



ALCANTARA S.p.a.

Organisational, Management and Control Model  
under Legislative Decree n. 231 dated 8 June 2001

GENERAL PART

3rd adaptation and update of the Model adopted by  
the Board of Directors resolution dated 30  
September 2005

MAY 2015

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## DEFINITIONS

Sensitive activities: The activities of ALCANTARA which give rise to a potential risk of the commission of crimes considered important by the Decree.

ALCANTARA or the Company: ALCANTARA S.p.A. with offices in Via Mecenate 86, Milan - tax code/VAT no. 00835580150, Repository of Economic and Administrative Information no. 850982

CCNL: National Collective Labour Agreement applied by ALCANTARA

Board of Directors: the ALCANTARA Board of Directors

Executive Committee: the ALCANTARA Executive Committee

Code of Ethics: Founding part of the Model that sets the Company's principles and values and the general rules of conduct which its Addressees must abide by.

Employer: the entity which the work relationship is referred to or anyhow the entity which, according to the type and organisation of business, is accountable therefor being the holder of decision-making and spending powers. If activities are outsourced to a contractor or self-employed worker within his production unit, the Employer acts as the principal Employer with the ensuing obligations set out in art. 26 of Legislative Decree n. 81 dated 9 April 2008.

Decree on Safety: Legislative Decree n. 81 dated 9 April 2008 on the implementation of Article 1 of Law n. 123 dated 3 August 2007 on the protection of health and safety at work.

Decree: Legislative Decree no. 231 dated 8 June 2001 as amended and supplemented, which introduced to Italian law regulations for administrative liability deriving from crimes committed by legal persons, Companies and associations.

Addressees: Persons to whom the Model applies, that is *i)* the members of the Board of Directors, *ii)* the executives, *iii)* employees in any position, role or level, with open-ended or short-term contracts *iv)* temporary workers, interns, contract workers, *v)* the members of the Company's Board of Auditors, *vi)* Clients and Suppliers, *vii)* Partners.

Map of powers: The map of Powers is the document, which is part of the ALCANTARA Model, describing the system of proxies and powers within the Company. It also lists which persons may make commitments for the Company towards third parties and what restrictions there are.

Model: The organisational, management and control model pursuant to articles 6 and 7 of the Decree for the prevention of crimes.

Sensitive operations: Activities that are particularly exposed to the risk of the commission of crimes within the scope of each Sensitive Activity.

Oversight Committee: internal control body that monitors the operation of and compliance with the Model and the opportunity for its update.

P.A.: The Public Administration and, in relation to crimes against the Public Administration, Public Officials and public service representatives.

General Part: It is the document, which is part of the ALCANTARA Model, describing the Model itself and containing an illustration of:

- the regulations of reference;
- the criteria and procedure followed to construct the Model;
- the Model structure and the components forming an integral part of it;
- the Oversight Committee appointment and operational procedures specifying the relative powers, tasks and information flows;
- the Model adaptation and update criteria;
- the drawing up and circulation of the Model and the adaptation and update criteria;
- the penalty system.

Special Part - Types of Crime and Sensitive Activities: It is the document, which forms part of the Model, illustrating:

- the types of crime listed in the Decree that the Company has resolved to take into consideration due to the characteristics of its particular activities;
- Identification – for each category of crime – of: the potential fields in which the crime may be committed; organisational and control principles; principles of conduct; processes - in general - which to refer to; the company departments essentially involved; existing procedures; information flows to the Oversight Committee.

Crimes: the types of crime which the rules set out in Legislative Decree 231/2001 as amended and supplemented, apply to.

Disciplinary System: It is the document, which is part of the Model, with the task of overseeing that the Model, the procedures and the principles of conduct are observed. It sets out the specific penalties and how they are imposed in the event that the Addressees breach or fail to observe the obligations, duties and/or procedures laid out in the Model.

Guidelines: some indications to construct the Organisational, Management and Control Model under Legislative Decree 231/2001 given by CONFINDUSTRIA

## CHAPTER 1

### Legislative Decree n. 231/01

#### 1.1 Legislative Decree n. 231/01 and the regulations of reference

Legislative Decree 231/01, enacted on 8 June 2001 and effective as from 4 July 2001, contains provisions on “*Regulations for the administrative liability of legal persons, companies and associations even without legal personality*”.

The Decree lays down a new type of liability, which despite being called “administrative”, is very similar to criminal liability since it is established in the course of criminal proceedings, it arises from the commission of crimes and is sanctioned with penalties that are drawn from criminal law. Indeed, an Entity may be held liable even where the natural person who committed the crime cannot be accused, is not identified or the crime itself is cancelled for reasons other than amnesty. Therefore, such liability is additional to that of the natural person who actually committed the crime.

Article 5, paragraph 1, of Legislative Decree 231/01, establishes the liability of entities where given crimes are committed in its interest or to its benefit:

- a) by persons who hold positions involving the representation, administration or management of the Company or of organisational units thereof that are financially and functionally autonomous, or by persons who, also de facto, exercise manage and control powers in relation thereto;
- b) by persons under the management or supervision of any figure indicated in letter a) above.

Therefore, if one of the specifically indicated crimes is committed, there arises both the criminal liability of the natural person who actually committed the crime - provided all the other conditions required by law are met - and the "administrative" liability of the Entity.

It should be underlined that any event that changes the status of the entity does not affect administrative liability which continues to be ascribed to the Entity also in case of its transformation (art. 28 Legislative Decree 231/01) and demerger (art. 30 Legislative Decree 231/01) for the facts committed prior to these events.

In particular, paragraph 2 of art. 30, Legislative Decree 231/01, says that the beneficiaries of a (partial or total) demerger are **jointly** required to pay the fines payable by the demerged entity for the crimes committed prior to the demerger.

In the case of a merger, instead, art. 29 of Legislative Decree 231/01 says that the entity resulting from the merger, also through

the incorporation of either entity, is accountable for the crimes for which the entities participating in the merger were liable.

In the case of the disposal of a company (art. 33 of Legislative Decree 231/01), subject to the right to demand prior payment by the selling entity, the buyer is **jointly** liable to pay the fine.

As for penalties, the application of a fine to the legal person is always envisaged for these crimes; in the most serious cases, disqualification penalties also apply such as the ban on doing business, the suspension or revocation of authorisations, licences or concessions, the prohibition to contract with the Public Administration, the exclusion from financing, contributions or subsidies and the possible revocation of those that have already been granted, the prohibition to advertise goods and services.

Lastly, attention should be paid, in relation to articles 18 and 19 of the Decree, to two additional penalties:

- publication of the conviction, at the discretion of the Court in the case of application of disqualification penalties, so that the conviction is brought to the knowledge of third parties;
- confiscation ordered at the time of the conviction - which applies also by way of equivalent measures where the price, profit or product of the crime cannot be identified.

As of today, the rules in question apply to the crimes listed below:

- *crimes committed in dealings with the Public Administration and against its assets*, specifically: misuse of public funds (art. 316-bis Italian Criminal Code), undue receipt of public funds (art. 316-ter Italian Criminal Code), extortion (art. 317 Italian Criminal Code)<sup>1</sup>, corruption for the exercise of a public office (art. 318 Italian Criminal Code)<sup>2</sup>, corruption for an act contrary to the duties of one's position (art. 319 Italian Criminal Code), judicial corruption (art. 319-ter Italian Criminal Code), undue inducement to give or promise a benefit (art. 319- quater Italian Criminal Code)<sup>3</sup>, corruption of a public service representative (art. 320 Italian Criminal Code), incitement to corruption (art. 322 Italian Criminal Code), fraud against the State (art. 640, paragraph 2, n. 1, Italian Criminal Code), aggravated fraud to obtain public funds (art. 640-bis Italian Criminal Code), IT fraud (640-ter Italian Criminal Code – if committed against the

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<sup>1</sup> As amended by Law 190/2012 "Provisions for the prevention and repression of corruption and illegality in the public administration".

