




**MANAGEMENT & CONTROL ORGANIZATION MODEL**

**Pursuant to Legislative Decree No. 231 dated 8th June 2011, and subsequent amendments and additions**

**Approved of by resolution of the Board of Directors on May 31<sup>st</sup>, 2019**

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## GENERAL SECTION

### 1. Definitions

#### The Company or the Organization

Gefit Spa (ID 00418680062), Alessandria (AL), Via De Negri 9, zip code 15121.

#### Sensitive Activities

The Company activities in which exists the risk of committing crimes.

#### Sensitive Area

The Corporate areas within which the sensitive activities, at risk of crime, are carried out.

#### CCNL (National Collective Labour Agreement)

The National Collective Labour Agreement in force and applicable to the Company employees.

#### Dedicated Company Committees and Structures

The Committees and Structures, set up as integration of the Corporate Governance system, identified as follows:

- Supervisory Body, pursuant to art. 6, paragraph 1, lett. b, Legislative Decree 231 of 2001 (SB)

#### Collaborators

Individuals who work within the Company, by force of a coordinated and ongoing collaboration work agreement (or a project-based collaboration), or because of an autonomous employment agreement.

#### Consultants/ Advisers

Individuals acting in the name and/or on behalf of the Company under a mandate contract or other contractual collaboration relationship.

#### Decree

Legislative Decree of 8<sup>th</sup> June 2001, n. 231, entitled "*Regulation of the administrative liability of legal entities, companies and associations, even without legal status (personality), according to art. 11 of the law of 29 September 2000, n. 300*", published in the "Gazzetta Ufficiale" journal n. 140 of June 19<sup>th</sup>, 2001 and subsequent amendments and additions.

#### Recipients

Called "recipients", and required to comply with the Model and the Code of Ethics, namely the following people/entities:

- The members of the Board of Directors, attorneys, managers, executives and all other employees, the consultants and other subjects operating as representatives or agents of the Company at any title, who are bound to keep to the Code of Ethics and the Model ("institutional recipients");
- The Board of Auditors, the Statutory Auditor and the Supervisory Body regarding the ethical principles and the recommended behaviours, to keep and get them be observed by everybody in the Company;

- The partners, such as suppliers and other subjects with whom the Company has economic-financial relationships, mainly required to comply with the Code of Ethics in their relationship with the Company.

**Employees**

Persons having an employment relationship with the Company, including the executives.

**Provisions**

This term identifies the principles of behaviour and the protocols contained in the Decree or referred to by the Decree itself.

**Guidelines**

“Confindustria” line of conduct for the creation of organizational, management and control models pursuant to art. 6, paragraph 3, of the Decree, last updated on January 2018 with the Guidelines on the combined (c.d.) "Whistleblowing".

**Model**

Complex of behaviour principles and written and non-written protocols aimed at the prevention of crimes, as provided for by the articles 6 and 7 of the Decree, in addition to the Organizational and Control instruments in force in the Body (Code of ethics, Organization charts, Power of attorney, Delegations, Regulations, etc.). The Model also provides for the identification of the SB and the definition of the sanctioning system.

**Sensitive Operation**

Operation or action pertaining to the aforesaid sensitive activities.

**Corporate Bodies**

The Board of Directors, the Board of Auditors, the Shareholders' Meeting of the Company and their members.

**Executive Body**

The executive body identifies itself with the Board of Directors of the Entity, which can delegate to a Managing Director the operational activities concerning the implementation and updating of the Organization and Management Model.

**Supervisory Body or SB**

Control body, as envisaged by art. 6 of the Decree, having the task of supervising the Model operation and observance thereof, as well as seeing to its updating.

**P.A. (Public Administration)**

P.A. is the Public Administration, and with reference to it, the public officials and the public service officers.

**Partners**

The contractual counterparties of the Company, such as suppliers, distributors, financing bodies, service providers, with whom the Company reaches any kind of contract-regulated collaboration (temporary business association, joint ventures, unions, collaborations in general), wherever meant to cooperate with the Company in the scope of sensitive activities.

**Sensitive Processes**

Business processes in which the potential risk of committing crimes exists.

**Protocols**

A structured system of rules with the function of preventing crimes and controlling sensitive processes, in relation to the purposes pursued by the Decree. They can be found, in this Model, first in the Special Parts, then in the Internal Procedures.

**Internal Procedures**

Procedures and operating instructions concerning the management systems formalized by the Company, approved of by the relevant bodies and enforced in the respective areas of competence.

### **Crimes /Misconduct**

It's the type of offences to which the rules provided for by Legislative Decree 231/2001 are applied, also after any subsequent amendments and additions thereof.

### **Rules of Conduct**

As rules of conduct (behaviour) within the scope of this Organization and Management Model, we mean the following:

- the Code of Ethics provisions;
- the internal procedures referred to in the Organization and management Model;
- the principles of conduct shown in paragraph 5.3 "General Principles of Conduct";
- the norms of the Criminal Code, the Civil Code and of the laws and decrees, referred to in the Decree quoting the "Types of crime";
- respect of the internal proxy statements and powers;
- the obligation to report to the Supervisory Board (SB);
- any other regulation or recommendation contained in this Model.

## **2. The Decree**

The "Gazzetta Ufficiale" (Official Journal) n. 140 dated June 19<sup>th</sup>, 2001 reports **Legislative Decree June 8, 2001, n. 231** (hereinafter called the Decree) entitled "*Discipline of the administrative responsibility of legal persons, companies and associations, even without legal identity, pursuant to art. 11 of the law no. 300 dated 29<sup>th</sup> September 2000*".

More specifically, article 5 of the Decree establishes the Body's liability whenever certain offenses are committed in its interest or to its advantage by an individual person linked by a functional relationship with the Body itself.

The main crimes (offences) covered by the regulation under examination are, by way of example, though not exhaustive:

- **Crimes committed in the relations with the Public Administration**, art. 24 of the Decree (misappropriation of funds, fraud against the State or other public Body, or aimed at obtaining public funds, as well as computer fraud to the detriment of the State);
- **computer crimes and unlawful processing of data**, art. 24-bis<sup>1</sup>;
- **bribery (extortion), undue induction to give or promise utility and corruption**, art. 25<sup>2</sup>;
- **counterfeit currency, public credit cards and revenue stamps**, art. 25-bis<sup>3</sup>;
- **offences against industry and trade**, art. 25-bis.1.<sup>4</sup>;
- **corporate offences**, including accounting fraud and bribery between private individuals, art. 25-ter<sup>5</sup>;
- **crimes with the purpose of terrorism** or subversion of the democratic order, art. 25-quater<sup>6</sup>;
- **crimes against the person**, art. 25 quater 1<sup>7</sup>, art. 25-quinquies<sup>8</sup>;
- **market abuse**, art. 25-sexies<sup>9</sup>;
- **manslaughter and serious or very serious injuries** committed in violation of the accident prevention regulations and of the protection of hygiene and health at work, art. 25-septies<sup>10</sup>;

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<sup>1</sup> Article added by Law 18 March 2008, no.48, art. 7.

<sup>2</sup> With Law 9 January 2019 n. 3 the crime of illegal traffic (Art. 346-bis of the Criminal Code) was also included in the crime catalog.

<sup>3</sup> Type of offenses introduced by art. 6 of Law 23 November 2001 n. 409 containing "*Urgent provisions in view of the introduction of the euro*".

<sup>4</sup> Article added by letter b) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

<sup>5</sup> Type of offenses introduced by art. 3 of Legislative Decree 11 April 2002 n. 61 "Regulation of criminal and administrative offenses concerning commercial companies, pursuant to article 11 of law no. 366 of 3 October 2001". The crime of corruption between private individuals was included with Law 6 November 2012 n. 190. Among the corporate crimes is also included the false accounting, provided for in Articles 2621 and 2622 of the civil code, following the amendment of the law with Law 27 May 2015 n. 69.

<sup>6</sup> Type of offenses introduced by Article 3 of Law 14 January 2003 n. 7 "*Ratification and execution of the International Convention for the suppression of terrorism, made in New York on December 9, 1999, and rules for the adaptation of the internal system*".

<sup>7</sup> *Practices of mutilation of female genital organs (art. 6, law 9/01/2006 n. 7).*

<sup>8</sup> Types of crimes introduced by Article 5 of Law 11 August 2003 n. 228 "*Measures against trafficking in persons*".

<sup>9</sup> Type of offenses introduced by art. 9, paragraph 3 of the law of 18 April 2005 n. 62 "Community Law 2004".

<sup>10</sup> Introduced by the art. 9 of the law of 3 August 2007, n. 123

- **receiving (stolen goods), laundering and use of money, goods or assets of illicit origin, as well as self-laundering**, art. 25-octies<sup>11</sup>.
- **crimes on copyright infringement**, art. 25-novies<sup>12</sup>;
- **induction to fail to make statements or to make false statements to the judicial authority**, art. 25-novies<sup>13</sup>;
- **transnational crimes**, art. 10 of Law no. 146 dated 16<sup>th</sup> March 2006;
- **environmental crimes** art. 25 undecies<sup>14</sup>;
- **offense of employing citizens of third countries, whose stay is irregular**, art. 25-duodecies<sup>15</sup>;
- **crimes of racism and xenophobia**, art. 25-terdecies<sup>16</sup>.

The provisions of the Decree also apply to the combined provisions (so called) “transnational crimes”, according to art. 10 of the law 16th March 2006, no. 146;

For the detection of the crimes that are considered to be abstractly applicable to the activities carried out by the Companies (i.e., more precisely, the crimes that are potentially and abstractly supposed to be committed, considering the objective nature of the activities performed by the Company), please refer to paragraph 4.1 below, **to be read in conjunction with the Risk / Crime Matrix and the individual Special Parts of the Model**.

The regulations in question are the result of a legislative technique, which by adopting principles of the criminal and of the administrative offense, introduced into the Italian Law a punitive system of the Corporate offences (Entities and Companies with legal personality, and Companies and Association also without legal personality) which is in addition to, and integrated with the existing sanctioning systems.

The competent criminal court judge expected to judge (try) the author of the event is also appointed to judge, in the same proceeding, the administrative responsibility of the Body and to apply the resulting sanction in accordance with the timing and discipline typical of the criminal trial.

The liability of the Body arises because of the connection with the execution of one of the crimes specifically provided for by the Decree, by a natural person linked by a functional relationship with the Body itself.<sup>17</sup>

The Body can be held liable if the offence is committed in its own interest or to its advantage, while its responsibility ceases if the perpetrator has acted in his own exclusive interest or in that of a third party.

The type of functional relationship that binds the Body to the individual who commits the criminal offence can be of representation or subordination.

1. In the first case, that is when the perpetrator of the crime is a natural person who acts as representative, administrative or management of the Body or one of its organizational units with financial and functional autonomy, as well as a person who exercises, even in fact, the management and control of the Body itself (**top managers**), has the Legislator envisaged a presumption of guilt for the Body, in consideration of the fact that these subjects express,

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<sup>11</sup> Introduced by the art. 63 of Legislative Decree 21 November 2007, n. 231. The law also provides for the crime of self-laundering following its inclusion with Law 15 December 2014, n. 186.

<sup>12</sup> Article added by letter c) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

<sup>13</sup> Article added by paragraph 1 of the art. 4, L. August 3, 2009, n. 116, not taking into account the insertion of an article with identical numbering provided by letter c) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

<sup>14</sup> Crimes introduced by Legislative Decree 7 July 2011, n. 121 and amended with Law 22 May 2015 n. 68.

<sup>15</sup> Crimes introduced by Legislative Decree 16th July 2012 n. 109.

<sup>16</sup> Crimes introduced by Law 20.11.2017 n. 167.

<sup>17</sup> The responsibility provided for by the Decree also takes place in relation to crimes committed abroad, in the interest or to the advantage of the Company, by the persons indicated in the art. 5 of the Decree, provided that the State does not proceed in the place where the offense was committed (Article 4 of Legislative Decree 231/2001).

Speciale cases:

- According to the art. 6, paragr.2, of the penal code, the offense committed abroad is deemed as committed in the territory of the State when the conduct took place there also in part; it is sufficient that in our Country any activity of participation by any of the participants has been carried out, no matter whether this partial activity does not in itself have the character of illegality, having to be meant as “fragment of a single criminal offense to be considered as essential” (Criminal Court of Cassation 4284/2000);

- According to art. 9 of penal code the citizen who commits a crime in a foreign territory for which the Italian law provides for a specific penalty, is punished according to the same law, provided that he/she is in the State; if the law provides that the guilty party is punished at the request of the Ministry of Justice, proceedings are taken against the Entity only if the request is made against the latter (Article 4 of Legislative Decree 231/2001).

- On the basis of Law 146/2006, which introduces transnational crimes, it is necessary that all the recipients of Legislative Decree 231/2001 who operate outside the national borders, verify any critical issues among their activities, also in relation to what is indicated in the previous points.

represent and implement the management policy of the same (in this case it is task of the Body to demonstrate the suitability of the Model and its concrete implementation to avoid conviction).

2. In the second case, when the perpetrator of the offence is an individual subject to the direction or supervision of others (subordinate subjects), will the Body be liable only if the commission of the crime was made possible by failure to comply with the direction and supervision obligations (in the latter case it is up to the Public Prosecutor to prove that the Model is not suitable or not correctly applied within the Company in a way such as to give rise to conviction).
3. to prove that the Model is not suitable or not correctly applied within the Company in a way such as to give rise to conviction).

The Body is not free from liability when the perpetrator of the offence has not been identified nor is he/she chargeable with it, and even in the event that the crime is extinguished due to a reason other than amnesty.

Articles 6 and 7 of the Decree provide for the Body a specific form of exemption from liability governed by art. 5, if it proves to have adopted and effectively implemented organizational, management and control models suitable for preventing crimes.

The Model shall be essentially based on a system of preventive controls to be performed also by the adoption of Protocols aimed at planning the education and implementing the decisions in the context of specific processes which include typical risk factors. The effectiveness of the Model shall be guaranteed through:

- The constant verification of its correct application;
- the adoption of an adequate sanctioning system.

On this purpose, the Body must create an internal **Supervisory Body (SB)**, endowed with autonomous powers of initiative and control, which verifies the operation, implementation and current stand of the Model.

The **system of sanctions** envisaged by the Model shall introduce specific sanctions against the recipients of the Model, graded according to the recipient qualification, the seriousness of the violation, the repetition of the conduct over time, the danger to which the Company has been exposed and in any case in relation to the current employment contract or to the mandate it has received.

The Company itself is subject to sanctions: the system of sanctions envisaged by the Legislator is characterized by the application to the Body of a pecuniary penalty commensurate to shares.

The Judge determines the number of quotas in relation to the seriousness of the offence and assigns a trade value to each individual quota (share).

For each offence a minimum number and a maximum number of quotas are provided; in addition, each quota can be applied from a minimum of 258 Euros to a maximum of 1,549 Euros. The Body (Organization), therefore, is subject to the application of maximum € 1,549,000 of pecuniary sanctions.

In addition to the pecuniary sanction, disqualification sanctions can be applied for the most serious cases, such as: the disqualification from the exercise of one's activities, the suspension or revocation of the authorizations, licenses or concessions, the prohibition to place contracts with the Public Administration, the exclusion from benefits, loans, contributions or subsidies, and the possible revocation of those already granted, or also the prohibition to advertise goods or services.

The sanctioning system envisaged by the Decree is completed with the application of the confiscation of the profit of the offence, and, wherever a disqualification sanction is applied, with the publication of the sentence (judgement).

### **3. The Confindustria Guidelines**

While preparing this Model, was the Company inspired by the Confindustria Guidelines updated to March 2014, and ultimately in January 2018, in relation to the combined "Whistleblowing" regulation, except for the necessary adjustments due to the organizational structure of the Company.

The basic points the Guidelines identify within the construction of the Models can be summed up as follows:

**implementation of a risk management system**, aimed at detecting and managing those company activities which entail a risk of crime, composed of the following activities:

- identification of the areas at risk, aimed at verifying in which area or corporate sector it is possible to carry out the offences envisaged by the Decree;
- analysis of the potential risks, aimed at identifying the possible ways to carry out the offences in already located areas of the Company;
- assessment, construction or adaptation of the system of preventive controls, so as to ensure that the risks of committing the crimes are reduced to an "acceptable level".

The threshold of tolerable risks, when it comes to **intentional crimes**, is represented by a prevention system that cannot be misled unless **fraudulently**.

On the other hand, in the event of **culpable crimes** committed under breach of the rules on health and safety at work, no threshold of tolerance is acceptable on the exemption purposes of the Decree, since only the **possibility of carrying out a conduct in violation** of the organizational model of prevention (and the underlying mandatory obligations prescribed by the prevention regulations) is punishable, despite the timely compliance with the supervisory obligations set forth by the specific Body.

In other words, there is no threshold of tolerance when it is in any case possible – or merely conceivable – to run a conduct in breach of the rules and prescriptions laid down in order to prevent risks, since in the event of culpable crimes it is unconceivable to turn to the concept of fraudulent evasion of the organizational models.

It then becomes clear that when it comes to culpable crimes, it is sufficient that these are wanted by the agent only as behaviour and not as an event; the latter, as a matter of fact, may occur even outside any possibility of control by the parties in charge (for example, out of an "abnormal" conduct of the worker, that is to say strange and unpredictable).

**A. identification and construction of the components of a preventive control system** consisting of:

- the Code of Ethics, with reference to the crimes considered;
- the organizational system, sufficiently formalized and clear, above all as far as the attribution of responsibilities, the hierarchy dependence lines, and the description of the tasks are concerned;
- the protocols and manual and IT procedures, such as to regulate the performance of the activities by providing appropriate control points, known within the Company thanks to instructions provided at the time of employment and / or at the beginning of the collaboration, and externally produced on request in written form;
- the authorization and signature powers, assigned consistently with defined organizational and management responsibilities;
- the management control system, able to provide prompt reporting of the existence and emergence of critical situations;
- the communication to staff and their training;
- the reports of the recipients, whose confidentiality must be protected for this purpose.

**B. Introduction of a disciplinary system** and sanctioning processes.

**C. Identification of the SB** through the definition of:

- requisites, such as autonomy and independence, professionalism, continuity of action;
- composition;
- tasks and powers;
- obligation to report to the SB

**4. The Model of Gefit Spa**

**4.1 Adoption and Structure of the Model**

The Company, with the adoption of the Model, has the target of availing itself of a number of behaviour principles, which in addition to the system of attribution of functions and delegation of power, as well as to the other internal organizational and control systems, responds to the objectives and rules envisaged by the Decree, both when preventing the crimes and when checking the Model implementation or also the application of sanctions, if any.

In particular, the Company intends to make the Recipients aware of the set of duties and ways of conduct they are expected to keep to when exercising their functions and/or assignments in hazardous processes, such as provided for in the successive Appendices.

The Model integrates the organizational and control tools indicated below:

- **Code of Ethics:** lists the representative principles of the corporate philosophy inspiring the choices and conducts of all those who, for various reasons and on different levels, act on behalf of, and in the interest of the Company,



to which they must obey in compliance with the laws and regulations in force in all the countries the Body operates in. It guarantees, then, the regular course of business, the reliability of the management and ensures a high image;

- **Business Risk Analysis:** identification and analysis of the activities supposed to be bearing risks of committing the crimes envisaged by the Decree. The analysis takes place also by the documentation exam, survey in the production premises, interviews and talks with the personnel in charge of the departments;
- **Attribution of Powers:** Attribution of the powers necessary to run the Company operations to the Board of Directors, its members, the attorneys, the delegated parties, and to the managers. The System also allows to realize the coincidence between formal and substantial organization.
- **Protocols and Procedures:** they regulate the business processes. Each of them, whenever issued in written form, bears the date and the signature of the Chairman, the Vice President, the Managing Directors, or person delegated by them or by the Area Manager, indicates the corporate areas of application, identifies the various macro phases of the Process, gives the appropriate instructions to the different Managers, warns everybody to substantially comply with the rules therein contained. These instructions are provided in written form only if urgent situations occur or in case of extraordinary operations, while the daily and ordinary activities are handled with verbal instructions, known by practice.
- **Operating Instructions and Manuals:** they are produced to meet the needs of users of complex IT systems and represent a significant organizational tool. Users can consciously manage their data, get or provide information to other Company units in strict compliance with the safety and confidentiality conditions.

The Model is composed of:

- A **General Section**, introductory to the principles and general rules of conduct, to the targets the Company set by adopting the Model, and to the organization chosen to prevent crimes (the sanctioning system, the SB, the internal set of information);
- A **Risk/Crime Matrix**, which acts as an explanatory link between the General Part and the Special Parts;
- Several **Special Sections**, containing the specific elements and the organizational and structural characteristics of the Company as detected at the time of drawing up the Model, and constantly updated in order to maintain, within the Model, a truthful and faithful representation of the Body, useful for the organization of the control activity by the SB.

The Risk Matrix and the Special Parts, divided by type of offence, also report the other fundamental characteristics of the Model, such as the identification of sensitive activities and the general and specific rules established to prevent crimes from being committed.

#### 4.2 Function and Purpose of the Model

The Company, aware of the need to ensure conditions of transparency, legality and fairness in the conduct of business, and for the sake of protection of its employees' work, deemed as consistent with its corporate policies to implement the Model provisions of the Decree.

This Model was adopted by the Board of Directors which, in compliance with the Decree provisions, did set up an internal control body, the SB, whose task is to supervise the function, effectiveness and observance of the Model itself, as well as to update it.

Purpose of the Model is to define a structured and organic system of directives and control activities expected not only to prevent the several types of offences contemplated by the Decree, but also to act as an organizational tool of management and verification supposed to rationalize and monitor the Company behaviours.

By identifying the "areas subject to risky activities" and assigning to them the consequent procedure, is the Model essentially meant to:

- Arouse, in all those who operate in the name and on behalf of the Company, the awareness of incurring, in the event of infringement of the herein set forth provisions, an offence punishable both by criminal and administrative sanctions not only imposed to them but also to the Company;
- Emphasize that such unlawful forms of behaviour are strongly blamed by the Company, since even though the latter might apparently be able to take advantage of them, they are however against the provisions of the law as well as against the ethical principles the Company intends to keep to in the performance of its business mission;
- Enable the Company to act timely to prevent or oppose the perpetration of these crimes.

### **4.3 Recipients**

"Institutional" recipients are all subjects required to comply with the Code of Ethics and the Organization and Management Model, who, for whatever reason, while operating on behalf of and in the interest of the Company may incur the perpetration of the crimes set forth in the Decree, bringing the liability back to the Company itself, pursuant to Article 5 of the aforementioned Decree.

"Institutional recipients" are therefore: Associates, members of the Board of Directors, Attorneys, Directors, Executives and all other Employees, Collaborators, Consultants and other Subjects, when they are representatives or agents, in various ways, of the Company.

The Board of Statutory Auditors, the Statutory Auditor and the Supervisory Body are also recipients, as regards compliance with the Code of Ethics in the relationship with the Company, and with regard to the obligation to make institutional Recipients respect, in cases specifically identified and falling within their own responsibilities, the principles of behaviour and the procedures adopted by the Company.

"Other Recipients", but only as far as compliance with the general principles of the Code of Ethics is concerned, are eventually: Suppliers, Consultants in general and Business Partners who do not have the representation of the Company, to whom specific communications concerning the commitment to respect the above in relations with the Company must be sent or provided.

### **4.4 Spreading of the Model**

The effective implementation of the Model is also a function of its spreading and knowledge within the Company, and of the awareness, for all its employees, of the Company's willingness to operate according to an effective and constant application of the behaviour principles therein contained.

