

S.I.P.A. S.p.A.

**ORGANISATION, MANAGEMENT AND
CONTROL MODEL
PURSUANT TO DECREE 231/2001**

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Glossary of terms

Company – “S.I.P.A. SOCIETA’ INDUSTRIALIZZAZIONE PROGETTAZIONE E AUTOMAZIONE S.P.A.”, VAT no. 01118790268, with registered offices at via Caduti del Lavoro 3, Vittorio Veneto (TV), whose corporate objects comprise the design, manufacture and sale of computerised flexible manufacturing systems (FMS) and plant, machinery and equipment in general, as well as the related maintenance, support and consultancy services of all types and kinds (hereinafter, SIPA).

Sensitive areas – Parts of the company in which sensitive activities are carried out.

Sensitive activities – Activities subject to the risk of committing the offences envisaged in the relevant regulations (Decree 231/2001 and subsequent amendments and additions).

Business – Combination of assets and activities organised by SIPA in pursuit of its corporate objects.

CCNL – National collective employment contract for the engineering sector.

Collaborators – Parties linked to SIPA by partnership-style relationships or by employment or near-employment relationships of any kind or, in any case, those that act in the interests, in the name or on behalf of the organisation.

Consultants – Parties that carry out their activities for the benefit of SIPA under a freelance contractual relationship.

Decree – Legislative Decree no. 231 dated 8 June 2001 and subsequent amendments and additions.

Recipients – Employees, directors, auditors, consortium members, consultants, external collaborators and partners of SIPA that directly or indirectly, for any reason, are required to know and apply the instructions, principles and procedures contained and/or referred to in the Model.

Employees – Parties linked to SIPA by an employment contract (including executives) or by a contractual relationship with similar characteristics.

Documents – Collection of written analyses that contribute to the the formation of the Organisation, Management and Control Model of the Company.

Organisation – “S.I.P.A. SOCIETA’ INDUSTRIALIZZAZIONE PROGETTAZIONE E AUTOMAZIONE S.P.A.” (hereinafter, SIPA)

Guidelines – Guidelines issued by CONFINDUSTRIA, approved by the Ministry of Justice in the Min. Decree dated 4.12.2003, and most recently amended and approved by the Ministry of Justice on 21 July 2014.

Mapping of risk areas – Identification of those parts of the Company in which sensitive activities are carried out.

Model – Organisation, Management and Control Model envisaged by arts. 6 and 7 of Decree 231 dated 8 June 2001.

National reference regulation – Decree 231 dated 8 June 2001 and subsequent amendments and additions.

EU reference regulations - Brussels Convention of 26 July 1995 on the “Protection of the European Communities’ financial interests”, Brussels Convention of 26 May 1997 on the “Fight against corruption involving officials of the European Communities or officials of Member States of the European Union”; OECD Convention of December 1997 on “Combating bribery of foreign public officials in international business transactions”; Law 146 of 16 March 2006 (Ratification and execution of the Convention and Protocols of the United Nations against transnational organized crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001); Directive 2008/99/EC on the “Protection of the environment through criminal law”. In general, the EU regulatory sources that have influenced, even if only indirectly, the Italian regulations on the administrative responsibility of organisations (Decree 231/2001).

SB - Supervisory Body envisaged in art. 6 of Decree 231/2001, tasked with supervising compliance with and updating the Model.

Sensitive Transaction – Operation carried out in the context of the sensitive activities (Decree 231/2001).

P.A. – Bodies, sections, offices of the national or local Public Administration, with particular reference to the sensitive activities for the commitment of offences against the Public Administration.

Partners – Parties that collaborate with SIPA in the course of their own activities (e.g. partnerships, joint ventures, contracts etc.).

Stakeholders – The owners, employees and collaborators, consultants and representatives of SIPA on whatsoever basis (e.g. holders of powers of attorney, mandates).

Crimes – Range of crimes envisaged in Decree 231/2001 and subsequent amendments and additions.

Owners – The owners of shares in SIPA.

Senior persons - Persons who represent, manage or direct SIPA or a unit with financial and functional autonomy, as well as any persons who manage or control the organisation, whether formally or on a de facto basis.

Subsequent amendments and additions - Law 49 dated 23 November 2001 (art. 25-*bis* of Decree 231/2001); Decree 62 dated 11 April 2002 (art. 25-*ter* of Decree 231/2001); Law 7 dated 14 January 2003 (art. 25-*quater* of Decree 231/2001); Law 228 dated 11 August 2003 (art. 25-*quinquies* of Decree 231/2001); Law 146 dated 16 March 2006; Decree 231 dated 21 November 2007 (art. 25-*octies* of Decree 231/2001); Law 48 dated 18 March 2008 (art. 24-*bis* of Decree 231/2001); Law 94 dated 15 July 2009 (art. 24-*ter* of Decree 231/2001);

Law 99 dated 23 July 2009 (arts. 25-*bis*.1 and 25-*novies* of Decree 231/2001); Decree 121 dated 7 July 2011 (art. 25-*undecies* of Decree 231/2001); Law 190 dated 6 November 2012 (additions to art. 25 and art. 25-*ter* of Decree 231/2001), Law 68 dated 22 May 2015.

In general, the legislation that implemented the range of offences envisaged in the original measure that established the administrative responsibility of organisations (Decree 231/2001).

GENERAL PART

Chapter 1 – Regulatory references

1.1 Decree 231/2001 – General principles

Decree 231 dated 8 June 2001 on «Governance of the administrative responsibilities of legal persons, organisations and associations, including those that are not legal persons», in force from 4 July 2001, was issued in accordance with the mandate granted by parliament to the government pursuant to art. 11 of Law 300 dated 29 September 2000 and added a system for regulating the administrative responsibilities of entities to the Italian legal system.

Art. 5, para. 1, establishes that the organisation is responsible if certain offences are committed in the interests or for the benefit of the organisation by the following parties:

- parties that represent, manage or direct the organisation or a unit with financial and functional autonomy, as well as any persons who manage or control the organisation, whether formally or on a de facto basis (directors, general managers, deputy general managers);
- parties subject to management and supervision by the above-mentioned parties (employees who are not executives, collaborators, consultants etc.).

Interest is different to benefit:

- interest is determined *ex ante* and is normally identified when the actions of a natural person did not conflict with the interests of the organisation;
- benefit by contrast objectively determined *ex post*, so the organisation may be responsible even if the party acted without considering the resulting benefits that the conduct would have for the organisation.

Interest and benefit are alternative requirements that do not necessarily have to co-exist in order to establish responsibility pursuant to Decree 231/2001.

Should one of the above-mentioned parties enter into a criminal activity included among those identified in the above regulations, the criminal responsibility of that person will exist alongside the responsibility of the organisation in whose interests or for whose benefit that activity was carried out.

1.2 Types of offence

Decree 231/2001 envisages the following types of offence:

- offences against the Public Administration;
- falsification of cash, government-issued bearer bonds and duty-paid stamps and documents – art. 6 of Law 406/2001 added art. 25-*bis* to Decree 231/2001;
- corporate offences – Decree 61/2002 added art. 25-*ter* to Decree 231/2001;
- terrorism or the subversion of democratic order – Law 7/2003 added art. 25-*quater* to Decree 231/2001;
- mutilation of female genitals - Law 7/2006 added art. 25-*quater*.1 to Decree 231/2001;

- offences against individual freedom – Law 228/2003 added art. 25-*quinquies* to Decree 231/2001;
- market abuse (Law 62/2005) - Decree 58/1998 added art. 25-*sexies* to Decree 231/2001;
- transnational offences, as envisaged and broadened in Law 146/2006;
- crimes deriving from violation of the regulations governing health and safety in the workplace (manslaughter and personal injury through negligence) - Decree 123/2007 added art. 25-*septies* to Decree 231/2001;
- receiving, recycling and use of money, assets or benefits deriving from illegal sources – Decree 231/2007 added art. 25-*octies* to Decree 231/2001;
- violation of authorship rights - Law 99/2009 added art. 25-*novies* to Decree 231/2001;
- IT crimes and improper data processing pursuant to art. 24-*bis* of Decree 231/2001, added by Law 48/2008;
- organised crime – Law 94/2009 added art. 24-*ter* to Decree 231/2001;
- offences against trade and industry – Law 99/2009 added art. 25-*bis.1* to Decree 231/2001;
- inducement to not make declarations or to make false declarations to the judiciary – Law 116/09 added art. 25-*decies* to Decree 231/2001;
- environmental offences – Decree 121/11 added art. 25-*undecies* to Decree 231/2001, as broadened by Law 68/2015;
- improper inducement to give or promise benefits (art. 319-*quater*, criminal code) – Law 190/12 added that offence to art. 25 of Decree 231/2001;
- corruption between private persons (art. 2635, civil code) – Law 190/12 added that offence to art. 25-*ter* of Decree 231/2001;
- employment of foreign citizens without a proper permit – Law 109/12 added art. 25-*duodecies* to Decree 231/2001.

1.3 System of penalties

The system of penalties described by Decree 231/2001 for parties that commit the offences listed above involves the following administrative penalties:

- pecuniary penalties;
- suspensions (sometimes with precautionary measures) for not less than three months and not more than two years. These may involve:
 1. ban on carrying out activities;
 2. suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence;
 3. ban on contracting with the Public Administration, except in order to obtain a public service;
 4. exclusion from access to assistance, loans, grants or subsidies and the possible revocation of those already obtained;
 5. prohibition from advertising goods or services.
- confiscation (and precautionary seizure);
- publication of sentences that include a ban on activities.

i) Pecuniary Administrative Penalty

The pecuniary administrative penalty, governed by art. 10 et seq. of Decree 231/2001, is the “basic” penalty that is always applicable and paid from the net assets or central fund of the entity.

The legislator has adopted an innovative criterion for the determination of the penalty, requiring the judge to make two different, consecutive assessments. This results in closer alignment of the penalty with the seriousness of the deed and the economic condition of the organisation.

During the first assessment, the judge determines the number of quotas (not less than one hundred, not more than one thousand), considering:

- the seriousness of the deed;
- the degree of responsibility of the organisation;
- the steps taken to eliminate or mitigate the consequences of the deed and to prevent the commitment of further offences.

During the second assessment, the judge determines - within predetermined minimum and maximum amounts, depending on the offence penalised - the value of each quota (minimum of Euro 258, maximum of Euro 1,549) *“with reference to the economic and financial position of the organisation, in order to ensure the effectiveness of the penalty”* (art. 11, para. 2, Decree 231/2001).

As stated in point 5.1 of the Report accompanying Decree 231/2001, *“When assessing the economic and financial position of the organisation, the judge will refer to the financial statements or other records that photograph the situation appropriately. In some cases, the evidence may be obtained by considering the size of the organisation and its market position. (...) The judge cannot avoid delving into the reality of the business, with the help of advisors, in order to obtain information about the economic and financial strength of the organisation”*.

Art. 12, Decree 231/2001, also envisages possible reductions in the pecuniary penalty when, in particular:

- a) the perpetrator committed the offence essentially in his/her own interests or those of third parties and the organisation did not benefit as a result, or only benefited to a minimal extent;
- b) the financial loss caused was particularly low;
- c) the organisation has made good the loss in full and has eliminated the harmful or dangerous consequences of the offence or, in any case, has taken effective action in that direction;
- d) a suitable organisational model has been adopted and effectively implemented for the prevention of offences of the type committed.

ii) Suspensions

The suspensions envisaged by Decree 231/2001 comprise:

- ban on carrying out activities;
- prohibition from entering into contracts with the Public Administration;
- suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence;
- exclusion from access to assistance, loans, grants or subsidies and/or the revocation of any already obtained;
- prohibition from advertising goods or services.

These only apply in relation to offences for which it is expressly envisaged that at least one of the following circumstances specified in art. 13 of Decree 231/2001 must exist:

- the organisation has profited significantly from the offence and the offence was committed by senior persons, or by persons managed by others who committed the offence as a consequence of serious organisational weaknesses;
- in the case of repeat offences (being the commitment of a new offence within five years of the definitive adverse sentence for an earlier offence);

- suspension is never applied if the offence was essentially committed in the interests of the perpetrator or those of third parties and the organisation obtained little or no benefit, or the financial loss caused was particularly low. Suspension is also avoided if the organisation has made the reparations envisaged in art. 17 of Decree 231/2001 and, more specifically, in the following circumstances:
 - i) the organisation has made good the loss in full and has eliminated the harmful or dangerous consequences of the offence or, in any case, has taken effective action in that direction;
 - ii) the organisation has eliminated the weaknesses that resulted in the offence, via the adoption and implementation of suitable organisational models for the prevention of offences of the type committed;
 - iii) the organisation has made the profits obtained available for confiscation.

Suspensions have a duration of between 3 months and 2 years. The judge decides on the measure to be adopted and its duration with reference to the criteria indicated above for determining the pecuniary penalty, “*having regard for the suitability of each penalty for the prevention of offences of the type committed*” (art. 14, Decree 231/2001).

The legislator also stated that the ban on carrying out activities is a last resort with respect to the other forms of suspension.

iii) Confiscation

The price or profit from the offence is always confiscated. If it is not possible to confiscate directly the price or profit from the offence, money, assets or other value equivalent to the price or profit from the offence may be confiscated instead.

iv) Publication of sentences

When suspension is applied, the judge may require an extract or the entire sentence to be published in one or more newspapers, together with the posting of a notice in the municipality in which the principal offices of the organisation are located. The Court Registrar's Office arranges to make the above publications at the expense of the organisation.

1.4 Changes in legal form

The Decree also governs the responsibility of the organisation if its legal form is changed (transformation, merger, spin-off, disposal of business).

The fundamental principle is that «*the obligation to pay the pecuniary penalty*» inflicted on the organisation «*rests solely with the organisation, using its net assets or central fund*». The regulation therefore excludes any direct liability for the owners or members, regardless of the legal form of the organisation.

As a general criterion, the legislator decided to apply the principles of civil law regarding the liability of the transformed organisation for the debts of the original organisation to the pecuniary penalties inflicted; similarly, suspensions continue to apply to the organisation that contains (via contribution or otherwise) the line of business within which the offence was committed, without prejudice to the right of the organisation resulting from the transformation to obtain conversion of the suspension into a pecuniary penalty, if the reorganisation following the merger or spin-off has eliminated the organisational *deficiency* that made it possible to commit the offence.

Specifically:

- transformation: amendments of the legal structure (company name, legal form etc.) therefore have no effect on the responsibility of the organisation: the new organisation receives the penalties applicable to the original organisation for facts committed prior to the transformation;
- mergers and spin-offs: with regard to the possible effects of mergers and spin-offs, the Decree envisages that the organisation resulting from the merger, even by absorption, shall take *«responsibility for the offences for which the organisations participating in the merger were responsible»*. When the organisation deriving from the merger takes over the legal relationships of the merged organisations and, more particularly, when the related activities are combined, including those in the context of which the offences were committed, responsibility for the offences is transferred to the organisation deriving from the merger. In the event of a partial spin-off, with transfer of just part of the net assets of the split organisation, which therefore continues to exist, responsibility for the offences committed prior to the spin-off remains with the split organisation. Collective organisations that benefit from the spin-off as recipients of the net assets (all or some) of the split organisation are jointly and severally liable for paying the pecuniary penalties due by the split organisation for offences committed prior to the spin-off.. This obligation is limited to value of the net assets transferred: this limitation does not apply to the beneficiary organisations that received - even if only in part - the line of business in the context of which the offences were committed;
- disposal or contribution of business: lastly, the Decree governs the disposal or contribution of the business. In the event of disposal or contribution of the business in the context of which the offences were committed, the transferor is jointly and severally liable together with the transferee for payment of the pecuniary penalty, up to the value of the business transferred and without prejudice to initial enforced collection from the transferor. The responsibility of the transferee - in any case limited to the value of the business transferred (or contributed) - is also limited to the pecuniary penalties recorded in the legal books or relating to administrative offences that in any case were known to the transferee.