<sup>2</sup> As amended by Law 190/2012 "Provisions for the prevention and repression of corruption and illegality in the public administration".

<sup>3</sup> Introduced by Law 190/2012 "Provisions for the prevention and repression of corruption and illegality in the public administration", as specified below.

State or another public institution)<sup>4</sup>, referred to in articles 24 and 25 of Legislative Decree 231/01;

These crimes have become more relevant since Law n. 190/2012 “containing provisions for the prevention and repression of corruption and illegality in the Public Administration” and Law n. 33/2013 “reorganisation of the regulations on the obligations of publicity, transparency and circulation of information by the Public Administration” which were enforced in January 2014 with the National Anticorruption Plan and the 3-year Anticorruption Compulsory Plan for the entire Public Administration, Public Entities and Companies controlled by Public Administration Offices.

In 2001, the following crimes were added:

- *crimes relating to false money, tender, stamp duties*, specifically: forgery of money, spending and introduction into the State, with a prior concerted agreement, of forged money, (art. 453 Italian Criminal Code), debasement of coinage (art. 454 Italian Criminal Code), spending and introduction into the State, with no concerted action, of forged money (art. 455 Italian Criminal Code), spending of forged money received in good faith (art. 457 Italian Criminal Code), forgery of official stamps, introduction into the State, purchase, possession or circulation of forged official stamps (art. 459 Italian Criminal Code), counterfeiting of watermarked paper used for the production of tender or official stamps (art. 460 Italian Criminal Code), production or possession of watermarks or instruments aimed at the forgery of money, official stamps or watermarked paper (art. 461 Italian Criminal Code), use of counterfeit or debased official stamps (art. 464 Italian Criminal Code), referred to in art. 25-bis of Legislative Decree 231/01;

In 2002, the following crimes were added:

- *corporate crimes*, specifically: false accounting (art. 2621 Italian Civil Code), false accounting to the detriment of the Company, shareholders or creditors (art. 2622, paragraph 1 and 3, Italian Civil Code), obstruction of audit (art. 2625, paragraph 2, Italian Civil Code), fictitious formation of capital (art. 2632 Italian Civil Code), unlawful return of capital (art. 2626 Italian Civil Code), illegal profit and reserve distribution (art. 2627 Italian Civil Code), illicit operations on shares or quotas of the Company or Parent company (art. 2628 Italian Civil Code), operations to the creditors' detriment (art. 2629 Italian Civil Code), undue distribution of corporate assets by the liquidators

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<sup>4</sup> As amended by Law 119/2013 “Urgent provisions on security and against violence in general, and on civil defence and the temporary receivership of provinces”.

(art. 2633 Italian Civil Code), illicit influence over General Assembly meetings (art. 2636 Italian Civil Code), corruption between private entities (art. 2635 Italian Civil Code)<sup>5</sup>, market manipulation (art. 2637 Italian Civil Code), omitted communication of a conflict of interest (art. 2629-bis Italian Civil Code), obstructing the functions of public oversight authorities (art. 2638, paragraphs 1 and 2, Italian Civil Code), referred to in art. 25-ter of Legislative Decree 231/01;

In 2003, the following crimes were added:

- *crimes for the purpose of terrorism or to upset the democratic order provided for by the Italian Criminal Code and the special laws*, specifically the crimes provided for by the Italian Criminal Code and the special laws that have terrorism or subversive purposes and the crimes committed in violation of article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9.12.1999, referred to in art. 25-quater of Legislative Decree 231/01;
- *crimes against individual persons*, specifically: reduction or maintenance in slavery (art. 600 Italian Criminal Code), child prostitution (art. 600-bis Italian Criminal Code), child pornography (art. 600-ter Italian Criminal Code), possession of pornographic material (art. 600-quater Italian Criminal Code), virtual pornography (art. 600- quater.1 Italian Criminal Code), tourism initiatives for the exploitation of prostitution (art. 600-quinquies Italian Criminal Code), trafficking in persons (art. 601 Italian Criminal Code), purchase and sale of slaves (art. 602 Italian Criminal Code), referred to in art. 25-quinquies of Legislative Decree 231/01;

In 2005, the following crimes were added:

- *administrative crimes and offences of market abuse*, specifically: insider trading (art. 184 Legislative Decree 58/98), market rigging (art. 185 Legislative Decree 58/98) and the administrative offences of insider trading (art. 187-bis Legislative Decree 58/98), market rigging (art. 187-ter Legislative Decree 58/98), referred to in art. 25-sexies Legislative Decree 231/01 and art. 187-quinquies Legislative Decree 58/98, respectively;

In 2006, the following crimes were added:

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<sup>5</sup> Introduced by Law 190/2012 “Provisions for the prevention and repression of corruption and illegality in the public administration”, as specified below.

- *practices of mutilation of female genitals* (art. 583-bis Italian Criminal Code), referred to in art. 25- quater.1 of Legislative Decree 231/01;
- *transnational crimes*, specifically: criminal association (art. 416 Italian Criminal Code), Mafia-type criminal association (art. 416-bis Italian Criminal Code), criminal association with the purpose of smuggling foreign tobaccos (art. 291- quater of the Consolidated Act referred to in Presidential Decree 23 January 1973, n. 43), association engaged in illicit traffic in narcotic drugs or psychotropic substances (art. 74 of the Consolidated Act referred to in Presidential Decree 9 October 1990, n. 309), activities favouring clandestine immigration (art. 12, paragraph 3, 3-bis, 3-ter and 5 of the Consolidated Act referred to in Legislative Decree 25 July 1998, n. 286), induction not to make statements or false statements to the judicial authorities (art. 377-bis Italian Criminal Code), personal aiding and abetting (art. 378 Italian Criminal Code) referred to in art. 10 of Law 146/2006.

In 2007, the following crimes were added:

- *manslaughter and serious or very serious bodily harm committed due to the breach of regulations on the protection of health and safety at work*, specifically: manslaughter (art. 589 Italian Criminal Code), serious or very serious bodily harm (art. 590, paragraph 3, Italian Criminal Code), committed due to a breach of the regulations on the protection of health and safety at work referred to in art. 25-septies of Legislative Decree 231/01;
- *the crimes of receiving stolen goods, laundering and using money, goods or utilities from an illegal source*, specifically: receiving stolen goods (art. 648 Italian Criminal Code), laundering (648-bis) and using money, goods or utilities from an illegal source (648-ter Italian Criminal Code) referred to in art. 25-octies of Legislative Decree 231/01;

In 2008, the following crimes were added:

- *IT crimes and illegal data processing*, specifically: forgery of a public or private electronic document (art. 491-bis Italian Criminal Code), computer or telematic hacking (615-ter Italian Criminal Code), unauthorized possession and dissemination of access codes to computer or telematic systems (615-quater Italian Criminal Code), dissemination of equipment, devices or software intended to damage or disrupt a computerized or telematic system (615-quinquies Italian Criminal Code), illegal

interception, unavailability or interruption of computer or telematic communications (art. 617-quater Italian Criminal Code), installation of equipment designed to intercept, prevent or disrupt computer or telematic communications (art. 617-quinquies Italian Criminal Code), damage to information, data and computer software (art. 635-bis Italian Criminal Code), damage to information, data and computer software used by the State or another public body or anyhow of public interest (art. 635-ter Italian Criminal Code), damage to computer or telematic systems (art. 635-quater Italian Criminal Code), damage to computer or telematic systems of public interest (art. 635-quinquies Italian Criminal Code), computer fraud by the subject providing electronic signature certification services (art. 640-quinquies Italian Criminal Code), referred to in article 24-bis of Legislative Decree 231/01;

In 2009, the following crimes were added:

- *organised crime*, specifically: criminal association (art. 416 Italian Criminal Code), Mafia-type criminal association (art. 416-bis Italian Criminal Code), Mafia and political electoral exchange (art. 416-ter Italian Criminal Code), kidnapping for robbery or extortion purposes (art. 630 Italian Criminal Code), criminal association engaged in illicit traffic in narcotic drugs (art. 74 Presidential Decree 309/1990), illegal manufacture, introduction into the State, sale, transfer, possession and carrying in public places or open to the public of weapons of war or alike or parts thereof, explosives, clandestine weapons as well as several common gunpowder weapons (art. 407, paragraph 2, letter a), number 5 Italian Code of Criminal Procedure), referred to in 24-ter, Legislative Decree 231/01;
- *crimes against copyright*, specifically: making available to the public in a computer network system, through connections of any kind, of intellectual property protected by copyright, or part of it (art. 171, Law 22 April 1941, n. 633 paragraph 1 letter a) bis), offences referred to in the preceding paragraph committed on the intellectual property of others not intended for publication, should the honour or reputation of the author be offended (art. 171, Law 22 April 1941, n. 633 paragraph 3), abusive duplication, for profit, of computer programmes; import, distribution, sale, possession, for commercial or entrepreneurial purposes or rental, of programmes contained on media not marked by the Italian Authors' and Publishers' Association (SIAE, Società italiana degli autori ed editori); preparation of means to remove or avoid software protections (art. 171-bis Law 22 April 1941, n. 633 paragraph 1), reproduction, transfer to other media, distribution,

communication, presentation or public demonstration of the contents of a database; extraction or re-utilization of the database; distribution, sale or rental of databases (art. 171-bis Law 22 April 1941, n. 633 paragraph 2), abusive duplication, reproduction, public transmission or dissemination by any means, in whole or in part, of intellectual property for the television/cinema circuit, for the sale or hire of disks, tapes or similar media or any other support containing phonograms or videograms of similar musical, cinematographic or audiovisual works or sequences of moving images; literary, drama, scientific or educational, musical or musical-drama, multimedia intellectual property, even if incorporated in collective or composite works or databanks; abusive reproduction, duplication, transmission or dissemination, sale or marketing, transfer for any reason, or abusive import of more than fifty copies of works protected by copyright and related rights; entry in a computer network system, through any kind of connection, of intellectual property or part of it protected by copyright (art. 171-ter Law 22 April 1941, n. 633), failure to communicate to the SIAE the identification data of the media not covered by its mark, or making a false statement (art. 171-septies Law 22 April 1941, n. 633), fraudulent production, sale, import, promotion, installation, change, utilization for public and private use of equipment or parts of equipment fit for decoding conditional-access audiovisual transmissions made through the air, satellite, cable, in analogue or digital form (art. 171-octies Law 22 April 1941, n. 633), referred to in art. 25-novies, Legislative Decree 231/01;

- *inducement not to make declarations or to make false declarations to the judicial authorities* (377-bis Italian Criminal Code) referred to in art. 25-decies, Legislative Decree 231/01;
- *crimes against industry and trade*, specifically: upsetting the freedom of industry or trade (art. 513 Italian Criminal Code), wilful deceit in trade (art. 515 Italian Criminal Code), sale of non-genuine foodstuff as genuine (art. 516 Italian Criminal Code), sale of industrial products with false signs (art. 517 Italian Criminal Code), production and sale of property by usurping industrial ownership rights (art. 517-ter), counterfeiting geographical indications or appellations of origin of agricultural and food products (art. 517-quater Italian Criminal Code), unlawful competition under threat or violence (art. 513-bis Italian Criminal Code), wilful deceit against national industries (art. 514 Italian Criminal Code), referred to in art. 25-bis.1;

- *crimes relating to false instruments or signs of recognition*, specifically: faking, falsification or use of distinctive marks of intellectual property or industrial products (art. 473 Italian Criminal Code), introduction into the State and trade of products with false signs (art. 474 Italian Criminal Code), referred to in art. 25-bis, Legislative Decree 231/01;

In 2011, the following crimes were added:

- *environmental crimes*, specifically: the killing, destruction, possession or taking of specimens of protected wild fauna or flora species (art. 727-bis Italian Criminal Code), damage to natural habitats (art. 733-bis Italian Criminal Code), unauthorised waste management (art. 256, paragraph 1, letters a) and b], paragraphs 3, 5 and 6, Legislative Decree 152/06), reclamation of areas (art. 257, paragraphs 1 and 2, Legislative Decree 152/06), violation of the obligations of disclosure, of keeping of required registries and forms“ (art. 258, paragraph 4, second sentence, Legislative Decree 152/06), illegal waste trafficking (art. 259, paragraph 1 Legislative Decree 152/06), activities organised for illegal waste trafficking (art. 260, paragraphs 1 and 2, Legislative Decree 152/06), IT waste traceability control system (art. 260-bis, paragraphs 6, 7, second and third sentence and paragraph 8, first and second sentence, Legislative Decree 152/06), crimes relating to emissions (art. 279, paragraph 5 Legislative Decree 152/06), criminal penalties related to the discharge of industrial wastewater (art. 137, paragraphs 2, 3, 5, 11 and 13, Legislative Decree 152/06), importation, exportation or re-exportation, sale, possession for sale, transport etc. in violation of Council Regulation (EC) n. 338/97 of 9 December 1996, as amended and implemented, for the specimens of the species listed in Annex A of the Regulation as amended (art. 1, paragraphs 1 and 2 Law 150/92), importation, exportation or re-exportation of specimens, under any customs system, without the required certificate or licence (etc.) in violation of Council Regulation (EC) n. 338/97 of 9 December 1996, as amended and implemented, for the specimens of the species listed in Annexes B and C of the Regulation as amended, unless the fact amounts to a more serious offence (art. 2, paragraphs 1 and 2 L. 150/92), possession of live mammals and reptiles bred in captivity that are dangerous to public health and safety, subject to Law 11 February 1992, n. 152 (art. 6, paragraph 4 L. 150/92), falsification or alteration of certificates, licences, notifications of importation, declarations, communications of information for the purpose of acquiring a licence or a certificate, use of false or altered certificates or licences (Italian

Criminal Code crimes recalled by art. 3-bis, paragraph 1 Law 150/92), crimes regulated by art. 3, paragraph 6 Law 549/93, unintentional pollution from vessels (art. 9, paragraphs 1 and 2 Legislative Decree 202/07), intentional pollution from vessels (art. 8, paragraphs 1 and 2 Legislative Decree 202/07), referred to in art. 25-undecies Legislative Decree 231/01;

In 2012, the following crimes were added:

- *employment of an illegally staying third-country national* (art. 22, paragraphs 12 and 12-bis, Legislative Decree 286/98) referred to in art. 25-duodecies Legislative Decree 231/01;
- *undue inducement to give or promise advantages* (art. 319-*quater* Italian Criminal Code) referred to in art. 25, paragraph 3 Legislative Decree 231/01;
- *corruption between private entities* (art. 2635 Italian Civil Code) referred to in art. 25-ter Legislative Decree 231/01.