Once it is approved, shall the implementation of the Model be accompanied by:

- a formal presentation of the Code of Ethics and of the Model to the members of the Board of Directors, who will present the Model to the Shareholders' Meeting, the Attorneys, the Directors, the Executives, the Employees and to all those who can be included among the "institutional recipients";
- carrying out of meetings to illustrate, make personnel aware of, and train them on the contents of the Code of Ethics and the Model;
- the publication of the Code of Ethics and the Model (general part) on the Company's website, the publication of the Code of Ethics and the entire Model on the corporate intranet and on the notice board of the Company's registered office, available to employees and all other internal Recipients;
- the distribution of the Code of Ethics and the Model to the Statutory Auditors, the Statutory Auditor and the Supervisory Body (SB).

Since the behaviour of the collaborators or other subjects the Company has contractual relationship with (professionals, subjects acting as representatives of any kind or as agents of the Company), in contrast with the lines of conduct envisaged by this Model may raise the risk of committing a crime sanctioned by the Decree, it is absolutely necessary that the implementation of the Model goes with a specific distribution of its contents to those collaborators and third parties.

On this purpose, it will be necessary to:

- publish the Code of Ethics and the general part of the Model on the Company's website;
- ask collaborators and suppliers to diligently take note of the above-mentioned documents by indicating in the correspondence forwarded to them the specific web site address where the above documents can be found;
- ask them to engage, and undersign, to apply all appropriate measures to prevent any significant conduct according to the Decree, and to adapt the performance procedures to the organizational model and to the Code of Ethics adopted by the Company;
- make these external subjects aware that failure to apply the rules of conduct may lead to the termination of the contract and / or the application of the other sanctions indicated in the document.

### **4.5 Training of the Personnel**

The executive Body, identified in the Board of Directors, which delegates the operational aspects to a properly appointed member of the Board of Directors and/or to the Attorneys, in agreement with the SB, ensures the training to the personnel with the purpose to guarantee appropriate knowledge, comprehension and application of the Model by both employees and managers.

The training shall be different between the general personnel and the one working in the specific areas of risk, as identified by this Model.

The contents of the training courses will be divided into:

**A general section, directed to the majority of employees**

In this context, here are the minimum contents the training shall cover:

- Objectives and contents of the Code of Ethics: the importance of the document as a shared internal behaviour standard;
- Implementation of the Model;
- The general behaviour principles required;
- Disciplinary system of sanctions.

**Specific Part, directed to the employees working in risk areas**

The training contents will concern, in addition to the above quoted general topics:

- The crimes envisaged by the Decree;
- The risks, the Company may be faced to;
- The protocols determined in order to prevent crimes;
- The inspection activity of the appointed bodies;
- The obligation to provide information.

**4.6 Modifications and Additions to the Model**

In compliance with the provisions of art. 6, paragraph 1, letter a) of the Decree, this Model is an act issued by the Management of the Body.

The Model is therefore adopted by the Board of Directors pointing out that the implementation and management of the Model itself, including the protocols, the Code of Ethics, the sanctioning system, and the guidelines of the SB, is assigned to the competences of one of the Board of Directors' members.

Since the Model is adopted by the Board of Directors, shall any relevant modification or addition be approved of by the Board itself; any adjustment or addition thereof, which does not essentially affect the Model structure and contents, can be adopted by a Managing Director, who will then report to the Board.

**4.7 Commitment of the Governing Body (Management)**

The Governing Body identifies with the Board of Directors, and it is responsible for the operational activities connected with the management and updating of the Model.

The Board of Directors therefore ensures the development and implementation of the Model through the following actions:

- communicate to the organization the importance of complying, without reserve, with every rule of the Model;
- foster a policy of conformity to the Model;
- ensure that the objectives of compliance with the Model are defined;
- ensure the availability of resources;
- ensure the SB functioning;
- adopt the sanctioning tools;
- make sure that the responsibilities, tasks, delegations, and the authorities are defined and disclosed within the organization.

**5. General Rules**

**5.1 The system, in general**

All sensitive Transactions must be carried out in compliance with the laws in force, the Code of Ethics, the values and policies of the Company and the rules contained in this Model. As a rule, the organization system of the Company complies with the fundamental requirements of formalization and clarity, communication and separation of roles especially when it comes to the attribution of responsibility, representation, definition of the hierarchies and of the operating activities.

The Company has organizational tools (organization charts, communications, procedures, etc.) based on the general principles of:

- Knowability within the Entity;
- Clear and formal segregation of roles, with a careful description of the tasks, and relevant powers, each function does have.

The Protocols and Procedures are characterized by the following elements:

- Maximum possible separation, within each process, between the person who initiates it, the one who performs and concludes it, and the person who controls it;
- Written record of each relevant step of the process;
- Adequate level of formalization.

## **5.2 The system of delegations and proxies**

The system of delegation and powers of attorney must be characterized, as a rule, by elements of "security" for the purpose of preventing crimes (traceability and evidence of activities in the context of sensitive Operations) and, at the same time, it must allow the efficient management of the business activity.

### **A. Delegations**

It is meant, by delegation, the internal act of attribution of functions and tasks, contained in the system of organizational communications.

The essential requirements of the delegation system, for the purposes of effective crime prevention, are the following:

- the delegations must connect each management power with the corresponding responsibility and with an adequate position in the organization chart, and be updated as a result of organizational changes;
- each delegation must clearly define:
  - the powers of the delegate;
  - the subject (body or individual) the delegate reports hierarchically to.
- the delegate should be in a condition to have adequate spending powers for the functions he's been awarded with.

### **B. Proxies**

It is meant, by proxy, the unilateral legal transaction with which the Company assigns powers of representation to third parties.

Holders of a corporate function, who require powers of representation for the performance of their duties, are given a " functional general power of attorney " of adequate extension and consistent with the functions and management powers attributed to the owner through the delegation.

The essential requirements of the system of attribution of powers of attorney, aimed at an effective prevention of crimes, are the following:

- the **general functional powers of attorney** are conferred exclusively to individuals with internal delegation; the general powers of attorney describe the conferred management powers and, where necessary, are accompanied by a specific corporate communication which establishes the extension of the powers of representation and the numerical spending limits.
- **Special powers of attorney:** when released to perform a specific operation. This power of attorney ceases either with the completion of the activity described therein, or with the subsequent revocation if such activity has not yet been performed or should no longer be performed.

The SB periodically checks the system of proxies and powers of attorney in force, their compliance and application and their consistency with the system of organizational communications (the internal documents with which the proxies are given), while possible changes are recommended by the SB itself if irregularities are found.

## **5.3 General Principles of Behaviour**

All **Recipients** must adopt rules of conduct in accordance with the prescriptions, in order to prevent the occurrence of the crimes envisaged by the Decree.

### **A. Prohibitions**

The Recipients are expressly prohibited from:

carrying out (or attempting to) actions or conduct aimed at committing the crimes considered above, such as, for example:

### **Offences against the Public Administration (Article 24 of the Decree):**

- allocate to purposes other than the realization of the works, or from the performance of activities of public interest for which the Company has obtained from the State or another public body or from the European Community contributions, subsidies or financing (embezzlement against the State, art. 316 -bis penal code);
- have the Company unduly obtain, through the use or presentation of statements or false documents whose contents is untrue, or through the omission of due information, contributions, loans, subsidized loans or other disbursements of the same type granted or paid by the State or other public bodies or by the European Community (undue receipt of funds to the detriment of the State, Article 316-ter of the Italian Criminal Code);
- mislead the State or another public body, using stratagems or tricks, in order to obtain an unfair profit or public disbursements (fraud to the detriment of the State, articles 640 and 640-bis of the Criminal Code);
- alter, to the detriment of the State or a public body, the operation of an IT or telematic system or interfering without any right in any way on data, information or programs contained in a public or computerized system or relevant thereto (computer fraud to the detriment of the State or of a public body, Article 640-ter of the Criminal Code).

**Crimes Against Industry and Commerce (Art. 25-bis.1 of the Decree):**

- if aware of the existence of the industrial property title, manufacture or industrially use objects or other goods made by usurping an industrial property title (art. 517-ter. Criminal Code: Manufacture and trade of goods made by usurping industrial property rights).

**Computer crimes and unlawful data processing (art. 24-bis):**

- make or alter public or private electronic information documents (defined as "computerized representation of legally relevant deeds, facts or data") that have evidentiary effects (false statements in IT documents, art. 491-bis of the Criminal Code);
- illegally enter an IT or electronic system protected by security measures or to stay there against the express or tacit will of those who have the right to exclude it (abusive access to an IT system, Article 615-ter of the Italian Criminal Code);
- unlawfully get, copy, spread, communicate or hand out codes, keywords or other means aimed at having access to an information or telecommunication system protected by security measures, or provide indications or instructions suitable for the aforementioned purpose (illegal holding and dissemination of codes of access to information or telecommunication systems, article 615-quater of the Criminal Code);
- fraudulently intercept communications relating to an IT or telematic system or between multiple systems, or prevent or interrupt them (unlawful interception, obstruction or interruption of computer or electronic communications, Article 617-quater of the Italian Criminal Code);
- destroy, damage, delete, alter or eliminate information, data or computer programs of third parties (damage to information, data and computer programs, art. 635-bis of the Italian Criminal Code);
- destroy, deteriorate, erase, alter or suppress information, data or computer programs used by the State or other public body or relevant to them, or in any case being of public utility (damage to information, data and computer programs used by the State or other public body or in any case of public utility, Article 635-ter of the Italian Criminal Code).

**Bribery, undue induction to give or promise utility and corruption (art. 25 Decree):**

- to offer or promise money or other benefits to a public official, a person in charge of a public office or to parties related to these in order to perform, omit or delay an act of his/her office (corruption and / or extortion);
- to be induced to give or promise to a public official, to a person in charge of public office or to subjects related to them, money or other utilities in order to perform, omit or delay an act of his/her office (undue induction to give or promise utility).

**Receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering (article 25 octies Decree):**

- to replace, transfer, carry out operations aimed at hindering the criminal origin of money or other benefits deriving from a non-culpable crime;
- to use, replace, transfer, in economic, financial, entrepreneurial or speculative activities, money, goods or other utilities coming from the perpetration of malicious crime, in order to concretely hinder the identification of their criminal origin.

**Corporate crimes (article 25 ter Decree):**

- to produce false social (corporate) communications;
- to prevent controls by the deputy bodies;
- to work out documents aimed at a fictitious formation of capital;
- to unduly return capital contributions;
- to operate in the scope of company activities, or authorize operations, without the due DILIGENCE or PRUDENCE, or in any case without the necessary SKILFULNESS of one's own or of the subjects the activities are delegated to, such as to be able to exclude that the guilt of harmful events can go back to the Company or to any of the Recipients of the Decree;
- to carry out actions or behaviours that, even though they are such as not to constitute in themselves cases of crime falling within those provided for by the Decree, can potentially become such;
- to implement any situation of conflict of interest towards the Public Administration or people in charge of a public service, in relation to the provisions of the afore mentioned offenses;
- to promise money or other benefits for themselves or others, to directors, general managers, managers in charge of working out corporate accounting documents, auditors, liquidators, to perform or omit acts in violation of the obligations applicable to their office or loyalty obligations, causing therefore harm to the Company.

With particular reference to the aforesaid behaviours (also sanctioned by the Code of Ethics adopted by the Company) it is forbidden to:

- make cash payments to public officials or public service officers or, in general, to representatives of the Public Administration ("Government Officials");
- distribute gifts and presents out of the scope of the company procedures; any form of gift to Italian and foreign "Government Officials" or to their families, which may influence the independence of judgment or induce to ensure any kind of advantage for the Company is particularly forbidden. The allowed gifts must always be distinguished by their small value or because their aim is to promote the Company image, while they shall be accompanied by adequate documents to allow the necessary checks;
- grant other advantages of any kind (i.e. promises of employment) in favour of "public officials" (or their family members), which may determine the same consequences envisaged in the previous point;
- perform, in favour of Partners, services which are not adequately justified in the context of the associative or collaborative relationship established with the Partners themselves;
- award collaborators with compensations that are not adequately justified in relation to the type of task to be performed and to the practices in force;
- accept donations, presents or gifts out of the company practice for oneself or for one's family members, as well as other benefits or services of any kind, which may influence the independence of judgment or lead to ensuring any advantage, even indirect, to the Company;
- submit untruthful declarations to national or EU public bodies in order to obtain public funds, contributions or subsidized loans;
- allocate sums received from national or EU public bodies by way of grants, contributions or loans for purposes other than those for which they were intended;
- prevent the performance of controls or checks by company bodies or third parties, on behalf of the same bodies;
- alter the data contained in the Company computer archives or in the databases to which the Company has access;
- produce documents of any kind or declarations not compliant with the results of the corporate information system of accounting data, and of the resolutions of the corporate bodies;
- hold material and data concerning the human exploitation, especially if it comes to minors, or access websites showing such data and images;
- make donations to organizations or associations whose activity or subsequent allocation of funds is not clearly known;
- present, in the financial statements, reports or other social communications, facts that are not real yet aimed at obtaining an unfair profit;
- directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators are strictly forbidden from intentionally disclosing in the financial statements, reports or other corporate communications addressed both to the shareholders or the public, important material facts that are untrue, or omitting relevant material facts, whose spreading is imposed by the law, on the economic, patrimonial or financial situation of the company or of the Group this latter belongs to, in a way expected to lead others into errors;
- omit information whose disclosure is required by law, on the economic, equity or financial situation of the Company, to mislead the recipients on the aforesaid situation;
- start and keep business relationships with Companies and Entities whose involvement in activities aimed at terrorism or subversion of the democratic order or against the individual personality is known;

- purchase production assets whose illicit origin is acquainted or easily traceable;
- replace, transfer or however use capital of illicit origin;
- employ money, goods or other utilities of illicit origin in the business.

## **B. Obligations**

### **Protection of Health and Safety at Work**

- In order to ensure the adoption and respect of the general measures to protect health and safety of workers on the workplace, both the Employer and the persons from him/her appointed must keep to the following provisions:
- arrange the assessment of all the risks for health and safety on each workplace and for each type of activity;
- prepare the prevention planning;
- provide for the elimination of risks, and, wherever not possible, reduce them to the minimum in relation to the knowledge acquired in the technical progress;
- consider the ergonomic principles in work organization, in the choice of equipment, and in the definition of work and production methods;
- reduce risks at source;
- replace what is dangerous with what is safe or less dangerous;
- minimize the number of workers who are, or may be, exposed to risk;
- limited use of chemical, physical or biological agents in the workplace;
- give priority to collective protection measures over individual protection measures;
- ensure the workers' health with medical control;
- keep the worker away from exposure to risk due to health reasons of his/her own, and assign him/her where possible, to another task;
- grant adequate information and training for workers, managers, supervisors and workers' safety representatives;
- ensure the participation and consultation of workers and workers' safety representatives;
- plan measures deemed as appropriate to ensure the improvement of safety levels over time, also through the implementation of codes of conduct and good practices;
- take emergency measures to be implemented in case of first aid, firefighting, evacuation of workers and serious, sudden danger;
- ensure the use of warning and safety signs;
- guarantee a regular maintenance of environments, equipment, installations, with focus to safety devices in compliance with the manufacturers' guidelines.

### **Environmental Protection**

- In order to guarantee the adoption and respect of the general environmental protection measures, the recipients of the Model are prohibited from:
- causing, even negligently, significant and measurable impairment or deterioration: 1) of water or air, or of extensive or significant portions of the soil or subsoil; 2) of an ecosystem, biodiversity, including agriculture, flora or fauna;
- illegally causing, even carelessly, an environmental disaster, such as: 1) the irreversible alteration of the balance of an ecosystem; 2) the alteration of the balance of an ecosystem whose elimination is particularly onerous and achievable only with exceptional measures; 3) the offense against public safety due to the relevance of the fact because of the extent of the compromise or for its harmful effects, or for the number of people injured or exposed to danger;
- illegally transferring, purchasing, receiving, transporting, importing, exporting, providing others with, illegitimately holding, transferring, abandoning or disposing of highly radioactive material;
- unlawfully joining for the purpose of committing one of the crimes as per points 1 to 3 above.
- introducing into the atmosphere vapours or gases that might engender or contribute to causing the concrete danger of a lasting or significant jeopardizing of the air for life, or people and/or wildlife safety;
- disposing or storing huge quantities of waste without the necessary authorizations or through subjects who are unable to prove neither the authorizations thereof nor the locations and method of disposal and storage;
- removing or damaging minerals or plants, causing, or contributing to, the concrete danger of a lasting or significant compromise for the flora or the natural heritage;
- disposing of water in the environment that could cause, or contribute to, the concrete danger of a lasting or significant compromise of the soil, subsoil or water for the life or safety of people, for wildlife or flora;
- wholly or partially counterfeiting, physically or in the contents, the prescribed documentation or make use of false documentation;

- denying, or preventing, or hindering the activity of control of one's settlement or part of it, by setting up obstacles or artificially modifying the status of the places.

## 6. Supervisory Body

### 6.1 Constitution, Appointment and Composition of the Supervisory Body

The Supervisory Body (hereinafter named the SB) is composed of two members, and in accordance to what the Board of Directors deliberates, is appointed by the latter and has independent powers of initiative and control.

The Board of Directors appoints the members or members of the SB and assigns them the annual compensation and the annual expense budget that may be used by the SB, at its own discretion, in performing the tasks they've been entrusted with for external consultancy fees, travel expenses, operating activities, services requested from external bodies.

The members of the Supervisory Body cannot hold management, executive or control offices that may engender conflict of interest situations.

The main expected requirements are:

**A) autonomy:** the SB has decision-making autonomy. The SB is independent with respect to the Company, i.e. it is not involved in any way in operating activities, nor is it a participant in management activities. Furthermore, the SB has the possibility to play its own role without direct or indirect conditioning by the controlled parties. The activities carried out by the SB cannot be syndicated by any other corporate body or structure. The SB is also autonomous, as far as rules are concerned, i.e. it can determine its own behavioural and procedural rules within the powers and functions set forth by the Board of Directors. The SB is given a budget within which it can move independently. The budgeted amount shall be defined year by year by the company for supervisory purposes, according to the activities planned and exposed by the SB. When the SB recognizes the need to use the budget for certain supervisory activities, it will communicate to the company the reasons why it intends to proceed with such activities, but it the company itself to ask for estimates and quotations. The "technical-professional" evaluation of the professionals involved in these activities (curricula vitae) will be submitted to the SB.

**B) independence:** the non-subjection to any bond of subordination towards the Company is a necessary condition. Independence is achieved through a correct and adequate hierarchical position: the SB depends directly and solely only on the Board of Directors.

**C) professionalism:** the SB must be professionally capable and reliable. Therefore, the technical-professional competences adequate to the functions that he is called upon to perform must be guaranteed. Specific skills must be ensured in inspection and consulting activities.

**D) continuity of action:** in order to guarantee the effective and constant implementation of the Model, the SB operates without interruption. The SB, therefore, guarantees a constant commitment in the operating solutions adopted, even though not necessarily exclusive, suitable however to effectively and efficiently fulfil its institutional tasks.

The SB holds office for three years with the possibility of renewal.

The following cases constitute grounds for ineligibility and/ or forfeiture of the member of the SB:

- one of the occurrences described by art. 2382 of civil code (c.c.);
- one of the situations in which the autonomy and independence of the individual member can be compromised (e.g. direct assignments on behalf of the Company, related kinships, and so on);
- having reported a criminal conviction for crime, also in the form of the penalty application pursuant to art. 444 of the Criminal Procedure Code (C.p.p.);
- a pending crime proceeding against S.B. for which the criminal action is brought.

The SB also reserves the right to withdraw from the office by giving written notice by registered mail with proof of delivery within 30 days.

The SB ceases its role due to renunciation, unexpected incapacity, death or revocation.

Members of the SB may be revoked:

- in the event of repeated failure to fulfil duties, or unjustified inactivity;
- in the event of the imposition of disqualification sanctions against the Company, due to its inactivity;
- when violations of the Model are detected by the obliged parties and there is a failure to report such violations and in the verification of the suitability and effective implementation of the Model in order to propose any changes;
- if, after the appointment, one of the causes of ineligibility set forth above occurs.

The revocation is approved by the Board of Directors, with immediate notification to the Shareholders' Meeting and to the Board of Statutory Auditors.

In case of renunciation, unexpected incapacity, death or revocation of a member, the Board of Directors must appoint a substitute.



## **6.2 Powers and Tasks**

The SB has its own internal regulation containing a description of the procedures for carrying out the tasks entrusted to it. The SB will periodically meet (at least once a year) the company management and any internal contacts according to the needs emerged from time to time during the Supervisory activities.

The SB is entrusted with the task of supervising:

- compliance with the Model by the social bodies, employees, and within the limits set by the consultants, suppliers, partners and service companies;
- the effectiveness and adequacy of the Model, in the prevention of crimes, in relation to the corporate structure;
- the opportunity to update the Model, where there is a need to adapt it in relation to changed company, regulatory and / or socio-environmental conditions, by requesting the competent bodies for this purpose, in accordance with the provisions of the Model itself.

More specifically, in addition to the tasks already mentioned in the previous paragraph, the SB is entrusted with the activities of:

### **A) verification:**

- collection, processing and storage of relevant information regarding compliance with the Model,
- carrying out surveys on company activity aimed at monitoring and updating the mapping of sensitive activities,
- periodic verification of targeted checks on certain operations or specific acts performed by the Company, especially in the context of sensitive activities, the results of which must be summarized in a specific report to be illustrated during a meeting to the appointed corporate bodies,
- implementation of the control procedures envisaged by the Model also through the issue, or proposition, of internal (rules-wise and/or information-wise),
- activation and performance of internal audits under connection, each time, with the company departments concerned to acquire additional elements,
- coordination with the other company functions in order to better monitor the activities in relation to the procedures established in the Model.

### **B) update:**

- interpretation of the relevant legislation in coordination with the external legal advisors of the Company and verification of the adequacy of the Model to these regulatory requirements;
- periodic updating of the list of information that must be kept at SB disposal;
- assessment of the needs to update the Model, also through special meetings with the various corporate functions involved;
- monitoring of the updating of the company organization chart, which describes the organization of the Company as a whole with the specification of the areas, structures and offices, and related functions.

### **C) training:**

- coordination with human resources to set the training programs for personnel and the contents of periodic communications to be sent to managers, employees and corporate bodies, aimed at providing them with the necessary awareness and basic knowledge of the legislation referred to in Decree;
- verification of the space updating on the Company's intranet-internet with reference to the information about the Decree and the Model;
- monitoring of initiatives to spread the Model's knowledge and understanding, and preparation of the internal documentation necessary for its effective implementation, containing instructions for use, explanations or updates thereof.

### **D) sanctions:**

- reporting any violations of the Model to the Board of Directors and to the Function that will evaluate the sanction application, if any;

- coordination with the competent company departments/functions to assess the choice of any sanctions or measures, without prejudice to the competences of the same for the imposition of the adoptable measure and the relevant decision-making procedure;
- update on the outcomes of filing or application of sanctions.

Due to the tasks the Board of Directors is entrusted with, this latter is anyway the only corporate body called upon to supervise the adequacy of the intervention of the SB, since the ultimate responsibility for the functioning and effectiveness of the Model still falls to the Management body.

As required by law, the SB has autonomous powers of initiative and control in order to supervise the functioning and respect of the Model, but it does not have any coercive nor intervention powers such as to modify the company structure, nor sanction powers against managers, employees, social bodies, consultants, service companies, partners or suppliers; these powers are delegated to the corporate bodies or to the competent corporate functions.