1.5 Responsibility for offences in groups of companies

Italian law considers groups as a single entity solely from an economic standpoint while, legally, they do not have an independent personality.

It follows that a group cannot be deemed directly responsible for an offence and is not included among the parties listed in art. 1 of the Decree.

Looking at it from the other direction, only the individual companies that comprise the group can be held liable for offences committed in the course of their business activities.

Membership of a group does not allow the responsibility of the company that committed the offence to be extended to all the others, as it would be necessary for the offence committed to have specifically benefited - in practice or potentially, and not necessarily in monetary terms - one or more of the other group companies.

In the same way, the parent company of the group cannot guarantee the prevention of offences committed by its subsidiaries.

1.6 Exoneration of the entity from administrative responsibility

Having introduced the administrative responsibility of the organisation, art. 6 of Decree 231/2001 establishes that it does not have administrative responsibility if it can demonstrate that:

- 1) prior to commitment of the offence, the senior administrative body adopted and effectively implemented suitable organisation and control models for the prevention of offences of the type committed;
- 2) the tasks of supervising the functioning of and compliance with the models, and of updating them, have been entrusted to a body within the organisation with independent powers of action and control;
- 3) the persons committed the offence by fraudulently avoiding the organisation, management and control model; however, if the offence is committed by a subordinate (not a senior person), the organisation does not need to provide evidence, while the plaintiff (the investigating magistrate) must demonstrate that, prior to commitment of the offence, the organisation had not implemented a suitable and effective organisational policy for the prevention of that offence (see art. 7, Decree 231/2001);
- 4) the body referred to in point 2) above did not fail to supervise sufficiently or fail to supervise at all.

Adoption of the organisation and control model therefore enables the organisation to avoid charges of administrative responsibility. Mere adoption of this document by the senior administrative body of the organisation, being its Board of Directors, is not however sufficient to exclude that responsibility *tout court*, as the model must necessarily be both suitable and effective.

With regard to the effectiveness of the model, the Decree requires it to:

- identify the activities in the context of which offences may be committed;
- establish specific protocols for planning the formation and implementation of decisions by the organisation with regard to the offences to be prevented;
- identify suitable procedures for the management of financial resources that prevent the commitment of offences;
- establish reporting obligations for the body appointed to supervise the functioning of and compliance with the model.

With regard to the suitability of the model, the Decree requires:

- periodic checks and amendment if significant violations of the requirements of the model are discovered, or if the organisation or activities of the company change, or if there have been legislative changes;
- adoption of a suitable disciplinary system for penalising failure to comply with the requirements of the model.

1.7 Guidelines issued by Confindustria, used as a basis for the Model prepared by the Company

The organisation, management and control model adopted by SIPA was prepared with reference to the benchmarks and operational guidance provided by the current Guidelines issued by Confindustria, which were approved by the Ministry of Justice on 21 July 2014.

Art. 6, para. 3, of the Decree expressly states that organisation and control models may be adopted with reference to Codes of Conduct prepared by Associations representing the organisations and transmitted to the Ministry of Justice that, together with the other competent Ministries, may make observations within 30 days about their suitability for preventing the offences referred to in Decree 231/2001.

The Guidelines of Confindustria envisage the following stages in the definition of an organisation and control model:

- identification of risks and protocols;
- adoption of certain general tools, principally including a code of ethics with reference to the offences identified in Decree 231/2001 and a disciplinary system;
- identification of criteria for the selection of the supervisory body, indicating its requirements, duties, powers and reporting obligations;
- establishment of a sufficiently formalised and clear system of organisation, especially with regard to the assignment of responsibilities, the definition of hierarchical reporting lines and the description of duties;
- preparation of manual and/or IT procedures for the performance of activities, with suitable controls;
- definition of authorisation and signatory powers consistent with the organisational and operational responsibilities defined, including indication where necessary of thresholds for the approval of expenses;
- establishment of management control systems capable of providing timely reports should any general and/or specific issues arise.

The Confindustria Guidelines also state that the components of the control system must comply with the following principles:

- verifiability, documentability, consistency and reasonableness of each operation;
- application of the principle of the segregation of functions and duties (so no one can manage an entire process independently);
- documentation of the controls carried out.

When preparing its organisation and control model, each company must therefore take account of the indications contained in the Guidelines prepared by Confindustria (including the case studies presented in the Special Part of the Guidelines).

1.8 Summary schedule of identified offences and penalties

Art. 24 Decree 231/2001 – Improper receipt of funds, fraud to the detriment of the State or a public body or receipt of public funds and IT fraud to the detriment of the State or a public body		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Misuse of funds to the detriment of the State (art. 316-bis criminal code)</p> <p>Improper collection of funds to the detriment of the State (art. 316-ter criminal code)</p> <p>Fraud to the detriment of the State or a public body (art. 640, para. 2.1 criminal code)</p> <p>Aggravated fraud to obtain public funds (art. 640-bis criminal code)</p> <p>IT fraud (art. 640-ter criminal code)</p>	<p>Up to five hundred quotas</p> <p>(from two hundred to six hundred quotas if the offence results in a considerable profit or a particularly serious loss)</p>	<ul style="list-style-type: none"> - prohibition from entering into contracts with the PA. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 24-bis Decree 231/2001 – IT crimes and improper data processing		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Unauthorised access to an IT or electronic data communications system (art. 615-ter criminal code)</p> <p>Interception, prevention or illegal interruption of IT or telematic communications (art. 617-quater criminal code)</p> <p>Installation of equipment for intercepting, preventing or interrupting IT or telematic communications (art. 617-quinquies criminal code)</p> <p>Causing damage to information, data or IT programs (art. 635-bis criminal code)</p> <p>Causing damage to information, data or IT programs used by the State or a public body or of public interest (art. 635-ter criminal code)</p> <p>Causing damage to IT or telematic systems (art. 635-quater criminal code)</p> <p>Causing damage to IT or telematic systems of public interest (art. 635-quinquies, para. 3, criminal code)</p>	<p>from one hundred to five hundred quotas</p>	<ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from advertising goods or services.
<p>Holding and unauthorised distribution of access codes to IT or telematic systems (art. 615-quater criminal code)</p> <p>Distribution of equipment, devices or IT programs intended to damage or crash an IT or telematic system (art. 615-quinquies criminal code)</p>	<p>Up to three hundred quotas</p>	<ul style="list-style-type: none"> - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from advertising goods or services.
<p>False information in IT documents (art. 491-bis criminal code)</p> <p>IT fraud by the party that provides electronic signature certification services (art. 640-quinquies criminal code)</p>	<p>Up to four hundred quotas</p>	<ul style="list-style-type: none"> - prohibition from entering into contracts with the PA. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 24-ter Decree 231/2001 – Organised crime		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Criminal associations for the commitment of offences against personal liberty and regarding clandestine immigration (art. 416, para. 6, criminal code)</p> <p>Italian and foreign mafia-related associations (art. 416-bis criminal code)</p> <p>Political/mafia-related electoral voting fraud (art. 416-ter criminal code)</p> <p>Kidnapping for the purposes of theft or extortion (art. 630 criminal code)</p> <p>Other crimes committed under the conditions envisaged in art. 416-bis criminal code or to facilitate mafia-related associations</p> <p>Associations for the illegal trafficking of narcotics or psychotropic drugs (art. 74 Pres. Decree 309/1990)</p>	<p>From four hundred to one thousand quotas</p>	<p>For at least one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A.
<p>Criminal association (art. 416, paras. 1-5, criminal code)</p> <p>Crimes in relation to arms (art. 407, para. 2, letter a), point 5, criminal procedures code)</p>	<p>From three hundred to eight hundred quotas</p>	<ul style="list-style-type: none"> - exclusion from access to assistance and the revocation of any already obtained prohibition from advertising goods or services.
Art. 25 Decree 231/2001 – Malfeasance, improper inducement to give or promise benefits and corruption		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Corruption in the exercise of the function (art. 318 criminal code)</p> <p>Responsibility of the corruptor in the exercise of the function (art. 321 criminal code)</p> <p>Instigation of corruption in the exercise of the function (art. 322, paras. 1 and 3, criminal code)</p>	<p>Up to two hundred quotas (including corruption by providers of a public service and international corruption)</p>	<p>No</p>
<p>Corruption to obtain a deed contrary to official duty (art. 319 criminal code)</p> <p>Corruption in judicial deeds (if the corruption is committed in favour or against one party in the proceedings) (art. 319-ter, para. 1, criminal code)</p> <p>Responsibility of the corruptor in deeds contrary to official duty (art. 321 criminal code)</p> <p>Instigation of corruption in deeds contrary to official duty (art. 322, paras. 2 and 4, criminal code)</p>	<p>From two hundred to six hundred quotas (including corruption by providers of a public service and international corruption)</p>	<p>For at least one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

<p>Malfeasance (art. 317 criminal code)</p> <p>Aggravated corruption in deeds contrary to official duty if the organisation obtained significant profit (art. 319 aggravated pursuant to art. 319-bis criminal code)</p> <p>Corruption in judicial deeds (if someone is unjustly sent to prison) (art. 319-ter, para. 2, criminal code)</p> <p>Improper inducement to give or promise benefits (art. 319-quater criminal code)</p> <p>Responsibility of the corruptor for aggravated corruption in deeds contrary to official duty and for corruption in judicial deeds (art. 321 criminal code)</p>	<p>From three hundred to eight hundred quotas (including corruption by providers of a public service and international corruption)</p>	<p>For at least one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
<p>Art. 25-bis Decree 231/2001 – Falsification of cash, government-issued bearer bonds, duty-paid stamps and recognisable signs</p>		
<p>OFFENCES ENVISAGED</p>	<p>PECUNIARY PENALTIES</p>	<p>SUSPENSIONS</p>
<p>Falsification of cash and false spending and introduction into Italy, by collusion, of falsified money (art. 453 criminal code)</p>	<p>From three hundred to eight hundred quotas</p>	<p>For not more than one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
<p>Alteration of money (art. 454 criminal code)</p> <p>Counterfeiting of watermarked paper used to manufacture government-issued bearer bonds or duty-paid paper (art. 460 criminal code)</p> <p>Manufacture or holding of security strips or equipment for the falsification of money, duty-paid paper or watermarked paper (art. 461 criminal code)</p>	<p>Up to five hundred quotas</p>	
<p>False spending and introduction into Italy, without collusion, of falsified money (art. 455 criminal code)</p>	<p>The pecuniary penalties for the offences envisaged in arts. 453 and 454, as reduced by from one third to one half.</p>	
<p>Falsification of duty-paid paper, introduction into Italy, purchase, holding or circulation of falsified duty-paid paper (art. 459 criminal code)</p>	<p>The pecuniary penalties established for the offences envisaged in arts. 453, 455, 457 and 464, para. 2, criminal code, as reduced by one third</p>	
<p>Counterfeiting, alteration or use of trademarks or distinctive signs or industrial patents, models and designs (art. 473 criminal code)</p> <p>Importation into Italy and sale of products bearing false signs (art. 474 criminal code)</p>	<p>Up to five hundred quotas</p>	
<p>Spending of falsified money received in good faith (art. 457 criminal code)</p> <p>Use of counterfeited or altered duty-paid paper received in good faith (art. 464, para. 2, criminal code)</p>	<p>Up to two hundred quotas</p>	<p>No</p>
<p>Use of counterfeited or altered duty-paid paper except in cases of collusion in the counterfeiting or alteration (art. 464, para. 1, criminal code)</p>	<p>Up to three hundred quotas</p>	

Art. 25-bis.1 Decree 231/2001 – Crimes against trade and industry		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Disturbing the freedom of trade and industry (art. 513 criminal code)</p> <p>Fraud in the exercise of trade (art. 515 criminal code)</p> <p>Sale as genuine of fake foodstuffs (art. 516 criminal code)</p> <p>Sale of industrial products with false signs (art. 517 criminal code)</p> <p>Manufacture and trade in goods made by appropriating industrial property rights (art. 517-ter criminal code)</p> <p>Counterfeiting of designation or geographical area of origin of food industry products (art. 517-quater criminal code)</p>	Up to five hundred quotas	No
<p>Illegal competition with threats or violence (art. 513-bis criminal code)</p> <p>Fraud against national industries (art. 514 criminal code)</p>	Up to eight hundred quotas	<ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25-ter Decree 231/2001 – Corporate crimes		
OFFENCES ENVISAGED	PECUNIARY PENALTIES ¹	SUSPENSIONS
False corporate communications (art. 2621 civil code)	From two hundred to three hundred quotas	No
False corporate communications to the detriment of the company, owners or creditors (art. 2622, para. 1, civil code) Operations detrimental to creditors (art. 2629 civil code) Improper distribution of company assets by liquidators (art. 2633 civil code) Illegal influence over the shareholders' meeting (art. 2636 civil code)	From three hundred to six hundred and sixty quotas	
False corporate communications to the detriment of the company, owners or creditors in the case of listed companies (art. 2622, para. 3, civil code)	From four hundred to eight hundred quotas	
False prospectuses (v. art. 173-bis Consolidated Finance Law, which replaced art. 2623 civil code, abrogated) ²	From two hundred to two hundred and sixty quotas or from four hundred to six hundred and sixty quotas, depending on whether or not a loss was caused.	No
Illegal distribution of profits and reserves (art. 2627 civil code)	From two hundred to two hundred and sixty quotas	
False reports or communications by the legal auditor (art. 2624 civil code abrogated, see now art. 27, para. 2, Decree 39/2010) ³	From two hundred to two hundred and sixty quotas or from four hundred to eight hundred quotas, depending on whether or not a loss was caused.	
Impeding the activities of public supervisory authorities (art. 2638, paras. 1 and 2, civil code)	From four hundred to eight hundred quotas	
Impeding controls to the detriment of the owners (art. 2625, para. 2, civil code) Improper return of contributions (art. 2626 civil code) Illegal transactions in shares or quotas of the company or the parent company (art. 2628 civil code) Fictitious formation of capital (art. 2632 civil code)	From two hundred to three hundred and sixty quotas	
Market manipulation (art. 2637 civil code) Failure to disclose conflicts of interest (art. 2629-bis civil code)	From four hundred to one thousand quotas	
Corruption between private persons, limited to the conduct of someone who "gives or promises money or other benefits" (art. 2635, para. 3, civil code)	From two hundred to four hundred quotas	

¹ The pecuniary penalty is uplifted by one third if the organisation obtains a significant profit from the envisaged offence.

² Art. 2623 civil code was abrogated by art. 34, Law 262/2005 (reform of savings and investment). The corresponding offence was transferred to the Consolidated Finance Law (art. 173-bis), but was not referred to in art. 25-ter of Decree 231/2001 and is therefore considered inapplicable. In addition, there is a lack of coordination between art. 25-ter of Decree 231/2001 and art. 173-bis of the Consolidated Finance Law: in rewording the offence of false prospectuses, the latter law does not require determination of the loss of wealth incurred by the recipients of the prospectus, which by contrast is still envisaged in art. 25-ter of Decree 231/2001.

³ Art. 2624 civil code was abrogated by art. 37, para. 34, Decree 39/2010 (Consolidated law on the legal audit of the accounts). The corresponding offence was transferred to art. 27 of the above decree, but was not referred to in art. 25-ter of Decree 231/2001 and is therefore considered inapplicable.