In 2013 the following crime was added:

- *IT fraud, aggravated by the replacement of the digital identity to the detriment of one or more persons* (art. 640 *ter* Italian Criminal Code, paragraph 3);

In 2014 the following crime was added:

- *Solicitation of minors* (Art. 609 *undecies* Italian Criminal Code), which strengthens the scope of the crimes already included in art. 25 *quenuies* of Legislative Decree 231/2001 which entered into force on 6 April 2014 (Legislative Decree n. 39 dated 04/03/2014);

In January 2015 the following crime was added:

- *self-laundering* (law 186/2014); specifically, the crime is committed when either the proceeds of tax evasion or the tax saving generated by false statements, are used within the Company in economic, financial, entrepreneurial or speculative activities.

## **1.2 Conditions for the exclusion of the entity's liability**

Legislative Decree 231/01 provides (articles 6 and 7) an exemption of liability when the Entity has adopted and effectively implemented an organisational, management and control model that is such as to prevent the so-called predicate crimes.

The said Model must meet the following needs:

- to identify the activities within which the crimes referred to in the relevant regulations may be committed;
- to establish specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;
- to define the methods of management of financial resources so as to prevent crimes;
- to establish obligations of disclosure towards the body in charge of supervising the operation of and compliance with the Model;
- to introduce a disciplinary system that is capable of punishing non-compliance with the measures set out in the Model.

Legislative Decree 231/01 also establishes that:

1. before the offence is committed, the executive body must have adopted and effectively put into practice a Model suitable to prevent crimes of the type committed;
2. the task of supervising the operation of and compliance with the Model and seeing to its update, must have been entrusted to a Committee of the entity with independent powers of action and control;
3. the persons committed the crime by fraudulently avoiding the Model;
4. there has been no omitted or insufficient supervision by the Committee in relation to the Model.

The Decree also establishes that the Model may be adopted, ensuring the aforesaid needs, on the basis of codes of conduct drawn up by trade associations, reported to the Ministry of Justice.

## **CHAPTER 2**

### **The ALCANTARA Model**

#### **2.1 Indications given by CONFINDUSTRIA and the Association of Oversight Committees.**

To prepare this Model, the Company has drawn inspiration from the principles referred to in the indications given by CONFINDUSTRIA (guidelines for the drafting of organisational, management and control models - last updated in March 2014) and by the Association of Oversight Committees. These indications are meant for the private sector, as an internal input aimed at mandatorily setting an organizational structure and a governance that are expected to ensure the protection of corporate assets.

The elements that are indicated as essential in the preparation of the Model can be referred to the following activities;

- the drafting of the Code of Ethics;

- the identification of sensitive activities, aimed at assessing in which corporate area/sector crimes may be committed (map of crime risks);
- the preparation of a preventive control system that can prevent risks via the adoption of specific procedures (behavioural protocols);
- the setting up of the Oversight Committee and the obligations of disclosure of the Committee.

The main features of the preventive control system for the purpose of exempting the Company from liability under Legislative Decree 231/2001, are:

- the presence of a sufficiently formalised and clear organisational system, especially in the definition of the assignment of responsibilities;
- the presence of a set of manual and IT procedures that are such as to regulate the conduct of activities, providing for appropriate control points;
- the existence of specific authorisation/signatory powers that are assigned consistently with defined organisational and management responsibilities;
- the presence of a management control system that can ensure the immediate reporting of the existence and arising of general and/or special critical situations;

The above components must be part of a single, complex system that respects the following principles of control:

- assessability, documentability, consistency and reasonableness of every operation and transaction;
- application of the principle of separation of corporate departments ("nobody can autonomously manage an entire process");
- documentation (also via written minutes) of the controls carried out.

## **2.2 The activity and organisational structure of ALCANTARA**

In compliance with the aforesaid indications, ALCANTARA has thus adopted this Model within the meaning of Legislative Decree 231/2001.

ALCANTARA S.p.a. was incorporated in 1981, with its share capital being divided between Gruppo ENI (51%) and Gruppo Toray (49%); in 1995, 100% of the shares of Gruppo ENI were transferred to Gruppo Toray and, immediately after that, Gruppo Toray sold 30% to Gruppo Mitsui.

ALCANTARA has two main operational headquarters:

- the production facilities and Research Centre in Nera Montoro (TR), for an integrated, full cycle plant. The complex production process is divided into several stages and is highly automated;
- the executive offices in Milan which include the Management Department, sales offices, the administrative department and the style office.

"Alcantara", a versatile material used by the most prestigious international companies in diverse applications, is produced at the facility in Nera Montoro. The most important sectors are: Automotive – Interior, Contract & Yacht – Fashion & Accessories – Consumer Electronics.

ALCANTARA has consolidated over time unparalleled technological know-how which enables it to appreciate and meet the technical and style needs of its customers, developing customized colours, product changes and new technology in response to the most complex indications.

The governance bodies of ALCANTARA S.p.a. are the General Assembly, the Board of Directors, the Executive Committee and the Chief Executive Officer. The main internal control bodies are the Board of Auditors, the Oversight Committee and the external Audit Firm for the quarterly audit of accounts and the auditing of the Company's Financial Statements and reporting.

The Company's organisational structure is based on the integrated management of several corporate processes, according to the rules suggested by certified management systems. The Company's organisation chart is marked by a structure based on the commercial divisions that characterize its business, as follows:

## **BOARD OF DIRECTORS**

### **EXECUTIVE COMMITTEE**

#### **CHAIRMAN & CEO**

Head of the Prevention and Protection Service  
Corporate Communication  
Representative of Management

#### **GENERAL MANAGER**

##### **Technical Executive**

Production and Maintenance Activities Manager  
Quality and Technology Manager  
Security and Environment Manager  
Technical Office Manager

##### **Fashion Division Executive**

##### **Pigreco**

**Car Business Management (China – USA – EU – Japan/Korea)**

##### **Staff, Organisation, Sustainability and Systems Management**

Certified Systems Manager  
Staff Manager  
Facility Staff and Organisation Manager  
Central Headquarters Staff Manager  
Security and Headquarters General Services Manager  
IT Systems Manager

### **Innovation & Global Supply Executive**

Global Supply Manager  
Consumer Electronics & Business Div. Executive  
Interior Division Executive  
Research Product Application Development Manager  
Technical Marketing  
Design

### **Finance and Control Executive**

Accounts and Financial Statements and Tax Affairs Manager  
Treasury and Business Credit Manager  
Planning and Control, Auditing and Corporate Affairs Manager

In 2005, ALCANTARA adopted for the first time the Organisational, Management and Control Model under Legislative Decree 231/2001, the Code of Ethics and it also appointed an Oversight Committee.

With the Board of Directors resolution dated \_\_\_\_\_, the Company approves this text which updates both the Model adopted in 2005 and its last update (2012). The changes introduced to the Model and its effective implementation improve the Company's Corporate Governance system since they limit the risk of the commission of crimes and allow the Company to benefit from the exemption laid down in Legislative Decree 231/2001; therefore, this Model is designed to set a structured and organic system of prevention, dissuasion and control aimed at reducing the risk of Crime commission by identifying all Sensitive Activities and the principles of conduct which the Addressees must abide by.