In order to carry out its inspection activities, the SB has access, within the limits set by the Privacy Regulations (Legislative Decree 196/03 and RG EU 679/2016) and the Workers' Statute, to all company documentation that it considers relevant, as well as to the IT and information tools concerning the activities classified or classifiable as being at risk of crime.

The SB can avail itself not only of the assistance of all the Company's structures, but, under its direct supervision and responsibility, of external consultants with specific professional skills on the matter, for the execution of the technical operations necessary for the control function.

These consultants must always report their work results to the SB.

The autonomy and independence that must necessarily characterize the SB's activities have made it necessary to introduce some forms of protection in its favour, in order to guarantee the effectiveness of the Model and to avoid that its control activity can produce forms of retaliation against it. Therefore, decisions regarding the appointment, renewal or revocation of the appointment are assigned to the exclusive competence of the Board of Directors.

### **6.3 Information Obligations towards the SB**

The SB must receive from Employees, Members, Administrators and any other recipient of the Model (mandatory and immediately) the information concerning:

- measures and / or news from judicial police bodies, or from any other authority, from which the execution of criminal investigations is inferred, even against unknown persons provided such investigations involve the Company or its employees, corporate bodies, suppliers, consultants, partners;
- requests for legal assistance made by employees in the event of criminal proceedings start against them;
- the reports prepared by the managers of other business functions of the Company within the scope of their control activity, and from which facts, actions, events or omissions with profiles of criticality as to compliance with the provisions of the Decree could emerge;
- news about the sanctioning procedures carried out and the possible measures imposed or about the dismissal of such proceedings with the corresponding reasons, if they are related to the commission of crimes or violation of the rules of behaviour or procedure of the Model;
- the conclusions of the audits ordered by internal control functions or internal commissions from which responsibility for the perpetration of crimes set forth in the Decree derives;
- communications of the start of proceedings by the judicial police;
- requests for legal assistance proposed by shareholders, directors, managers, for the defense in proceedings for significant crimes according to the Decree;
- communications regarding variations of the organizational structure, or changes in delegations and powers;
- changes of the areas at risk;
- the execution of operations considered at risk based on the relevant legislation;
- contracts concluded with the Public Administration and provision of funds and public contributions to the Company;
- significant news about health and safety in the workplaces;
- important news on money laundering;

Furthermore, the SB must be constantly informed by the competent corporate functions:

- on aspects of the business that may expose the Company to the risk of committing one of the crimes envisaged by the Decree;
- on relations with service companies, suppliers, consultants and partners that operate on behalf of the company in the context of sensitive activities;
- on the extraordinary transactions undertaken by the Company.

The reporting obligations, as well as the related sanctions in the event of non-compliance with the Model, concerning non-employees of the Company, such as Consultants, Customers, Suppliers and Partners, are described in specific documents signed by such subjects, or in clauses reported into contracts binding these subjects to the Company.

#### **6.4 Reports of Model Violations**

The Officials, Executives, Employees, members of the Board of Directors, Attorneys and Members of the Company, as well as the recipients in general of the provisions contained in the Model, may report in writing to the SB on the presence of possible violations or the commission of sanctioned offenses.

The Company shall arrange a dedicated communication channel for reporting violations of its ethical principles and of the rules contained in the Model. For the purposes of this Model, this channel is accompanied by the possibility of free and confidential consultation of the SB through an e-mail address made known to the company personnel, to which any reports can be sent and whose access is reserved exclusively to SB. These methods of reports transmission are aimed at guaranteeing the utmost confidentiality of reporting parties in order to avoid, also, retaliatory attitudes or any other form of discrimination or penalization against them.

Communications may also be anonymous and should be sent, alternatively, to the following addresses:

- to the inbox of the SB;
- to the SB itself, at one of its members address that will be communicated later.

The SB will evaluate the reports received, and may decide to call, wherever appropriate, both the whistle-blower to get more information, and the alleged author of the violation, giving rise, as well, to all the investigations necessary to ascertain the merits of the reporting.

Once the reporting has been ascertained as valid, shall the SB act as follows:

- for violations committed by employees, it shall immediately notify - in writing - the Board of Directors or its member in charge of maintaining relations with the SB, about the start of the consequent actions;
- for violations of the Model and / or the Code of Ethics, deemed to be legitimate by top management individuals of the Company, it shall immediately notify the Board of Directors or its member in charge of maintaining relations with the SB;
- for violations of the Model and / or the Code of Ethics, deemed to be legitimate by one or more members of the Board of Directors, it shall immediately notify, jointly or severally, the Board of Directors, the Shareholders' Meeting and the Board of Statutory Auditors;

The SB may also take into consideration anonymous reports whether it deems it useful.

In any case, the SB undertakes to keep the name of the reporting person confidential. If this is not possible, the SB undertakes to protect, as much as possible, from any form of discrimination, retaliation, and penalties those who make reports for behaviours against the Model principles, or, at least, not in line with them. The SB evaluates the reports at its discretion, requesting any information, if necessary. The reasons of filing, if any, are stated in writing by the SB.

The SB must in any case keep the owners of the confidential reporting service already adopted by the Company, informed.

#### **6.5 The SB's Reporting Activity towards Other Corporate Bodies**

The reporting activity of the SB always concerns:

- the activity carried out by the office of the SB;
- the implementation of the Model;
- any critical issues arising both in terms of behaviour or events within the Company, and in terms of the Model's effectiveness.

The SB has two reporting lines:

- directly to the Chairman of the Board of Directors and / or to the member of the Board of Directors responsible for maintaining relations with the SB on an ongoing basis;
- on an annual basis, to the Board of Directors and the Board of Statutory Auditors.

The SB annually prepares a descriptive report for the Board of Directors and the Board of Statutory Auditors containing, mainly, a summary of all the activities carried out during the previous year, the verifications carried out, as well as the possible updating of the mapping of sensitive activities and other major issues; in this report the SB also prepares an activities' plan for the year and the request for budget.

Should the SB detect critical issues referable to any of the bodies above mentioned, must the corresponding communication be addressed promptly to one of the other bodies.

When, for example, profiles of responsibility linked with violation of the Model come out, the consequence of which is the commission of specific crimes by one of the members of the Board of Directors, must the SB promptly contact the Chairman of the Board of Directors, who shall join together the Board of Directors itself, and in the event of omission

or delay, must the SB contact the Board of Statutory Auditors, who in turn shall invite the Board of Directors to meet, and in the event of further delay or omission it will take action according to art. 2406 C.C.(Civil Code).

Meetings with the bodies to which the SB reports must be minuted and copies of the minutes must be kept by the SB and the bodies involved from time to time.

The SB must also coordinate with the competent functions present for the different specific profiles and / or consultants, and namely with:

- the external legal advisors of the Company for everything related to the interpretation of the relevant legislation, to determine the contents of the contractual clauses and the declarations of commitment for directors, managers and auditors;
- the administrative function for the corporate fulfilments that may be relevant for the purpose of committing corporate crimes and for monitoring the results of the activity carried out according to the Decree; for the control, then, of the compliance by the consultants, suppliers, partners and service companies with administrative and accounting procedures within sensitive activities;
- the human resources function with reference to the staff training, and in the event of organization modifications affecting the mapping of sensitive activities;
- the human resources function and the administrative function with reference to any disciplinary proceedings.

Whenever it deems it appropriate, may the SB coordinate with the company function useful to get as much information as possible, or for carrying out its activities at the best.

## **6.6 Operational and Financial Autonomy**

To guarantee autonomy in the performance of the functions assigned to the SB, the Company's Organization Model has provided that:

- the activities of the SB must not be previously authorized by any entity;
- the SB has access to all Company information, including those on IT support, and can directly request information to all personnel;
- failure to cooperate with the SB does constitute a disciplinary offence;
- the SB has the right to have the financial resources allocated by the Board of Directors available, autonomously and without any prior consent, in order to carry out the activity it has been entrusted with;
- the SB is assisted in its activity by a secretarial office, supposed to collect and keep of the documents (minutes, reports, etc.) and papers; to receive and forward correspondence; to communicate the schedule of meetings; to perform any other back office activity that becomes necessary.

## **7. Disciplinary System**

### **7.1 Function of Disciplinary System according to D.Lgs. n. 231/01**

With reference to the Decree, a system of sanctions is here expected to be applied in the event of violation of the rules of conduct introduced by the Model, the related procedures and the Code of Ethics, in order to guarantee effectiveness of the control activity exercised by the SB and ensure the effectiveness of the Model itself.

It is therefore clear that the disciplinary system drawn up here is applicable to conduct principles that could constitute violations of the law (Decree or other mandatory regulations).

The implementation of the disciplinary system constitutes, according to the Decree, an essential requirement of the Model, provided by law for the benefit of exemption of the Company's liability.

This Disciplinary Code therefore intends to operate in compliance with the regulations in force, including, where applicable, those provided for by the collective sector negotiation, and is eminently internal to the company, as it cannot be considered a substitute, but rather an addition to the laws or regulations in force, as well as an integration to the other intra-company regulations, including the disciplinary ones addressed to employees.

More precisely, the penalties provided for in this Disciplinary Code integrate, without replacing them, those stated by the Civil Code, the Workers' Statute and the category Collective Labour Agreements, regardless of the possible institution of a criminal judgment, and its outcome, for the crimes envisaged by the Decree, its subsequent amendments and additions.

For the purposes of the Decree, the disciplinary system:

- is structured differently according to the subjects to which it is addressed and above all to the tasks performed by the latter;
- identifies the sanctions to be applied in the event of infringements, violations, evasions in a timely manner, according to the cases;
- provides for an assessment procedure for the aforesaid violations, as well as a specific procedure to impose penalties;
- introduces appropriate methods of publication and diffusion.

It is essentially addressed to:

- all those performing the function of representation, administration or management for the Company;
- those having financial and managerial autonomy for their functions;
- in general, to all employees.

The application of disciplinary sanctions is independent from the outcome of any criminal proceedings against the offender. The sanctioning system is made public and widespread and is regulated by the Disciplinary Code adopted by the Company.

## **7.2 The Disciplinary System of Gefit Spa**

Gefit has been adopting an internal disciplinary code for quite a time.

This disciplinary system, therefore, does not replace that code, but on the contrary, it is issued in application of the provisions contained in Chapter VI of the Model and of the provisions set out in articles 6, second paragraph, lett. e) and 7, fourth paragraph, letter b) of the Decree, rules according to which the Model is suitable to achieve the purpose envisaged by the Law only if, among other requirements, it is provided with a suitable and adequate disciplinary system.

The disciplinary system is therefore introduced in order to sanction the non-compliance with the measures indicated in the Model itself, the related Procedures and the principles indicated in the Code of Ethics.

It is therefore prohibited and liable to this disciplinary system:

- any violation of the Code of Ethics, the Model and the preventive protocols referred to in the risk / crime matrix;
- any form of retaliation, including the violation of confidentiality, against the employee or collaborator who has reported, in good conscience, offenses concerning the matter regulated by the Decree.

## **7.3 Disciplinary Sanctions for Employees (Non-Managers)**

When it comes to employees, must the disciplinary system envisaged and required by letter b), paragraph 4 of the art. 7 of the Decree provide for suitable sanctions to punish violations of the Model. Reference is made to the penalties provided for by the Workers' Statute (Law 300/1970) and to the provisions of the C.C.N.L. (Collective Labour Agreement) applicable, by possibly integrating the procedures and sanctions provided for therein.

The disciplinary procedure must be articulated, therefore, in the following phases:

- Dispute: the contestation of the fact or facts underlying the charge must be in writing (with means certifying the receipt, for example, a letter delivered by hand or a registered letter with return receipt or by PEC) within and not later than 10 days since the employer has become aware of the facts and / or breaches relevant to the disciplinary purposes;
- justifications / counter-arguments: within the term granted by the trust company -minimum 5 days - from receipt of the contestation, the worker may (this being a mere faculty) make justifications and counter-arguments in his own defence, verbally or in writing, personally or with the assistance of a union representative;
- imposition of the sanction: the possible adoption of the disciplinary measure must be communicated to the worker in writing within 15 days from the expiry of the term assigned to the worker himself to present his counterarguments and decision about it. The above term can be extended by 30 days, provided that the trust company gives prior written notice to the employee concerned. Once this deadline expires without the trust company expressing its intention to sanction the disputed episode, the worker can no longer be punished for that fact;
- the most serious disciplinary measures of the verbal reminder can be applied not earlier than 5 days after the formal notification in writing of the act that gave cause, and, as a rule, no later than the 30th day from receipt of the justifications.

These are the sanctions that, as an example, can be imposed:

- verbal warning;
- written warning;
- fine not exceeding the amount of 4 hours of remuneration;
- suspension from work and pay for a period not exceeding 10 days of actual work;
- dismissal.

#### **7.4 Disciplinary Sanctions for Managers**

In compliance with the provision of art. 6 paragraph 2 letter. e) of the Decree, the institutions (entities) must introduce a "disciplinary system suitable to sanction the failure to comply with the measures indicated in the Model" by "top" subjects.

Generally speaking, towards executives (including in particular top managers), although a specific disciplinary system is not available a priori, the Company, in compliance with the recognized applicability of the art. 7 of the Workers' Statute, can extend to executives the above sanctioning model meant for employees, with the marginal adaptations determined by the particularity of the managerial relationship.

Without prejudice, therefore, to any compensation action against the manager, in the event of a disciplinary offense the applicable sanctions can be consistently identified in the following:

- verbal warning;
- written warning;
- fine not exceeding the amount of 10 hours of remuneration;
- suspension from work and pay for a period not exceeding 15 days of actual work;
- dismissal for faults with or without notice, depending on the seriousness of the violation committed.

For the dispute and the imposition of the sanctions thought as appropriate by the trust company, the procedure referred to in the previous paragraph must be applied, and in any case, the second and third paragraphs according to art. 7 of the Workers' Statute shall be applied.

The penalty system for managers is made available by posting a notice in a special visible place within the company, and through publication on the company intranet.

The competence to exercise disciplinary action against those who hold a managerial position shall be entrusted to the Board of Directors.

#### **7.5 Enforceable Measures and Remedies towards the Board of Directors and the SB**

For the same purpose as in art. 6 paragraph 2 letter. e), even about the members of the Company's Board of Directors, measures are envisaged with explicit sanctioning purposes:

- censorship / formal reminder;
- pecuniary measure from a minimum to a pre-established maximum, to be donated, for example to a special fund for the training of the trust company personnel;
- suspension, with corresponding loss of emoluments;
- revocation of operational powers, especially those whose fulfilment/ non-fulfilment is (directly or indirectly) connected to the actually ascertained violation;
- revocation of the office

The Company formally communicates the sanctioning provisions identified for the directors, by ensuring maximum knowability and accessibility for everyone, and applies the measures in compliance with the cross-examination with the offender.

The Company shall also establish methods and competence for the application of the measures towards the directors, for example: the competence for the censorship / formal recall, the pecuniary measure, the suspension, and the revocation of operational delegations can be attributed to the Administrative Body, with a resolution passed by a majority of its members and with compulsory abstention by the director charged with the infringement; the jurisdiction for the revocation of the office can be attributed to the Ordinary Meeting.


#### **7.6 Repercussions of the Penalty System on the Remuneration and Reward System**

The sanctioning and disciplinary system determines repercussions also on what concerns the reward system adopted, if necessary, by the company. From this point of view, the possible recognition of bonuses for the achievement of production targets must be considered subordinate to the essential condition of having respected the principle of legality in the work activities (or performance-wise activities), carried out in the interest or to the advantage of the company, which entailed the achievement of the objectives. This is because the Company repudiates unlawful or improper behaviour by its supervisors and accepts neither the risks nor the benefits.

If the objectives have been achieved using unlawful or fraudulent means, the recipients will not be entitled to any award and, should this award already been paid on the date on which the company became aware of the deviant behaviour of the recipient, may the Company take legal action against the unjustified enrichment of the recipient himself.

For this purpose, any reward system should be formalized in writing, in particular as regards objectives, fees and payment terms, and it must also specifically provide for compliance with the law as a necessary condition for having the achievement of the objective recognized and get the consequent prize.

It is also advisable that the reward system does not entail variables for the functions in charge of controls, so that they maintain their autonomy of evaluation and independence of judgment, and that the system itself provides for bonuses linked to factors of compliance with the rules.

	CODE	REV	DATE	DRAWING UP	DOCUMENT'S APPROVAL
	MOGC SPECIAL SECTION A	0	05/31/2019	General Management	Board of Directors

### SPECIAL SECTION A – THE COMPANY STRUCTURE AND THE CRIME RISK MATRIX

#### 1. Structure of the Company

The considerations on the corporate structure are aimed at identifying and assessing the process of forming the social will and the verification processes regarding the execution of the decisions taken.

Gefit S.p.a operates in the industrial sector carrying out its activity both in Italy and abroad.

In Italy, the activity is carried out in two different plants, one based in Alessandria, Via De Negri n. 9, zip code 15121, (headquarters of the Automation Division), and the other one in Fubine Monferrato (AL), Strada per Felizzano n. 245, zip code 15043 (headquarters of the Moulds & Assembly Division).

The Company operates abroad as follows:

Gefit Industrial Technologies, headquartered in China (Automation Division); Gefit North America, based in Detroit (Automation and Moulds & Assembly Division); Gefitech, based in Hungary (production and processing of mechanical parts); Gefit India Technologies, based in India. In addition, the Company has a sales office in Russia, in Moscow and one in China, in Beijing.

Purpose of the Company is to carry out the design, construction and marketing of assembly lines for the automotive and white fields, as well as machines, moulds, equipment and components thereof, for the medical, food & beverage sectors. electronic, in addition to other activities as resulting from the Chamber of Commerce survey (ANNEX 1), the deed of incorporation and the statute (ANNEX 2).

#### 1.1. Governance Structure of the Company

The Company is organized according to the traditional organizational model with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The Board of Directors is composed of 5 members, and namely the Chairman, the Vice President, 2 Managing Directors and 1 Director.

There are 3 Attorneys, as well.

The auditing activity is entrusted to a Board of Statutory Auditors composed of 3 effective members and 2 substitutes.

There is also a Statutory Auditor in charge of the legal audit of the accounts.

#### 2. Corporate Bodies

##### 2.1. Shareholders' Meeting

The shareholders' meeting is summoned by law by the Administrative body of the company to deal with the topics under its jurisdiction, as indicated in the notice of call.

## **2.2. Board of Directors**

The Board of Directors is entrusted with the functions and responsibility of the strategic and organizational guidelines, as well as with the task of verifying that the controls necessary to monitor the Company's performance are present.

The Board of Directors is endowed with the widest powers to manage the company in ordinary and extraordinary way, with the power to carry out all the acts, including the instructions, deemed appropriate for the realization of the corporate purpose, without any limitation, except what, per law, is not reserved for the exclusive competence of the Shareholders' Meeting. The representation power of the company is the responsibility of all the members of the Board of Directors, individually, excluding the Director.

The Board of Directors consists of 5 members, of which 1 Chairman, 1 Vice President, two Managing Directors and 1 Director.

There are also 3 delegates with specific offices or qualifications.

### **A. Chairman**

The Chairman was conferred all the powers of ordinary and extraordinary administration of which the Board of Directors is invested, as well as the legal representation of the company towards third parties and in court, in every state and degree of jurisdiction, and the free corporate signature. The Chairman, without prejudice to the powers and attributions of the other members of the administrative body, is entrusted with: the responsibility and execution of the procedures and formalities concerning the fiscal management of the company, as well as all the currencywise obligations, being therefore delegated to represent the Company in front of any office and body of administration, financial, tax, currency justice; the powers and responsibility with regard to both the safety and the external environment in relation to all the Company's immovable properties, and the innovative structural interventions that may be necessary. The Chairman is actually an "employer" pursuant to art. 2 of Legislative Decree 81/2008, as the party responsible for the organization of the Company's plants, since he/she exercises the relative decision-making and expense powers without any limit as regards the fulfillment of the obligations that the aforementioned decree sets to the "employer's" charge.

The Chairman has the right to delegate the specific activities to be carried out to his supervisors from time to time.

### **B. Vice President, Managing Directors and Board Member**

The Vice President, the Managing Directors and the Board member (Director) have the powers listed below, as well as others indicated in the Chamber's certificate of incorporation, and in the minutes of the Board of Directors about the powers assignment (ANNEX 3).

The Vice President and the Managing Directors have the necessary powers, to be exercised on single signature, to carry out all the acts pertaining to the corporate activity, with the exclusion of the powers expressly indicated, as resulting from certificate of incorporation.

The powers to represent the Company in the relations with the Italian and foreign Public Administration, and sign acts relevant to taxes and duties are included therein; the power to make deposits at the "Cassa Depositi e Prestiti" and the Treasury is included, as well as to represent the company in the transactions at these facilities; the power to collect sums and credit instruments of any kind due to the Company; the power to carry out files, formalities and deeds necessary to achieve and keep the protection of patents, models, designs and trademarks with the widest right to draw up and sign any relevant document or deed; the power of entering into contracts for the acquisition and transfer of patents, licenses, know-how and technical consultancy contracts, as well as carrying out any necessary action for the protection of these rights; the power to compromise, define and reconcile disputes and arguments whose value does not exceed € 75,000.00.

The above entities represent the company in the procedures of bankruptcy and compulsory administrative liquidation, before the Tax Courts of any grade.

They have the power to hire labor and employed personnel, set their salary, transfer, suspend or dismiss them, and represent the Company in labor disputes before the civil, criminal and administrative judicial authorities.



The Board Director (member) has the power to hire and administer, by setting up duties and remuneration, to transfer, suspend or dismiss the personnel of labor and the employees, excluding the managerial level. He/she exercises the power to stipulate part-time employment contracts, negotiate with the trade unions representatives, has the power to stipulate contracts in some areas and within the limit of € 50,000 for each contract.

### **C. Attorneys**

The attorneys have the powers whose reference is made in certificate of incorporation of the Chamber of Commerce .

It should be noted that the Attorney for the Alessandria plant, and the Attorney for the Fubine plant, exercise, among others, all the powers of organization, management and control for the performance of the functions pertaining to the technical and production organization of the company, including the implementation of intervention programs aimed at protecting the workers' health and the occupational hygiene, and improving the safety conditions of workers and workplaces, as well as the compliance with the regulations on air pollution, water and soil and waste disposal, in compliance, at any rate, with Legislative Decree 3 April 2006 n. 152 and, in general, for the fulfillment of all the obligations provided for by Legislative Decree 9 April 2008 n. 81, being excluded only those that cannot be delegated as per art. 17 Legislative Decree 9 April 2008 n. 81 of 2008. They are endowed with the autonomy of expenditure necessary for the performance of the functions conferred, and exercise certain contractual stipulation powers according to set forth limits.

They have the power to hire and manage the company personnel, excluding the managerial level, to set their duties and remunerations, transfer and suspend them.

The Attorneys have the power to assign tasks related to compliance with environmental legislation to individual managers.

An Attorney exercises the powers attributed exclusively to Russia, and limited to the acts and operations expressly indicated in the company registration certificate.

### **2.3. Board of Statutory Auditors**

The Company has a Board of Statutory Auditors composed of three members in office and two substitute members..

### **2.4. Legal Auditor**

The Company has a Legal Auditor in charge of accounts' auditing.