Art. 25- <i>quater</i> Decree 231/2001 – Crimes for the purpose of terrorism or the subversion of democratic order		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Crimes for the purpose of terrorism or subversion envisaged by the criminal code or special laws punished by imprisonment for less than 10 years	From two hundred to seven hundred quotas	For at least one year: <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Crimes for the purpose of terrorism or subversion envisaged by the criminal code or special laws punished by imprisonment for not less than 10 years or for life	From four hundred to one thousand quotas	<ul style="list-style-type: none"> - definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence.
Art. 25- <i>quater</i> .1 Decree 231/2001 – Mutilation of female genitals		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Mutilation of female genitals (583-bis criminal code)	From three hundred to seven hundred quotas	For at least one year: <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences, accreditation (if an accredited private entity) or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25-quinquies Decree 231/2001 – Crimes against individuals		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS ⁴
<p>Sexual acts with persons aged between fourteen and eighteen in exchange for money or other consideration (art. 600-bis, para. 2, criminal code)</p> <p>Child pornography - Offer or sale of pedo-pornographic materials, via the Internet or otherwise (art. 600-ter, paras. 3 and 4 criminal code)</p> <p>Holding of pedo-pornographic materials (art. 600-quater criminal code)</p> <p>Soliciting of minors (art. 609- undecies criminal code)</p>	<p>From two hundred to seven hundred quotas (even if relating to pornographic materials showing pictures of minors or parts of them)</p>	
<p>Child prostitution (art. 600-bis, para. 1, criminal code)</p> <p>Child pornography - Recruitment or use of minors for pornographic shows and the distribution of pedo-pornographic materials, on a virtual basis or otherwise (art. 600-ter, paras. 1 and 2, criminal code)</p> <p>Tourism to take advantage of child prostitution (art. 600 quinquies criminal code)</p>	<p>From three hundred to eight hundred quotas</p>	<p>For at least one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
<p>Reduction into or detention in slavery or serfdom (art. 600 criminal code)</p> <p>Holding of persons (art. 601 criminal code)</p> <p>Purchase or sale of slaves (art. 602 criminal code)</p>	<p>From four hundred to one thousand quotas</p>	<ul style="list-style-type: none"> - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 25-sexies Decree 231/2001 – Market abuse		
OFFENCES ENVISAGED ⁵	PECUNIARY PENALTIES	SUSPENSIONS
<p>Insider trading (art. 184 Decree 58/1998)</p> <p>Market manipulation (art. 185 Decree 58/1998)</p>	<p>From four hundred to one thousand quotas (but if the offences generated a significant profit or benefit for the organisation, the penalty is raised to up to ten times that profit or benefit)</p>	<p>No</p>

⁴ Definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence.

⁵ Insider trading and market manipulation, when carried out in the interests or for the benefit of the organisation, may also be an administrative offence. Pursuant to art.187-quinquies of the Consolidated Finance Law, Consob may levy pecuniary administrative penalties from 100 thousand to 15 million euro or from 100 thousand to 25 million euro for, respectively, insider trading and market manipulation; in addition, the penalty may be raised to up to ten times the profit or benefit obtained by the organisation as a result of committing the offence, if that profit or benefit is significant.

Art. 25-septies Decree 231/2001 – Manslaughter or serious or very serious personal injuries caused in violation of the health and safety at work regulations		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Manslaughter caused in violation of art. 55, para. 2, Decree 81/08 (art. 589 criminal code)	One thousand quotas	For at least three months and not more than one year: <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Manslaughter caused in violation of the health and safety at work regulations (art. 589 criminal code)	From two hundred and fifty to five hundred quotas	For not more than six months: <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Personal injuries caused with negligence in violation of the health and safety at work regulations (art. 590, para. 3, criminal code)	Not more than two hundred and fifty quotas	For not more than six months: <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 25-octies Decree 231/2001 – Receiving, recycling and use of money, assets or benefits deriving from illegal sources		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Receiving (art. 648 criminal code) Recycling (art. 648-bis criminal code) Use of money, assets or benefits deriving from illegal sources (art. 648-ter criminal code) Self-recycling (art. 648-ter.1 criminal code)	From two hundred to eight hundred quotas (from four hundred to one thousand quotas if the money, assets or other benefits derive from offences for which the maximum penalty is imprisonment for more than five years)	For not more than two years: <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25- <i>novies</i> Decree 231/2001 – Violation of the regulations governing authorship rights		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Protection of economic and moral utilisation rights (art. 171, para. 1, letter a-bis para. 3, Law 633/1941)</p> <p>Protection of software and databases (art. 171 -bis Law 633/1941)</p> <p>Protection of audio-visual works (art. 171-ter Law 633/1941)</p> <p>Criminal liability for media (art. 171 -septies Law 633/1941)</p> <p>Criminal liability for audio-visual transmissions with conditional access (art. 171-octies Law 633/1941)</p>	Up to five hundred quotas	<p>For not more than one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 25- <i>decies</i> Decree 231/2001 – Inducement to not make declarations or to make false declarations to the judiciary		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Inducement to not make declarations or to make false declarations to the judiciary (art. 377-bis criminal code)	Up to five hundred quotas	No
Art. 25- <i>undecies</i> Decree 231/2001 – Environmental crimes		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Environmental pollution (art. 452 bis criminal code)	From two hundred and fifty to six hundred quotas	<p>For not more than one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Environmental disaster (art. 452-quater criminal code)	From four hundred to eight hundred quotas	<ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Negligent offences against the environment (art. 452-quinquies criminal code)	From two hundred to five hundred quotas	No
Criminal association to cause pollution and/or environmental disaster (art. 452-octies criminal code)	From three hundred to one thousand quotas	No
Traffic and abandonment of highly radioactive materials (art. 452 -sexies criminal code)	From two hundred and fifty to six hundred quotas	No
Killing, destruction, capture, taking, holding of examples of protected wild animal or vegetable species (art. 727-bis criminal code)	Up to two hundred and fifty quotas	No
Destruction or deterioration of the habitat within a protected site (art. 733-bis criminal code)	From one hundred and fifty to two hundred and fifty quotas	
Offences relating to the discharge of industrial waste water (art. 137 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 3, 5, first sentence, and 13)	No
	From two hundred to three hundred quotas (paras. 2, 5, second sentence, 11)	For not more than six months: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Organised activities for the illegal trafficking of waste (art. 260 Decree 152/2006)	From three hundred to five hundred quotas (para. 1)	For not more than six months: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
	From four hundred to eight hundred quotas (para. 2)	
Offences relating to the unauthorised management of waste (art. 256 Decree 152/2006)	Up to two hundred and fifty quotas (para. 1, letter a, and 6, first sentence) From one hundred and fifty to two hundred and fifty quotas (paras. 1, letter b, 3 first sentence and 5) From two hundred to three hundred quotas (para. 3, second sentence) The penalties are halved for non-compliance with the instructions contained in or referenced by the authorisations, or for deficiencies in meeting the requirements and conditions for registrations or communications.	The following apply solely in the case of para. 3, second sentence , and for not more than six months: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Offences relating to the clean-up of sites (art. 257 Decree 152/2006)	Up to two hundred and fifty quotas (para. 1) From one hundred and fifty to two hundred and fifty quotas (paras. 2)	No
Violation of the obligations to notify, or keep mandatory registers and formula lists (art. 258 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 4, second sentence)	
Illegal trafficking of waste (art. 259 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 1)	
IT system for controlling the traceability of waste (art. 260-bis Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 6 and 7, second and third sentences, and 8, first sentence) From two hundred to three hundred quotas (para. 8, second sentence)	No
Offences relating to the protection of animal and vegetable species threatened with extinction (Law 150/1992)	Up to two hundred and fifty quotas (art. 1, para. 1, art. 2, paras. 1 and 2, art. 6, para. 4, art. 3-bis, para. 1 if imprisonment is envisaged for not more than one year) From one hundred and fifty to two hundred and fifty quotas (art. 1, para. 2, art. 3-bis, para. 1 if imprisonment is envisaged for not more than two years) From two hundred to three hundred quotas (art. 3-bis, para. 1 if imprisonment is envisaged for not more than three years) From three hundred to five hundred quotas (art. 3-bis, para. 1 if imprisonment is envisaged for more than three years)	No
Offences relating to ozone and the atmosphere (art. 3, para. 6, Law 549/1993)	From one hundred and fifty to two hundred and fifty quotas	No
Offences relating to protection of the air and the reduction of atmospheric emissions (art. 279, para. 5, Decree 152/2006)	Up to two hundred and fifty quotas	
Negligent pollution caused by ships (art. 9, para. 1, Decree 202/2007)		
Negligent pollution caused by ships or aggravated negligent pollution causing permanent or, in any case, significantly serious damage to the waters (arts. 8, para. 1, and 9, para. 2, Decree 202/2007)	From one hundred and fifty to two hundred and fifty quotas	
Aggravated negligent pollution causing permanent or, in any case, significantly serious damage to the waters (art. 8, para. 2, Decree 202/2007)	From two hundred to three hundred quotas	<ul style="list-style-type: none"> - - - For not more than six months: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 8 of Decree 202/2007) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained

		- prohibition from advertising goods or services.
Art. 25-duodecies Decree 231/2001 – Employment of foreign citizens without a proper permit		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Employment of foreign workers without a residence permit or with an expired, revoked or cancelled residence permit, aggravated by employing more than three, by using under-age workers or by imposing particularly unfair working conditions (art. 22, para. 12-bis, Decree 286/1998)	From one hundred to two hundred quotas, within a limit of € 150,000.00	No
Art. 10 Law 146/2006 – Ratification and implementation of the UN Convention against transnational organized crime		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
<p>Criminal association (art. 416 criminal code)</p> <p>Italian and foreign mafia-related associations (art. 416-bis criminal code)</p> <p>Criminal association for the contraband of foreign processed tobaccos (art. 291-quater Pres. Decree 43/1973)</p> <p>Association for the illegal trafficking of narcotics or psychotropic drugs (art. 74 Pres. Decree 309/1990)</p>	From four hundred to one thousand quotas	<p>For at least one year:</p> <ul style="list-style-type: none"> - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of one of the envisaged offences) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services. <p>Definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offences.</p>
Offences relating to clandestine immigration (art. 12, paras. 3, 3-bis, 3-ter and 5, Decree 286/1998)	From two hundred to one thousand quotas	<p>For not more than two years:</p> <ul style="list-style-type: none"> - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

<p>Inducement to not make declarations or to make false declarations to the judiciary (art. 377-bis criminal code)</p> <p>Aiding and abetting (art. 378 criminal code)</p>	<p>Up to five hundred quotas</p>	<p>No</p>
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Chapter – Description of the organisation of the Company

2.1 General organisation of the Company

SIPA was formed in 1980, initially as the manufacturer of automation systems, that since 1990 designs, manufactures and sells in the world market all technologies for the production, filling and secondary packaging of PET containers, from preforms to the finished product, for beverages, foods, detergents, cosmetics and pharmaceuticals.

2.2 System of governance and powers of management

The Company has the following bodies:

- a) Shareholder's Meeting;
- b) Administrative Body (Board of Directors);
- c) Board of Statutory Auditors.

The Shareholder's Meeting decides the administrative direction of SIPA, checks the implementation of this direction and carries out the activities reserved for it by law and the Articles of Association.

The Administrative Body – the Board of Directors – exercises all powers for the ordinary and extraordinary administration of the Company, without any exceptions, and is empowered to carry out all deeds that it considers appropriate for the pursuit and achievement of the corporate objects.

The Company is represented by the Chairman and/or the Managing Director, to the extent of the mandates granted to them.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure and systems adopted by the Company, as well as their proper functioning in practice.

2.3 Operational areas of SIPA

Manufacturing is carried out at:

- a) Factory “SIPA1” Via Caduti del Lavoro 3, Vittorio Veneto (TV)
- b) Factory “SIPA2” Via Menarè 189, Conegliano (TV)
- c) Factory “SIPA3” Via Martiri delle Foibe 5, Conegliano (TV)
- d) Factory “SIPA4” Via Caduti del Lavoro 5, Vittorio Veneto (TV)
- e) Factory “SIPA Sala Baganza” Via Provinciale 36, Sala Baganza (PR)
- f) Factory “SIPA Sala Baganza” Via Provinciale 57, Colecchio (PR).

The executive, management and operational processes are carried out at Factory SIPA1.

The executive and management processes comprise:

- all business and support administrative processes (commercial and sales, services, administration and management control, information technology, human resources, quality, safety and environment)
- The administration and control process is carried out in the same area (offices) as that relating to IRCA SpA. The information technology process is carried out in the same area (offices) as that relating to IRCA SpA.

The operational processes comprise:

- the development of R&D containers
- the design of moulds for injection/injection-compression (preform) machines and moulds for blow moulding machines (containers)
- the production of moulds for injection/injection-compression (preform) machines and moulds for blowing machines (containers)

The macro-processes for the production of moulds comprise:

- Warehouse logistics (outsourced)
- Processing for the removal of shavings (from turning, milling, grinding, boring) from CNC machines (lathes, machining centres, grinders, boring machines)
- Electrical discharge machining using die-sink and wire-cut techniques
- Polishing using vibratory finishing machines or manually
- Quality control
- Assembly
- Testing (water seal tests carried out on test benches)

The activities of Factory SIPA2 comprise:

- the mechanical, electrical and software design of injection and injection-compression moulding machines for the production of PET preforms and blow moulding machines for the production of PET containers
- Assembly and testing of injection and injection-compression moulding machines for the production of PET preforms and blow moulding machines for the production of PET containers

The macro-processes for the production of machines comprise:

- Warehouse logistics (outsourced)
- Assembly of groups and components
- Functional testing both with and without the production of plastic
- Machine disassembly
- Shipping (outsourced)

A separate area of the factory is used for work carried out by IRCA SpA, which also belongs to the Zoppas Industries Group.

Factory SIPA3 has an area dedicated to offices:

- Supply chain management (purchasing)

It also has a separate area (depot) for the storage of slow-moving materials without the continuous presence of personnel.

A separate area of the factory is used for work carried out by IRCA SpA, which also belongs to the Zoppas Industries Group

Executive, management and operational processes are carried out at Factory SIPA1.

Factory SIPA4 has an area dedicated to offices:

- administrative management of the vehicle fleet
- administrative management of the purchasing process for general services

The administrative management of the purchasing process for general services is carried out in the same area (offices) as that relating to IRCA SpA

- The area also includes meeting and training rooms

A separate area of the factory (depot) is used for the storage of slow-moving materials without the continuous presence of personnel.

Activities at the SIPA Sala Baganza factories comprise,:

- the mechanical, electrical and software design of filling machines, fillers, carbonation machines, packaging machines, palletizers/depalletizers
- Assembly and testing of filling machines, fillers, carbonation machines, packaging machines, palletizers/depalletizers

The macro-processes for the production of machines comprise:

- Warehouse logistics (outsourced)
- Assembly of groups and components
- Functional testing both with and without processing
- Machine disassembly
- Shipping (outsourced)

Chapter 3 – Organisation, management and control model and methodology adopted for its preparation

3.1 Construction of the Model

The development of this Model was preceded by a series of preparatory activities, divided into phases, for the construction of a system for the prevention and management of risk that is consistent with the provisions of Decree 231/2001 and takes account of the Confindustria Guidelines.

The phases during which the risk areas were identified, for use in the preparation of this Model, are described briefly below.

i) Identification of Sensitive Processes

Sensitive Processes were identified by examining the corporate documentation (articles of associations, mandates granting powers, principal corporate procedures, powers of attorney, internal circulars etc.) and by conducting a series of interviews with key persons in the organisation, who are listed in Attachment II (“Persons interviewed”).

This analysis made it possible to identify a series of Sensitive Processes within the organisation that, at least in abstract terms, could lead to the commitment of offences.

The past activities of SIPA were also reviewed in order to identify any risk situations and their causes.

3.2 Analysis of risks

Existing controls over each area potentially exposed to the risk of committing significant offences were then identified and assessed (*as-is analysis*).

This phase therefore involved identification and critical assessment of the tools used by the organisation to formalise the duties and monitor the powers assigned to individuals, in order to define and standardise activities that assure an adequate level of operational supervision.

The above preparatory analysis was necessary in order to identify any weaknesses to be overcome and improvements to be implemented (*gap analysis*).