## **2.3 The construction of the Model and its structure**

Please find below a short description of the stages of identification of all Sensitive Activities by the Company, assisted by external consultants, which this Model is based on.

### *1. Identification of Sensitive Activities (As is analysis) and Gap Analysis*

The objective of this stage was the analysis of the corporate environment so as to share with its Top Management the map of sensitive processes and the classification of the main risks. The identification of Sensitive Activities, for the purpose of their correct management, took place as follows:

- collection, via interviews and/or questionnaires, of information used to create a corporate file of activities exposed to the risk of the commission of crimes;
- analysis of corporate documents;
- organisation and summary of information collected in specific "Charts mapping sensitive activities";
- identification and analysis of the controls in place "monitoring" the identified crime risks;
- evaluation as to compliance of the controls with the conditions set out in Legislative Decree 231/2001;
- identification and analysis of the corporate procedures and mechanisms to prevent all the identified crime risks;
- highlighting and assessment of any residual risks (i.e. the identified crime risks without considering the controls in place to monitor them);
- sharing and formalization of the identified situations with the parties involved (sharing of crime risk charts filled out for each office/function/management).

This analysis led to the identification, within the corporate structure, of a number of Sensitive Activities that are especially exposed to the abstract risk of the commission of the so-called predicate crimes.

This stage was followed by an assessment of the methods of management and control of all Sensitive Activities and their conformity to widely accepted internal control principles, identifying the ameliorating actions to be put in place both in terms of internal procedures and organisational requirements so as to define the Company's Model under Legislative Decree 231/01.

## **2.4 The guiding principles of the Model**

In the preparation of this Model, regard was had to the procedures and control systems already in place and operating within the Company, as identified during the "as-is" analysis, being these suitable to act also as measures to prevent the so-called predicate crimes and to control the processes involved in the Sensitive Activities.

These procedures are not reported in detail in this Model; rather, they are part of the broader organisational and control system which it intends to integrate.

The key guiding principles of the Model, in addition to the points above, are:

- 1) the indications given by CONFINDUSTRIA and the Association of Oversight Committees, which the map of Sensitive Activities is based on;

- 2) the requirements indicated by Legislative Decree 231/2001, specifically:
  - the assignment to an in-house Oversight Committee of the task of verifying the effective and proper implementation of the Model, also by monitoring corporate conduct and the right to constant information on relevant activities for the purpose of Legislative Decree 231/2001;
  - the allocation to the Oversight Committee of resources that are adequate to the tasks assigned and to the expected and reasonably obtainable results;
  - the verification of the adequacy of the Model and its periodical update (so-called ex post control);
  - the awareness and circulation at all company levels of the rules of conduct and procedures in place;
- 3) the general principles of an adequate internal control system, specifically:
  - the assessability and documentability of all relevant operations for the purposes of Legislative Decree 231/2001;
  - compliance with the principle of separation of the various corporate departments;
  - the definition of authorisation powers that are consistent with the responsibilities assigned;
  - the reporting of relevant information to the Oversight Committee;
- 4) risk prevention via the adoption of specific procedural principles aimed at planning the formation and implementation of corporate decisions on the crimes to be prevented.

## **2.5 The adoption and update of the Model**

As is specified in point 2.2, the Company had deemed it appropriate to update both the Model adopted in 2005 and its latest update (2012) so as to consider the new categories of crime introduced by Parliament into the Decree; with its resolution dated \_\_\_\_\_, the Company adopted this text which complies with the rules in force and with current corporate needs. Since the Model is issued by the Company's Executive Body, in compliance with art. 6 paragraph 1, letter a), Legislative Decree 231/2001, any later amendments and additions are left to the Board of Directors, which relies on the experience and indications of the Oversight Committee.

By adopting the Model, the Company is obliged to adapt and amend it both subsequent to any amendments to the regulations

and any changes affecting the various branches of the company, as well as on the basis of the outcome of its application. The intention is to update the Model in a continuous, productive manner.

As a result, independently from its commitment to promptly comply with the requirements set out in the previous paragraph, ALCANTARA intends to have the whole of this Model checked, if necessary with the involvement of external consultants, at periodic intervals.

The Addressees will be suitably informed of any amendments that may be made to this Model under supervision of the Oversight Committee.

## **2.6 Addressees of the Model**

The principles and provisions of this Document must be complied with by:

*i)* the members of the Board of Directors and of the Board of Auditors; *ii)* executives, *iii)* employees in any position, role or level, with open-ended or short-term contracts, *iv)* temporary workers, interns, contract workers, *v)* consultants, collaborators, suppliers and partners, if any, to the extent in which they may be involved in activities in which the predicate crimes listed in the Decree may be committed, *vi)* anyone acting under the direction and/or supervision of the Company's Top Management within the scope of the duties and functions assigned thereto.

The above individuals are defined as "Addressees".

## **CHAPTER 3**

### **The Oversight Committee**

#### **3.1 Identification of the Oversight Committee**

According to Legislative Decree 231/01, the task of supervising the operation of and compliance with the Model as well as its updating, must be entrusted to a company body (art. 6.1 letter b) of Legislative Decree 231/01) with independent powers of action and control.

The guidelines collected suggest that the body must be within the company's operational structure, characterized by autonomy, independence, professionalism, operational efficiency and continuity of action.

"Within the company" means a body appointed by the Company whose members are internal or also external to the Company and that exclusively takes care of the supervision and control relating to the Model, with no delegated powers and accounting directly to the Company's Top Management.

The assignment of supervision powers to a body chaired by an external President is favoured by the Company so as to provide the said body with the professional skills required for correct and efficient operations and to ensure its independence and autonomy, considering also the conditions required by law and recent case-law on this matter; specifically;

- a) **autonomy and independence.** The requisites of autonomy and independence are essential and imply that the Oversight Committee cannot be directly involved in any management activities that are subject to its control; in addition, the Oversight Committee should account, in the performance of its duties, solely to the Company's top managers (e.g. the Board of Directors).

In particular, the Oversight Committee:

1. must have actual powers of inspection and control;
2. must have access to relevant corporate information;
3. must have adequate financial resources and must be able to rely on instruments, supports and experts in the performance of its monitoring activity;

The independence of the Oversight Committee is guaranteed by the obligation of the executive body to approve, when preparing the Company's budget, adequate financial resources, also at the suggestion of the Committee itself, which the latter can use for any need relating to the proper performance of its duties (e.g. expert advice, business trips, etc.).

In any event, the Company's Board of Directors believes that the Oversight Committee can autonomously use resources that exceed its spending powers where the use thereof is necessary to meet any exceptional and urgent needs. In these cases, the Oversight Committee is required to promptly inform the Company's Board of Directors.