## **3. The Organizational and Functional Structure of the Company**

The organizational and functional structure of the Company makes it possible to centrally manage the Company's strategic activities and management policies, as shown by the organization charts (ANNEX 4). In particular, the main areas of activity (hereinafter also referred to as "functions") are divided as follows:

Centralized functions at the Headquarters in Alessandria:

- Administration;
- Human Resources;
- Quality;
- Information Technology;

Primary functions of the Automation Division:

- Automation Direction;
- Sales & Marketing;
- Purchasing;
- Software, electrical and mechanical design;
- Production;
- HSE (Work and Environment Safety);

Primary functions of the Moulds&Assembly Division:

- Moulds&Assembly Direction;

- Sales & Marketing;
- Purchasing;
- Software, electrical and mechanical design;
- Production;
- HSE (Work and Environment Safety);

Here is a summary description of the main activities carried out in each area.

### **1. Administration and control department (Administration)**

The office is in charge of the following activities, indicated by way of example only:

- Planning and supervision of all financial operations of the Company;
- Coordination and analysis of financial performances and reports to the Board of Directors;
- Compliance with the Group's accounting and administrative policies and procedures in the accounting management and preparation of the annual financial statements;
- Production of short and long term financial performance forecasts;
- Supervision of tax activities and coordination of relations with the corporate bodies of other Group companies;
- Supervision of relations with employees (policies relating to employments and dismissals) and compliance with any other Group policy.

### **2. Human Resources**

The office is in charge of the following activities, indicated by way of example only:

- Preparation of monthly pay-sheets and payrolls
- Supervision of all operations related to the management of human resources of the Company;
- Diffusion and verification of compliance with the Group policies and procedures in the management of human resources;
- Interface with external bodies as far as it is concerned.

### **3. Quality assurance (Quality)**

The office performs the following activities, indicated by way of example only:

- is responsible for the Quality Management System;
- is responsible for the system and product certifications and manages relations with the certification bodies;
- develops and spreads the rules and documentation to maintain product compliance with specifications and regulations;
- trains and informs the personnel about the quality tools that the organization decides to adopt;
- establishes the product controls on the line and off the line necessary to maintain the required quality standard;
- organizes the collection of all internal quality checks and measurements and uses them for the process statistical control;
- supports the R&D and the Technical Office to carry out tests on new (or modified) products and material;
- organizes internal audits to make sure that all the organization's activities take place in accordance with what is described in the system documentation;
- organizes external audits at suppliers' to verify the compliance of their processes with the rules of our Quality System;
- holds relations with customers for handling of complaints and audits and verifying the application of internal corrective actions;
- monitors the "non-quality" costs, and fosters actions aimed at reducing them;
- responsibility of the multidisciplinary team for product quality and safety.

### **4. Information technology (IT)**

The office is in charge of the following activities, indicated by way of example only:

- Guide, coordination and control of the people supposed to manage the service by planning their activities, in compliance with the established deadlines and company directives;

### **5. Operational Management (Divisional)**

The office is in charge of the following activities, indicated by way of example only:

- ensure the Company's profitability and development through the implementation of corporate objectives and strategies, as well as the optimal use of the available, current financial, human and technical resources;
- assess the performances of the managers of the various corporate functions;
- support the subjects in charge of the corporate departments during the operational plans setting out;
- identify and manage the critical variables of the sector, check the economic performance of the management, identify the causes of any deviations and implement the appropriate corrective measures;
- take the necessary actions to generally improve the efficiency of the company in relation to the company objectives;
- set out and ensure the implementation of an appropriate trade union policy, produce a personnel management policy that enables a planned development level to the company resource and an adequate level of motivation and incentive, as well as the pursuit of results in line with the needs of the company;
- fix the policies and strategies common to the Company in the field of communication, human resources management, protection and security;
- submit suggestions on the development of the company to the Board of Directors;
- make sure that the company draws the best profit from the investments made;
- coordinate business expenditures (interventions) on goods and services, with the objective of improving the contractual conditions;
- report the analysis of the economic and management results of the Plant.

#### **6. Sales & Marketing**

The office is in charge of the following activities, indicated by way of example only:

- Marketing activity aimed at searching and analyzing new products;
- Search for new customers through specific visits or participation to trade fairs;
- Control of incoming orders with verification of price and agreed trade agreements;
- Realization of sales budgets with drawing up of medium and long term plans.

#### **7. Purchasing**

The office is in charge of the following activities, indicated by way of example only:

- Orders checking and archiving;
- Issue of purchase orders;
- Initial qualification of suppliers;
- Periodic assessment of suppliers;
- Participation in the multidisciplinary team for product quality and safety

#### **8. Design (Engineering)**

The office is in charge of the following activities, indicated by way of example only:

- Management of technical projects regarding machines, equipment, moulds;
- Supervision of Research & Development department;
- Analysis and study of new customers' requests and suggestion of innovative solutions.

#### **9. Production (Operations)**

The department is responsible for the following activities, indicated by way of example only:

- Develop an appropriate organization of production departments in line with the budget and strategic lines;
- build machinery and moulds in accordance with the specifications and projects provided for by the internal technical offices;
- coordinate and organize the heads of the various departments;
- monitor and improve the KPIs of the production departments in order to guarantee the achievement of the annual targets;
- support the Management in the definition and improvement of the annual KPIs targets;
- cooperate with other functions for technical improvements in the various departments;
- ensure respect of the quality standards within the production processes;
- define and guarantee, in synergy with other functions, appropriate maintenance programs for the production lines in accordance with budget schedules and spending limits;
- supervise and guarantee production processes and procedures in accordance with safety rules, with legislative aspects, development, wherever and when necessary, appropriate working methods and procedures;

- fix, in cooperation with other functions, improvement programs and corrective actions because of occurred complaints;
- provide regular reports on the performance of production departments and on the main problems thereof;
- guarantee the production of goods according to the required standards and deadlines;
- management and verification of maintenance costs;
- coordination and supervision of electrical and mechanical maintenance activities;
- management, issue and storage of documents necessary for planning of the maintenance interventions - ordinary, planned, preventive, emergency - of machinery and plants.

#### **10. Work and Environment Safety (HSE)**

The function, reporting directly to, and under the responsibility of Operations, is in charge of the obligations aimed at setting out the following activities:


- Identification and assessment of risk factors at work, as well as identification of measures (collective and individual) for the safety and health of the workplace;
- Preparation of preventive and protective measures on safety and health at work, and implementing of control systems for these measures;
- Development of safety procedures / instructions for the various company activities;
- Preparation of emergency and evacuation plans;
- Organization of information and training programs for workers;
- Management of work accidents;
- Participation to consultations on protection of health and safety topics;
- Management and storage of all the documentation on safety
- Collaboration with Workers' Safety Representative (RLS) and Competent Doctor (MC). Organization of company inspections;
- Collaboration with external bodies (Industrial Association, Local Health Authority, National Institute for Indemnification for Industrial Injuries, consultancy firms, specialized companies for surveillance and measurement, etc.);
- Intervention in case of abnormal situations, and solution, through the involvement of their own operators, of the most complex cases that arise in relation to particular business needs;
- Maintenance of contacts with suppliers, management of the choices regarding purchase of software (SW) and hardware (HW);
- Taking care of management and progress of corporate IT procedures;
- Guarantee of development of new information systems, updating and maintenance of the existing ones, in compliance with the approved plans and set priorities.

#### 4. Risk / Crime Matrix

The above extended description of the corporate structure makes it possible to summarize the crimes that can be abstractly applied, the activities bearing major perpetration risk, the functions involved and the controls adopted by the Company to eliminate or reduce the "risk / crime" conjunction. Here below the relevant matrix is written down.

	<b>A. Risk/Crime</b>	<b>B. Sensitive Activity</b>	<b>C. Company Area</b>	<b>D. Tools</b>
1	Crimes (Offenses) vs. the Public Administration (PA), articles 24 and 25	Relations with Institutions and Supervisory Authorities; Presentation of requests to the PA in order to obtain the release of an administrative act or provision of corporate interest; Management of authorization measures; Participation in procedures to get grants, contributions or funding from public bodies; Inspection management; Management of the fiscal/tax compliance and of the fulfilments/communications with Public Bodies regarding employment and social security	Direction of Automation Div., Direction of Moulds & Assembly Div., Administration, Sales, Purchasing, Quality, Human Resources, HSE, HS, Production.	Special Section B
2	"Corporate" crimes and corruption between private individuals, art. 25ter	External communications; supporting documentation for the Board meetings and related minutes; budget formation; controls by the Board of Statutory Auditors and by the Statutory Auditor; capital transactions; documentation to support the Shareholders' Meeting and related minutes; active cycle management; passive cycle management; cash flow management; corruption between private individuals.	Direction of Automation Div., Direction of Mould & Assembly Div., Administration, Production, Purchasing, Sales.	Special Section C
3	Money-laundering crimes, use of illicit provenance and self-laundering money, art. 25octies	Management of financial administrative aspects; management of commercial aspects; management of purchases and relations with suppliers; management of tasks for consulting, professional services and brokerage contracts;	Administration, Automation Direction, Moulds & Assembly Direction, Purchasing, Sales	Special Section D

		management of incoming capital flows; management of active and passive billing; management of corporate operations; management of tax obligations and related to declarations; management of customs procedures; investment process management.		
4	Murder / negligent injury art. 25septies	All activities	All functions	Special Section E
5	"Environmental" crimes, art. 25undecies	management of environmental authorizations; management of controls and deadlines; waste management (registers and FIR= <b>Waste Identification Form</b> ); emissions analysis and controls	All functions, except for the HR function	Special Section F
6	Crimes of employment of irregular non-EU citizens (art. 25-duodecies) and crime of exploitation of labour (art. 25-quinquies).	Management of relations with suppliers or partners who use unqualified personnel from non-EU countries; research, selection and recruitment of human resources; management of relations with suppliers in the scope of human resource management.	Administration; HR; HSE.	Special Section G
7	"Computer" (I.T.) crimes, art. 24-bis	Management of IT tools; Management of employees and third-parties' data	IT; Administration; HR; Production; Design.	Special Section H
8	Offenses against industry and commerce, art. 25-bis.1	Industrial design and production of goods; management of relations with competitors in the exercise of industrial activity; manufacture and sale of products covered by industrial property titles; sale or circulation of intellectual property or industrial products.	Purchasing; Design; Quality.	Special Section I
9	"Transnational" crimes, L. 146/2006	Activities referred to in nos. 3 and 6, committed in more than one State	See C3 e C6	Special Section L

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC Special Section B</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## SPECIAL SECTION B – CRIMES IN THE RELATIONS WITH THE PUBLIC ADMINISTRATION

### 1. Preamble

This Special Section refers to behaviours held by the Recipients of the Model, as defined in the General Section, involved in Sensitive activities related to ways of conduct, that can integrate the Crimes in the relations with the Public Administration (PA) provided for in articles 24 and 25 of the Decree.

Aim of this Special Section is that all Recipients adopt rules of conduct in compliance with the provisions of the section itself, in order to prevent the occurrence of the Crimes considered herein.

This Special Section aims specifically to:

- show the rules that the Recipients are expected to keep to in order to correctly apply the Model;
- provide the SB with the executive tools to exercise control and verification activities.

### 2. The Types of Crimes in the Relations with the Public Administration (PA)

With the expression "Public Administration" (PA), in the scope of this discussion, we mean that complex of authorities, bodies and agents to whom the legal system entrusts the care of the public interests that are identified:

- in national, EU and international public institutions, meant as organizational structures with the task of pursuing the interests of the community with legal instruments; this public function qualifies the activity performed also by the members of the Commission of the European Community, the European Parliament, the Court of Justice and the Court of Auditors of the European Community;
- in public officials who, regardless of a relationship of dependence on the State or other Public Entity, carry out a legislative, judicial or administrative public function;
- in those people in charge of public functions or services who carry out an activity recognized as functional to a specific public interest, characterized as to the contents, by the lack of the authorization and certification powers typical of the public function, with which it is only in ancillary or complementary relationship.

If in the performance of one's activity, problems of interpretation arise regarding the qualification (public or private) of the interlocutor, each of the Recipients must contact the SB for appropriate clarifications.

The types of crime referred to in this section, for easier reading and interpretation, can be grouped as follows:

#### A. Crimes related to Payments by the State or Other Public Bodies

- **Embezzlement against the State or other Public Bodies (art. 316-bis Penal Code)**

This type of crime arises if a subject, not belonging to the Public Administration, after getting from the State or from another Public Body (Region, Province, Municipality) or from the European Community contributions, subsidies or financing destined to foster initiatives for the realization of works or aimed at carrying out activities of public interest, does not use them or use them according to the aforesaid purposes.

Since the moment in which the offense was committed coincided with the phase of execution, the crime itself may also occur with reference to loans already obtained in the past, which are not aimed now at the purposes they were provided for.

- **Undue receipt of payments to the detriment of the State or of the EU. (Article 316-ter of the Criminal Code)**

This crime occurs when somebody, through the use or presentation of statements or documents which are false or certifying untrue things, or through the omission of due information, unduly gets, for himself or for others, contributions, loans, subsidized loans or other payments of the same type granted or paid by the State, by other Public Bodies or by the European Community.

In this case, since the use made of the payments cannot be detected, the crime takes place when the loans are obtained.

This assumption of crime is residual with respect to the case of fraud against the State, in the sense that it only occurs in cases where the conduct does not integrate the details of the fraud against the State.

- **Fraud against the State or any other public body (art. 640 of the Criminal Code)**

The suspected crime arises if, in order to obtain an unfair profit, artefacts or deceptions are carried out such as to mislead and cause damage to the State (or to another Public Body).

As a matter of example, this offense occurs when, in the preparation of documents or data for participation to tenders, false information is fraudulently provided to the Public Administration.

- **Fraud to obtain public funds (articles 640-bis of the Criminal Code)**

The hypothesis of crime occurs when the fraud is carried out to unduly obtain public funds. This case can be realized if deception or artefacts are put into being, for example by communicating untrue data or preparing false documentation, to obtain public funding.

- **Computer fraud to the detriment of the State or other Public Entity (art. 640-ter Criminal Code)**

This offense occurs when, by altering the operating methods of a computer or electronic system, or by manipulating the data contained therein, an unfair profit is achieved with consequent damage to the State or to other Public Bodies.

The above crime may take place if, for example, as soon as the access to a loan has been obtained, the IT system is violated in order to enter an amount of financing higher than the one legitimately obtainable.

## **B. Crimes Configurable in Relations with the PA or with Public Service Officers**

- **Bribery (art. 317 criminal code)**

This crime is configured if a public official, or a person in charge of a public service, abusing his/her position, compels someone to procure for himself/herself or for others, money or other undue benefits.

This form of crime could take place, within the scope of application of the Decree, in the event that an employee contributes to the offense of the public official or a person in charge of a public service, who, taking advantage of this quality, asks third parties for services that are not due (provided that from such behaviour derives, in some way, an advantage for the Company).

- **Corruption due to an official act or contrary to official duties (articles 318-319 of the criminal code)**

This crime takes place if a public official receives for himself/herself or for others money or benefits to perform, omit, or delay acts of his/her office (this way determining an advantage to the offering party).

The activity of the public official can be expressed either in a due act (for example giving priority to a file whose execution is up to him/her), or in an act contrary to his/her duties (i.e.: guarantee the awarding of a tender).

- **Incitement to corruption (art. 322 of the criminal code)**

This type of crime occurs when, in the presence of a conduct aimed at bribery, the public official refuses the illicit offer proposal.

- **Corruption in judicial proceedings (art. 319 ter)**

This type of offense occurs if the Company is a party involved in a judicial proceeding and, in order to obtain an advantage in the proceeding itself, bribes a public official (magistrate, clerk, or another public official).

- **Undue induction to give and promise benefits (art. 319 quater)**

It occurs whenever the public official or public service officer, by abusing his/her own qualities and powers, induces someone to give or unduly promise to him/herself or to other people money or other benefits.

A penalty is also provided for those who give or promise money or other benefits to the public official or public service representative.

- **Penalties for the corruptor (art. 321 criminal code)**

The penalties provided for the crimes of:

- corruption of a public official (art. 318 of the Criminal Code);
- corruption of a public official by an act contrary to official duties (art. 319 of the Criminal Code);
- corruption in judicial proceedings (art. 319 ter of the Criminal Code);
- bribery of a person in charge of a public office (art. 320 of the Criminal Code);

also apply to whoever gives or promises, to the public official or the person in charge of a public service, money or other benefits.

- **Trafficking in illicit influences (art. 346-bis criminal code)**

This crime occurs when a person, exploiting or boasting existing or alleged relationships with a public official or with subject in charge of a public service, or with one of the other subjects referred to in article 322-bis (members of the EU institutions, Community and EU Member States officials, etc.), improperly let someone give or promise, to itself or to others, money or other benefits as the price of his/her own unlawful mediation towards the aforementioned subjects, or to remunerate them in relation to the exercise of their functions or powers. The same penalty is provided for those who unduly give or promise money or other benefits.



### 3. The Public Administration

The following paragraphs show an example of those subjects qualified as "active subjects" in the crimes relevant for the purposes of the Decree, or of those subjects whose qualification is necessary to integrate criminal cases envisaged in the Decree itself.

#### 3.1 Public Administration Bodies

For the purposes of criminal law, it is commonly considered as a "body of public administration" any legal person who takes care of public interests and carries out legislative, jurisdictional or administrative activities by virtue of rules of public law and acts of authority.

Although a definition of public administration does not exist in the criminal code, based on what is established in the Ministerial Report on the code itself, and in relation to the crimes provided for in it, those entities that carry out "all the activities of the State and of the other public bodies" are deemed to belong to the public administration.

Trying to formulate a preliminary classification of legal entities belonging to this category, it is possible to recall, finally, the art. 1, paragraph 2, Legislative Decree 165/2001 about work ordering by public administrations, which defines all public administrations as public administrations.

The distinctive features of the Public Administration bodies are summarized below.

##### ➤ Public Administration Body

Any entity that takes care of public interests and carries out legislative, jurisdictional or administrative activities under public law rules and authoritative acts.

##### ➤ Public Administration (PA)

All the activities of the State and other public bodies.<sup>18</sup>

Not all the natural persons acting in the sphere and in relation to the aforementioned entities are subjects to whom (or by which) the criminal cases of the Decree are perfected.

In particular, the subjects that are relevant for this purpose are only those of the "Public Officials" and the "Public Service Officers".

#### 3.2 Public Officials

According to the art. 357, first paragraph, penal code, public official is considered, "for the purposes of the criminal law", the one who exercises "a public legislative, judicial or administrative function".

The second paragraph is then concerned with defining the notion of "public administrative function". On the other hand, a similar defining activity was not carried out to specify the notion of "legislative function" and "judicial function" since the identification of the subjects who respectively exercise them has not usually given rise to particular problems or difficulties.

Therefore, the second paragraph of the article under examination specifies that, for the purposes of the criminal law "the administrative function governed by rules of public law and authoritative acts is public, and characterized by the formation and manifestation of the public administration's will or by its developing by means of authoritative or certification powers".

In other words, the administrative function governed by "rules of public law" is defined as public, that is, by those rules aimed at the pursuit of a public purpose and the protection of a public interest and, as such, as opposed to the rules of private law.<sup>19</sup>

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<sup>18</sup> By way of example only, the following Entities or categories of Entities may be indicated as subjects of the PA:

Institutes and schools of all levels and educational institutions; 2. Entities and administrations of the State with autonomous organization, such as: (Ministries; Chamber and Senate; Department of Community Policies; Competition and Market Authority; Authority for Electricity and Gas; Authority for Communications Guarantees; Bank of Italy; Consob; Authority for the protection of personal data; Inland Revenue); 3. Regions; 4. Provinces; 5. Municipalities; 6. Mountain communities, and their consortia and associations; 7. Chambers of Commerce, Industry, Crafts and Agriculture, and their associations; 8. National, regional and local non-economic public bodies, such as: INPS; CNR; INAIL; INPDAl; Twitter; ISPEL; ISTAT; ENASARCO; ISVAP; ASL; State Bodies and Monopolies; RAI; HARP; 9. Others.

<sup>19</sup> The second paragraph of the art. 357 of the Criminal Code translates, then, into normative terms some of the main general criteria identified by jurisprudence and doctrine to differentiate the notion of "public function" from that of "public service".

The distinctive features of the public official can be summarized as follows:

Official Public: One who exercises a public legislative, judicial or administrative function.

Public administrative function: The administrative function is governed by rules of public law and authoritative acts; characterized by the formation and manifestation of the will of the public administration, or by its unfolding by means of authoritative or certification powers.

Rules of public law: Norms aimed at the pursuit of a public purpose and the protection of a public interest.

Foreign Public Officials: Any person who exercises a legislative, administrative or judicial function in a foreign country; exercises a public function for a foreign country or for a public body or a public company of that country; Any official or agent of an international public organization.

By way of example, public officials are: the Judge, the President of the Council of Ministers, the Mayor, the President of the Region, the President of the Province, the Notary, the Police Organs, the officer of the "Guardia di Finanza" when operating with authoritative powers, the doctor operating within the National Health Service, the Bank Director, etc..

### **3.3 Persons in Charge of a Public Service**

The definition of the category of "subjects in charge of a public service" is not at present unanimous in doctrine as in jurisprudence. For the sake of better defining this category of "subjects in charge of a public service", it is necessary to refer to the definition given by the penal code, and to the interpretations that emerged following the actual application. In particular, the art. 358 Penal Code states that "those who, for whatever reason, provide a public service, are in charge of a public service".

Public service must be understood as an activity regulated in the same form as the public function yet characterized by the lack of the latter's typical powers, and with the exclusion of carrying out simple tasks of order and the provision of merely material work.

In order to define the "service" as public, it must be regulated - as well as the "public function" - by rules of public law, however, without powers of a certification, authorization and deliberative nature proper to the public function.

The law also states that it can never constitute "public service" the performance of "simple tasks of order" or the "purely material work".

The jurisprudence has identified a series of "revealing indexes" of the publicist nature of the entity, for which the case studies on public participation companies are emblematic. Reference is made to the following indexes:

- a) the submission to a control and address activity for social purposes, as well as to a power to nominate and revoke the directors from the State or other public bodies;
- b) the presence of an agreement and / or concession with the public administration;
- c) the financial contribution from the State;
- d) the presence of the public interest within the economic activity.

On the basis of the aforementioned, the discriminating element to indicate whether or not a subject has the status of "person in charge of a public service" is represented, not by the legal nature assumed or held by the entity, but by the functions entrusted to the subject. which must consist in the care of public interests or in the satisfaction of needs of general interest.

By way of example, the following oversee a public service: the security guard, the employee at the INPS operations centre; the motor-mechanic operator employed at the provincial motorization; the employee at the post office of the Italian Post Office, etc.<sup>20</sup>.

### **4. Activities and Sensitive Areas, Conceivable Crimes and Risk Assessment**

The main sensitive activities that the Company has identified internally are:

- Relations with Institutions and Supervisory Authorities;
- Presentation of requests to the PA in order to obtain the release of an administrative act or provision of interest for the Company;
- Management of authorization measures;
- Participation in procedures to obtain grants, contributions or funding from public bodies;
- Inspection management;
- Fiscal / tax compliance management and fulfilments / communications with Public Bodies regarding employment and social security.

The main sensitive areas were identified following the examination of the corporate, accounting, administrative and judicial documentation, the protocols, the regulations and the existing procedures, as well as through the interviews collected during the preliminary investigation for the drafting of the Model (ANNEX 5).