This last analysis was carried out with reference to the results obtained in the previous phase and a reference model, as required by the Decree, the relevant jurisprudence and doctrine, the Confindustria Guidelines and *best practice*.

As a consequence, the organisation identified a number of areas in which the system of controls could be extended and improved, resulting in decisions on the appropriate action to take.

The entire process was referred to senior management, which acted diligently to prepare an efficient system of procedures for the prevention of offences.

3.3 Preparation of the Model

This Model comprises a “**General Part**”, containing general principles and rules relevant to the matters governed by Decree 231/2001, and a number of individual “**Special Parts**” prepared in relation to each of the categories of offence envisaged in Decree 231/2001 that, in abstract terms, the organisation might commit. This determination was made as a consequence of the analyses described above, with each special part containing non-exhaustive examples that are presented merely to facilitate understanding of the rules by the recipients of the Model.

In particular, the following “Special Parts” have been prepared:

- Special Part **I**, called “Offences committed in relations with the Public Administration”, which relates to the offences specified in arts. 24 and 25 of Decree 231/2001;
- Special Part **II**, called “Corporate offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling”
- Special Part **III**, called “Crimes committed in violation of the regulations on the health and safety of workers”, which relates to the crimes specified in art. 25-*septies* of Decree 231/2001;
- Special Part **IV** called “IT crimes and improper data processing”, which relates to the offences specified in art. 24-bis of Decree 231/2001;
- Special Part **V** called “Environmental offences”, which relates to the offences specified in art. 25-*undecies* of Decree 231/2001;
- Special Part **VI** called “Offences against trade and industry”, which relates to the offences specified in art. 25-*bis 1* of Decree 231/2001.

i) Purpose of the Model

Adoption and effective implementation of the Model should not only enable SIPA to benefit from the exemption allowed by Decree 231/2001, but also to improve, subject to the limitations envisaged, the system of internal control and therefore reduce the risk of committing offences.

The purpose of the Model is to prepare a structured and organic system of procedures and controls (both *ex ante* and *ex post*), in order to reduce the risk of committing the Offences by identifying the Sensitive Processes and establishing suitable procedures for them.

The principles contained in this Model must, on the one hand, lead potential perpetrators of an offence to full awareness that its commitment is illegal (and strongly condemned as not in the interests of the organisation, even if an apparent advantage might be obtained) and, on the other, enable the company to react on a timely basis, due to the constant monitoring of activities, in order to prevent or impede commitment of that offence.

In the context of the Sensitive Processes, one of the purposes of the Model is therefore to develop among the Employees, Corporate Bodies, Consortium Members, Consultants and *Partners* that work for and in the interests of SIPA, an awareness - in the event of conduct not compliant with the Model and other corporate procedures (and the law) - that they might

commit illegal acts with significant consequences under criminal law for both themselves and the organisation.

ii) The Model in the context of the organisation

As envisaged in the Guidelines, the system of internal control, the system of management control and the related *policies* and procedures are considered to be general elements within the Model. In particular:

- a) the Code of Ethics (Attachment IV);
- b) the Disciplinary Code (Attachment V);
- c) the documentation and instructions relating to the hierarchical-functional and organisational structure (Attachment I);
- e) the corporate rules governing the principles of conduct and control, as well as the specific procedures for the sensitive processes in specific areas in which the risk of committing offences is higher (Attachment VI);
- f) in general, the corporate rules for the delegation of powers and control of the administration, accounting and financial system of the organisation

This Model is therefore part of the wider system of controls that principally comprises the system of internal regulations already established by the organisation.

iii) Adoption of the Model and subsequent amendments and updates

The Board of Directors of SIPA has adopted this Model.

As this Model is a “deed issued by the administrative body”, all subsequent amendments and additions are also the responsibility of the Board of Directors of the organisation.

In this regard, the Supervisory Body has been delegated specific duties and powers that are described in a separate chapter.

Accordingly, the Board of Directors resolves on amendments and updates to the Model with reference to the amendments and/or updates that are presented to it for approval.

Once amendments are approved, the Supervisory Body implements them without delay and arranges for the appropriate communications of their content to be made both within the organisation and externally.

The Managing Director has the power under a specific mandate to update the Model directly, in order to ensure that changes to the Model are implemented with the necessary speed and effectiveness, without defects in the coordination of operational processes, the instructions contained in the Model and their communication. The Board of Directors ratifies each year any and all the amendments made by the Managing Director. Pending ratification by the Board of Directors, the amendments made by the Managing Director are deemed to be fully valid and effective.

3.4 Sensitive Processes

The risk analysis of the activities of the Company, carried out for the purpose of complying with Decree 231/2001, identified the following principal Sensitive Processes:

- “Offences committed in relations with the Public Administration”;
- “Corporate offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling”;
- “Crimes committed in violation of the regulations on the health and safety of workers”;
- “IT crimes and improper data processing”;

- “Environmental offences”;
- “Offences against trade and industry”.

At this time, there is not thought to be any reasonable likelihood that the Company would commit the other offences envisaged in Decree 231/2001.

Considering their intrinsic nature, the activities thought to be most exposed to the commitment of Crimes envisaged in Decree 231/2001 are detailed in the respective Special Parts. Monitoring corporate activities and the changes in legislation, the Supervisory Body has the power to identify any additional risk areas that might be included in the list of Sensitive Processes.

Chapter 4 – The Supervisory Body (SB)

4.1 Identification of the Supervisory Body

The Guidelines identify **autonomy** and **independence, professionalism** and **continuity of action** as the principal requirements for the Supervisory Body.

In particular, according to the Guidelines, these requirements mean that:

- the Supervisory Body should be “*a staff unit at the highest possible level within the hierarchy*”;
- the Supervisory Body should keep the top decision-making body (Chairman, Deputy Chairman, Board of Directors as a whole) constantly informed;
- the Supervisory Body taken as a whole should not have operational duties that - by participation in operational decisions and activities - would jeopardise its ability to form objective opinions;
- the characteristic of professionalism relates to the “*accumulated tools and techniques*” needed to perform effectively the delegated supervisory and control activities;
- continuity of action is facilitated by the presence of a unit dedicated primarily to guaranteeing constant, effective implementation of the Model, “*without operational duties that might lead it to make decisions with economic-financial effects*”.

Accordingly, the Supervisory Body is tasked with carrying out the supervision and control functions envisaged in the Model.

The Supervisory Body is appointed in a manner that ensures with high reliability that the subjective eligibility requirements are met, further guaranteeing the autonomy and independence required by the duties entrusted to it.

Applying the above principles to the corporate reality of the Company and having regard for the specific tasks of the Supervisory Body, the persons listed in the relevant attachment have been appointed (Attachment IIIA: members of the SB).

Each member of the SB has an e-mail address, odv@ext.zoppas.com, to which each SIPA employee and/or consortium member may report any violations of the principles, code of conduct or procedures envisaged in the Model, as well as request information about the content and application of the Model.

4.2 Regulation of the Supervisory Body

Together with the Model, SIPA has adopted a Regulation governing the activities, duties and powers to report, check and control of the Supervisory Body (Attachment III).

Chapter 5 – Disciplinary system

The supervisory action of the Supervisory Body guarantees the effectiveness of this Model via the application of a system of penalties for violating the rules contained herein. Pursuant to art. 6, para. 2, letter e) of Decree 231/2001, the definition of this disciplinary system is an essential prerequisite for the Model in order to obtain the exemption from responsibility of the Company.

5.1 Measures in relation to employees and executives

Violation by Employees – including Executives – of the individual rules of conduct specified in this Model is a disciplinable misdeed – as defined in the internal Disciplinary Code approved together with this Model (Attachment V) – and will be penalised in the manner envisaged in the Disciplinary Code.

The verification of violations, the disciplinary proceedings and the giving of penalties are all subject to the powers assigned, to the extent of their responsibilities, to the senior decision-making body and the general manager in accordance with the collective employment contract. The penalties and any requests for the reimbursement of losses will be proportionate to the level of responsibility and autonomy of the Employee, any prior disciplinary action taken, the deliberate nature of the conduct and its seriousness, meaning the level of risk to which the organisation may reasonably be deemed exposed - pursuant and consequent to Decree 231/2001 - as a result of the penalised conduct and, in any cases, within the limits established in the collective employment contract for engineering workers.

The disciplinary system is checked and assessed constantly by the Supervisory Body, which ensures that the disciplinary measures are actually authorised and applied.

In compliance with the relevant regulation and having regard for the specific nature of the violations and the related penalties, SIPA has made all Employees aware of the instructions and rules of conduct contained in the Model, the violation of which represents a disciplinable misdeed, together with the penalties that apply based on the seriousness of the misdeeds concerned.

5.2 Measures in relation to directors

Should one or more members of the Board of Directors violate the Model, the Supervisory Body will notify the entire Board of Directors so that it can take the appropriate action.

5.3 Measures in relation to auditors

Should the Statutory Auditors violate the Model, the Supervisory Body will notify the entire Board of Directors so that it can take the appropriate action.

Chapter 6 - Function, guiding principles and structure of the Model adopted by the Company

The primary function of this Model is to establish a structured system capable of preventing the commitment of Offences in the course of the corporate activities that involve “sensitive” processes within the identified risk areas. This is achieved by:

- making all Recipients aware that, in the event of violating the instructions contained in the Model, they might commit a disciplinable misdeed subject to administrative and criminal penalties for not only themselves, but also the organisation;
- condemnation by SIPA of all forms of improper conduct, as being against the ethical principles adopted by the organisation, as well as the law;
- ensuring that the organisation, by supervising corporate activities in the “risk areas”, can take timely and effective action to prevent the commitment of offences.

Subsequent to identification of the risk areas, a detailed analysis was carried out of the activities that take place in them.

In particular, the activities actually carried out were compared with the procedures approved and implemented by the Company.

When preparing the Model, central importance was in fact given to the analysis of existing procedures, in order to check their compatibility with the requirements to prevent, dissuade and control specified in Decree 231/2001.

In order to further enhance the existing system, given the above requirements, it was decided to develop certain additional documents that improve its consistency and standardisation.

Lastly, the Model was organised in a manner that enables it be updated in a straight-forward and effective manner.

In particular, while the “General Part” contains general principles that are unlikely to change much, the “Special Part” is by contrast likely to change frequently, given the nature of the subject matter. In addition, it may be necessary to add “Special Parts” to the Model as a consequence of legislative changes - such as extension of the types of offence covered by the Decree, as referenced by other regulations - or changes in the activities of SIPA. There are also numerous attachments that, essentially for *privacy* reasons, can only be consulted by the persons directly concerned.

6.1 Risk areas inherent in the activities of SIPA

The analysis of corporate activities identified a number of risk areas that are listed specifically in the relevant special parts.

The list of risk areas and related activities may change in future as the operations of the business develop.

Especially when there are changes in the business (opening of new factories, locations, work site, expansion of activities etc.), the Supervisory Body is responsible for checking their effects and recommending to the Board of Directors any necessary changes in order to ensure that the “mapping of sensitive areas and operational processes” is constantly updated.

6.2 Adoption of the Model

Without prejudice to the provisions of point 3.3, any minor changes to the Model deriving from the development of business activities will be approved and implemented directly by the Supervisory Body.

The Supervisory Body will then notify the Board of Directors about the changes it has approved, which will either confirm them or make further changes and/or additions.

The Managing Director has the power under a specific mandate to update the Model directly, in order to ensure that changes to the Model are implemented with the necessary speed and effectiveness, without defects in the coordination of operational processes, the instructions contained in the Model and their communication. During the “transition period” prior to confirmation of the above amendments, they will be deemed effective and binding.

In all cases, the SB must notify the Board of Directors promptly in writing about any facts requiring modification of the Model, so that the appropriate resolutions can be adopted.

To the extent compatible, the above paragraph also applies to the procedural changes needed in order to implement the Model. These procedural changes must be notified to the SB in a timely manner.

6.3 Dissemination of the Model among the “stakeholders”, training and the provision of information

The stakeholders of the organisation comprise:

- the Owners;
- the Board of Directors;
- the Statutory Auditors;
- the Employees of the Company;
- the representatives of the organisation, howsoever legally empowered under Italian law;
- the external consultants, technicians and *partners*.

SIPA strives to ensure that the Model and its rules of functioning are drawn to the attention of the above stakeholders in a suitable manner.

This dissemination applies to all the above parties, with a level of detail that varies in relation to their roles and the duties assigned to them.

To this end, the organisation will publish the Model on the website www.zoppasindustries.com and disseminate documents that are an integral part of the Model, such as the Code of Ethics, will send periodic *e-mail* updates and will collaborate with the Supervisory Body in the preparation of specific training and refresher courses for the employees and managers of the organisation.

These training courses will consist of lessons on the internal procedures of the organisation that are designed to prevent commitment of the offences analysed below.

SIPA will provide the Organisational Model to the various stakeholders in accordance with a specific dissemination plan.

For new recruits and persons who start their collaboration with the organisation for the first time, the above communication will be made at the time they begin their relationship with

the Company.

Special Part I - Offences committed in relations with the Public Administration

1. Types of offence in relations with the Public Administration (arts. 24 and 25 of Decree 231/2001)

This Special Part relates to offences that might arise in the context of relations between SIPA and the Public Administration, if committed in the exclusive interests of the company, by directors, general manager or liquidators or by persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles. The individual circumstances envisaged in arts. 24 and 25 of Decree 231/2001 are discussed briefly below, making reference to the texts of the Decree, the Criminal Code and the relevant Special Laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• *Misuse of funds to the detriment of the State or the European Union (art. 316-bis criminal code)*

This offence is committed if, after having received funding or grants from the Italian State or the European Union, the recipient fails to use the amounts obtained for the purposes for which they were allocated (this conduct consists of diverting the amounts obtained, even if only in part, regardless of whether or not the planned activity was actually carried out).

The offence would be committed, for example, if after having obtained EU funding for the renovation of business premises, the directors of SIPA decided to abandon the original project and allocate the funds obtained to an increase in equity reserves.

The pecuniary penalty envisaged in that case would be as much as 500 quotas, plus prohibition from entering into contracts with the P.A.

Considering that the offence is committed in the executive phase, it might arise in relation to funding received in the past that is no longer allocated for the purposes for which it was granted.

• *Improper collection of funds to the detriment of the State or the European Union (art. 316-ter criminal code)*

This offence is committed if - via the use or the presentation of false declarations or documents or the failure to provide required information - grants, loans, assisted loans or other funds of the same type are obtained, without having any right to them, from the State, other public bodies or the European Union.

The offence would be committed for example if the Finance and Administration Office presented false documents to obtain a loan for SIPA from the Italian State.

In this case, by contrast to that seen in the previous point (art. 316-bis), the use made of the funds is not relevant, as the offence is committed at the time of obtaining the loan.

Lastly, it is noted that this is a residual offence with respect to that of fraud to the detriment of the State, in that it only arises if the conduct does not actually represent fraud to the detriment of the State.

The pecuniary penalty envisaged in that case would be as much as 500 quotas, plus prohibition from entering into contracts with the P.A.

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

This offence is committed if a public official or the provider of a public service acting in the abuse of their position forces someone to give them or others money or other benefits that are not due to them.

This is a residual offence among the circumstances envisaged in Decree 231/2001; in particular, this type of offence could arise if an employee of the Company aids and abets the offence committed by the public official who, by taking advantage of that role, requests the person responsible for accepting tenders to accept a tender from SIPA after the deadline.

The pecuniary penalty envisaged in that case would range from three hundred quotas to eight hundred quotas, plus prohibition from entering into contracts with the P.A.

- ***Corruption to obtain an official deed or contrary to official duty (arts. 318-319 criminal code)***

This offence is committed if a public official receives money or other benefits, personally or for others, in order to perform, omit or delay official duties (for the benefit of the offeror). The activity of the public official might involve the performance of an official duty (for example, the undue acceleration of work to be performed), or a deed contrary to that duty (for example, the acceptance of money in order to guarantee the award of a contract).