- b) **honourability and causes for ineligibility** The following individuals cannot be elected as members of the Oversight Committee and, if they are, they necessarily lose office:
1. those who are in the conditions laid down in art. 2382 of the Italian Civil Code, namely any individual who is incapacitated, disqualified, bankrupt or who has been condemned to a penalty that involves a ban - also temporary - from public positions or the incapacity to hold executive positions;
  2. those who have been subject to prevention measures by judicial authorities within the meaning of Law 27 December 1956 n. 1423 ("law on prevention measures against people

posing a threat to safety and public morality") or Law 31 May 1965 n. 575 ("law against the Mafia");

3. those who have been condemned, even if the sentence is not yet *res judicata*, or omitted as under art. 444 et seq. Italian Code of Criminal Procedure or even with a conditionally suspended penalty, subject to the effects of rehabilitation:
    - to imprisonment for at least one year, for one of the crimes listed in Chapter XI of Book V of the Italian Civil Code (General provisions on Companies and consortia) and in Royal Decree 16 March 1942, n. 267 (regulations on bankruptcy, composition with creditors, receivership and compulsory winding-up);
    - to a detention penalty for at least one year, for one of the crimes established by the regulations on bank, financial, security, insurance activities and by the rules on markets and securities, payment instruments (including, but not only, the crimes of unauthorized banking and financing, referred to in art. 130 et seq. of the Consolidated Banking Act, the crimes of forgery of money, spending and introduction into the State, with a prior concerted agreement, of forged money referred to in art. 453 Italian Criminal Code, the crimes of fraudulent damage to insured goods and fraudulent mutilation of oneself referred to in art. 642 Italian Criminal Code);
    - to imprisonment for at least one year for a crime against the public administration, public faith, the public heritage, public order, public economy or for a tax offence;
    - to imprisonment for at least two years for any offence committed with criminal intent;
    - for one or more offences strictly indicated in Decree 231;
  4. those who have been a member of the Oversight Committee of Companies to which the penalties set out in art. 9 of Decree 231 have been applied;
  5. those who have been subject to the ancillary administrative penalties set out in art. 187 quater of the Italian Finance Consolidation Act (Legislative Decree n. 58/1998). In particular, the Oversight Committee has not been convicted, not even on a provisional basis, neither has it bargained pleas for crimes implying a ban from public positions or the crimes referred to in Legislative Decree 231/01;
- c) **proven professionalism, specific inspection and advisory skills.** The Oversight Committee must have internal technical-professional skills that are adequate to its duties. These features, combined with its independence, ensure the objectiveness of its opinions; therefore, the Committee should include members with adequate professional expertise in legal, control and corporate risk management issues. In

addition, the Oversight Committee, also via external professionals, may refer to corporate organisation, auditing, accounting and finance experts. Lastly, the Oversight Committee must be familiar with compliance and internal audit principles and techniques.

- d) **continuity of action.** The Oversight Committee carries out, on an on-going basis, the activities required to oversee the Model, with adequate commitment and necessary powers of investigation; it is referable to the Company so as to ensure the required continuity of its controls; it takes care of implementing the Model, ensuring its constant update; it does not carry out operational tasks that might influence and compromise the overall vision of the Company's business which is required thereof;
- e) **availability of organisational and financial means required to perform its duties.** The so-established Oversight Committee will lay down its own operational rules in specific regulations.

The assignment of powers to the Oversight Committee and its revocation (for instance, in case of violation of its duties under the Model) are reserved to the Board of Directors, which cannot elect as member of the Committee any individual who has been convicted, even in the first instance or as a result of plea bargaining, for the crimes set out in Legislative Decree 231/01 or crimes whose maximum statutory penalty exceeds 5 years. The revocation of its powers is allowed both for good cause (e.g. disloyalty, inefficiency, negligence, etc.) and in case of a sudden impossibility, i.e. when the conditions of independence, impartiality, autonomy, honourability, lack of conflict of interest or family relations with the Company's bodies and top management that apply to the Committee's members, are no longer met, or when the latter cease their employment/collaboration with the Company.

In accordance with the Decree and with the above points, the Company's Board of Directors believes that an Oversight Committee made up of several members - an external member (Mr. Gianfranco Polo) and two internal members (Mr. Giorgio Maroli and Mr. Corrado Colombo), in office until approval of the Financial Statements at 31 March 2017 - is suited to best meet the conditions set out in the Decree.

### **3.2 Functions and powers of the Oversight Committee**

**The Oversight Committee is entrusted with the task to oversee:**

- compliance with the Model by its Addressees;

- the operation of the Model;
- the advisability of suggesting an update of the Model to the Board of Directors where the Model needs to be updated to new company and/or regulatory conditions, prompting the competent bodies to this end.

Specifically, the Oversight Committee is also entrusted with the following tasks:

i. Verification and control:

- a) to examine the Company's business in detail in order to update the map of Sensitive Activities;
- b) to carry out periodic checks on certain operations or specific actions taken by the Company, especially within the framework of the Sensitive Activities, whose results must be summarized in a report to be submitted in the course of reporting to the relevant corporate bodies;
- c) to collect, process and store relevant information on compliance with the Model and to update the list of information to be transmitted or that needs to be available thereto;
- d) to liaise with other company departments (also via specific meetings) to better monitor the activities relating to the procedures set forth in the Model. To this end, the Oversight Committee has access to all documents deemed relevant thereby and must be constantly informed by the relevant company departments: a) on the aspects of the Company's business that might expose it to the risk of the commission of a Crime (reference to the type of crimes Special Part – Information flows to the Oversight Committee); b) on the extraordinary operations of the Company; c) on all relations with external parties and partners operating with the Company within the framework of the Sensitive Activities;
- e) to start and conduct internal investigations, liaising from time to time with the company departments concerned to acquire further information for such investigations.

ii. Training:

- a) to help [\*] in the establishment of training programmes for Employees and Corporate Bodies and of the content of periodical communications to be sent to all Addressees, designed to ensure their awareness and basic knowledge of the provisions of Legislative Decree 231/01;
- b) to monitor the steps taken to spread knowledge and understanding of the Model and to prepare the necessary

internal documents for its effective implementation, containing instructions for use, clarifications or updates thereof;

iii. Penalties:

- a) to liaise with the competent company departments and with Corporate Bodies to evaluate the adoption of any penalties or disciplinary measures, without prejudice to the power reserved to the Board of Directors to apply penalties and the corresponding disciplinary procedure.

iv. Updates:

- a) to interpret the relevant regulations also in relation to the Model;
- b) to assess the need to update the Model also via specific meetings with the company departments concerned;

According to law, the Oversight Committee has autonomous powers of action and control to oversee the operation of and compliance with the Model, though has no coercive powers or powers of action in relation to the Company's structure or sanctioning powers, which are vested in the competent Corporate Bodies or company departments.

Considering the peculiar nature of the powers and specific professional skills required thereof, the Oversight Committee will be constantly supported in its oversight and control activities also by all the Company's executives and managers. Within the scope of their functions and within the limits of their assignments, the latter are primarily accountable for: 1) controlling the activities and areas pertaining thereto; 2) ensuring compliance with the Model by the Employees under their direction; 3) promptly and accurately informing the Oversight Committee of any anomalies, problems and/or critical issues.

The Oversight Committee may ask executives to perform specific controls on the correct and exact operation of the Model.

All those acting within the Company's structure are required to oversee and inform the Oversight Committee as to the correct application of this Model, each within their operational scope of action.

Whenever it is deemed necessary to carry out controls and to ensure compliance with this Model, the Oversight Committee may rely on further resources, chosen within the various company departments, without any limits in terms of time and number.

The autonomy and independence which must characterise the Oversight Committee's activities have called for the introduction of some forms of protection to its benefit, so as to ensure the

effectiveness of the Model and avoid its controls leading to retaliations against it.

Therefore, all decisions on remunerations or penalties relating to the Oversight Committee and its members, fall within the exclusive competence of the Board of Directors.

### **3.3 Reporting by the Oversight Committee**

The Oversight Committee reports directly to the Board of Directors and to the Board of Auditors on the implementation of the Model and on any related problems.