The survey showed that:

1. The Company operates with private customers; therefore, it is not supplier of the PA nor of companies belonging to the sphere of public law;
2. The Company, therefore, does not participate to tender/negotiation procedures called by the PA with reference to its peculiar activity;

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<sup>20</sup> The peculiar characteristics of the figure in charge of public service can be summarized as follows: Public Service Officers: those who, for whatever reason, provide a public service.

Public service: an activity 1) governed by public law; 2) characterized by the lack of deliberative, authorizing and certifying powers (typical of the Public administrative function). It can never constitute public service the performance of simple tasks of order nor the provision of merely material work.

3. The Company has requested and obtained "public" contributions for the following activities:

a) disposal of asbestos roof at the Alessandria plant in 2016 (INAIL funds).

4. The Company requires management licenses / authorizations; in particular, the various Plant Departments were involved in the request for obtaining the Single Environmental Authorization (AUA) and the Fire Prevention Certificate (CPI);

5. Relations with offices and / or personnel of the Public Administration involve part of the corporate functions and more specifically (i) the administration area (Revenue Agency, "Guardia di Finanza"), (ii) the Human Resources Department (INAIL inspections, Department of Labour , INPS), (iii) the Plant Departments (ASL, ARPA, Fire Brigades, Municipalities, Provinces, Regions).

Therefore, the Company has identified the following sensitive activities:

The sensitive areas identified by the Company are: Administration, Automation Management, Moulds & Assembly Direction, Sales, Purchasing, Quality, Human Resources, HSE, HS, Production.

Here are the hypothetical crimes identified by the Company, scope of this Special Section:

#### **A) Crimes Related to Payments by the State or Other Public Bodies**

The Company makes the design, construction and marketing of assembly lines for the automotive and white sectors, and machines, moulds, equipment and all components thereof, for the medical, food & beverage and electronics sectors. Considering the activity performed, it does not usually hold relations with the State, Italian public bodies or members of the European Community, in order to obtain funds and / or financing of activities.

It may however happen that disbursements and loans are requested to the State or public bodies. In such cases the Company is required to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Part of the Model, the Rules of conduct of this special section and the specific procedures it is equipped with, in addition to the rules of conduct and the procedures set out in the following paragraphs.

#### **B) Configurable Crimes in the Relations with the PA or with Public Service Officers**

Although the Company is neither a supplier to public entities, nor operates under a concession or license regime given by public bodies, has nevertheless numerous relationships with the PA about topics such as:

- release of administrative measures necessary for the performance of certain activities included in the corporate scope;
- requests for authorizations relating to the premises and the industrial equipment;
- management of the real estate assets;
- management of surveys made by tax authorities, inspectorates concerning hygiene, safety, environment, work or social security;
- management of administrative, judicial or tax appeals;
- management of infringements of the current legislation.

### **5. Rules of conduct**

The Company and the Recipients are required to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Part of the Model, the Rules of conduct of this Special Section and the specific procedures set out in the following paragraph..

The Company must comply with the following rules of conduct.

Relations with the PA must be held by each Recipient according to the principles of loyalty, fairness and transparency. Relations with the PA can in no way compromise the integrity or reputation of both parties.

Recipients must refrain from any situation of possible conflict of interest. The Recipients should avoid engaging in behaviour that is contrary to the law, and namely such as to determine the types of offenses/crimes referred to in this Special Section.

Please refer to the Code of Ethics with special reference to the behaviour that the Recipients must hold in their relations with the PA.

In order to put the above-mentioned behaviour into effect, the corporate Function that interacts with the PA due to its office or function or mandate, must:

- **identify** within the PA the official who, by reason of his/her specific assignment, is the person to turn to;
- **document** in a written form, as much as possible, the relationships with the subject thus identified;

- **draw up all the contracts in writing**, as well as the tasks assigned to the Collaborators;
- **refrain** from using any privileged even though lawful paths, or specific knowledge acquired, even outside of one's own professional scope;
- periodically **inform** the SB about the activity performed.

Where the relationship with the PA is handled by a corporate subject without any specific powers or delegations, it is mandatory for this latter to:

- **report** his/her manager promptly and thoroughly on the individual progress of the procedure;
- **communicate**, without delay, to his/her manager any conduct of the public counterpart aimed at obtaining favours, illicit donations of money or other benefits, even with third parties.

All behaviours, referred to the Function Managers, that are thought as relevant for the purposes of the above crimes can theoretically be referred to the function in question, first level Manager or to external collaborators (consultants and professionals).

## 6. Specific Procedures

For the application of the rules and to limit the risk of committing the Crimes considered in this section, the below described procedures must be respected, as well as the specific ones already existing in the Company.

- all Employees holding relations with the Institutions, Supervisory Authorities and supervisory bodies are bound, in addition to complying with all the principles and rules indicated in this Model and in the Company's Code of Ethics, to prepare a description of the Sensitive Operations they've been carrying out;;
- the SB must be informed with a written note, even anonymous, of any criticality or conflict of interest arising in the context of the relationship with the PA;
- no payment can be made in cash, unless specifically authorized by the financial function, anyway within the legal limits allowed;
- declarations made to national or EU public bodies aimed at obtaining authorizations or licenses or renewals thereof, shall contain only true information;
- in judicial, tax, administrative and environmental inspections, the purposely delegated subjects must participate thereto. The SB shall be duly informed on the beginning of each inspection activity, by a proper internal communication sent by the company department from time to time interested. Specific reports of the entire inspection procedure shall be drawn up, and then kept by the SB;
- the contracts with the Consultants and the Partners shall bear a specific declaration of these latter stating:
  - to be aware of the legislation of the Decree and its implications within the Company;
  - that they have never been involved in judicial proceedings relating to the Crimes referred to in the Decree;
  - to specify which crimes referred to in the Decree they may have been involved;
  - to undertake to comply with the Decree;
- Contracts with Consultants and Partners must contain a specific clause that regulates the consequences of the violation by the same of the provisions of the Decree.


## 7. The Supervisory Body Controls

The SB periodically performs random checks on the activities connected to the Sensitive Processes aimed at verifying the correct application of the same in relation to the rules set out in this Model.

In particular, the SB, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent functions does:

- carry out periodic checks aimed at ascertaining the obligations of the Recipients, indicated in the previous paragraph "Rules of conduct", possibly availing itself of the support of qualified third parties;
- make sure that no other prohibited or unusual behaviour has occurred.

Due to the supervisory activity attributed to the SB in this Model, this body is guaranteed free access to all the company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION C</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## SPECIAL SECTION C – CORPORATE CRIMES AND PRIVATE CORRUPTION

### 1. Preamble

This Special Section refers to behaviours held by the Recipients of the Model, as defined in the General Section, involved in Sensitive activities related to ways of conduct, that may integrate the Crimes within the Company scope provided for in article 25 ter of the Decree.

Aim of this Special Section is that all Recipients adopt rules of conduct in compliance with the provisions of the section itself, in order to prevent the occurrence of the Crimes considered herein.

This Special Section aims specifically to:

- identify the corporate crimes sanctioned by the Decree;
- identify the sensitive activities;
- indicate the procedures that the Addressees are required to observe in order to correctly apply the Model;
- provide the SB with the executive tools to exercise the control and inspection activities

### 2. Types of Crimes and Examples of Relevant Conduct

In relation to corporate crimes, provided for by the Civil Code and listed in article 25ter of the Decree, the Company is subject to the administrative sanctions stated, when such crimes are committed, in the interests of the Company itself, by directors, general managers or liquidators or by people subject to their supervision, when, if they had supervised in compliance with the obligations inherent to their office, the fact wouldn't have occurred.

The types of crimes in corporate matters pursuant to art. 25-ter and examples of criminally relevant conduct, with actual reference to the Company, may be indicated as follows:

- **False corporate communications (articles 2621 and 2622 Civil Code (c.c.))**

The crime occurs when the directors, general managers or statutory auditors, with the intention of deceiving the shareholders or the public, and in order to obtain an unfair profit for themselves or for others<sup>21</sup>, in the financial statements, reports or other corporate communications required by law and addressed to shareholders, creditors or the public, expose material facts that do not correspond to the truth, even if subject of assessments, or omit information whose disclosure is required by the law on the economic, equity or financial situation of the company or group it belongs to, so as to mislead the recipients on the aforementioned situation.

Criminal liability shall also extend to cases where the information concern assets owned or managed by the Company on third-party accounts.

It is specified that:

- the conduct must be aimed at achieving an unfair profit for oneself or others, and in any case in the interest of the Company;
- false or omitted information must be relevant and such as to significantly alter the representation of the economic, equity or financial situation of the Company or of the Group; the punishment is in any case excluded if the falsity or the omissions determine a variation of the economic result of the year, gross of taxes, not higher than 5% or a variation of the net patrimony not higher than 1% ;
- the crime referred to in art. 2622, prosecutable "ex officio" when it comes to listed company, is punishable when the unlawful conduct causes financial damage to shareholders or creditors.

- **False Statements in the Reports or Communications of the Auditing Company (art. 2624 c.c.)**

Active subjects are those people in charge of the auditing company (own crime), therefore this offense cannot be attributable on the Company.

<sup>21</sup> The conduct sanctioned by the Decree takes place when the crime is committed in the interest, even if not exclusive, of the Company.

However, the administration and control bodies of the Company and its employees may be involved as accomplices in the crime, if, in order to achieve an unfair profit for the Company, brought about or instigated the unlawful conduct of the person entrusted with the audit.

Example: an employee of the Company collaborates with the person who is entrusted with the audit when assessing the assets of the Company, to conceal the heavy losses thus avoiding a sharp depreciation of the value of the Company assets.

- **Prevented Control (art. 2625 Civil Code (c.c.))**

This misconduct is integrated when administrators, or subjects equivalent to them, by concealing documents or with other suitable artifices, prevent or hinder the performance of the control or audit activities legally attributed to the shareholders, to other corporate bodies, or to the auditing company.

Example: a Company employee, upon suggestion of a CEO, refuses to provide the person supposed to do the audit with the documents requested to carry out his/her duty, such as, for example, those concerning the legal action undertaken for disputes in progress on extraordinary operations.

- **Fictitious Capital Forming (art. 2632 Civil Code (c.c.))**

This unlawful conduct is integrated when the directors and contributing shareholders form or fictitiously increase, even partially, the share capital by:

- allocations of shares in a total amount exceeding the amount of the share capital (the shares have an intrinsic value lower than their nominal value);
- mutual subscription of shares or quotas;
- significant overvaluation of assets in kind or credits or company assets in the event of transformation.

This crime, due to the possibility to be committed, is not likely to be attributable to the Company.

- **Undue Return of Contributions (art. 2626 Civil Code (c.c.))**

This unlawful conduct is integrated when the administrators, apart from cases of legitimate reduction of the share capital, return, or pretend to, the contributions to the shareholders or free them from the obligation of execution. This crime, due to the possibility to be committed, is not likely to be attributable to the Company.

- **Illegal Distribution of Profits or Reserves (art. 2627 c.c.)**

This unlawful conduct is integrated when the administrators:

- distribute profits or advances on profits not actually achieved or allocated by law to reserves;
- share reserves, even those not constituted with profits, which cannot be distributed by law;

Excluded from the sphere of a criminal offense are the allocations of non-distributable reserves by statute, which fall within the latter's "internal" scope of Director-Meeting relationships.

The crime can be extinguished by returning the profits or replenishing the reserves before the deadline set for the approval of the financial statements.

This crime, due to the possibility to be committed, is not likely to be attributable to the Company.

- **Transactions Prejudicial to Creditors (art. 2629 c.c.)**

The case occurs when the directors, in violation of the provisions of the law in protection of creditors, make reductions in the share capital or mergers with other companies, or demergers, causing damage to the creditors.

The crime is punishable following a lawsuit of the damaged party and is expected to be settled when it has been for the damage to creditors before the trial. The transaction is contrary to the company policy, supported and constantly implemented by the management: this crime could only theoretically be attributable to the Company.

- **Unlawful Influence on the Shareholders' Meeting (art. 2636)**

It occurs when anyone, through simulated or fraudulent acts, produces the majority in the Meeting for the purpose of achieving, for himself or for others, an unfair profit.

This crime could theoretically be attributable to the Company, if also that "transparency pact" with the social structure, so well established in the Company management, is no longer present.

The crime can be integrated with a conduct of the Board through which, in order to obtain a favourable decision of the Meeting, documents concerning all or part of the items on the agenda are omitted, or altered documents are prepared and produced, aimed at making the Company's economic, equity and financial situation appear significantly different.

- **Private Bribery (art. 2635 c.c.)**

The case occurs when someone gives or promises money or other benefits to directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, or to whom is subject to the management or supervision of such subjects, to perform or omit acts in violation of the obligations inherent to their office or of loyalty obligations, thus causing harm to the company.

The responsibility can only arise for the entity to which the corrupting party belongs, that is, the person who gives or promises money or other benefits to the persons indicated in the first and second paragraphs of the art. 2635 Civil Code (c.c.).

### **3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment**

The main sensitive activities that the Company has internally identified are the following:

- external communications;
- documentation integrating the Board meetings and related minutes;
- forming of budget;
- controls of the Board of Statutory Auditors;
- audits of the Statutory Auditor;
- capital transactions;
- documentation to support the Shareholders' Meeting and related minutes;
- active cycle management;
- passive cycle management;
- cash flow management;
- corruption between private individuals

The main sensitive areas with reference to the crimes in question, identified after examination of the corporate, accounting, administrative and judicial documentation of the protocols, regulations and existing procedures, as well as through the interviews collected during the preliminary investigation aimed at drafting of the Model, are the following: Administration, Automation Management, Mould & Assembly Management, Production, Purchasing, Sales.

The hypothetical crimes identified by the Company, which are the subject of this Special Section, are the following:

#### **A. Prevented Control**

The risk of committing the crime in question in the interest or to the advantage of the Company, detected after the analysis of the corporate, accounting, administrative and judicial documentation, protocols, regulations and existing procedures, as well as through interviews collected during the preliminary investigation for drafting of the Model, also considering the strong sharing of the corporate policy of loyalty and transparency, and the presence of several controlling bodies (Board of Statutory Auditors and Legal Auditor), cannot however be excluded.

#### **B. Forming of the Budget**

The risk of committing the crime in question in the interest or to the advantage of the Company, detected after the analysis of the corporate, accounting, administrative and judicial documentation, protocols, regulations and existing procedures, as well as through interviews collected during the preliminary investigation for drafting of the Model, also considering the strong sharing of the corporate policy of loyalty and transparency, and the presence of several controlling bodies (Board of Statutory Auditors and Legal Auditor), the constant monitoring of the budget with the analysis of the deviations and the subdivision of the duties on the subject, and also in the absence of criminal records, cannot however be excluded.

#### **C. Documentation in Support of the Meetings of the Board of Directors**

Since the documentation to be produced to support the meetings of the Board of Directors often corresponds to the documentation in support of the financial statements, the same considerations as above apply.

#### **D. Business Relationships with Private Individuals**

The Company makes the design, construction and marketing of assembly lines for the automotive and white sectors, and machines, moulds, equipment and all components thereof, for the medical, food & beverage and electronics sectors. Given the activity carried out, it habitually holds business relations with private individuals.

The Company is organized according to the principle of separation of functions (by virtue of which the authorization to carry out a transaction must be under the responsibility of a person other than the one who makes accounts, actually carries out or controls the operation), so that there are no people with unlimited powers nor people who can independently manage an entire process.

The Company has specific procedures and performs controls both with reference to the procedures of payables and receivables and the correspondence between purchased goods and services and cash outflows, and with reference to the monitoring of any donations, sponsorships and gifts, entertainment expenses.

Furthermore, the Company has recently formalized the already existing rules for managing incoming and outgoing flows and cash flow management in specific procedures and adopted an anti-corruption policy.

The risk of committing the crime of corruption between private individuals in the interest or to the advantage of the Company, detected after analysis of corporate, accounting, administrative and judicial documentation, protocols, regulations and existing procedures, as well as through interviews collected during the preliminary investigation for the drafting of the Model, while taking into account the strong sharing of the company policy of loyalty and transparency,

the presence of more control bodies and the division of duties on the subject as well as the absence of criminal records, due to the extension of the conduct integrating the above crime, the risk of committing the crime of corruption between private individuals in the interest and for the benefit of the Company, cannot be excluded in any case.

#### **4. Rules of Conduct**

The Company and the Recipients are required to comply with the existing protocols, the Code of Ethics' principles, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section, and the specific procedures set out in the following paragraph.

In the accomplishment of all the operations relating to social management, each Recipient must generally know and respect the following rules of conduct:

- a) the principles of Corporate Governance the Company is inspired by, including the rules contained in the following documents:
  - the Articles of Association;
  - the Code of Ethics, which clearly defines the set of principles of business ethics;
- b) the Internal Control System, that is the company procedures, the documents and provisions concerning the corporate hierarchical-functional structure;
- c) the rules concerning the administrative, accounting, financial, commercial and reporting system of the Company;
- d) in general, the applicable Italian and foreign legislation.

This Special Section is expected to expressly prohibit the Company Bodies, Executives, Employees and Company Consultants, to the extent necessary to the performance of their duties, from:

1. engaging in, collaborating for, or causing the arising of such types of conduct that, taken individually or collectively, directly or indirectly integrate the types of Crime falling within those considered above, indicated in article 25-ter of the Decree;
2. violating the corporate principles and procedures set forth in this Special Section.

This Special Section provides for the express obligation of the above subjects to:

1. behave correctly, transparently and collaboratively - in compliance with the law and internal company procedures
  - in all activities aimed at working out the financial statements and other corporate communications, in order to provide shareholders and third parties with truthful and correct information on the economic, patrimonial and financial situation of the Company, avoiding to:
    - represent or transmit for processing or representation in financial statements, reports and statements or other corporate communications, false, incomplete or non-conforming data on the Company's economic, equity and financial situation;
    - omit data or information imposed by the law on the economic, equity and financial situation of the Company;
    - bear entertainment, gifts, sponsorships expenses beyond the limits established by company practice as stated by protocols or commonly enforced.
2. strictly comply with all the rules set 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, and avoid:
  - returning contributions to shareholders or freeing them from the obligation to execute them, except for the cases of legitimate reduction of the share capital;
  - distributing profits or advances on profits not actually achieved or destined by law to a reserve;
  - purchasing or subscribing shares of the Company or of subsidiaries out of the cases provided for by the law, with damage to the share capital integrity;
  - carrying out reductions in the share capital, mergers or demergers in violation of the provisions of law protecting creditors, causing them damage;
  - carrying out creation and/or increases in share capital, assigning shares for a value lower than their nominal value when the share capital is increased.
3. ensure the regular operation of the Company and of the Corporate Bodies, guaranteeing and facilitating any form of internal control over the corporate management envisaged by the law, as well as the free formation of the Meeting's will, in compliance with the adopted Regulation, and avoid:
  - engaging in conduct that materially prevents, also through the concealment of documents or the use of other fraudulent means, the performance of control and auditing activities by the Board of Statutory Auditors or the auditing company;
  - determining or influencing the adoption of the Meeting resolutions.



4. avoid carrying out simulated operations or disseminating false information, which may cause a significant alteration in the price of financial instruments;
5. in order to limit the risk of committing the crime of corruption between individuals, in relationships with third parties who provide a work or a service or overall utility to the Company:
  - set up a written procedure for the control of financial flows and the traceability of payments;
  - monitor the organizational tools that provide for the definition and implementation of commercial policies;
  - observe the organizational tools that establish the methods and parameters to determine the price and adequacy thereof with respect to market references, considering the contract's subject and quantities;
  - provide for the approval of contracts by appropriate authorization levels;
  - verification of the consistency of the order with respect to the parameters set by the relevant reference contract;
  - verification of completeness and accuracy of the invoice with respect to the contents of the contract-order;
  - define and respect the criteria and procedures for issuing debit and credit notes;
  - consider predefined rules for the assignment of tasks to third parties being inspired by criteria of legality, transparency, functional sharing, inheritance and justifiability;
  - report to the SB any request for money or gift not justified by normal administrative relations, received from subjects belonging to other companies;
  - keep to rules of transparency and correctness in the relationship with subjects belonging to competitors, customers or targets.

## **5. Specific Procedures**

In order to apply the rules, and to maintain the assessment of the risks of committing the Offenses considered in this Section at a low level, the procedures herein described must be observed, in addition to those already existing in the Company.

### **Preparation of financial statements, accompanied by the reports**

The aforementioned documents, relating to the economic, equity and financial situation of the Company (financial statements for the year, interim financial statements, etc.) must be drawn up based on the existing specific company procedures, which:

- clearly and fully determine the data and information each function must provide, the accounting criteria for data processing and the timing for their transmission to the responsible functions;
- envisage the transmission of data and information to the responsible Function through a system -including an IT system - that makes it possible to trace the individual steps and identify of the subjects supposed to enter data into the system.

### **Share Capital-related transactions**

All operations on the Company's share capital, as well as the incorporation of companies, the purchase and sale of shareholdings, the purchase and sale of business divisions, mergers and demergers, must be carried out in compliance with the Corporate Governance rules and of the company procedures prepared for this purpose.

### **Other rules aimed at preventing corporate crimes**

In addition to the corporate governance rules and the existing procedures, the following measures are implemented:

- starting up of a periodic training program for the "relevant" Staff on corporate governance rules and corporate crimes;
- periodic meetings between the Board of Statutory Auditors and the SB, to verify compliance with the rules on corporate law and corporate governance;
- transmission to the Board of Statutory Auditors, with adequate advance, of all documents relating to the items on the agenda of the Shareholders' Meeting or of the Board of Directors, or on which the Board must express an opinion in accordance with the law;
- formalization and updating of internal regulations and procedures concerning the compliance with the company rules.


## **6. The Supervisory Body Controls**

The SB periodically performs random checks on the activities related to the Sensitive Processes aimed at verifying the correct realization of the same in relation to the rules referred to in this Model.

In particular, the SB, besides the activities already mentioned in the specific chapter of the General Section, does with the support of the competent functions:

- carry out periodic checks with the purpose of ascertaining the Recipients' obligations indicated in the previous paragraph "Rules of conduct", making use of the support of qualified third parties, if necessary;
- make sure that no other forbidden or uncustomary behaviour has occurred.

Due to the supervisory activity attributed to the SB in this Model, this latter is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION D</b>	<b>0</b>	<b>05/31/ 2019</b>	<b>Gefit Management</b>	<b>Board of Directors</b>

**SPECIAL SECTION D – RECEIVING STOLEN GOODS - MONEY LAUNDERING AND USE OF MONEY, GOODS OR UTILITIES OF ILLICIT ORIGIN, AS WELL AS SELF-LAUNDERING**

**1. Preamble**

Article 63, paragraph 3 of Legislative Decree 21 November 2007 n. 231, introduced in the Decree the art. 25-octies, subsequently amended by art. 3, paragraph 5, lett. b) of the law of 15 December 2014 n. 186 (which has changed the heading and introduced the crime of self-laundering), therefore, the list of crimes relevant for the application of the administrative liability of companies extends to “crimes of receiving, laundering and using money, assets or utilities of illicit origin, as well as self-laundering”.