This offence differs from malfeasance in that in this case an agreement exists between the corrupted and the corruptor to obtain a mutual benefit, while in the case of malfeasance the private person is subjected to the conduct of the public official or the provider of the public service.

The pecuniary penalty for the offence governed by art. 318 criminal code would be as much as two hundred quotas, while that for the offence governed by art. 319 criminal code would be between two hundred and six hundred quotas.

- ***Corruption to obtain a judicial deed (art. 319 ter criminal code)***

This offence is committed if the company is party to a court case and, in order to obtain an advantage in that case, corrupts a public official or the provider of a public service (not just a magistrate, but also a registrar or other court official).

The offence would be committed, for example, if the General Manager of SIPA gave money to the Chairman of the Court that is hearing a case in which the Company is involved, in order to select a ruling magistrate with a particular bias in favour of SIPA.

The pecuniary penalty envisaged in that case would range from two hundred to six hundred quotas.

- ***Improper inducement to give or promise benefits (art. 319-quater criminal code)***

This offence is committed if, unless the fact represents a more serious offence, the public official or provider of a public service, acting in the abuse of their position or powers, induces someone to give or promise them or others money or other benefits that are not due to them.

The offence would be committed, for example, if the General Manager of SIPA induces a private party to pay money to SIPA in order to obtain immediate authorisation to connect to the drainage system.

The pecuniary penalty envisaged in that case would range from three hundred to eight hundred quotas.

- ***Corruption of a person who provides a public service (art. 320 criminal code)***

This offence is committed if the provider of a public service engages in the same criminal

conduct as that attributable to a public official pursuant to arts. 318 criminal code and 319 criminal code

The offence would be committed, for example, if an employee of SIPA gave money to the provider of a public service in a municipality responsible for some paperwork, in order to obtain confidential information.

In that case, the corresponding pecuniary penalties for the above-mentioned offences (arts. 318 criminal code and 319 criminal code) would apply.

• ***Instigation of corruption (art. 322 criminal code)***

This offence is committed if, faced with conduct intended to corrupt, the public official refuses the illegal offer made.

The offence would be committed, for example, if an employee of SIPA offered money to a municipal official, who however refused it, in order to facilitate the favourable outcome of an application made by the Company.

The pecuniary penalty envisaged in that case would be as much as six hundred quotas.

• ***Corruption and instigation of the corruption of members of European Community bodies and officials of the European Communities and foreign countries (art. 322 bis criminal code)***

The instructions mentioned above in relation to arts. 317 - 320 and 322 also apply to the members of EU institutions (European Parliament, Court of Justice, EU Court of Accounts), EU officials, persons seconded to the EU by member States or any public or private bodies, members and employees of bodies formed under the Treaties that established the EU, those who within the member States of the EU carry out functions or activities that correspond to those of public officials or providers of a public service.

In that case, the corresponding pecuniary penalties for the above-mentioned crimes of corruption would apply.

• ***Fraud to the detriment of the State or a public body or the European Union (art. 640, para. 2.1, criminal code)***

This offence is committed if, in order to obtain an unjust profit, fraudulent action is taken in order to induce an error or inflict a loss on the State (or another public body or the European Union).

The offence would be committed for example if, when preparing documents or data in order to obtain special tax benefits, the directors of SIPA provided untrue information to the Public Administration (for example, false supporting documentation).

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• ***Aggravated fraud to obtain public funds (art. 640 bis criminal code)***

This offence is committed if the fraud is perpetrated in order to obtain the improper payment of public funds.

The offence would be committed for example if the General Manager of the Company engaged in fraudulent conduct, for example by communicating untrue data or preparing false documentation, in order to obtain public funds for SIPA.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• ***IT fraud if committed to the detriment of the State or a public body (art. 640 ter criminal code)***

This offence is committed if the functioning of an IT or telematic system is altered, or the related data is manipulated, in order to obtain an unjust profit that inflicts a loss on the State or another public body. The offence would be committed for example if, after having obtained public funds or a social security service, one of the directors of SIPA accessed the IT system improperly in order to input an amount of funds greater than that obtained legitimately by the Company.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

2. Sensitive processes in relations with the Public Administration

In view of the activities carried out by SIPA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by arts. 24 and 25 of the Decree:

- transactions relating to assisted loans or carried out in order to obtain assistance and grants from the Public Administration;
- management of financial resources;
- Communication to the Public Administration of corporate information and data;
- management and hiring of personnel;
- management of social security matters;
- management of employee expense claims;
- management of the collaboration with external consultants;
- management of verification work, inspections and checks arranged by the PA in accordance with legislative and regulatory requirements;
- management of disputes at all levels of judgement, with assistance from external lawyers or otherwise;
- participation in tenders for contracts (sales/supplies to public bodies);
- ongoing relations with the Public Administration (especially to obtain the authorisations, licences or concessions needed in order to carry out corporate activities);
- applications for public finance and grants (in particular, for the development of industrial research projects and/or new products or innovative processes);
- payment of grants and donations;
- management of environmental authorisations.

The following SIPA offices are directly involved in the performance of these sensitive processes: Treasury, Human Resources.

3. Principles of conduct and control in the risk area of offences against the Public Administration

The general principles of conduct apply to all Recipients of this Model that, for whatever reason, maintain relations with the Public Administration on behalf of and in the interests of SIPA.

It is forbidden to initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences considered above (arts. 24 and 25 of Decree 231/2001); it is also forbidden to violate the corporate principles and procedures established in this regard.

In order to avoid committing the offences against the Public Administration envisaged in Decree 231/01, all Recipients of this Model must comply with the following “Principles of conduct in relations with the P.A”.

All Recipients of this Model must behave as follows:

- comply strictly with all laws, regulations and procedures that govern relations and/or contacts with Public Bodies, Public Administrations and/or Public Officials and/or Providers of Public Services;
- act with the maximum transparency, propriety and impartiality in their relations with Public Bodies, Public Administrations and/or Public Officials and/or Providers of Public Services;
- ensure that all relations with the above bodies, occasional or otherwise, are conducted in a legal and proper manner, via checks carried out by the managers of each Area on the Collaborators who maintain relations with public bodies;

It is also forbidden:

- to use your position to obtain benefits or privileges for yourself or for others;
- to present false declarations or documents or omit necessary information in order to apply for and/or use grants, loans, assisted loans or other funds of the same type made available by the State, the Public Administration, other public bodies or the European Union or other international public bodies;
- to pay and/or propose and/or ask third parties to propose the payment and/or giving of money or other benefits to a Public Official or a Public Administration or other public officials of the European Union or other international public bodies;
- to offer gifts or free services, beyond those deemed normal practice; in particular, it is forbidden to offer, directly or indirectly, representatives of the Public Administration or their family members any form of gift, present or free services that might appear in any way connected with their business relations with SIPA, in order to influence the independence of their judgement or induce them to provide advantages of any kind to the Company. Even in countries where offering gifts or presents is a normal sign of courtesy, these gifts must be appropriate and not in violation of the law; they must never be interpreted as a request for return favours. In the event of doubt, Recipients must inform the Company promptly, which will submit the report to the Supervisory Body in appropriate cases. The offer of gifts must always be documented in a suitable manner, so that the SB can make checks. Political and charitable donations and payments must not exceed the legal limits and must be authorised in advance by the Board of Directors or the designated corporate functions;
- to pay and/or propose and/or ask third parties to propose the payment and/or giving of money or other benefits to a Public Official if SIPA is a party in court proceedings;
- to act fraudulently in order to induce error or inflict a loss on the State (or another Public Body or the European Union or an international public body) in order to obtain an unjust profit;
- to promise and/or pay amounts, promise and/or give goods in kind and/or other benefits and/or advantages in relations with the Representatives of political parties and/or lobby associations, in order to promote or facilitate the interests of SIPA, not even as a consequence of illegal pressure;

- to evade the above prohibitions by recourse to various forms of help and/or contributions, disguised as sponsorship, appointments, consultancy or advertising, that have the same objectives as those forbidden above;
- to remove, alter and/or manipulate data and information on IT or telematic systems in order to obtain an unjust profit and cause losses for third parties.

Recipients of the Model are required to comply with and apply all the principles of conduct contained in the documents adopted by SIPA.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of SIPA, in areas exposed to the risk of committing offences against the Public Administration, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree);
- contain specific declarations from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree) and agreeing to conduct themselves in compliance with the requirements of the regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree) (for example: express termination clauses, penalties).

4. Specific procedures in the risk area of offences against the Public Administration

With regard to activities involving the types of transaction at risk identified above, all SIPA employees must comply with the following procedures:

- it must be possible to reconstruct how deeds are prepared, together with the related levels of authorisation, in order to guarantee the transparency of the decisions made;
- there must be segregation between those who make or implement decisions, those who record the accounting effects of the consequent operations and those required to audit them in accordance with the law and the procedures envisaged by the system of internal control;
- the documents relating to the business activities of SIPA must be filed and retained by the competent function, in a manner that does not allow their subsequent amendment unless duly evidenced;
- access to the above documents after filing must always be explained and is only allowed for parties authorised in accordance with the internal regulations, or their deputies, and for the Board of Statutory Auditors or equivalent body;

- external consultants must be selected with reference to their professionalism, independence and skill, and their selection must be explained in a suitable manner;
- the remuneration and commissions paid to Partners, Collaborators, Owners and Suppliers or public parties must be consistent with the services provided to the Company and/or with their appointments, as determined with reference to reasonableness criteria and market conditions or practices or established tariffs;
- the bonus systems for Employees and Collaborators must reflect realistic objectives, consistent with the duties and activities carried out for SIPA and the responsibilities assigned to them;
- when implementing decisions to use financial resources, SIPA must use financial and banking intermediaries that are subject to transparency and propriety rules compliant with EU regulations;
- the declarations made to Italian and EU public bodies in order to obtain concessions, authorisations or licences must be absolutely true in every respect;
- all court, tax and administrative inspections (e.g. those relating to Decree 81/08, tax/INPS audits etc.) must be assisted by persons who have been specifically authorised for this purpose.

All Recipients of the Model (Consultants, Owners and Partners, to the extent required by their functions) must comply with and apply all the specific procedures envisaged in the documents adopted by SIPA, which are an integral part of this Model.

5. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistency with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

Special Part II – Corporate offences and offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling.

1. Types of corporate offence (art. 25-ter of Decree 231/2001) and offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling (art. 25 -octies of Decree 231/2001).

This Special Part related to corporate offences and offences relating to receiving and recycling if committed in the exclusive interests of the Company by Directors, General Managers or liquidators or persons under their supervision. The individual circumstances envisaged in art. 25-ter and art. 25-octies of Decree 231/2001 are discussed briefly below, making reference to the texts of the Decree, the Civil Code, the Criminal Code and the relevant Special Laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• *False corporate communications (art. 2621 civil code) and false corporate communications to the detriment of the company, owners or creditors (art. 2622 civil code).*

This offence is committed if financial statements, reports or other corporate disclosures to the owners or the public required by law contain material facts that are untrue, even considering the need to make subjective judgements, about the economic and financial position of the company or the group to which it belongs, with the intention of misleading the owners or the public; or omit for the same purpose information about that situation whose disclosure is required by law.

This offence would be committed, for example, if one of the directors of SIPA included an untrue fact in the financial statements in order to significantly alter the reported economic situation of the Company, with a view to misleading the owners or the public and obtain an unjust profit for himself or for others.

Note that:

- the perpetrators may Directors, General Managers, Employees responsible for preparing the corporate accounting documentation, Statutory Auditors and liquidators (direct offenders), as well as those who, pursuant to art. 110 criminal code, aid and abet the offences committed by the above persons;
- the purpose of the conduct must be to obtain an unjust profit for the perpetrator or for others;
- the conduct must be capable of inducing the recipients of the disclosures to make a mistake;
- the perpetrators are still responsible, even if the disclosures relate to assets held or administered by the Company on behalf of third parties;
- the offence pursuant to art. 2622 civil code is punishable if challenged, unless listed companies are involved.

The offence pursuant to art. 2621 civil code is subject to a pecuniary penalty of between two hundred and three hundred quotas, while the offence pursuant to art. 2622 civil code is subject to a pecuniary penalty of between three hundred and six hundred and sixty quotas.

• *False reports or communications by the auditing firm (art. 2624 civil code)*

This offence is committed by auditors that issue false certificates or hide information about the economic and financial position of the company, in order to obtain an unjust profit for themselves or for others.

This offence would be committed in the form of aiding and abetting if, for example, the General Manager used all available means to convince one or more members of the auditing firm

engaged to certify the financial statements to hide significant information about the actual economic situation of the Company in order to obtain an unjust profit.

The perpetrators are the partners of the auditing firm (direct offenders), but the members of the Administrative and Control Bodies of the Company and its Employees may be involved by aiding and abetting the offence. In fact, the Directors, Statutory Auditors or other persons associated with the audited company may be responsible for aiding and abetting pursuant to art. 110 criminal code if they caused or instigated the illegal conduct of the audit partner. The pecuniary penalty envisaged in that case would be between two hundred and eight hundred quotas.

• ***Impeded control (art. 2625 civil code)***

This offence is committed by impeding or hindering, by hiding documents or similar stratagems, the checks or audit work legally assigned to the owners, other corporate bodies or the auditing firm.

This offence would be committed, for example, if by hiding important documentation the General Manager of SIPA did not respond in a precise and proper manner to requests for information from the Board of Statutory Auditors about the situation of the Company (for example, about the existence of losses, claims for compensation from third parties, delays in the progress of contract work, the application of contractual penalties), if this conduct is detrimental to the owners.

The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• ***Improper return of contributions (art. 2626 civil code)***

Aside from legitimate capital reductions, “typical conduct” would include the return, possibly falsified, of contributions from owners or the release of owners from the obligation to make them. This offence would be committed, for example, ignoring the cases allowed by law, if the Directors of the Company decided to release certain owners from their obligation to pay in the capital subscribed for by them.

The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• ***Illegal distribution of profits and reserves (art. 2627 civil code)***

This offence is committed by distributing profits or advances against profits not yet earned or that are allocated by law to reserves, or by distributing reserves, whether or not comprising profits, that cannot by law be distributed.

Without prejudice to legal distributions, this offence would be committed, for example, if the owners of SIPA decided to allocate amounts to themselves that, by law, must be retained as reserves.

In this case, the offence is cancelled by returning the profits or reconstructing the reserves prior to the deadline for approving the financial statements.

The pecuniary penalty envisaged in that case would be between two hundred and two hundred and sixty quotas.

• ***Operations detrimental to creditors (art. 2629 civil code)***

This offence is committed by in violation of the laws protecting creditors, by making capital reductions or arranging mergers with other companies or spin-offs that are detrimental to the creditors.

This offence would be committed, for example, if the Directors authorised a capital reduction to the detriment of the creditors, without any good economic and/or legal reason.

This offence is cancelled if the loss incurred by the creditors is reimbursed prior to the related court ruling.

The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• ***Fictitious formation of capital (art. 2632 civil code)***

This offence is committed, for example, when the capital of the company is first contributed or increased fictitiously, by allotting shares in exchange for an amount that is less than their nominal value; when reciprocal subscriptions for shares or quotas are made; when assets contributed in kind are overvalued significantly, and when the receivables or net assets of the company are overvalued at the time of a transformation. The perpetrators in this case are the Directors and the contributing owners.

The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• ***Improper distribution of company assets by liquidators (art. 2633 civil code)***

This offence is committed when the liquidators damage the interests of the creditors, by distributing assets to the owners before paying the creditors or reserving the amounts needed to satisfy them.

This offence would be committed, for example, if the liquidators decided to allocated amounts paid in for future capital increases to the owners of SIPA.

This offence is cancelled if the loss incurred by the creditors is reimbursed prior to the related court ruling.