The Oversight Committee has two reporting lines:

- the first, on an ongoing basis, to the Chief Executive Officer (Oversight Committee minutes);
- the second, on an annual basis, to the Board of Directors and the Board of Auditors;

The Oversight Committee prepares: on a yearly basis, a report for the Board of Directors containing, in particular, a summary description of all the activities carried out in the year, the controls and verifications performed, the update (if any) of the map of Sensitive Activities and the most relevant issues; the report includes also an annual plan of activities for the following year.

If the Oversight Committee finds problems concerning any of the aforesaid bodies, the corresponding report shall be sent promptly to one of the other bodies.

In any event, reporting always concerns:

1. the activities carried out by the Oversight Committee office;
2. any problems (and ideas for improvement) that have emerged both in terms of conduct or events within the Company, and in terms of efficiency of the Model.

The meeting with the bodies which the Oversight Committee accounts to, must be reported in minutes and a copy thereof must be kept by the Committee and by the bodies concerned.

### **3.4 Disclosure obligations vis-à-vis the Oversight Committee**

The Oversight Committee must be immediately informed by the Addressees of the Model, via specific tip-offs, of any events that might give rise to responsibility for the Company under Legislative Decree 231/01.

On this point, there apply the following general rules:

- The Employees are required to report to the Oversight Committee the commission, or the reasonable belief of commission, of the Crimes even where there is no relevant communication in accordance with the Decree; the Corporate Bodies and the employed executives and managers of each company department report to the Oversight Committee, at least once a year, the absence of events, which they are aware of, which might have any connection with the Crimes;
- employed executives and managers of each company department are required to report to the Oversight Committee any breach by the Employees, of which they become aware; even in the absence of such breach, employed executives and managers of each company department report to the Oversight Committee, at least once a year, the absence of breaches of the Model;
- those making a tip-off in good faith must be protected against any form of retaliation, discrimination or penalisation and, in any case, their identity will be kept secret (or else, the disclosing person will lose office), without prejudice to statutory obligations and to the protection of the rights of the Company or of the persons who are accused erroneously and/or in bad faith;
- any tip-offs must be made by the Employees to their hierarchical superior who will then submit them to the Oversight Committee. If these tip-offs cannot be reported to the Oversight Committee by the hierarchical superior or if the Employee is not psychologically at ease with the idea of making a tip-off to his hierarchical superior, the tip-off can be made to the Oversight Committee directly.

#### Tip-off and reporting manner

The staff and all those acting in the name and on behalf of ALCANTARA who acquire information on the commission of crimes within ALCANTARA or on practices that are not in line with the rules of conduct and the principles of the Code of Ethics, are required to promptly inform the Oversight Committee. These reports, whose confidentiality must be ensured, can be sent by email to:

**[organodivigilanza@alcantara.com](mailto:organodivigilanza@alcantara.com)**

On this point, it is recalled that workers have in any case an obligation of due care and loyalty to their employer under art.s 2104 and 2105 of the Italian Civil Code; therefore, the worker's

proper fulfilment of his obligation of disclosure cannot lead to the application of disciplinary measures.

In the course of the investigation following a report, the Oversight Committee must act in such a way as to make sure that the persons involved are not subject to any retaliation, discrimination or penalisation, thus ensuring the confidentiality of the person making the report (except as otherwise required by law).

The Oversight Committee assesses the reports it receives; any measures taken thereafter are applied in accordance with Chapter 5 below (disciplinary system).

The Oversight Committee is not required to consider anonymous tip-offs that appear *prima facie* to be irrelevant, groundless or not circumstantial.

#### Compulsory reports

In addition to the reports relating to the general breaches described above, the Employees are required to immediately send to the Oversight Committee, any information on:

- fraudulent conduct or conduct in breach of this Model though limited to the Crimes listed in Legislative Decree 231/01;
- summary reports on measures and/or news from criminal police bodies or from any other authority, from which it is inferred that investigations are being conducted for the crimes regulated in the Decree which may involve the Company;
- communications, requests for information and/or orders for the production of documents to/by any public authority, which can be connected with circumstances that may be relevant for any declaratory judgement of responsibility under the Decree;
- requests for legal advice by executives/employees in case of a legal action for the crimes regulated in the Decree;
- summary of pending litigation as under the Decree;
- communication on Model and/or Code of Ethics updates;
- minutes of internal investigations which have established alleged or ascertained breaches of the principles contained in the Model, the Code of Ethics or corporate procedures;
- copy of the disciplinary steps taken for any breaches of the Model, the Code of Ethics and corporate procedures;
- copy of the reports drawn up following investigations on any alleged breach of the Model, the Code of Ethics and corporate procedures, which have led to non-application of penalties, giving reasons therefor;
- list of public funding applied for and granted;
- plan of training activities on Decree 231 issues;
- communication on the issue, amendment or integration of relevant procedures for the purposes of the Model;
- copy of the minutes of the authorities which have underlined organisational failures in the field of health and safety at work;

- copy of the minutes of the meetings held under art. 35 Legislative Decree 81/08;
- communications of updates to the Risk Assessment Documents;
- statistics on injuries, accidents at work and professional illnesses and corresponding accompanying reports;
- copy of the Board of Auditors' communication on any failures of the Internal Control System, on criticisable facts, comments on the Financial Statements;
- summary report on the minutes evidencing problems arisen in the course of inspections by Public Authorities;
- information on the status of implementation of prevention protocols in areas that are exposed to the commission of crimes and that pertain thereto, giving reasons for any deviations or for any need to change such protocols, and any anomaly or atypical situation arising in the course of the activities;
- list of gifts given to Public Authorities representatives and any entertainment expenses;
- list of professional assignments and consultancy services outsourced to third parties;
- relations with new banks and opening of new lines of credit;
- information on any spending anomaly by the Company;
- report on the activities and controls carried out and any reports made in accordance with anti-laundering regulations;
- excerpt of the Minutes of the Board of Directors and of the Board of Auditors on resolutions concerning the Oversight Committee;
- information on issues relating to IT security and the so-called IT crimes.

In any case, if an Addressee fails to meet the disclosure obligations set out above, he will be subject to a disciplinary measure that will be proportionate to the seriousness of such breach and that will be applied in accordance with the rules set out in Chapter 5 of this Model.

## **CHAPTER 4**

### **Training and circulation of the Model**

#### **4.1 Training and information of employees**

For the purpose of effectiveness of this Model, the Company intends to make sure that its (present and future) Employees are familiar with and share the rules of conduct contained therein. The extent of training and information differs according to the different level of involvement of the Company's staff in Sensitive Activities.

#### The initial communication

The adoption of the Model is communicated to the Employees at the time of such adoption.

Any newly-hired employees are given an information package to ensure that they have the same basic information. In addition to the documents customarily given to new employees, this package must contain the Model and Legislative Decree 231/01. The new employees are required to provide the Company with a signed statement in which they acknowledge receipt of such information and declare they are familiar with its attachments, undertaking also to abide by their provisions.

### Training

Training, which is designed to raise awareness of the Model, differs in its content and method of supply according to the qualification of the addressees, the level of risk of the area in which they work, their holding or not holding the power to represent the Company.

In particular, different levels of information and training are in place, via suitable circulation means, for:

1. Employees with an executive position;
2. Employees without an executive position;
3. Members of the Board of Directors and of the Board of Auditors.

The information and training system is overseen and integrated by the Oversight Committee's action in this field. The Oversight Committee is also required to control the quality of the content of the so-described training programmes.