**2. Case of Crimes and Examples of Relevant Conduct**

The crimes in question are specified below:

- **Receiving (art. 648 penal code)**  
 "Apart from cases of complicity in the crime, the person who buys, receives or hides money or things from any crime to obtain a profit for him/herself or others, or otherwise interferes in making them buy, receive or hide, shall be punished with imprisonment from two to eight years and with a fine from 516.00 euros to 10,329.00 euros ".  
 Omissis
- **Money Laundering (art. 648 bis penal code)**  
 " Apart from cases of complicity in the crime, whoever replaces or transfers money, goods or other benefits originating from an offence committed with criminal intent, or performs other operations in relation to them, in order to hinder the identification of their criminal origin, shall be punished with imprisonment from four to twelve years and with a fine from 1,032.00 to 15,493.00 euros.“.  
 Omissis.
- **Use of money, goods or utilities of illicit origin (art. 648 ter penal code)**  
 “Whoever, apart from cases of complicity in the crime and the cases provided for in articles 648 and 648-bis,makes use, in economic or financial activities of money, goods or other benefits coming from crime, shall be punished with imprisonment from four to twelve years and with a fine from € 1,032.00 to € 15,493.00 ".  
 Omissis.
- **Self-Laundering (art. 648 ter 1 c.p.)**  
 “Imprisonment penalty from two to eight years, and a fine ranging from € 5,000 to € 25,000, are applied to anyone who, having committed or contributed to committing an intentional crime, uses, replaces, transfers into economic, financial, entrepreneurial or speculative activities the money, goods or other benefits coming from the perpetration of this crime, so as to concretely hinder the identification of their criminal origin<sup>22</sup>. Omissis.

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<sup>22</sup> You have self-laundering (or money laundering on your own) when a natural person who committed or participated in committing an intentional crime employs the illicit proceeds in an economic-financial activity keeping a behavior suitable to hinder the ascertainment of the criminal origin of the illicit proceeds. As an example, consider that the crime of self-laundering can be committed as a result of a tax evasion. If this crime was committed in the interest or for the benefit of the Company, this latter is subject to a pecuniary sanction ranging from 200 to 800 quotas or in the aggravated hypothesis (of re-use coming from a crime with imprisonment longer, in its maximum, than 5 years) to the sanction ranging from 400 to 1000 quotas, in addition to the applicability of disqualification sanctions for a maximum duration of two years (please note that these sanctions are: the disqualification from the exercise of the activity; suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense; the prohibition of contracting with the public administration; exclusion from benefits, loans, contributions or subsidies and the possible revocation of those already granted; the ban on advertising goods or services). Furthermore, in the event of conviction or plea bargaining, you will always have the confiscation- if necessary preceded by the attachment - of the assets, even for equivalent, which constitute the product or the profit. It should be noted that at present tax crimes do not fall within those contemplated by the Decree and, therefore, it will be necessary to verify whether the entity can be sanctioned for the consequent laundering. The first interpretations are aimed at sanctioning (Confindustria Circular 12/06/2015, No. 19867).

### **3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment**

The business activities to be considered for the purpose of preventing the offenses envisaged in this Special Section can be divided, based on the characteristics of the Company and its organization and structure, in the following macro categories.:

1. Investment management: the company's liquidity, resulting from a crime, could be used in a series of financial investments, with methods that conceal their criminal origin;
2. Management of intra-group transactions: the money deriving from an offense could be transferred through the stipulation of simulated contracts, in such a way as to conceal its criminal origin;
3. Hedging of (foreign) exchange risk: in the context of exchange-risk hedging operations, money from criminal cases could be replaced by the purchase and sale of foreign currency, in such a way as to conceal the criminal origin thereof;
4. Abnormal payments of directors' fees since not decided, or disproportionately determined compared to the activity carried out, or concealed behind alleged advisory activities, for the sole purpose of transferring money deriving from criminal operations;
5. Sponsorships or donations, even of large amounts, to Foundations or non-identified NPOs, for the sole purpose of transferring money coming from criminal cases;
6. Purchase high amount transactions with companies that are recently created and have a generic corporate purpose or one that is incompatible with the business of the company;
7. Activities related to the management of tax aspects;
8. In general, transactions with foreign countries and countries with tax advantages.

With reference to the crimes and criminal conduct described above, the activities deemed as more specifically at risk by the Company are the following:

- management of financial administrative aspects;
- management of commercial aspects;
- management of purchases and relations with suppliers;
- management of tasks for consulting, professional services and brokerage contracts;
- management of incoming capital flows;
- management of active and passive billing;
- management of corporate operations;
- management of tax / tribute obligations and related declarations;
- management of customs fulfilments;
- management of the investment process.

The main areas supposed to be crime risky, identified after the examination of the corporate, accounting, administrative and judicial documentation, of the protocols, regulations and existing procedures, as well as through the interviews collected during the preliminary investigation for drafting of the Model (interviews ANNEX 5), are:

Administration, Automation Management, Mould & Assembly Management, Purchasing, Sales.

The risk of committing the aforesaid crimes in the interest or to the advantage of the Company cannot be excluded.

### **4. Rules of Conduct**

The Company and the Recipients are required to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company..

The Company is required to comply with the following rules of conduct:

- **Separation of functions**

By virtue of this principle the authorization to carry out a transaction must be under the responsibility of a person other than the one who makes accounts, actually carries out or controls the operation, so that there are no people with unlimited powers nor people who can independently manage an entire process.

The function supposed to manage financial transactions, both outgoing and incoming, is separate from any other function.

This function performs each operation:

- upon written request of the interested function;
- upon getting the prior written authorization of the functions delegated for this purpose, if: the transaction has a value higher than those specifically provided for in the various proxies attributed to the subjects operating in the interest of the Company;

- the operation is requested by an Area

- **Planning**

The individual functions plan and write down the financial requirements in relation to specific transactions and communicate them to the function managing the financial transactions. In addition, the minimum requisites to be met by the offering parties must be determined, and the criteria for assessing the offers in standard contracts must be established.

- **Performing operations**

To be planned and performed:

- the regular and orderly accounting of each outgoing and incoming financial transaction;
- periodic reports (at least quarterly) of all outgoing and incoming transactions;
- reconciliation of total outgoing and incoming.

- **Specific monitoring**

Specific monitoring processes are carried out for the financial resources allocated to the following activities / operations, in order to avoid allocating them for the purpose of carrying out a crime:

- activities carried out by the Areas;
- transactions related to atypical or unusual activities or services in relation to the activity carried out by the Company,
- expenses incurred, or for which reimbursement is requested, by bodies, employees and external collaborators operating in the Areas or in the interest of these;
- financial transactions carried out under unusual ways, such as delegation of payment, expromission, taking over of debt, assignment of credit, compensation, etc.;
- formal and substantial controls on corporate financial flows, which take into account the registered office of the counterparty (eg tax havens, countries under risk of terrorism, etc.), of the credit institutions used;
- verification of compliance with the thresholds for cash payments, possible use of bearer or anonymous passbooks for liquidity management, etc.;

- It is mainly checked whether each operation is:

- justified, both specifically and clearly;
- fair;
- documented;
- proven by a suitable receipt (for outgoing financial transactions);
- regularly paid (with reference to the full coincidence between payments' recipients/ordering parties, and counterparties actually involved in the transactions);

- **Timely information**

Timely information, to the SBy and to the management control bodies, of possible infringements relating to registration, reporting and limits on the use of payment and deposit instruments (cash, bearer securities, anonymous accounts and savings books or fictitious headed books), as well as any other violation. Timely information to the above bodies even in the event of tax audits.

- Compliance with order management procedures, purchase management, selection and evaluation of suppliers; compliance with the internal control system for the verification of the regularity of payments and the execution of formal and substantial checks on company flows and company documentation.
- Compliance with the procedures governing financial flows and tax and social security obligations.

### **Specific prohibitions**

Going back to the contents of paragraph 5.3 of the General Section, it is forbidden to:

- purchase, receive or conceal money or things from any crime, or in any way interfere with making them buy, receive or conceal;
- buy, receive or conceal money or things from any crime, or in any way interfere with making them buy, receive or conceal;
- replace or transfer money, goods or other benefits deriving from an intentional crime, or carry out operations that hinder the identification of their criminal origin;
- use in economic or financial activities money, goods or other benefits deriving from crime.


## **5. The Supervisory Body Controls**

The SB periodically performs random checks on the activities related to the Sensitive Processes aimed at verifying the correct realization of the same in relation to the rules referred to in this Model.

In particular, the SB, besides the activities already mentioned in the specific chapter of the General Section, does with the support of the competent functions:

- carry out periodic checks with the purpose of ascertaining the Recipients' obligations indicated in the previous paragraph "Rules of conduct", making use of the support of qualified third parties, if necessary;
- make sure that no other forbidden or uncustomary behaviour has occurred.

Due to the supervisory activity attributed to the SB in this Model, this latter is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION E</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

### **SPECIAL SECTION E – CRIMES ON HEALTH AND SAFETY AT WORK**

#### **1. Preamble**

Article 9 of Law 123/2007 introduced in the Decree the art. 25-septies, by virtue of which the list of crimes relevant for the application of the administrative liability of the companies extends to the crimes of "manslaughter and serious or very serious injuries" committed under violation of the accident prevention regulations and the protection of the occupational health and hygiene.

Article 30 of the Legislative Decree dated 9 April 2008 n. 81, "Consolidated Law on Health and Safety of Workers in the Workplace", integrates and reinforces the legislation originally present in the Decree, establishing that the organization and management model, in order to have exemption effectiveness from the administrative responsibility of legal persons, must include a corporate organizational system such as to:

1. guarantee the fulfilment of all obligations relating to:
  - a) the compliance with the technical and structural standards of the law concerning equipment, plants, workplaces, chemical, physical and biological agents;
  - b) the activities on risk assessment and preparation of consequent prevention and protection measures;
  - c) the organizational activities such as: emergencies, first aid, contract management, periodic safety meetings, consultations with workers' safety representatives;
  - d) the health surveillance activities;
  - e) the information and training activities for workers;
  - f) the supervisory activities with reference to compliance with safety procedures and work instructions by workers;
  - g) the acquisition of documents and certifications required by law;
  - h) the periodic review of the application and effectiveness of the procedures adopted;
2. envisage suitable instruments for recording the successful completion of the above said activities;
3. provide an articulation of functions that ensures the technical skills and powers necessary for the verification, assessment, management and control of risk and a disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the model;
4. envisage a suitable control system on the implementation of the same model and on the maintenance over time of the conditions of suitability of the measures adopted.

As a matter of fact, the Company is held responsible for the intentional event mentioned above if it does not prove to have taken all the measures to prevent such type of crimes.

In order to prevent the commission of crimes of manslaughter and culpable injury, it is therefore necessary to implement two levels of actions:

1. Actions aimed at ensuring the adoption and compliance with the general protection measures referred to in articles 15 and 20 (TU) of the Safety Consolidation Act (compliance with accident prevention regulations). This level of actions ensures compliance with the law and protects the "employer", within the limits of his diligence, expertise and prudence, as far as his own abilities or those of the delegates or consultants in charge are concerned.
2. Actions aimed at guaranteeing that the subjects required by law (employer, managers, employee representatives, competent doctor, etc.) or by proxy (RSPP) effectively do their duty.  
This second type of actions is ensured by:
  - a) the adoption and effective implementation of the Model;
  - b) the establishment of the Supervisory Body;

This Special Section refers to behaviours realized by the Recipients of the Model, as defined in the General section, involved in Sensitive activities relevant to conduct that can integrate the offenses of "manslaughter and serious or very serious injury" committed in violation of accident prevention regulations and protection of hygiene and health at work.

The objective of this Special Section is that all Recipients adopt rules of conduct in compliance with the provisions of the same, in order to prevent the occurrence of the Crimes considered in it. Specifically, this Special Part aims to:

- identify the crimes sanctioned by the Decree;
- identify sensitive activities;
- indicate the procedures that the Recipients are expected to observe in order to correctly apply the Model;
- provide the SB with the executive tools to exercise control and verification activities

## **2. Types of Crimes and Examples of Relevant Conduct**

The following is a brief description of the crimes referred to in article 25-septies of the Decree with recalling to the text of the penal code for a detailed description of the same, which must in any case be considered already known pursuant to article 5 of the criminal code.

### **• Manslaughter (art. 589 Penal Code (c.p.))**

Anyone who causes the death of a person by fault is to be considered guilty of manslaughter.

If the offense is committed in violation of the regulations on the prevention of accidents at work, the penalty is more severe.

The material fact of manslaughter involves three elements: a certain conduct, an event (the death of a person) and the causal link between one another.

As to the subjective element, is the murder culpable when the acting person (agent) does not want the death of the victim nor the damaging event from which the same derives, but they both occur because of the acting person, that is to say due to negligence<sup>23</sup>, inexperience<sup>24</sup> or imprudence<sup>25</sup>, together with the failure to comply with laws by the same.

### **• Negligent Personal Injuries (art. 590 c.p.)**

Article 590, third paragraph, penal code, punishes the conduct of those who cause serious or very serious personal injury to others with violation of the rules for the prevention of accidents at work.

The personal injury is serious:

- if the event causes a disease such as to endanger the life of the injured person, or an illness, or an inability to attend to ordinary occupations for a period exceeding 40 days;
- if the fact produces the permanent weakening of a sense or an organ.

The personal injury is extremely serious if the fact gives rise to:

- an illness that is certainly or probably incurable;
- loss of a sense;
- loss of a limb or a mutilation that makes the limb useless, or loss of the use of an organ or the ability to procreate, or a permanent or serious difficulty of the speech;
- deformation or permanent scarring of the face.

## **3. Sensitive Activities and Areas, Risk Assessment**

Considering the specific activity carried out by the Company (design, manufacture and marketing of assembly lines for the automotive and white sectors, and of machines, moulds, equipment and all the components thereto for the medical, food & beverage, electronics sectors), and the negligent nature of the crimes in question, all the functions and all the business areas are potentially exposed to the risk of committing crimes of violation of the rules on safety and health at work.

The Company, however, did take steps to assign specific powers of attorney to distribute duties within the safety scope (see the BoD's report on assigning powers of attorney to plant managers, ANNEX 6), as shown in the prevention and protection organization chart (ANNEX 7).

The Company is provided also with the risk assessment document which is periodically updated (see abstract, ANNEX 8), the integrated environmental and safety policy manual (see abstract, ANNEX 8) and with specific procedures relating to the Integrated Quality System, Safety and the Environment.

After the examination of the corporate, accounting, administrative and judicial documentation, of the protocols, regulations and existing procedures, as well as by the interviews (ANNEX 5) collected during the preliminary investigation for drafting of the Model, and as shown in the minutes of the periodic meeting dated 25 February 2019 (ANNEX 10), the crime risk cannot be excluded.

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<sup>23</sup> NEGLIGENCE means the lack of the required diligence or omission of required activities.

<sup>24</sup> INEXPERIENCE means the lack of technical knowledge required.

<sup>25</sup> IMPRUDENCE means the violation of a precautionary rule, not keeping a specific conduct or keeping it in ways other than those required..



#### **4. Rules of Conduct**

The Company and the Recipients are bound to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company.

This Special Section expressly forbids all Recipients:

- engaging in, collaborating for or causing the arising of behaviour that, taken individually or collectively, directly or indirectly integrate the types of crime falling within those considered above (art. 25-septies of the Decree);
- realizing or causing violations of the company principles and procedures;
- failing, while performing the business activities, to respect the safety regulations prescribed in relation to the various types of work, or failing to give notice thereof to third parties who may be called to intervene, even if this behaviour may lead to an increase in the economic conditions for carrying out the activities.

Pursuant to article 30 and subsequent articles of Legislative Decree 81/2008, particularly severe sanctions are envisaged, up to the suspension of business activities, in the following cases:

- failure to work out the risk assessment document;
- failure to work out the emergency and evacuation plan;
- lack of training;
- failure to set up the prevention service and appointment of the manager;
- failure to work out the safety and coordination plan and the operational safety plan;
- failure to appoint the Project coordinator;
- failure to appoint the coordinator for the execution;
- in the event of work involving the risk of falling into the void, lack of use of the safety belt and of the suitable protections;
- in the event of work involving the risk of burial, lack of the support reinforcement;
- work near power lines, presence of bare conductors under tension, lack of protection against direct and indirect contacts;
- failure to notify works that may expose to asbestos risk.

#### **4.1 Employer's Obligations**

According to Article 17 of Legislative Decree 81/2008, the employer cannot delegate the following activities:

- work out the risk assessment document containing:
  1. a report on the evaluation of all the risks for safety and health during work, in which the criteria adopted for the evaluation are specified;
  2. a report on the evaluation of all the risks for safety and health during work, in which the criteria adopted for the evaluation are specified;
  3. the indication of the preventive and protection measures implemented, and the individual protection devices adopted;
  4. the identification of the procedures for the implementation of the measures to be realized as well as the corporate roles assigned to the implementation, to which only subjects possessing adequate skills and powers must be assigned;
  5. the identification of the tasks that may expose workers to specific risks that require a recognized professional capacity, specific experience, and adequate training.
- appoint the Head of the Risk Prevention and Protection Service.

#### **4.2 Obligations of the Employer and of the Employer's Delegate**

The obligations of the employer and of the manager responsible under current legislation are:

- a) appoint the competent doctor;
- b) designate in advance the workers in charge of implementing the fire prevention and firefighting measures, evacuation of workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, of emergency management;
- c) when assigning tasks to workers, consider their abilities and conditions with reference to their health and safety;
- d) provide workers with the necessary and appropriate individual protection devices, after consultation with the prevention and protection service manager and with the competent doctor, if present;
- e) take appropriate measures so that only workers who have received adequate instructions and specific training enter the areas supposed to expose them to a serious and specific risk;

- f) demand compliance with current regulations by individual workers, as well as with the company regulations on safety and hygiene at work and demand the use of collective protective equipment and individual protection devices they have been provided with;
- g) ask the competent doctor to comply with the obligations he/she must keep to by the current legislation;
- h) adopt the measures for the control of risk situations in case of emergency and give instructions so that workers, in the event of immediate, serious and unavoidable danger, leave the workplace or the dangerous area;
- i) inform workers exposed to the risk of a serious and imminent danger, of the risk itself and of the provisions taken or to be taken for protection, as soon as possible
- j) fulfil the information and training obligations set out in articles 36 and 37 of the Consolidated Security Law;
- k) refrain from asking workers, with some exceptions, to resume their work in a work situation in which a serious and immediate danger persists;
- l) allow workers to verify, through the workers' safety representative, the application of safety and health protection measures;
- m) promptly hand over the risk assessment document to the workers' safety representative;
- n) work out, as employer contractor, the single risk assessment document that indicates the measures adopted to eliminate or minimize the risks of interference, and attach this document to the contract or operation agreement giving copies thereof to the workers' representatives for security (document in process, as of today);
- o) take appropriate measures to avoid that the adopted technical measures cause risks to the population or deteriorate the external environment by periodically verifying the continuing absence of risk;
- p) notify INAIL, for statistical and informational purposes, the data on accidents at work that cause absence from work of at least one day, except for the day of the event and, for insurance purposes, information about accidents at work entailing the absence from work for more than three days;
- q) consult the workers' representative when assessing the company risks with subsequent drawing up of a risk and interference assessment document with the companies working under contract;
- r) adopt the necessary measures for the purposes of fire prevention and evacuation of workplaces;
- s) when carrying out activities under contract and/or subcontract, provide the workers with a special identification card with photograph, containing the worker's personal data and the employer's name;
- t) call the periodic meeting, referred to in Article 35 of the Safety Consolidation Act, at least once a year;
- u) update the prevention measures according to the organizational and production changes that are relevant to health and safety at work, or according to the degree of evolution in technology, prevention and protection;
- v) report annually to INAIL the names of the representatives of workers' safety.
- w) Provide the Prevention and Protection Service and the competent doctor with information on:
  - the nature of risks;
  - the work organization, planning and implementation of the prevention and protection measures;
  - the description of the equipment and production processes;
  - the data on accidents at work to be reported to INAIL and those relating to occupational diseases;
  - the measures taken by the Supervisory Bodies.

### **4.3 Obligations of the Person Responsible (Supervisor)**

The duties of the person responsible (supervisor) according to the legislation in force are:

- a) supervise and monitor the observance by individual workers of their legal obligations, as well as of corporate provisions on health and safety at work and the use of collective protection means and individual protection devices made available to them and, in case of non-compliance, inform their direct superiors;
- b) verify that only workers who have received adequate instructions access the areas that expose them to a serious and specific risk;
- c) demand the observance of the measures for the control of risk situations in case of emergency and give instructions so that the workers, in case of serious, immediate and inevitable danger, leave the workplace or the dangerous area;
- d) inform workers exposed to the risk of a serious and immediate danger as soon as possible about the risk itself and about the provisions taken or to be taken regarding protection;
- e) abstain, except for duly motivated exceptions, from requiring workers to resume their activity in a work situation in which a serious and immediate danger situation persists;
- f) promptly report to the employer or manager both the deficiencies of the means and work equipment and the individual protection devices, as well as any other condition of danger that occurs during the work, whose knowledge did come to him/her from the training received;
- g) attend special training courses in accordance with article 37 (TU) of the Safety Consolidation Act.

#### **4.4 Workers' Obligations**

The obligations of workers under the current legislation are:

- a) contribute to the fulfilment of the obligations established for the protection of health and safety in the workplace;
- b) keep to the provisions and instructions given by the employer, managers and supervisors, for the purposes of collective and individual protection;
- c) correctly use work equipment, dangerous substances and preparations, means of transport, as well as safety devices;
- d) use appropriately the protection devices they have been provided with;
- e) immediately report to the employer, the manager or the supervisor the deficiencies of the above means and devices, as well as any possible dangerous condition of which they become aware, and work directly, in case of urgency, within the sphere of their own competences and possibility, to eliminate or reduce situations of serious and imminent danger, giving notice thereof to the workers' safety representative;
- f) not to remove or modify the safety, signalling or control devices without authorization;
- g) not to carry out, on their own will, operations or manoeuvres which do not fall within their competence or which may jeopardize their own safety or that of other workers;
- h) take part to training and training programs organized by the employer;
- i) undergo the health checks provided for by this decree or otherwise ordered by the competent doctor;
- j) workers who carry out work under contract or subcontract, must display a special identification card, with photograph, containing the worker's personal details and the indication of the employer. This obligation also applies in the case of self-employed workers who directly carry out their activities in the same workplace, who are required to do so on their own account.

#### **4.5 Obligations Associated to Procurement or Works or Agency Work Contracts**

The employer, when entrusting works to the contractor company or to self-employed workers within his own company:

- a) verifies the technical and professional suitability of the contractors with the following methods:
  - acquisition of the Chamber of Commerce registration certificate;
  - acquisition of the self-certification by the contractor or self-employed workers of the possession of the requisites of technical professional suitability;
- b) provides these subjects with detailed information on the specific risks existing in the environment in which they are supposed to be operating, and on the prevention and emergency measures adopted in relation to their own activity;
- c) cooperates in the implementation of prevention and protection measures for occupational risks affecting the activity covered by the contract;
- d) coordinates the protection and prevention actions against the risks the workers are subject to, informing each other in order to eliminate risks due to interference between the workers of the various companies involved in the execution of the overall work;
- e) develops a single document of risk assessment that indicates the measures taken to eliminate or minimize the risks of interference. This document is annexed to the contract;

Without prejudice to the joint and several liability for non-payment of wages and social security/insurance contributions, the contracting entrepreneur is jointly and severally liable with the contractor, as well as with each subcontractor, for all damages for which the worker, employee of the contractor or of the subcontractor, is not compensated by INAIL or IPSEMA. This provision does not apply to damages resulting from the risks inherent to the contractor or subcontractor.

In individual procurement contracts, subcontracts or agency work contracts, the costs concerning work safety must be specifically indicated, with special reference to those of one's own, connected to the specific contract.