The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• ***Corruption between private persons (art. 2635 civil code)***

This offence is committed when, in exchange for money, or the promise of money or other benefits for themselves or for others, the Directors, General Managers, Executives responsible for preparing corporate accounting documents, Statutory Auditors and liquidators perform or fail to perform deeds to the detriment of the Company, in violation of the obligations inherent in their positions and the obligation to be loyal.

This offence would be committed, for example, if the directors of SIPA recorded untrue amounts in the financial statements in order to reduce the tax charge and increase the profits available to the owners.

The pecuniary penalty envisaged in that case would be between two hundred and four hundred quotas.

• ***Illegal influence over the shareholders' meeting (art. 2636 civil code)***

“Typical conduct” would involve obtaining a majority at the shareholders’ meeting by fraudulent means in order to obtain an unjust profit, either directly or for others.

This offence would be committed, for example, if an owner of SIPA attended the shareholders’ meeting with false proxies, thereby obtaining the majority of the voting rights.

The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• ***Impeding the activities of public supervisory authorities (art. 2638 civil code)***

This offence is committed if, with the intention of hindering their activities, the disclosures

to the supervisory authorities required by law contain material facts that are untrue, even considering the need to make subjective judgements, about the economic and financial position of the parties subject to supervision, or hide in whole or in part, using other fraudulent means, facts that should be disclosed about the above position.

Note that:

- the perpetrators are the Directors, General Managers, Executives responsible for preparing the corporate accounting documents, Statutory Auditors and the liquidators of companies or entities and the other parties subjected by law to supervision by the public authorities, or with legal obligations towards them;
- the perpetrators are still responsible, even if the disclosures relate to assets held or administered by the Company on behalf of third parties.

The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

- ***Receiving (art. 648 criminal code)***

This offence is committed if, to obtain a profit directly or for others, a party acquires, receives or hides money or objects deriving from any crime or, in any case, participates in causing them to be acquired, received or hidden.

- ***Recycling (art. 648-bis criminal code)***

This offence is committed if a party exchanges or transfers money, goods or other assets deriving from an intentional crime, or carries out other operations in their regard in order to impede identification of their criminal source.

- ***Use of money, assets or benefits deriving from illegal sources (art. 648-ter criminal code)***

This is a residual offence, excluding cases of aiding and abetting and those envisaged in arts. 648 and 648 bis, that punishes anyone using money, assets or benefits deriving from crimes in economic or financial activities.

- ***Self-recycling (art. 648-ter1 criminal code)***

This article punishes anyone that, having committed or contributed to committing an intentional crime, uses, exchanges or transfers the money, goods or other assets deriving from that crime in the context of economic, financial, entrepreneurial or speculative activities, in order to effectively impede identification of their criminal source.

For offences envisaged in arts. 648, 648-bis, 648-ter and 648-ter.1 criminal code, the organisation is subject to a pecuniary penalty of between 200 and 800 quotas. If the money, assets or other benefits derive from offences for which the maximum penalty is imprisonment for more than five years, the pecuniary penalty is between 400 and 1,000 quotas.

2. Sensitive processes in the context of corporate offences and offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling

In view of the activities carried out by SIPA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 25-ter of the Decree:

- preparation of the financial statements and communications to owners and/or third parties about the economic and financial position of SIPA;
- capital transactions (increases, reductions) and equity transactions (reserves, profits/losses);
- management of repayable loans from owners;

- management of relations with supervisory bodies (auditing firm, Board of Statutory Auditors etc.) and decisions at shareholders' meetings;
- management of sales and purchase invoicing.

The following SIPA offices are directly involved in the performance of these sensitive processes:

- Administration;
- Treasury.

3. Principles of conduct and control in the risk area of corporate offences and offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling

In general when carrying out all business management activities, the corporate bodies of SIPA (and its Employees, Consultants, Owners and Partners, to the extent necessary in order to perform their functions) must be aware of and comply with:

- the system of internal control and therefore the procedures of the Company, the documentation and instructions relating to hierarchical-functional and organisational structure, and the system of management control;
- the internal rules governing the administration, accounting and financial system;
- the system of communications to personnel and their training;
- the disciplinary system;
- in general, the applicable Italian and foreign regulations;
- the rules contained in the General Part of this Model;
- the rules and procedures for the individual Sensitive Processes, as described below in this Special Part.

All Recipients of this Model are forbidden to:

- initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences identified in art. 25-ter of Decree 231/2001;
- initiate, collaborate with or cause conduct that, despite not representing the commitment of any of the offences considered above, could become an offence;
- initiate or cause violations of corporate principles and procedures.

In the above context, it is also strictly necessary to:

- behave in a transparent and collaborative manner, ensuring compliance with laws and internal procedures, when preparing annual financial statements and other corporate communications, in order to provide true and accurate information to the owners and third parties about the economic and financial position of the Company;
- behave in a transparent and proper manner, ensuring full compliance with laws, regulations and internal procedures, when obtaining, processing and communicating the data and information needed for an informed opinion on the economic and financial position of SIPA and the development of its business activities;
- comply rigorously with all legal requirements that protect the amount and existence of the share capital of the Company, in order to safeguard the guarantees provided to the creditors and third parties in general;

- refrain from entering into false or fraudulent transactions and from spreading false or inaccurate information that might significantly distort the economic and financial results reported by SIPA;
- make all the communications required by law and the regulations to the Public Authorities and the supervisory and control bodies in a timely and proper manner, and in good faith, without hindering in any way the performance of their supervisory functions.

When preparing the financial statements and other corporate communications – in order to provide true and accurate information to the owners and third parties about the economic and financial position of SIPA – it is therefore forbidden to:

- present or transmit for processing and presentation in financial statements, reports or other corporate communications data that is false or incomplete or, in any case, that does not correspond to reality, regarding the economic and financial position of the Company;
- omit any data and information required by law about the economic and financial position of SIPA;
- behave in a manner that significantly impedes, by hiding documents or using other fraudulent means, or otherwise hinders the control activities of the Board of Statutory Auditors;
- omit to make all the periodic reports required by law and the regulations applicable to SIPA in the necessary complete, accurate and timely manner;
- include untrue facts in the above communications and transmissions, or hide significant facts about the economic and financial position of the Company;
- do anything that hinders the work of the Control and Supervisory functions, including inspections by the Public Authorities (Tax Police, Employment Inspectors etc.), such as: express objections, invent pretexts for refusal, hinder work or fail to cooperate, including by delaying communications and the provision of documents or by arriving late at meetings arranged in good time.

In order to avoid the above conduct, communications and/or documents (e.g. financial statements) must be prepared in accordance with specific corporate procedures that:

- determine in a clear and complete manner the data and information that each function must provide, the accounting criteria for the processing of that data and information (for example: the measurement criteria applied when estimating the realisable value of receivables, the provisions for risks and charges, dividends, the provisions for taxation, deferred tax assets and the recognition of revenues) and the timetable for their delivery to the responsible functions;
- require the transmission of data and information to the responsible functions using a system (electronic or otherwise) that ensures the traceability of each step and identifies the persons who input data into the system;
- use forecast information agreed with the functions involved and approved by the corporate bodies;
- check the procedures for the external communication of collegiate decisions and, in general, all the information disseminated via the press, interviews etc., as well as the procedures for filing the correspondence between SIPA and the various external bodies.

When protecting the amount and existence of the share capital of the Company, in order to safeguard the guarantees provided to the creditors and third parties in general, it is forbidden to:

- return contributions to the owners or release them from the obligation to make them, except in the situations allowed by law;
- distribute profits not actually earned or those that, by law, must be allocated to reserves;
- make capital reductions, mergers or spin-offs in violation of the laws that protect the creditors;
- carry out transactions involving the share capital of SIPA, form companies, acquire and sell equity investments, carry out mergers and spin-offs without following the specific corporate procedures.

With regard to the routine operations of the Company, guaranteeing and facilitating all **internal controls over operations envisaged by law**, as well as the process of free and proper decision making at the shareholders' meeting, it is forbidden to:

- behave in a manner that significantly impedes, by hiding documents or using other fraudulent means, or otherwise hinders the control and audit activities of the Board of Statutory Auditors, in violation of the directives that require maximum collaboration and transparency in relations with the Board of Statutory Auditors;
- determine or influence decisions adopted at the shareholders' meeting by preparing false or fraudulent documentation designed to alter the normal process of decision making at the shareholders' meeting.

The following controls have been established to prevent the above conduct:

- meetings (one or more) between the Supervisory Body and the Board of Statutory Auditors for the exchange of information about the control system and the assessment of any issues that emerged during the audit work;
- provision to the Board of Statutory Auditors, in good time, of all documents relating to items on the agenda for shareholders' or board meetings, or on which it must express an opinion required by law;
- obligation for the relevant authorised offices to report to the top decision-making bodies of SIPA on the status of their relations with the auditing firm;
- general obligation to guarantee and facilitate all forms of internal control over corporate operations.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the Code of Ethics and the regulations in force from time to time.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of SIPA, in areas exposed to the risk of committing corporate offences, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences envisaged in the Decree);
- contain specific declarations from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences envisaged in the Decree) and agreeing to conduct themselves in compliance with the requirements of the regulations;

- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences envisaged in the Decree) (for example: express termination clauses, penalties).

4. Specific procedures in the risk area of corporate offences and offences relating to receiving, recycling and the use of assets or benefits from illegal sources, including self-recycling

With regard to activities involving the types of transaction at risk identified above, all SIPA Employees must comply with the following procedures:

- all transactions must be tracked via adequate documentary support held in the corporate files;
- all revenue and expenditure cycles must be managed by distributing the related responsibilities among the various structures involved in the processes;
- all internal audit checks must be based on objective criteria that, as far as possible, are documented and traceable in the corporate files (hard copy or electronic);
- all news and information processed as part of working activities must be kept confidential;
- the accounting policies adopted for the preparation of the financial statements and the procedures followed for recording the related accounting entries must comply with current standards and regulations.

All Employees of SIPA (and Consultants, Owners and Partners, to the extent required by their functions) must comply with and apply all the specific procedures envisaged in the regulations adopted from time to time by SIPA.

5. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

Special Part III – Crimes committed in violation of the regulations on the health and safety of workers

1. Types of crime committed in violation of the accident prevention and health and safety at work regulations (art. 25 septies of Decree 231/2001)

This Special Part relates to the crimes of manslaughter and serious and very serious injury identified in arts. 589 and 590, para. 3, criminal code, committed in violation of the accident prevention and health and safety at work regulations referred to in art. 25-septies of Decree 231/2001, if committed in the exclusive interests of the Company by directors, general managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.

The crimes referred to in the above article are discussed briefly below, making reference to the texts of the decree and the criminal code for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• *Manslaughter (art. 589 criminal code)*

Parties that cause the death of a person due to negligence are responsible for this crime.

This crime would be committed, for example, if an employee of SIPA caused a fire in the workplace due to carelessness, resulting in the death of one or more persons.

The existence of manslaughter depends on three elements: conduct, an event (death of a person) and a causal link between the two. Subjectively, the death is manslaughter when the culprit did not intend to kill the victim or cause the event resulting in death, but both occurred because the culprit was negligent, careless or failed to comply with the relevant laws.

The pecuniary penalty envisaged in that case would range from two hundred and fifty to one thousand quotas.

• *Personal injury through negligence (art. 590 criminal code)*

Art. 590, para. 3, criminal code punishes conduct resulting in serious or very serious personal injury in violation of the regulations governing the prevention of accidents at work.

This crime would be committed for example if an employee of SIPA, failing to comply with the internal safety regulations, hit a colleague with a forklift, causing injuries.

Personal injury is serious if the deed causes an illness that puts the life of the affected person in danger, or an illness or inability to attend to normal activities for a period in excess of forty days - if the deed permanently impairs one sense or one organ.

Personal injury is defined as very serious if the deed causes:

- an illness that is certainly or probably incurable;
- the loss of one sense;
- the loss of one limb or mutilation that renders the limb unusable, or the loss of use of one organ, or the inability to procreate, or a permanent and serious speech impediment;
- the deformation or permanent scarring of the face.

The pecuniary penalty envisaged in that case would be as much as two hundred and fifty quotas.

2. Sensitive processes in relation to compliance with the accident prevention and health and safety at work regulations.

In general, the sensitive activities identified by SIPA relate to compliance or duties associated or connected with the obligations established in the current regulations protecting the health and safety of workers in the workplace, with particular reference to those envisaged in Decree 81 dated 9 April 2008 and subsequent amendments and additions.

Having regard for the specific activities carried out by SIPA, it is therefore deemed necessary to monitor the following sensitive areas:

- formalisation of function mandates in relation to safety in the workplace;
- appointment of the manager of the prevention and protection office (RSPP), the Company doctor and the workers' safety representative;
- appointment of executives and managers responsible for safety;
- assessment of risks and preparation of the related document;
- identification and processing of procedures covering safety, fire prevention, first aid and periodic checks;
- provision of information and training to workers on safety risks and the preventive measures adopted;
- scheduling of periodic meetings;
- management of the expense budget for safety matters;
- planning of measures for improving the activities of the prevention and protection office;
- management of factory personnel;
- selection and management of relations with suppliers;
- Management of relations with parties appointed to prepare the risk assessment document for external firms.

The following SIPA resources are directly involved in the performance of these sensitive processes:

- Safety/Environment Protection Officer;
- RSPP.

3. Documents adopted by the Model

In full compliance with the provisions of sector regulations and, in particular, Decree 81/08, SIPA has adopted an Occupational Safety Management System prepared in accordance with current best practices and the requirements of OHSAS 18001.

This Occupational Safety Management System covers the organisational structure, planning, responsibilities, practices, procedures and resources need to prepare, implement, achieve, review and actively maintain the policy on occupational safety.

The Company has also prepared an Occupational Safety Management System Manual, "HSM – Health and Safety Manual", that contains the procedures followed by SIPA to manage all aspects of health and safety in the workplace. Compliance with these procedures ensures that work is organised properly, without ambiguity, in each department and covers all possible problems that might arise during the various phases of the production cycle.

4. Principles of conduct and control in the risk area of crimes committed in violation of the occupational health and safety regulations

This Special Part expressly forbids the corporate bodies of SIPA (and its Employees, Consultants, Owners and Partners, to the extent necessary in order to perform their functions) to do anything that is contrary to the following Principles of conduct for safety in the workplace.

All recipient of this Model are forbidden to:

- initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences considered above (art. 25 septies of Decree 231/2001);
- initiate or cause violations of corporate principles and procedures.

All Recipients of this Model must comply with the following rules of conduct:

- comply with the technical-structural standards required by law for equipment, plant, workplaces and chemical, physical and biological agents;
- assess the risks and prepare the related prevention and protection measures;
- carry out organisational activities, including the management of emergencies, first aid, the management of supply contracts and other contractual relations between SIPA and third-party firms (contractors, sub-contractors, storage depots etc.), periodic safety meetings, consultations with workers' safety representatives;
- carry out health monitoring activities;
- provide information and training to workers;
- monitor compliance by workers with the procedures and instructions on safety at work;
- obtain the documents and certificates required by law;
- carry out periodic checks on the application and effectiveness of the procedures adopted;
- comply – following adoption – with the Occupational Safety Management System (OCMS) of SIPA;
- check constantly on compliance with internal procedures and the various levels of authorisation and control envisaged;
- define and check the organisational and operational duties of top management, executives, managers and workers in relation to safety matters;
- check constantly on the documentation confirming performance of the duties of the RSPP and any employees assigned to the office, as well as the workers' safety representative, the emergency teams and the Company doctor;
- check the documentation, including any produced by external consultants, in support of applications for any kind of authorisation, licence, concession etc. and, in particular:
 1. the documentation for obtaining fire prevention certificates and/or to meet the requirement of the supervisory bodies regarding fire and other risks;
 2. the documentation for authorisations needed for purposes linked to compliance with sector regulations;
 3. the documentation related to workplace safety, including compliance with the sanitary, accident prevention and occupational health and safety regulations;
- check, for direct employees of SIPA, compliance with the employment laws and trade union agreements on hiring and on employment relationships in general;
- check compliance with the rules of proper conduct in the workplace;
- check constantly the reports of factory managers on their relations with the workers;

- require the Partners and suppliers of SIPA to comply with the legal obligations governing child and female labour, hygiene-sanitary and safety conditions, trade union rights or, in any case, the rights of association and representation, as envisaged in the current regulations;
- select carefully, with reference to the related internal procedures, the suppliers of specific services (contractors, bailees etc.) and, particular, those with a high incidence of unskilled workers, whether they be Partners or suppliers.

