privileged nature of the information;
- carry out simulated operations or other artifices capable of determining an alteration of the price of financial instruments.

All the parties involved are required to communicate to the Supervisory Body, with the consequent obligation of the SB to promptly report to the executive and/or control body, those situations that, in practice, can integrate a manipulative crime for the purposes of the initiatives and of the measures of respective competence.

H.4 Information flows to the Supervisory Body

Without prejudice to the information obligations relating to the Special Sections referred to above, all Recipients of this Model, who are required to manage significant activities pursuant to art. 25-*sexies* of Legislative Decree 231/2001, shall **promptly** notify the Supervisory Body of the following minimum information:

- facts and/or symptomatic behaviour of Market Abuse, and
- any anomalies, exception, violation or suspicion of violation of their knowledge with respect to the rules of conduct regulated therein, the laws of the law and the principles set forth in the Code of Ethics.

In addition, the Referent is required to **promptly** notify the aforementioned Body of any unlawful disclosure of a Privileged Information.

The Head of the competent Department is required to prepare and transmit a summary report, on a **half-yearly basis**, of the operations carried out, in compliance with the times and methods established by the communications procedure to the Supervisory Body.

Information flows must be sent to the Supervisory Body as per the form in the document “Information flows to the SB” which is an integral part of this document.