In preparing tenders and evaluating the anomaly of offers in the procedures for awarding public works contracts, services and supplies, the contracting entities are required to verify that the economic value is adequate and enough with respect to the labour cost and the cost related to security. This latter, which must be specifically indicated, shall be adequate in relation to the size and characteristics of the workers, services or supplies.

#### **4.6 Identification of the Managers and Identification of the Documentation**

On the purpose of identifying the persons in charge (managers) and the powers attributed to them, the Company has assigned specific powers of attorney and responsibility for distributing the duties on security (BoD's minutes for assigning powers to the employer delegates, ANNEX 6) , as shown in the organization chart of prevention and protection of work health and safety (ANNEX 7).

The managers, thus identified, shall exercise, in the area and scope of their competence, all the powers attributed and fulfil the obligations provided for by the Legislative Decree n. 81/2008 and by all other laws and regulations concerning safety, accident prevention and environmental hygiene remained in force.

The SB shall be constantly updated by the Administration and Control Department on changes to the system of delegation and powers of attorney.

The Company has the risk assessment document which is periodically updated (see abstract, ANNEX 8), the integrated environmental and safety policy manual (see abstract, ANNEX 9), the specific procedures relating to the Integrated Environment Quality System and Security, as also shown in the minutes of the checks carried out during the preliminary investigation (ANNEX 10).

The Company has the following certifications, too: ISO 9001/2015; Safe Contractor (ANNEXES 11 and 12).

- **Company Organization:**

- Employer: The President and CEO of the Company with specific delegation and attributions of powers concerning safety in the workplace;
- Two Employer Delegates, one for the Alessandria plant and one for the Fubine plant;
- Two Heads of the Prevention and Protection Service, one for the Alessandria plant and one for the Fubine plant;
- People in charge of prevention and protection for both Plants;
- People in charge of emergency for both Plants;
- Responsible (supervisors) for both Plants;
- Competent Doctor.

- **Documentation**

The following literature is available at the company headquarters:

- Document on the assessment of risks to health and safety at work and related attachments;
- Emergency plan;
- Information on work safety and hygiene, distributed to workers at the time of their inclusion within the production facilities (containing proof of receipt by the worker);
- Information exchange and assessment document of interfering risks between client and contractors or self-employed workers;
- Accident register;
- Measurement results, sampling, specific assessments;
- Records of periodic controls.

- **Organizational Tools Adopted**

Some of the main organizational tools adopted:

- Staff training: on recruitment and periodically in compliance with the law;
- Staff information: at the time of recruitment, literature (brochures and documents) informing about working conditions and present risks is distributed;
- System of signs and posters: a visual system is installed and paths to be followed are outlined, in order to prevent any dangerous situation;
- Individual protection means assigned by type of job;
- Emergency plan: an emergency evacuation plan is distributed to employees, and periodically tested;
- Emergency exercises: they are usually scheduled annually;
- Visits of the Responsible for the Prevention and Protection Service (RSPP): the RSPP periodically checks the state of safety, the responsibilities and causes of any accidents, and provides for the literature's adjustment in case of any rules' change, and each time the Plant asks for his/ her intervention.

## **5. The Supervisory Body Controls**

The SB periodically performs random checks on Sensitive Activities aimed at verifying compliance with the aforesaid rules of conduct and with the rules, protocols and procedures in force within the Company.


In particular, the Supervisory Body, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent Functions:

- verifies that all the subjects involved in the management of the processes about workers' prevention and protection (employer representative, official in charge, responsible for prevention and protection services, employees in the prevention and protection service, competent doctor, etc.) are formally and substantially in

possession of the powers, requisites and qualifications required, all above being in accordance with the provisions of articles 31 and 32 of Legislative Decree 81/2008;

- makes sure that the risk assessment document is constantly updated, in compliance with the provisions of articles 28 and 29 of the Consolidated Security Act;
- ensures that training and information of workers are constantly and adequately provided;
- performs periodic checks to ascertain the obligations of the Recipients as shown in the previous paragraph "Rules of conduct", availing itself of the support of qualified third parties if necessary;
- verifies the system of delegations and proxies in force and their consistency with the system of organizational communications and recommends possible changes if the management power and/ or the qualification do not correspond to the powers of representation conferred on the proxy, or if anomalies are present.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation that it deems relevant to monitor the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION F</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## SPECIAL SECTION F – ENVIRONMENTAL CRIMES

### 1. Preamble

Article 2, paragraph 2, of Legislative Decree 7 July 2011 n. 121 introduced in the Decree the art. 25-undecies, amended by Law 22 May 2015 n. 68, by virtue of which the list of crimes relevant for the purposes of applying the administrative liability of companies extends to "Environmental crimes" committed in violation of environmental protection regulations, and it has been later modified.

### 2. Types of Crimes and Examples of Relevant Conduct

Here are in detail the environmental crimes provided for by the art. 25 undecies of the Decree:

- **Environmental pollution**

Art. 452-bis of the Penal Code states that: "Anyone who illegally causes significant and measurable impairment or deterioration: 1) of water or air, or of extensive or significant portions of the soil or subsoil; 2) an ecosystem, biodiversity, including agriculture, flora or fauna, is punished with imprisonment from two to six years and a fine from € 10,000 to € 100,000. When pollution is produced in a protected natural area or subjected to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or to the detriment of protected animal or plant species, the penalty is increased".

- **Environmental disaster**

Article. 452-quater penal code states that: "Out of the cases provided for by article 434, whoever illegally causes an environmental disaster is punished with imprisonment from five to fifteen years. Alternatively, the following are environmental disasters: 1) the irreversible alteration of the balance of an ecosystem; 2) the alteration of the balance of an ecosystem whose elimination is particularly onerous and achievable only with exceptional measures; 3) the offense against public safety due to the relevance of the fact for the extent of impairment or harmful effects thereof, or for the number of people injured or exposed to danger.

When the disaster is produced in a protected natural area or subjected to landscape, environmental, historical, artistic, architectural or archaeological constraint, or to the detriment of protected animal or plant species, the penalty is increased".

- **Culpable offenses against the environment**

Article. 452-quinquies of the criminal code (c.p.) states that: "If any of the facts referred to in articles 452-bis and 452-quater is committed through negligence, are the penalties envisaged by the same articles decreased from one third to two thirds.

If the perpetration of the facts referred to in the previous paragraph results in the danger of environmental pollution or environmental disaster, are the penalties further reduced by one third".

- **Traffic and abandonment of highly radioactive material**

Article 452-sexies of the civil code states that: "Unless the fact constitutes a more serious offense, anyone who illegally sells, buys, receives, transports, imports, exports, gives to others, holds, transfers, abandons or unlawfully gets rid of highly radioactive material, is punished with the imprisonment from two to six years and with a fine from € 10,000 to € 50,000.

The penalty referred to in the first paragraph is further increased if the fact gives rise to the danger of impairment or deterioration: 1) of water or air, or of extensive or significant portions of the soil or subsoil; 2) of an ecosystem, biodiversity, including agriculture, flora or fauna.

Should the event result in danger to the life or safety of people, is the penalty increased up to half.

- **Criminal association or a mafia-type association aimed at committing environmental crimes**

Article. 452-octies p.c. states that: "When the association referred to in Article 416 is directed, exclusively or concurrently, in order to commit any of the crimes provided for in this title, are the penalties provided for in the same article 416 increased.

When the association referred to in article 416-bis is aimed at committing any of the crimes provided for in this title or at the acquisition of management or in any case at the control of economic activities, concessions, authorizations, contracts or public services in environmental matters, are the penalties provided for by the same article 416-bis increased.

The penalties referred to in the first and second paragraphs are increased from one third to half if the association is made up of public officials or persons in charge of a public service who perform functions or services within the environment scope ".

- **Killing, destruction, capture, collection, possession of specimens of protected wild animal or plant species (art. 727-bis penal code c.p. )**

The assumed crime occurs if a subject, apart from the permitted cases, kills, captures or holds specimens belonging to a protected wild animal or plant species, except for the cases where the action affects a negligible quantity of such specimens and has a negligible impact on the conservation status of the species.

- **Destruction or deterioration of habitats within a protected site (art. 733-bis c.p.)**

This type of crime occurs if a subject, apart from the permitted cases, destroys a habitat within a protected site or deteriorates it, thus compromising the state of conservation.

- **Unauthorized traffic of specimens (Art. 1 and 2 Law n. 150/1992)**

This hypothesis of crime occurs if a subject:

- imports, exports and re-exports specimens of protected wild fauna and flora species or parts thereof, or derivatives thereof, under any customs regime, without the required certificate or license or invalid certificate or license;
- does not comply with the requirements aimed at the safety of the specimens specified in a license or in a certificate issued in accordance with EU legislation; and uses the above specimens against the rules contained in the authorization or certification provisions issued together with the import license or subsequently certified;
- transports or transits, even on behalf of third parties, specimens without a license or certificate prescribed by the EU legislation;
- trades artificially reproduced plants, in contrast with current legislation;
- holds, uses for profit, purchase, sale, display, or possession for sale or for commercial purposes, offers for sale or otherwise sells without the required documentation.

The specimens protected by this rule are those belonging to the lists shown in Annex A (for Article 1) and Annexes B and C (for Article 2) of the EC Regulation n. 338/97.

If the afore-said crime is committed in the exercise of business activities, the accessory sanction provided for in the articles is followed by suspension of the license.

- **Falsification of certificates for trade in specimens (Article 3-bis, paragraph 1 and 2 Law n. 150/1992)**

This offense occurs in the event of conduct that fall under different assumptions of falsification of documents (such as the falsification or alteration of certificates, licenses, notifications of imports, declarations, communications of information in order to acquire a license or certificate , use of false or altered certificates or licenses) committed by private subjects or public officials concerning the trade in wild flora or fauna.

- **Prohibition of detention of specimens representing a danger to public health and safety (Art. 6 Law n. 150/1992)**

This offense occurs whenever a person holds live specimens of mammals and reptiles of wild species or coming from captive reproductions that constitute a danger to public health and safety.

- **Prohibition of new unauthorized discharge of industrial waste waters (Article 137 of Legislative Decree No. 152/2006)**

This offense is committed if a person opens or discharges new industrial wastewater, without authorization or continues to carry out or maintain such discharges after the authorization has been suspended or revoked.

The penalties provided for by the aforesaid rule are aggravated in the case of industrial wastewater discharges containing dangerous substances.

- **Unauthorized waste management activities (Article 256 of Legislative Decree 152/2006)**

This crime occurs if a subject:

- carries out a collection, transport, recovery, disposal, trade and brokerage activity in the absence of the necessary authorization, registration or communication;
- builds or manages an unauthorized rubbish dump;
- performs illegal activities of waste mix;
- makes temporary storage of hazardous medical waste at the production site, in violation of the relevant legal provisions.

- **Failure of sites remediation (art. 257 D.Lgs. 152/2006)**

This offense occurs in the event that a person causes pollution of the soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations and does not provide for remediation in accordance with the project approved by the competent Authority; and in the event in which a subject is responsible for an event potentially capable of contaminating a site and does not notify the competent Authorities as prescribed by the law.

- **Violation of disclosure obligations, mandatory record keeping and forms (art. 258 Legislative Decree 152/2006)**

This type of crime occurs in the case in which a subject, while preparing a waste analysis certificate, provides false indications on the nature, composition and chemical-physical characteristics of the waste, as well as in the case in which a subject makes use of a false certificate during transport.

Companies that collect and transport their own non-hazardous waste, which do not voluntarily join the waste traceability control system (SISTRI) when transporting waste without the form or with incomplete or inaccurate data on it, fall within this type of crime, too.

- **Illicit trafficking of waste (art. 259 Legislative Decree 152/2006)**

This type of crime takes place if a person carries out a shipment of waste constituting illegal traffic according to the Community provisions, i.e. limited to transboundary shipments of waste performed in violation of EU regulations.

- **Activities organized for the illegal traffic of waste (art. 452-quaterdecies penal code)**

This type of crime occurs when a person, in order to obtain an unfair profit, with multiple operations and through the preparation of organized means and activities, sells, receives, transports, exports, imports or otherwise abusively manages huge quantities of waste (including high radioactive).

- **Exceeding the air quality limit values (Article 279 of Legislative Decree No. 152/2006)**

This type of crime occurs in the event that a person, in the operation of a Plant, violates the emission limit values or the requirements established by the specific law provisions or by the competent Authority; it also includes the case of exceeding the air quality limit values prescribed by current legislation.

- **Violations in the cessation and reduction of the use of harmful substances (art. 3 Law n. 549/1993)**

This type of crime occurs in the case of violation of the conduct envisaged for the cessation and reduction of the use of substances damaging the ozone layer. These provisions prohibit the authorization of equipment supposed to be using such substances and entail a program to eliminate the already sold and installed equipment.

- **Intentional pollution (Article 8 of Legislative Decree No. 202/2007)**

This type of crime occurs in the event that a Captain of a ship, flying any flag, as well as the crew members, the proprietor and the shipowner (in the event that the violation occurred with their collaboration) spill maliciously or cause spillage of pollutants into the sea.

The damage is considered particularly serious when the elimination of its consequences is particularly complex from a technical point of view, or particularly burdensome or achievable only through exceptional measures.

- **Negligent pollution (Article 9 of Legislative Decree No. 202/2007)**

This type of crime occurs in the event that a Captain of a ship, flying any flag, as well as the crew members, the proprietor and the shipowner (in the event that the violation occurred with their collaboration) due to fault pour or cause spillage of pollutants into the sea..

The damage is considered particularly serious when the elimination of its consequences is particularly complex from a technical point of view, or particularly burdensome or achievable only through exceptional measures.



### **3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment**

Part of the crimes referred to in article 25 undecies of the Decree cannot be assumed to be falling within the Company scope, given the activity it carries out.

In particular, the following offenses/crimes are deemed not to be feasible:

- environmental pollution (even negligent, articles 452 bis and 452 quinquies of the penal code);
- environmental disaster (even negligent, articles 452 quater and 452 quinquies of the penal code);
- trafficking and abandonment of highly radioactive material (Article 452 sexies of the penal code);
- criminal association for the commission of environmental crimes (Article 452 octies of the penal code);
- unauthorized traffic of specimens (articles 1 and 2 Law n. 150/1992);
- falsification of certificates aimed at the sale of specimens (Article 3-bis, paragraph 1 and 2 Law n. 150/1992);
- prohibition on keeping specimens representing impairment to public health and safety (Article 6 of Law No. 150/1992);
- intentional pollution (Article 8 of Legislative Decree No. 202/2007);
- negligent pollution (Article 9 of Legislative Decree No. 202/2007).

The remaining crimes referred to in article 25 undecies of the Decree are conceivable for the Company considering the activity it carries out, therefore the risk of one of these environmental crimes cannot be excluded.

The main sensitive activities the Company has identified internally are the following:

- management of environmental authorizations;
- management of controls and deadlines
- waste management (registers and FIR);
- analysis and controls of the emissions

The main areas supposed to be at risk of committing the crime are all functions except for the HR function.

### **4. Rules of Conduct**

The Company and the Recipients are bound to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company.

The Company did assign specific powers and responsibilities to distribute the duties in security scope (BoD's report on the assignment of powers to employer delegates, ANNEX 6), and appointed an environmental safety manager.

The Company, furthermore, is provided with the integrated environmental and safety policy manual and specific procedures relevant to the Integrated Quality, Safety and Environment System (ANNEX 9), as also resulting from the inspection report conducted during the preliminary investigation for drafting the Model (ANNEX 10).

The Company is ISO 9001/2015 and Safe Contractor certified (ANNEXES 11 and 12).

This Special Section expressly forbids all Recipients:

- engaging in, collaborating for or causing the arising of behaviour that, taken individually or collectively, directly or indirectly integrate the types of crime falling within those considered above as per art. 25- undecies of the Decree;
- violating the Company principles and procedures referred to in this Special Section.

In carrying out all the operations related to social management, each Recipient must generally know and respect/provide:

- that all the activities carried out on behalf of the Company are based on the utmost respect for the laws in force, as well as the principles of correctness, transparency, good faith and traceability of the documentation;
- that the principle of separation of roles and responsibilities in the phases of business processes is respected;
- that compliance with the Code of Ethics is guaranteed;
- the company procedures, documentation and provisions concerning the corporate hierarchical-functional structure;
- in general, the applicable legislation.

It is forbidden to:

- enter vapours or gases into the atmosphere that can cause or contribute to cause the concrete danger of a lasting or significant impairment of the air for the life or safety of people and / or wildlife;
- dispose or store large quantities of waste without the necessary authorizations or by means of subjects who are unable to prove their authorizations and the disposal and storage locations and methods;

- remove or damage minerals or plants, causing or contributing to cause the concrete danger of a lasting or significant impairment of the flora or the natural heritage;
- dispose of water in the environment such as to cause or contribute to the concrete danger of a lasting or significant impairment of the soil, subsoil or water for the life or safety of people, for wildlife or for flora;
- wholly or partially falsify, materially or in the contents, the prescribed documentation or make use of false documentation;
- falsify information for the purposes of the IT system for waste traceability check;
- manage waste disposal activities without the necessary authorizations;
- carry out illegal waste trafficking activities;
- violate the communication obligation of mandatory record keeping and forms;
- deny or prevent or obstruct the activity of control of one's settlement or part of it, by setting up obstacles or artificially modifying the state of the places.


## **5. The Supervisory Body Controls**

The SB periodically performs random checks on Sensitive Activities aimed at verifying their compliance with the rules referred to in this Model.

In particular, the SB, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent Functions:

- performs periodic checks aimed at ascertaining the obligations of the Recipients, indicated in the previous paragraph, using the support of qualified third parties if necessary;
- makes periodic checks at the company sites in order to analyse the type of activity carried out;
- identifies the environmental aspects related to the Company's activity;
- identifies the legislative and regulatory requirements regarding the environment;
- checks the existence and the degree of diffusion of the environmental culture;
- verifies the existence of an environmental management system;
- carries out periodic checks aimed at verifying compliance with the procedures regarding the management of environmental authorizations;
- performs periodic checks aimed at verifying compliance with the control procedures to avoid contamination;
- carries out periodic checks on compliance with the procedures regarding the waste disposal process;
- carries out periodic checks on compliance with the procedures regarding the management of mandatory registers;
- performs periodic checks on the execution of internal controls on the effective implementation of environmental procedures.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION G</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## **SPECIAL SECTION G – CRIMES OF EMPLOYMENT OF THIRD-COUNTRY NATIONALS WHOSE STAY IS IRREGULAR**

### **1. Preamble**

Article 2, paragraph 1, of Legislative Decree 16 July 2012 n. 109 introduced in the Decree the art. 25-duodecies, which envisages the administrative liability of companies for the crime of employing third-country nationals whose stay is irregular, according to art. 22, paragraph 12-bis of Legislative Decree 25 July 1998, n. 286.

### **2. Types of Crime and Examples of Relevant Conduct**

The new crimes introduced in the discipline of the administrative responsibility of the institutions by the legislative decree 16 July 2012, n. 109 are, in detail:

- **Employment of more than 3 irregular workers (article 12-bis, letter a), Legislative Decree 286/1998)**

This type of crime occurs if the employer takes on more than three foreign workers without a residence permit or whose permit expired and the renewal thereof was not requested within the terms of the law, or it was revoked or cancelled.

- **Employment of irregular, underage, workers (Article 12-bis, lett. B), Legislative Decree 286/1998)**

This crime takes place in the event that the employer takes on foreign workers underage without a residence permit, or whose permit expired, and the renewal thereof was not requested within the terms of the law, or it was revoked or cancelled.

- **Employment of irregular workers subject to the exploitation conditions referred to in the third paragraph of Article 603-bis of the Criminal Code (Article 12-bis, letter c), Legislative Decree 286/1998)**

This crime takes place in the event that the employer takes on foreign workers without a residence permit, or whose permit expired and the renewal thereof was not requested within the terms of the law, or it was revoked or cancelled who are subjected to situations of grave danger, with regard to the characteristics of the services to be performed and the working conditions.

It follows that the administrative liability of the entity exists for the intentional crime of employing citizens whose residence permit is irregular only in the aggravated hypothesis of taking on more than three employees, or employees under age, or even in the case of employment of individuals subjected to exploitative working conditions.

It should be noted that, despite the fact that this offense appears to be a crime committed by the institution's top managers, decisions have also been taken in jurisprudence such as to deem to be an active party of the crime even those who proceed directly to hiring workers without a residence permit, in addition to those who avail themselves of their services and keep them under their care (see, for example, Criminal Cassation, Section I, sentence May 18, 2011, No. 25615), provided that the crime is committed in the interest or to the advantage of the institution itself.

For this reason, it is necessary that also the suppliers comply with the crime prevention procedures, especially if the company makes use of temporary work through specialized agencies.

### **3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment**

About the crimes and criminal conduct above described, the activities supposed to be most specifically at risk are the following:

- managing relationships with suppliers or partners that use unqualified personnel from non-EU countries
- research, selection and recruitment of human resources

- handling relationship with suppliers within the human resources' scope

The main areas at risk of crime commission are:

Administration; HR; HSE.

Given the activity carried out by the Company, the risk of committing the above crimes, in the interest or to the advantage of the same Company, cannot be excluded.

#### **4. Rules of Conduct**

The Company and the Recipients are bound to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company

The Company is bound to keep to the following rules of conduct:

- avoid engaging in, collaborating for or causing the arising of behaviour that, taken individually or collectively, directly or indirectly integrate the types of crime falling within those considered above as per art. 25- duodecies of the Decree;
- prohibition of employing underage workers being this contrary to the ethics of the Company and to the skills required to carry out the Company's activities;
- prohibition of directly or indirectly employing foreign workers whose residence permit is not regular;
- prohibition of directly or indirectly employing foreign workers whose validity of the residence permit was not verified;
- comply with the rules for the hiring of workers and for the stipulation of work, works or procurement contracts;
- ask suppliers for a specific commitment to comply with the legislation in question;
- ask the contractors for documentation certifying the regularity of the personnel operating at the Company premises;
- use the HR software to monitor the regularity of residence permits and carry out monthly checks;
- periodically review and / or integrate the system of delegations and powers of attorney regarding the hiring of workers.


#### **5. The Supervisory Body Controls**

The SB periodically performs random checks on sensitive activities aimed at verifying their compliance with the rules referred to in this Model.

In particular, the SB, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent Functions:

- performs periodic checks aimed at ascertaining the obligations of the Recipients, indicated in the previous paragraph, using the support of qualified third parties if necessary;
- verifies the employment contracts of workers and, in the case of foreign workers, the regularity of their residence permit;
- checks the employment contracts of workers hired through specialized agencies and, when it comes to foreign workers, the regularity of their residence permit;
- verifies the working conditions at the Company's headquarters.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section

	CODE	REV	DATE	DRAWING UP	DOCUMENT'S APPROVAL
	MOGC SPECIAL SECTION H	0	05/31/2019	General Management	Board of Directors

## SPECIAL SECTION H – COMPUTER CRIMES

### 1. Preamble

Article 7 of the law of 18 March 2008 n. 48 introduced in the Decree the art. 24-bis, according to which the list of crimes for which the administrative liability of companies is applied extends to "Computer crimes and unlawful data processing" committed in violation of the specific provisions of the penal code.

**Computer fraud** is a criminally relevant case introduced by law n. 547/1993 and governed by art. 640 ter of the penal code.