In addition:

- each employee of SIPA is required to comply with the accident prevention regulations and to use in a precise and diligent manner the personal protection equipment and other means of prevention made available by the Company and supplied to them (gloves, safety shoes, high-visibility clothing etc.);
- workers must, if required by their duties, use the changing rooms made available by the Company in order to change their clothes at the start and end of their working day; in this regard, these workers are required to change and wear the work clothes provided by SIPA;
- when clocking on, workers must have already put on their work clothes and be ready to start work; at the end of the day, they must clock off before entering the changing rooms;
- all workers must look after their personal hygiene and keep their workstation tidy;
- smoking is forbidden anywhere inside the factory; smoking is only allowed outside, or in designated and marked areas or rooms;
- workers are invited to behave in a manner compatible with their roles (messing around, tricks etc. are not permitted) and, specifically, they must keep in good condition the materials made available to them by the Company, respect the environment and respect their colleagues;
- it is forbidden to bring alcohol (including beer) onto Company premises and to consume it; it is also forbidden to start work drunk and/or in an altered state of consciousness;
- it is forbidden to bring drugs or psychoactive drugs onto Company premises and to take them; it is also forbidden to start work in an altered state of consciousness as a result of taking drugs;
- it is forbidden to walk outside the marked walkways;
- it is forbidden to allow external personnel to enter Company premises;
- it is forbidden for workers to carry out on their own initiative any operations or manoeuvres for which they are not responsible and that, therefore, may compromise in any way their safety or that of other workers and/or damage the equipment;
- workers must comply with the safety signs and prohibitions displayed in the workplace;
- workers must not loiter in places where they do not work or provide their services; in addition, they must not directly request - without prior authorisation from SIPA management - the personnel of external firms to help or collaborate with them, or give them orders regarding their work;
- it is forbidden to place nuts, screws, bolts, washers or other ironmongery on machines; these materials must always be placed in the appropriate containers.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the following documents adopted by SIPA, which are an integral part of this Model: Safety Management Manual.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of SIPA, in areas exposed to the risk of committing crimes in violation of the regulations governing the health and safety of workers, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree);
- contain specific declarations from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree) and agreeing to conduct themselves in compliance with the requirements of the regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree) (for example: express termination clauses, penalties).

5. Specific procedures in the risk area of crimes committed in violation of the occupational health and safety regulations

5.1 Identification of managers and their powers

In order to identify managers and the powers attributed to them, SIPA has established a series of mandates that distribute on a hierarchical basis within the Company the responsibilities and duties relating to safety, accident prevention and environmental hygiene.

SIPA has therefore adopted a safety organisation chart that is presented as Attachment I to this Model.

This system is designed to facilitate, on the one hand, the detailed supervision of all areas and, on the other, a hierarchical control mechanism at the operational level and with regard to allocation of the resources needed to ensure the availability of all the tools that are necessary and appropriate for safety purposes.

Each in their specific area, the managers identified must exercise all the powers assigned to them and meet all the obligations envisaged in Decree 81 dated 9 April 2008, as well as in all the other laws and regulations governing safety, accident prevention and environmental hygiene. The following SIPA management roles are responsible for safety in the workplace:

- **employer in charge of safety:** performs management and coordination functions, with a focus on the strategic management of the Company, assisted by the various internal functions; pursuant to art. 17 of Decree 81/08, this role performs an assessment of workplace risks and appoints the manager of the prevention and protection office (RSPP);
- **functional delegate for safety:** carries out the functions envisaged in art. 16 of Decree 81/08; also participates in meetings of the Prevention and Protection Office with the necessary organisational autonomy, authority and responsibility to ensure that the processes necessary for the safety management system are defined, implemented and updated / to identify problems that affect safety at the Company / to report the problems to top management / to check the implementation and effectiveness of the corrective actions taken / to highlight amendments and additions to the safety manual and the related procedures / to ensure promotion of the workplace safety requirements throughout the organisation;
- **manager of the Occupational Safety Management System:** works with top management and the RSPP to establish objectives and structure Company policy; prepares the Occupational Safety Management System (OSMS) Manual and the procedures and instructions for the OSMS; assesses any related non-conformities; ensures and checks that the system is applied and kept active; defines the related objectives; participates in the review of the OSMS; identifies any personnel training needs; promotes employee awareness of the OSMS procedures and provides training; identifies, examines and interprets the legal requirements for occupational safety; carries out an annual compliance check; ensures compliance with the planned operational controls;
- **manager of the Prevention and Protection Office (RSPP):** person with the abilities and professional qualifications specified in art. 32 of Decree 81/08;
- **Company doctor:** physician holding one of the certificates and training and professional requirements specified in art. 38 of Decree 81/08;
- **workers' safety representative:** person selected or designated to represent the workers on occupational health and safety matters;
- **fire and first-aid emergency team members:** persons trained appropriately pursuant to Decree 81/08 and MD 10.3.98, responsible for managing First-aid emergencies and Fire emergencies in compliance with the Emergency Plan established by the Company;
- **executives:** persons who, based on their professional skills and exercising the hierarchical and functional powers appropriate for their assigned responsibilities, implement the directives of the employer by organising and monitoring the related work;
- **managers in charge:** persons who supervise and monitor compliance by individual workers with their legal obligations and Company instructions on health and safety in the workplace and on use of collective and personal protection equipment; ensure that only workers with suitable training have access to areas that expose them to a serious and specific risk; require compliance with the measures to control risk situations in the event of emergencies; inform workers exposed to a grave and imminent risk as soon as possible about that risk and the instructions implemented or to be implemented for their protection; refrain, except in exceptional cases, from asking workers to return to work if the grave and imminent risk persists; reports deficiencies in the work equipment and tools and protection devices to the employer or the executive, together with all other hazards;

The Supervisory Body is constantly updated by the responsible persons identified from time to time about changes in the system of mandates, as decided by the Administrative Body together with the operating units concerned.

5.2 Constant identification of hazards, their assessment and implementation of the necessary control measures

Without prejudice to the above, in order to identify and assess hazards on an ongoing basis and implement the necessary control measures, SIPA has adopted the specific procedures listed below as part of the Occupational Safety Management System. These procedures are an integral part of this Model and the Employees of SIPA (and its Consultants, Owners and Partners, to the extent necessary in order to perform their functions) are required to comply with and apply them.

SIPA Quality and Safety Policy

HSM – Health and Safety Manual

S-HS-P-001 Structure and organisation of the OSMS

S-HS-P-002 Management of information, education and training

S-HS-P-004 Audit and monitoring of the system

S-HS-P-005 Management of injuries

S-HS-P-006 Review and improvement

S-HS-P-007 Management of work equipment

S-HS-P-008 Adoption and management of PPE

S-HS-P-010 Health monitoring activities

S-HS-P-011 Safety signage

S-HS-P-012 Management of non-conformities

S-HS-P-013 Assessment of risks

S-HS-P-014 Management of substances

S-HS-P-015 Safety Plan

S-HS-P-017 Management of supply contracts

S-HS-P-018 Management of regulations

S-HS-P-018 Management of regulations

S-HS-P-019 Management of emergencies

S-HS-P-020 Safety criteria and supplies

S-HS-P-021 Management of lifting equipment

S-HS-P-022 Making machinery safe

S-HS-P-023 Refrigeration and air conditioning equipment

S-HS-P-024 Management of emergency equipment

S-HS-P-031 Procedures for access to and movement within SIPA1 and SIPA2

QPG-D01 Procedures for the management of quality documentation and records

S-HS-I-010 Fire Coordinator

S-HS-I-011 Fire Brigade Collaboration Coordinator

S-HS-I-012 Evacuation Management Coordinator

S-HS-I-013 Earthquake Coordinator

S-HS-I-014 Flood Coordinator

S-HS-I-015 Fire prevention personnel
S-HS-I-016 First-aid personnel
S-HS-I-017 All - Evacuation
S-HS-I-018 All - Emergencies
S-HS-I-019 All - Security
S-HS-I-020 Reception - Emergency rescue calls
S-HS-I-021 First-aid Coordinator
S-HS-I-022 Spillage Coordinator
S-HS-M-007 Checklist for work equipment
S-HS-M-008 PPE assessment form
S-HS-M-15 Checklist for site risk assessment
S-S-C-001 DUVRI SIPASB ITA
S-S-C-001 DUVRI SIPAVV ITA
S-S-C-003 Entrance declaration ITA
S-S-C-068 Check of technical-professional suitability

QMQ-Q01 Quality Management System Manual

5.3 Definition, documentation and communication of the roles, responsibilities and powers of those who manage activities likely to have an impact on health and safety risks

SIPA has adopted a specific organisation chart of executives and responsible managers for each corporate office, in order to define, document and communicate the roles, responsibilities and powers of those who manage, execute and check activities that have an influence on health and safety risks.

This organisation chart is presented in Attachment I.

Their duties and responsibilities are described in the OSMS Manual and the other corporate documents listed.

5.4 Definition of the skills required by those who must perform tasks likely to have an impact on safety

The persons whose duties may have safety consequences must also have the necessary skills: these are accumulated as a result of education, training and/or appropriate practical experience. In order to ensure the availability of these skills, SIPA has prepared the information, education and training plan envisaged in Decree 81/08 for Company personnel (workers, managers, executives).

This plan is described in the OSMS Manual and involves the following types of action:

- **informing** employee workers and/or their company and/or factory representatives about:
 - the general health and safety risks that arise in the Company and/or the factory, as well as the specific risks associated with each type of workstation and/or function;
 - the general prevention and protection measures taken in relation to the Company and/or the factory, as well as the specific measures taken for each type of workstation and, in particular, the measures adopted in relation to first aid, fire prevention and the evacuation of workers;

- **training** workers on the subject of health and safety, with appropriate information and instructions regarding, in particular, their workstations or functions, at least:
 - when hired;
 - when transferred or on change of function;
 - on the introduction or change of work equipment;
 - when new technologies are introduced.

5.5 Dissemination of information about health and safety to employees and other interested parties

In order to ensure that the information about occupational health and safety is disseminated, the Company will organise periodic training for employees and responsible managers regarding their rights and duties in this area, and making specific reference to the safety regulations.

SIPA will also implement programmes that establish how the RSPP will carry out periodic inspections in the various areas of the Company.

The Company will organise periodic meetings with the managers responsible for checking on occupational health and safety. The primary purpose of these meetings will be to improve constantly the level of protection and prevention within the Company.

6. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

Special Part IV – Crimes committed in violation of the regulations governing the security of corporate IT systems and the improper processing of personal data

1. Types of crime committed in violation of the regulations governing the security of IT systems and the improper processing of personal data (art. 24-bis of Decree 231/2001)

- ***Unauthorised access to an IT and/or electronic data communications system (art. 615-ter criminal code)***

This crime is committed by anyone who obtains unauthorised access to an IT or electronic data communications (telematic) system protected by security measures or who maintains such access against the express or implied wishes of those entitled to exclude them.

This crime would be committed for example if an employee of SIPA used Company computers to gain unauthorised access to the IT system of another party or company, like a lending bank for example, in order to damage it and obtain a direct or indirect benefit for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

- ***Interception, prevention or illegal interruption of IT or telematic communications (617-quater criminal code)***

This crime is committed by anyone who fraudulently intercepts communications relating to an IT or telematic system or between several systems, or prevents or interrupts them.

This crime would be committed for example if, while at work, an employee of SIPA illegally and fraudulently interrupted an IT communication in order to obtain a benefit for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

- ***Installation of equipment for intercepting, preventing or interrupting IT or telematic communications (art. 617-quinquies criminal code)***

Except as allowed by the law, this crime is committed by anyone who installs equipment for intercepting, preventing or interrupting communications relating to an IT or telematic system or between several systems.

This crime would be committed for example if an employee of SIPA fraudulently installed equipment capable of intercepting the IT communications of a body responsible for supervising SIPA, in order to obtain important information for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

- ***Causing damage to IT or telematic systems (art. 635-quater criminal code)***

This crime is committed by anyone who destroys or damages the IT or telematic systems of other parties, including their programs, information and data, or makes them unusable in whole or in part.

This crime would be committed for example if an employee of SIPA damaged the management software of another party in order to obtain an advantage for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

- ***Causing damage to IT or telematic systems of public interest (art. 635-quinquies criminal code)***

This crime is committed by anyone who behaves in the manner envisaged in art. 635-quater

criminal code (causing damage to IT or telematic systems), when that conduct is intended to destroy or damage IT or telematic systems of public interest, or make them unusable, in whole or in part, or seriously impede their functioning.

This crime would be committed for example if an employee of SIPA damaged the IT system of a public body in an attempt to obtain lower tax and/or social security charges.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

• ***Holding and unauthorised distribution of access codes to IT or telematic systems (art. 615-quater criminal code)***

This crime is committed by anyone who, in order to obtain a profit directly or for others, or to cause a loss for others, improperly obtains, copies, distributes, communicates or gives away codes, passwords or other suitable means of access to IT or telematic systems protected by security measures or, in any case, provides indications or instructions for the above purpose.

This crime would be committed for example if, without authorisation, a collaborator of SIPA obtained the access codes to the programming *software* of a public body in order to obtain a benefit of any kind for the Company.

The pecuniary penalty envisaged in that case would be as much as three hundred quotas.

• ***Distribution of equipment, devices or IT programs intended to damage or crash an IT system (art. 615-quinquies criminal code)***

This crime is committed by anyone who distributes, communicates or supplies an IT program, written by himself or others, for the purpose or with the effect of damaging an IT or telematic system, or the data or programs contained in or relevant to it, or interrupts in whole or in part or alters its functioning.

This crime would be committed for example if an employee of SIPA gave an IT program to another company or a third party in order to damage it for the benefit of the Company.

The pecuniary penalty envisaged in that case would be as much as three hundred quotas.

2. Sensitive processes in relation to compliance with the regulations governing the security of IT systems

In view of the activities carried out by SIPA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 24-*bis* of the Decree:

- use of IT or telematic resources and information for the purpose of operating and managing the ordering and payment system;
- processing of the personal data of Customers, Suppliers and Employees pursuant to Decree 196/03 and subsequent amendments;
- maintenance and control of VPN tunnels using firewall equipment;
- management of remote access to the corporate LAN (Local Area Network);
- management of customer access to the data contained on the corporate website;
- use of the Internet and the corporate e-mail address, authentication and management of access authorisations, management of file servers, management of application servers, management of client PCs;
- management, maintenance and protection of the machine room containing the physical servers.

The following SIPA offices are directly involved in the performance of these sensitive processes:

- Information Communication Technology;
- Management Control.

3. Principles of conduct and control in the risk area of crimes committed in violation of the regulations governing the security of corporate IT systems and the improper processing of personal data

When managing the information systems of SIPA, Employees and all parties directly or indirectly involved in the processing of personal data to the extent necessary for their functions must, in general:

- comply rigorously with all legal requirements and internal corporate procedures regarding the security of the information systems of SIPA and the processing of any personal data;
- refrain from initiating, collaborating with or causing conduct that, individually or collectively, results directly or indirectly in commitment of any IT and illegal data processing crimes.