All training programmes have a minimum common content, consisting in the illustration of the principles of Legislative Decree 231/01, the founding elements of the Model, the single types of so-called predicate crimes and of behaviour that is considered sensitive in relation to the commission of such crimes.

In addition to this common scheme, each training programme is modulated to provide its beneficiaries with the tools required to fully comply with the Decree in relation to their scope of operation and duties.

Participation in the so-described training programmes is compulsory and the Oversight Committee must check actual attendance.

If reasons are not given for non-participation in training programmes, a disciplinary penalty will be applied in accordance with the rules set out in Chapter 5 of this Model.

## **4.2 Supervision Obligations**

All the employed executives or managers of a company department are required to supervise activities, paying utmost attention and care in relation to all Employees towards whom they are in a direct and indirect hierarchical superior position. They are also required to report to the Oversight Committee any irregularity, breach or failure to comply with the principles set out in this Model.

If an employed executive or manager of a company department fails to meet these obligations, he will be sanctioned according to his hierarchical position within the Company, in accordance with Chapter 5 below.

## **CHAPTER 5**

### **Disciplinary System**

#### **5.1 Function of the Disciplinary System**

The definition of a system of penalties (proportionate to the breach and with a deterrent effect) that apply in case of a breach of the rules set out in this Model, makes the supervisory activity of the Oversight Committee efficient and is designed to ensure the effectiveness of the Model itself. In fact, the definition of a disciplinary system, in accordance with art. 6, paragraph 1, letter e), Legislative Decree 231/01, is required in order for the entity to be exempted from liability under the Model.

The application of the disciplinary system presupposes a breach of the measures set out in the Model; therefore, the system applies regardless of the conduct and outcome of a criminal action, if any, brought by the judicial authority, where the conduct is such as to amount also to a type of crime that is relevant under Legislative Decree 231/01.

#### **5.2 Disciplinary System for employees**

The breach by Employees who are subject to the CCNL, of the single rules of conduct set out in this Model, amounts to a disciplinary offence.

##### **A. Employees without an executive position**

The disciplinary measures that are applicable to these workers - in compliance with the procedures set out in art. 7, Law 30 May 1970, n. 300 (Workers' Charter) and any applicable special rules - are those of the penalty system laid down in the National Collective Labour Agreement for this industry; specifically:

**Verbal warning:** this applies in case of a minor breach of the principles and rules of conduct set out in this Model; such

conduct is connected with a minor breach of contractual provisions or of the directives and instructions given by the Company's management or the employee's superiors.

**Written warning:** this applies in case of a breach of the principles and rules of conduct set out in this Model, in relation to a non-compliant or inadequate conduct which, despite not being a minor breach, is not a serious one; such conduct is connected with a non-serious breach of contractual provisions or of the directives and instructions given by the Company's management or the employee's superiors;

**Fine not exceeding 4 hours of individual pay:** it applies in case of a repeated breach referred to in a verbal or written warning.

**Suspension from work and pay for up to 5 days:** this applies in case of a breach of the principles and rules of conduct set out in this Model, in relation to a rather serious conduct that is non-compliant with or inadequate to the Model. This includes the breach of the obligations of disclosure towards the Oversight Committee in relation to the commission of crimes, even where only attempted, and any breach of the Model. The same penalty applies in case of a repeated failure to participate (whether in person or in any other way requested by the Company), for no good reason, in the training programmes offered over time by the Company in relation to Legislative Decree 231/2001, the organisational, management and control Model and the Code of Conduct adopted by the Company or related issues.

**Suspension from work and pay for 6 to 10 days:** this applies in case of breaches that are more serious than the breaches referred to in the previous point.

**Disciplinary dismissal with prior notice:** this applies in case of serious and/or repeated breaches of the rules of conduct and procedures set out in the Model, which are not in contrast with statutory and contractual provisions.

**Disciplinary dismissal without prior notice:** this applies in the case of an intentional conduct that is in contrast with the provisions of this Model which, even if only open to amount to

one of the crimes punished by the Decree, breaks that element of trust that is typical of the work relationship or is so serious as to prevent its continuance, even only on a provisional basis. The breaches that are subject to this penalty include the following intentional conduct:

- drawing up of incomplete or untruthful documents;
- omitted preparation of the documents required by the Model;
- breach or avoidance of the control system laid down in the Model, however carried out, including by removing, destroying or altering documents relating to the procedure, hindering controls, impeding access to information and documents by persons in charge of controls or decisions.

All the provisions laid down in law and in the applicable CCNL, on the procedures and obligations that must be fulfilled when applying penalties, are not prejudiced and are deemed referred to herein.

As regards the ascertainment of breaches, the disciplinary procedures and the application of penalties, the powers already conferred to the competent corporate bodies and company departments remain unchanged, within the limits of their scope of action.

Without prejudice to the obligations of the Company under the Workers' Charter and the applicable CCNL, the punishable behaviours that amount to a breach of the Model are:

### **B. Employees with an executive position**

In case of a breach, by a Company executive, of the procedures set out in this Model or of his adoption, in performing Sensitive Activities, of a conduct that is not in accordance with the Model itself, the Company applies thereto the most suitable measures, in accordance with the relevant provisions. The minimum penalty is a verbal or written warning. In addition, depending on the seriousness of the breach, the employee may be dismissed and a penalty may be applied based on the reduction of his annual premium, if any; in addition, such conduct may lead to worse MBO results with an ensuing reduction in the variable part of the employee's pay.

Without prejudice to the obligations of the Company under the CCNL and the applicable internal regulations, the punishable behaviours that amount to a breach of the Model are:

- the breach of disclosure obligations vis-à-vis the Oversight Committee in relation to the commission of relevant crimes, even if only attempted;
- the breach by the executive of the rules of conduct set out herein;
- the adoption, in the performance of one's duties, of conduct that is not reasonably expected of an executive, in relation to the position held and the level of autonomy granted.

As regards the ascertainment of breaches and the application of penalties, the powers already conferred to the competent corporate bodies and company departments remain unchanged, within the limits of their scope of action.

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The penalties and any claim for damages are proportionate to the extent of responsibility and autonomy of the employee and of the executive, to any disciplinary precedents of the employee, to the intentional nature of his conduct and the seriousness thereof, this meaning the level of risk which the Company is reasonably exposed to - within the meaning of Legislative Decree D.Lgs. 231/01 – as a result of the criticised conduct.

### **5.3 Measures against Directors, Auditors and external parties.**

#### **a) Measures against Directors**

In the case of a breach of the Model by one or more members of the Board of Directors, the Oversight Committee informs the Board of Auditors and the entire Board of Directors who take the appropriate action; for instance, they might call the General Assembly to take the most suitable measures laid down in law and/or they might revoke any powers delegated to the Director or reduce his emoluments.

In addition, at the time of appointment of the new Directors, these will undertake unilaterally in writing to meet the obligations laid down in the Decree and to resign,

renouncing their pay for the year in progress, if they are convicted of a Crime, even only in a first instance Court.

**b) Measures against Auditors**

In the case of a breach of this Model by one or more Auditors, the Oversight Committee informs the entire Board of Auditors and the Board of Directors who take the appropriate action; for instance, they might call the General Assembly to take the most suitable measures laid down in law and, in particular, those set out in Legislative Decree 39/2010.

**c) Measures against external parties**

Any breach of the rules set out in this Model that apply to external parties or Partners or any commission of the Crimes laid down in the Model, is punished in accordance with the specific contractual clauses included in their contracts.