The crime of computer fraud is integrated in the cases in which "anyone, altering in any way the functioning of an IT or telematic system, or acting without any right in any way on data, information or programs contained in a computer or telematic system or relevant thereto, causes for him/herself or others an unfair profit to the detriment of other parties"

There are two types of fraudulent conduct this crime carries out:

1. the first consists in altering the functioning of an IT or telematic system, i.e. in a modification of the regular development of a data processing or transmission process: the alteration causes its material effects on the computer or telematic system;
2. the second coincides with the intervention, without any right, in any way, on data, information or programs contained in the system, and therefore any form of interference other than the alteration of the functioning of the system. The intervention without rights has its target in data, information or programs.

The event stands for the financial loss of others and the unfair profit of the acting person or a third party.

The intervention without right the legislator refers to in the first paragraph of the art. 640 – ter of the penal code occurs when the acting person is neither authorized by a law nor by the owner to perform that activity on the computer system. As the fraud, also the computer fraud requires the generic intention, that is, the conscience and the will to realize that typical fact consisting in obtaining or bringing about an unfair profit with other parties' damage.

Some other assumptions of computer fraud are phishing (a form of internet scam through which the attackers try to deceive the users by pushing them to make their sensitive personal information known. This fraud is usually directed to banks and e-commerce) and the dialler (executable files with extension.exe which can disconnect the modem from its own provider, and reconnect it to that of a provider that uses a high-rate connection.

Everything happens unbeknown to the internet surfer, who only becomes aware of the scam when the phone bill arrives. The dialler usually comes up by visiting sites that give the possibility to download programs, ringtones, pornographic videos, etc. for free).

### 2. Types of Crime and Examples of Relevant Conduct

The new crimes introduced in the discipline of the administrative responsibility of the institutions from the article 7 of the law n. 48/2008 are:

- **Falsehood in a public IT document or having probative force**

"If any of the false claims refers to a public or private IT document<sup>26</sup> having probative force, the provisions relating to false documents concerning respectively public documents and private deeds are applied".

<sup>26</sup> "The electronic document is, according to the definition given in article 1, lett. p) of Legislative Decree no. 82 of 7 March 2005, the so-called Digital Administration Code, "the computer representation of legally relevant deeds, facts or data".

- **Unauthorized access to a computer or electronic system (art. 615-ter penal code)**

The crime of unauthorized access to a computer or electronic system is integrated when anyone illegally enters a computer or electronic system protected by security measures or remains therein against the express or tacit will of those who have the right to exclude him/her.

Aggravating circumstances:

1. if the act is committed by a public official or a person in charge of a public service, with abuse of powers or with infringement of the duties inherent to the function or service, or by those who, even illegally, practise the profession of private investigator, or with abuse of the system operator quality;
2. if the guilty person uses violence against things or people to commit the act, or if he/she is clearly armed;
3. if the fact leads to the destruction or damage to the system or the total or partial interruption of its operation, or the destruction or damage to the data, information or programs contained therein.
4. if the above mentioned facts concern IT or telematic systems of military interest or relating to public order or public security or health or civil protection or otherwise of public interest, the penalty is further increased.

- **Unauthorized detention and disclosure of access codes to computer or electronic systems (Article 615-quater of the Penal Code)**

The crime of detention and unauthorized disclosure of access codes to computer or telematic systems is integrated when anyone, in order to get a profit for himself or others or to cause damage to others, illegally obtains, reproduces, disseminates, communicates or delivers codes, keywords or other means enabling the access to a computer or electronic system, protected by security measures, or if anyway provides indications or instructions suitable for the above mentioned purpose.

- **Distribution of equipment, devices or computer programs aimed at damaging or interrupting an IT or electronic system (article 615-quinquiespenal code)**

The crime of distribution of equipment, devices or computer programs aimed at damaging or interrupting an IT or electronic system is integrated when anyone, in order to unlawfully damage an IT or telematic system, the information, data or programs contained therein or thereto referred, or to favour the total or partial interruption, or the alteration of its function, obtains, produces, reproduces, imports, disseminates, communicates, delivers or in any case makes available to others, equipment, devices or IT programs.

- **Illegal interception, obstruction or interruption of computer or electronic communications (Article 617-quater penal code)**

The crime of illegal interception, obstruction or interruption of computer or electronic communications is integrated when anyone fraudulently intercepts communications relating to a computer or telecommunications system or between multiple systems, or prevents or interrupts them, or when anyone reveals to the public, by any information media, in whole or in part, the contents of the communications referred to above.

The penalty is increased if the offense is committed:

1. to the detriment of an IT or telematic system used by the Government or by another public body, or by a company in charge of public services or public necessity;
2. by a public official or a person in charge of a public service, with abuse of powers or violation of the duties inherent to the function or service, or with abuse of the system operator quality;
3. by those who practise, even illegally, the profession of private investigator.

- **Installation of equipment supposed to intercept, prevent or interrupt computer or electronic communications (art.617-quinquies of the penal code)**

The crime of installing equipment to intercept, prevent or interrupt computer or electronic communications is integrated when anyone, apart from the cases provided for by the law, installs devices supposed to intercept, prevent or interrupt communications relating to an IT or telematic system or between systems.

- **Damage to information, data and computer programs (article 635-bis penal code)**

The crime of damaging information, data and computer programs is integrated when anyone destroys, deteriorates, deletes, alters or suppresses others' information, data or computer programs.

- **Damage to information, data and computer programs used by the State or by another public body or in any case of public utility (art. 635-ter of the penal code)**

The crime of damaging information, data and computer programs used by the State or by another public body, or in any case of public utility, is integrated when anyone commits a fact aimed at destroying, deteriorating, erasing, altering or suppressing information, data or computer programs used by the State or other public body or relevant thereto, or in any case of public utility.

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- **Damage to computer or electronic systems (article 635-quater of the penal code)**  
The crime of damaging computer or electronic systems is integrated when anyone, behaving as referred to in article 635-bis, or through the introduction or transmission of data, information or programs, destroys, damages, makes wholly or partially useless others' computer or telematic systems, or seriously hinders their operation. If the fact is committed with abuse of the quality of system operator, the penalty is increased.
- **Damage to computer or electronic systems of public utility (Article 635-quinquies of the penal code)**  
The crime of damaging computer or telematic systems of public utility is integrated when the fact referred to in Article 635-quater is aimed at destroying, damaging, making computer or electronic systems of public utility wholly or partially useless, or seriously hindering their functioning; if the fact is committed with the abuse of the quality of system operator, the penalty is increased.
- **Computer fraud by the electronic signature certifier (art. 640-quinquies penal code)**  
The crime of computer fraud of the electronic signature certifier is integrated when the subject who provides certification services of electronic signature, in order to get for him/herself or others an unfair profit or to cause damage to others, violates the obligations provided for by the law for the issue of a qualified certificate.

### 3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment

Among the various types of computer crimes, the Company first excludes, due to lack of assumptions and/ or interest or advantage for the Company, the possibility of committing the following crimes:

- art. 615-quinquies penal code "Dissemination of equipment, devices or computer programs aimed at damaging or interrupting a computer or electronic system";
- art. 617-quinquies penal code "Installation of equipment supposed to intercept, prevent or interrupt computer or electronic communications"
- art. 635-ter penal code "Damage to information, data and computer programs used by the State or other public body or in any case of public utility";
- art. 635-quater penal code "Damage to computer or telecommunications systems;
- art. 635-quinquies penal code "Damage to public or telematic systems of public utility";
- art. 640-quinquies penal code "Computer fraud by the electronic signature certifier".

For the above-mentioned crimes (the possibility of commission thereof being excluded, both because of the utmost technological skill required and of the lack of any interest or advantage for the Company) the Company deems it does not have to arrange any further behaviour rule.

Given the wide diffusion and use of IT tools, present throughout the entire company organization, and given the high technological level of the tools used, which entails an excellent preparation level of the users, it can be assumed that the remaining above mentioned crimes are potentially expected to be committed.

The main sensitive activities identified by the Company are:

- IT tools management
- data management of employees and third parties.

The main areas at risk of crime committing are:

IT; Administration; HR; Production, Design (Engineering).

### 4. Rules of Conduct

The Company and the Recipients are bound to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company.

The Company, to protect against the improper use of IT systems by internal users, has been carrying out a continuous monitoring of the activities performed with the aid of the System Administrator, who is able to detect any improper use made by the system internal users.

Furthermore, the Company has been adopting a policy of data processing procedures pursuant to REG. EU 679/2016.

This Special Section expressly forbids all Recipients from:

- engaging in, collaborating for or causing the arising of behaviour that, taken individually or collectively, directly or indirectly integrate the types of crime falling within those considered above (art24-bis of the Decree);
  - implementing or giving cause for violations of company principles and procedures.
1. Here are the recommendations and behaviours requested by the Company when assigning a PC in "loan for use" to an employee, especially the prohibitions of:
    - installing software, making hardware changes, installing peripherals, format or restoring systems unless expressly authorized;
    - disclosing or misusing company data.
  2. The internal control procedures, which periodically detect the list of installed software, give notice thereof to the User and remind as well that any software not provided for by the System is to be considered unlawful. Detention of this latter, if not authorized, may therefore give rise to disciplinary sanctions.
  3. The security checks that are periodically carried out by a specialized external company, which guarantees the Company from intrusion attempts and provides it with monthly reports. Traceability of any linking – even only attempts thereof -to external sites or addresses by internal connections is also guaranteed.  
Encryption of the Company's passwords is envisaged and implemented as an additional security feature.  
Third parties (suppliers, consultants, etc.) who are given the opportunity to enter the Company's system are however not allowed to use the system (or network) to "go out" towards third parties within the limits set in the IT security regulation.

With reference to the contents of paragraph 5.3 of the general section, it is also forbidden to:

- illegally enter an IT or electronic system protected by security measures or stay there against the express or tacit will of those who have the right to exclude it (615-ter of the civil code);
- unlawfully get, copy, spread, communicate or hand out codes, keywords or other means aimed at having access to an information or telecommunication system protected by security measures, or provide indications or instructions suitable for the above purpose (article 615-quater of the Penal Code);
- fraudulently intercept communications relating to an IT or telematic system or between multiple systems, or prevent or interrupt them (article 617-quater of the Penal Code);
- destroy, damage, delete, alter or eliminate information, data or computer programs of third parties (art. 635-bis Penal Code);
- destroy, deteriorate, erase, alter or suppress information, data or computer programs used by the State or other public body or relevant to them, or in any case being of public utility (art.635-ter Penal Code);
- alter one's own IT support in order to provide national or EU public bodies with untruthful declarations aimed at achieving public funds, contributions or subsidized loans;
- alter one's own IT support in order to prevent the corporate bodies or third parties acting on behalf of these latter from performing controls or checks;
- alter the company computer archives' data, in order to modify information to third parties;
- alter the data contained in the external databases the Company has access to;
- produce any documents or declarations that do not conform to the results of the corporate information system, accounting data, resolutions of the corporate bodies by manipulating the computer media;
- hold material and data concerning people exploitation, especially when it comes to minors, or access websites showing such data and images;
- adopt Phishing techniques in order to steal third-parties' data.

## **5. The Supervisory Body Controls**


The SB periodically performs random checks on Sensitive Activities aimed at verifying their compliance with the rules referred to in this Model.

In particular, the SB, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent Functions:

- performs periodic checks aimed at ascertaining the obligations of the Recipients, indicated in the previous paragraph, using the support of qualified third parties if necessary;
- makes sure that no other prohibited or unusual behaviour by the IT system's users have occurred.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.



	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION I</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## SPECIAL SECTION I – CRIMES AGAINST THE INDUSTRY AND TRADE

### 1. Preamble

The so-called development law of 23 July 2009, n. 99, come into force the following 15 August 2009, with the modification of the art. 25-bis of the Decree and the integration of articles 25-bis 1 and 25 novies in the legislative text, did include in the list of the predicate crimes also those concerning the protection of industrial property and copyright. Regarding crimes against industry and trade, it should be noted that the art. 25-bis 1 envisages the application of sanctions to the Entity for the crimes provided for in articles 513, 515, 516, 517, 517-ter, 517-quater of the penal code. Considering the activity carried out by the Company, it is necessary to dwell only upon a few types of crime against industry and trade, while as far as crimes of copyright violations (set forth in articles 171, first paragraph, letter a -bis, and the third paragraph, 171-bis, 171-ter, 171-septies and 171-octies of the Law of 22nd April 1941, No. 633) are concerned, are these latter predicate crimes which, by virtue of the type of activity carried out by the Company, are not feasible, as the Company does not manage computer network systems, nor is it able to duplicate or process programs in violation of the aforesaid rules. That is the reason why they will not be examined.

### 2. Types of Crime and Examples of Relevant Conduct

- **Art. 513 Penal Code - Disruption of the Industry or Trade Freedom**

"Anyone who uses violence against things [penal code 392] or fraudulent means to prevent or disrupt the exercise of an industry or trade is punished, on complaint of the victim [penal code 120; Code of Criminal Procedure 336 – unless the fact stands for a more serious crime - with imprisonment up to two years and a fine from € 103 to € 1,032 [penal code 50]."

- **Art. 513-bis. Unlawful Competition with Threats or Violence**

"Anyone who, in the exercise of a commercial, industrial or other productive activity, carries out competition actions with violence or threats, is punished with imprisonment from two to six years. The penalty is further increased if the acts of competition concern an activity wholly or partially and, in any way, financed by the State or by other public Bodies".

- **Art. 514. Fraud Against National Industry**

"Anyone who, by selling or otherwise putting into circulation, on domestic or foreign markets, industrial products with counterfeit or altered names, trademarks or distinctive signs, causes harm to the domestic industry, is punished with imprisonment from one to five years and with a fine of not less than 516 euros [penal code 29, 32, 517].

If, for trademarks or distinctive signs, the rules of internal laws or international conventions on the protection of industrial property have been observed, the penalty is increased and the provisions of articles 473 and 474 do not apply".

- **Art. 515. Fraud in Trade**

"Anyone who, in the exercise of a trade activity, or in a shop open to the public, gives the purchaser a movable item instead of another, or a movable item [civil code 812; Penal Code 624], by origin, provenance, quality or quantity, different from the one declared or agreed upon, is punished, unless the event constitutes a more serious crime, with imprisonment up to two years or with a fine up to 2,065 euros.

In the case of precious objects, the penalty consists of imprisonment up to three years or a fine of not less than 103 [penal code 29]."

- **Art. 516. Sale of Non-genuine Foodstuffs as Genuine**

"Anyone who sells or otherwise puts into commerce genuine foodstuffs that are not genuine, is punished with imprisonment for up to six months or a fine of up to € 1,032 [penal code 440, 442, 444]."

- **Art. 517. Sale of Industrial Products with False Signs**

"Anyone who sells or otherwise puts into circulation intellectual property or industrial products, with national or foreign names, trademarks or distinctive signs, to mislead the buyer as to the origin, source or quality of the work or product, is punished, if the fact is not foreseen as a crime by another law provision, with imprisonment up to two years and a fine of up to twenty thousand euros [penal code 473, 474]"

- **Art. 517-ter. Manufacture and Trade of Goods Made by Usurping Industrial Property Rights**

"Save the application of articles 473 and 474 anyone who, being able to know about the existence of the industrial property title, manufactures or industrially uses objects or other goods made by usurping an industrial property title or in violation of the same, is punished, on complaint of the offended person, with imprisonment up to two years and a fine of up to € 20,000 [penal code 517-d].

The same penalty applies to those who, for the purpose of making a profit from it, introduce into the territory of the State, hold for sale, put up for sale with a direct offer to consumers or put in circulation the goods referred to in the first paragraph.

The provisions of articles 474-bis, 474-ter, second paragraph, and 517-bis, second paragraph are applied.

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

- **Art. 517-quater. Counterfeit of Geographical Indications or Denominations of Origin of Food Products**

"Anyone who forges or otherwise alters geographical indications or denominations of origin of food products is punished with imprisonment up to two years and a fine of up to € 20,000 [penal code 517-d].

The same penalty applies to those who, in order to get a profit therefrom, introduce into the territory of the State, hold for sale, put up for sale with a direct offer to consumers, or put in circulation the same products with fake indications or names.

The provisions of articles 474-bis, 474-ter, second paragraph, and 517-bis, second paragraph are applied.

The crimes envisaged by the first and second paragraphs are punishable provided that the rules of the internal laws, of the Community regulations and of the international conventions on protection of the food products' geographical indications and denominations of origin have been observed."

### **3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment**

Among the various types of crimes against industry and commerce, due to the type of activity carried out by the Company, the possibility of committing the following crimes is to be excluded:

- Art. 513 penal code Troubled freedom of industry or commerce;
- Art. 515 penal code Fraudulent trading;
- Art. 516 penal code Sale of non-genuine foodstuffs as genuine;
- Art. 517-quater penal code Counterfeit of geographical indications or denominations of origin of food products

All the remaining crimes referred to in article 25-bis 1 of the Decree are conceivable for the Company, in consideration of the activity that it carries out.

The main sensitive activities the Company has identified internally are the following:

- industrial design and production of goods;
- management of relations with competitors in the industrial activity;
- manufacture and sale of products covered by industrial property rights;
- sale or circulation of intellectual property or industrial products

The main areas supposed to be at risk of committing the crime are:  
Purchasing; Design; Quality.

### **4. Rules of Conduct**

The Company and the Recipients are bound to comply with the existing protocols, the principles contained in the Code of Ethics, the general Principles referred to in paragraph 5.3 of the General Section of the Model, the Rules of conduct of this Special Section and the specific procedures adopted by the Company

When carrying out all the operations of design, research and development of industrial products, each Recipient must generally know and respect the principles the Company is inspired by, including the rules contained in the following documents:

- the Code of Ethics, which clearly defines the set of principles of business ethics;
- the internal Control System;
- the Company procedures;

- the consultancy and assistance of experts in the field;
- in general, the applicable Italian and foreign legislation


#### **5. The Supervisory Body Controls**

The SB periodically performs random checks on Sensitive Activities aimed at verifying their compliance with the rules referred to in this Model.

In particular, the SB, in addition to the activities already indicated in the specific chapter of the General Section, with the support of the competent Functions carries out the following:

- performs periodic checks aimed at ascertaining the obligations of the Recipients, as indicated in the previous paragraph, using the support of qualified third parties if necessary;
- carries out periodic inspections aimed at identifying the Company's objects and design and production assets;
- with reference to the objects and assets of design and production of the Company, it requires specific reports on the existence of industrial property rights on similar objects and goods as well as on the measures taken to prevent the violation or usurpation of such rights;
- the execution of internal controls on the purchases, and the traceability of the activities.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section.

	<b>CODE</b>	<b>REV</b>	<b>DATE</b>	<b>DRAWING UP</b>	<b>DOCUMENT'S APPROVAL</b>
	<b>MOGC SPECIAL SECTION L</b>	<b>0</b>	<b>05/31/2019</b>	<b>General Management</b>	<b>Board of Directors</b>

## SPECIAL SECTION L –TRANSNATIONAL CRIMES

### 1. Preamble

This Special Section refers to types of conduct potentially put into being by the Recipients of the Model, as defined in the General section, involved in illegal activities that can integrate the group of crimes classified as "Transnational crimes" by the law of 16 March 2006 n. 146, and attributable to the administrative responsibility of the entities according to article 10 of the same law.

It must be noted that the responsibility lies within the Entity in the following cases:

- the subject - Recipient of the Model – has committed one of the crimes listed in article 10 of law 146/2006;
- this crime can be qualified as "transnational", that is, it has the characteristics provided for by article 3 of the same law, and namely that:
  - an organized criminal group is involved;
  - it was committed in more than one State;
  - it was committed in one State, but a substantial part of its preparation, planning, direction or control took place in another State;
  - was committed in one State, but an organized criminal group engaged in criminal activities in more than one State was involved therein;
  - was committed in one State but has substantial effects in another State.

### 2. The types of transnational crimes ex. law 146/2006

The types of offenses of relevance referred to in article 10 of law 146/2006 are the following:

- Criminal association (article 416 penal code), a mafia-type association (article 416 bis penal code), criminal association aimed at smuggling foreign tobaccos (Presidential Decree 43/1973, Article 291 quater), association aimed at illicit trafficking of narcotic or psychotropic drugs (D.p.r. 309/1990, art. 74).

In the event of commission of the crimes mentioned above, the entity shall be fined from 400 to 1,000 shares, in addition to the disqualification penalty for a period of at least one year.

- Laundering (art. 648 bis penal code); use of money, goods or utilities of illicit origin (art. 648 ter penal code);

In the event of commission of the crimes mentioned above, the entity shall be fined from 200 to 800 shares, in addition to the disqualification penalty for a period not exceeding two years.

- Provisions against illegal immigration (Legislative Decree 286/1998 art. 12).

In case of commission of the above crime, the pecuniary sanction from 200 to 1,000 shares is applied to the entity, in addition to the disqualification sanction for a period not exceeding 2 years.

- Hindrance to justice: inducement not to make statements (Article 377 bis of the penal code) and aiding and abetting (Article 378 of the penal code).

In the event of committing of the above crimes, a pecuniary sanction of up to 500 shares is applied to the entity.

### 3. Sensitive Activities and Areas, Conceivable Crimes and Risk Assessment

With reference to the crimes covered by this Special Section, the assumption that the responsibility for the Entity arises, is that the crimes themselves are committed in a transnational context, as envisaged by article 3 of the law, mentioned in the introduction.

To sum up, the requirements that must be met in order that the liability envisaged by the Decree takes place, are:

- the perpetrated crime must have the above described transnational features;

- an organized criminal group must be involved;
- it must be committed in the interest or for the benefit of the company or entity.

To have an administrative liability come up for the Entity, at least two conditions must be met, and namely:

- one of the crimes indicated in article 10 of law 146/2006 is committed;
- the crime is committed with the involvement of an organized criminal group.

The sensitive activities identified by the Company are the following, provided they are carried out in more than one State:

- management of financial administrative aspects;
- management of commercial aspects;
- management of purchases and relations with suppliers;
- management of tasks for consultancy, professional services and brokerage contracts;
- management of incoming capital flows;
- management of relationships with suppliers or partners who avail themselves of unqualified personnel coming from non-EU countries;
- research, selection and recruitment of human resources;
- handling relations with suppliers in the scope of human resource management.

The sensitive areas identified by the Company are the following:

Administration, Automation Direction, Moulds & Assembly Direction, Purchasing, Sales, HR, HSE.

For the sake of prudence, transnational crimes and, in particular, criminal association and money laundering have been described and examined in this Special Section, since they are crimes that, in the abstract, bear a certain risk of being committed, although difficult to be realized, because of the ethics the Company is characterized by, the absence of precedents and the existence of a complex system of internal and external controls, as well as procedures to monitor any inappropriate behaviour.

#### **4. Rules of Conduct**

The Company and the Recipients are required to comply with the Rules of conduct of this Special Section.

The Company and Recipients are essentially bound to respect:

- the principles contained in the Code of Ethics;
- the General Principles referred to in paragraph 5.3 of the General Section of the Model;
- the existing protocols;
- the specific procedures adopted by the Company;
- the documentation concerning the corporate and organizational hierarchical-functional structure of the Group, and the management control system;
- in general, the applicable Italian and foreign legislation

#### **5. The Supervisory Body Controls**

The SB, if it deems it necessary or on request of the Company, carries out random checks on the activities related to the Sensitive Processes, verifying that these activities are carried out in full compliance with the rules set forth in this Model.

In particular, in addition to the activities already indicated in the specific chapter of the General Section, the SB, with the support of the competent Functions, carries out checks aimed at ascertaining the obligations of the Recipients, indicated in the previous paragraph, possibly using the support of qualified third parties.

Due to the control activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation and to all the data and IT supports that it deems relevant for the purpose of monitoring the Sensitive Processes identified in this Special Section