For this purpose, the SIPA documentation on the management of resources and IT systems consists of an IT REGULATION that governs access to the corporate IT network by employees, management of the network and related hardware and software of various types, and access to the Internet.

The Model makes reference to these SIPA documents as a source of mandatory instructions and they are an integral part of the Model.

In addition, in order to comply with the requirements imposed by the Guarantor of Privacy in the measure dated 27 November 2008, as amended on 25 June 2009, regarding the traceability of system administrator access to the system, SIPA has decided to implement an IT system in which all accesses by administrators (successful and failed logins, logouts) are recorded in log files. These records must be:

- complete, showing details of the system administrator, the time stamp and the activity carried out;
- unalterable, being stored in a way that allows any changes to be detected;
- retained, being stored and held for a reasonable period of not less than six months, and readily available for examination.

a. The IT records comply with the requirements of the measure in all the above respects. The activities of the system administrators are recorded in a manner consistent with the original (complete), transferred to a container where they are indexed and certified with the addition of a time stamp (unalterable), and then filed.

Without prejudice to the requirements of the above documents, which in all cases are an integral part of the Model, all recipients of this Model must, to the extent required by their functions:

- strive not to make public any information given to them regarding the use of IT resources and access to data and systems (including, in particular, the *usernames* and *passwords*, even if no longer valid, needed to access the IT systems of SIPA);
- take all measures deemed necessary to protect the system, ensuring that third parties cannot gain access to the system if their workstations are unattended (logout or *password* required for access);

- access the IT system solely using the ID codes assigned to them personally and, when prompted periodically by the operating system, change their *passwords*;
- refrain from any conduct that might, in any way, jeopardise the confidentiality and/or completeness of corporate data;
- refrain from any action to bypass the protections implemented for the corporate IT system;
- refrain from installing any program, even if relevant to their business activities, without first contacting the system administrator;
- refrain from using alternative connections to those made available to employees by SIPA for the performance of their work.

4. Specific procedures in the risk area of crimes committed in violation of the regulations governing the security of corporate IT systems and the improper processing of personal data

With regard to activities involving the types of transaction at risk identified above, SIPA employees and all parties directly or indirectly involved in the processing of personal data, to the extent necessary for their functions, must comply with the following procedures:

- the contracts and letters of appointment of managers and the letters of appointment or assignment of persons in charge of operating and maintaining the IT system, as well as the duties and responsibilities of the latter, must be collected together by SIPA in order to establish a clear picture of the responsibilities and authorities assigned to Collaborators in relation to the processing of personal data;
- annually or more frequently, SIPA must update the definition of the data that persons are authorised to access and the processing that they are authorised to carry out, in order to check if the conditions that justify those authorisations continue to exist.

The same checks are carried out in relation to those who operate and maintain the electronic equipment.

If in doubt about the proper implementation of the ethical principles and conduct described above in the performance of their activities, the persons concerned must contact the system administrator and make a formal request to the Supervisory Body for an opinion.

In addition, in order to protect its IT systems and avoid, to the extent possible, involvement in activities that might result in committing one or more IT crimes or illegal data processing, SIPA strives to:

- ensure that IT systems can only be accessed following the appropriate identification of users with reference to the *usernames* and *passwords* originally assigned to them by the Company;
- establish procedures for changing the *password* upon initial access, advising against use of the same *passwords* on a cyclical basis;
- check constantly that the powers assigned to user profiles are consistent with their SIPA job descriptions, both when persons are assigned to different activities and when they leave the Company;
- monitor periodically all accesses and activities carried out using the corporate network;
- train all personnel adequately on the conduct required in order to guarantee the security of IT systems, and inform them about the possible criminal and other consequences that might derive from the commitment of a crime.

Lastly, contracts with third parties (for example, Collaborators, Consultants, *Partners* etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of SIPA, in areas exposed to the risk of committing IT crimes and illegal data processing, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain *standard* clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree) and agreeing to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree) (for example: express termination clauses, penalties).

5. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

Special Part V – Environmental Offences

1. Types of environmental offence (art.25-undecies of Decree 231/2001)

This Special Part relates to the environmental offences referred to in art. 25-undecies of Decree 231/2001, if committed in the interests of and/or for the benefit of the Company by directors, general managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.

The environmental offences that might theoretically be committed by persons within SIPA are discussed briefly below, making reference to the texts of the decree, the criminal code and the special laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

- ***Environmental pollution (art. 452-bis criminal code)***

This offence is committed by illegally compromising or causing the significant deterioration of the waters or the air, or extended or significant portions of the soil or the sub-soil, or an ecosystem, or biodiversity, including agrarian biodiversity, or the flora or fauna.

This offence would be committed for example if, when disposing of liquid discharges, SIPA caused the water table to become polluted.

The pecuniary penalty envisaged in that case would be between two hundred and fifty and six hundred quotas.

- ***Environmental disaster (art. 452-quater criminal code)***

This offence is committed when illegal conduct results in an environmental disaster, being: irreversible alteration of the equilibrium of an ecosystem; or: alteration of the equilibrium of an ecosystem that is particularly onerous to correct and only by taking exceptional measures; or: endangerment of public safety due to the significance of the fact and the extent of the alteration or its harmful effects or due to the number of persons affected or expected to the hazard. This offence would be committed for example if, by the prolonged discharge of waste into the atmosphere, SIPA exposed the nearby population to the risk of poisoning and/or other harmful health effects.

The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

- ***Negligent offences against the environment (art. 452-quinquies)***

This type of offence is committed if the above facts (arts. 452-bis and 452-quater) are committed due to negligence.

This offence would be committed for example if the water table and/or the surrounding atmosphere was not polluted deliberately, but merely by failure to comply with the technical regulations that would have prevented the pollution.

The pecuniary penalty envisaged in that case would be between two hundred and five hundred quotas.

- ***Discharge of waste water (art. 137 Decree 152/06);***

This offence is committed when new industrial waste water discharges are made without authorisation, or when such discharges continue after the related authorisation has been suspended or revoked.

This offence would be committed for example if SIPA discharged waste water without a valid authorisation.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

- ***Unauthorised management of waste (art. 256 Decree 152/06);***

This offence is committed if waste is collected, transported, recycled, disposed of, sold or brokered without the required authorisations, registrations or communications.

This offence would be committed for example if SIPA collected waste (its own and/or that of other firms) without a valid authorisation.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

- ***Clean-up of sites (art. 257 Decree 152/06);***

This offence is committed if work results in the pollution of the soil, sub-soil, surface waters or underground waters, when concentrations exceed the risk threshold.

This offence would be committed for example if SIPA polluted the sub-soil due to improper management of its drainage system.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

- ***Violation of the obligations to notify, or keep mandatory registers and formula lists (art. 258 Decree 152/06);***

This offence is committed when, despite the requirement, an organisation does not comply with the system for controlling the traceability of waste (SISTRI) envisaged in the sector regulations.

This offence would be committed for example if SIPA did not keep properly the registers required by the system for controlling the traceability of waste (SISTRI).

The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

- ***Illegal trafficking of waste (art. 259 Decree 152/06);***

This offence is committed when a shipment of waste represents illegal trafficking pursuant to art. 26 of Regulation (EEC) 259 of 1 February 1993, or the shipment consists of special waste listed in Attachment II of the above EEC Regulation.

This offence would be committed for example if SIPA organised a shipment of waste without the required authorisations and/or in violation of the current laws on traceability.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

- ***Organised activities for the illegal trafficking of waste (art. 260 Decree 152/06);***

This offence is committed if, in order to obtain an unjust profit, a party sells, receives, transports, exports, imports or otherwise manages illegally massive quantities of waste on multiple occasions, via continuous and organised activities and the employment of resources.

This offence would be committed for example if, in order to obtain a profit, SIPA made use of its organisational structure on a regular (not occasional) basis to handle and process waste.

The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

- ***IT system for controlling the traceability of waste (art. 260-bis Decree 152/06)***

This offence is committed if obligated parties do not comply with the system for controlling the traceability of waste (SISTRI) envisaged in art. 188-*bis*, para. 2, letter *a*) of Decree 152/06 in the required manner.

This offence would be committed for example if SIPA failed to register with SISTRI.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

- ***Penalties for violating the regulations on atmospheric pollution (art. 279 Decree 152/06);***

This offence is committed if a party builds or operates a factory without the required authorisation or continues operations after the authorisation has expired or lapsed or been suspended or withdrawn.

This offence would be committed for example if SIPA opened a new factory without the required authorisation for atmospheric emissions.

The pecuniary penalty envisaged in that case would be as much as two hundred and fifty quotas.

2. Sensitive processes in relation to environmental offences

In view of the activities carried out by SIPA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 25-*undecies* of the Decree:

- checking and applying for the required environmental authorisations;
- checking compliance with the requirements contained in the authorisations or issued by the competent authority;
- keeping of registers and formula sheets relating to waste;
- management of industrial waste water discharges and the drainage system;
- management of atmospheric emissions.

The following SIPA resources are directly involved in the performance of these sensitive processes:

- environment protection officer;
- environment coordinator.

3. Principles of conduct

When carrying out operations involving the management of waste water discharges, waste and atmospheric emissions, the Employees and all parties directly and indirectly involved within SIPA (including Consultants, Owners and *Partners*, to the extent necessary in order to perform their functions) must in general:

- comply rigorously with all legal requirements and internal corporate procedures regarding the management of waste water discharges, waste and atmospheric emissions by SIPA;
- refrain from initiating, collaborating with or causing conduct that, individually or collectively, results directly or indirectly in commitment of the above environmental offences.

In this regard, SIPA has identified and adopted the necessary procedures for the identification of environmental matters.

The following principal environmental matters are considered:

- polluting emissions (into the atmosphere or waste water);
- production of waste;
- consumption of raw materials;
- consumption of energy;
- consumption of water;
- consumption of natural resources (e.g. fuel);
- noise;
- smells;
- vibrations;
- use/presence of hazardous substances;
- appearance.

The possible impact of each of the environmental aspects identified is estimated, considering how they might change the environment (cause-effect relationship). This assessment considers:

- normal department operating and plant functioning conditions;
- any anomalous conditions (e.g. plant start up or shut down) or emergencies.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the procedures adopted by SIPA, which are an integral part of this Model.

Lastly, contracts with third parties (for example, Collaborators, Consultants, *Partners* etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of SIPA, in areas exposed to the risk of committing environmental offences, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain *standard* clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree) and agreeing to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree) (for example: express termination clauses, penalties).

4. Specific procedures

With regard to activities involving the types of transaction at risk identified above, SIPA employees and all parties directly or indirectly involved in the processing of personal data, to the extent necessary for their functions, must comply with the following procedures:

- relations with the PA and the authorities responsible for supervising the environmental aspects arising in the risk areas must be managed on a unified basis, identifying the person responsible for each operation or series of operations (if repetitive) carried out in the risk areas;
- appointments granted to external collaborators for whatever reason in relation to environmental matters must be documented in writing, specifying the remuneration agreed, and proposed, checked or approved by at least two persons belonging to SIPA;
- personnel responsible for the control and supervision of requirements relating to the performance of the above activities must dedicate particular attention to compliance and report any irregularities to the SB immediately;
- with regard and in relation to each of the above sensitive areas, is it necessary to:
 - provide information to all workers;
 - provide information and training to workers who are active in operational areas of the organisation that are exposed to the risk of committing offences;
 - provide information to the workers of external firms operating at the factories of SIPA;
 - ensure adequate supervision of worker compliance with the environmental safety procedures and measures, identifying specific responsible persons at each factory;
 - prepare internal environmental safety and protection regulations that appropriately address the environmental risks; obtain and retain documentation confirming compliance with the environmental protection laws, regulations and standards;
 - retain documentation about the authorisation processes, authorisations and certifications and all other related documents, including any additional deeds or amendments;
 - retain documentation about the internal regulations of the Company;
 - monitor constantly corporate procedures, ensuring that they are revised appropriately, on a timely basis, especially if the risks increase or in the event of an emergency;
 - carry out cyclic audits of environmental matters; monitor the environmental regulations and compliance with them;
 - check periodically compliance with the administrative requirements envisaged by the relevant environmental legislation with regard to the last six months;
- check, considering the requirements of current legislation, the need to obtain authorisation for the discharge of waste water;
- arrange to obtain authorisations by the deadlines established in current legislation and, for plants that have not been authorised yet, activate the checks required by the relevant legislation;
- check the instructions contained in authorisations concerning: compliance with the maximum discharge limits and with the requirements, sampling and analytical methods, and specified frequency of checks;

- check that the concentrations of polluting substances in the discharges are measured and that the maintenance registers are kept properly, in compliance the authorisations and with at least the minimum specified frequency;
- maintain and renew the discharge authorisations by the deadlines envisaged in the relevant current legislation;
- apply for new authorisations if significant changes are made to the plant concerned;
- check periodically proper compliance with the above requirements;
- check that the consultants, partners and collaborators in general dedicated to waste management compliance, including transport firms and the waste management company, are selected on a transparent basis in accordance with specific corporate procedures that require final approval by General Management;
- check that the appointments granted to external Collaborators (such as technicians for the preparation of technical documentation required for the renewal of authorisations and compliance with the environmental regulations) are documented in writing, specifying the remuneration agreed, and proposed, checked or approved by at least two persons belonging to SIPA;
- check that all the information stated on the certificate of waste analysis is true and correct with reference to the specific analyses carried out;
- update the production input/output registers and the movements of waste;
- manage the temporary holding of waste in accordance with current legislation;
- manage the preliminary storage and holding of waste in accordance with the related authorisations;
- complete and issue the waste identification formula sheets for off-site transportation; request and check the authorisations required for all parties involved in the various phase of waste management (collection, transportation, recycling, disposal);
- complete the Sistri – Area chronological register form and the Sistri – Area movements form, check acceptance by the destination site by reference to the e-mail received from Sistri.

Without prejudice to the above, in order to identify and assess the environmental aspects on an ongoing basis and implement the necessary control measures, SIPA has identified and adopted the necessary procedures that are an integral part of this Model. All Employees of SIPA (and its Consultants, Owners and Partners, to the extent necessary in order to perform their functions) are required to comply with and apply them.

5. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

Special Part VI – Offences against trade and industry

1. Types of offence against trade and industry (art.25-bis 1 of Decree 231/2001)

This Special Part relates to the offences against trade and industry referred to in art. 25-bis 1 of Decree 231/2001, if committed in the interests of and/or for the benefit of the Company by directors, general managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.

The offences against trade and industry that might theoretically be committed by persons within SIPA are discussed briefly below, making reference to the texts of the decree, the criminal code and the special laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

- ***Fraud in the exercise of trade (art. 515 criminal code)***

This offence is committed if, in the exercise of a commercial activity or in a public market, a party gives the purchaser one fungible asset instead of another, being a fungible asset whose origin, source, quality or quantity is different to that stated or agreed.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

- ***Sale of industrial products with false signs (art. 517 criminal code)***

This offence is committed if a party sells or otherwise distributes intellectual property or industrial products using national or foreign names, trademarks or distinctive signs that mislead the purchaser about the origin, source or quality of the work or product.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

- ***Manufacture and trade in goods made by appropriating industrial property rights (art. 517 – ter criminal code)***

This offence is committed if, while knowing about the existence of industrial property rights, a party manufactures or uses for industrial purposes objects or other goods made by appropriating or violating an industrial property right.

(This offence is also committed if, in order to obtain a profit, a party imports, holds for sale, places on sale directly to the end consumer or otherwise distributes the goods referred to above by appropriating or violating an industrial property right).

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

2. Sensitive processes in relation to offences against trade and industry

In view of the activities carried out by SIPA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that

could involve the commitment of offences governed by art. 25-*bis. 1* of the Decree:

- delivery of a product not specified in the contract/purchase order in terms of: location of production or manufacture, via an untrue “made in” declaration; quality, via misleading markings and EU conformity declaration;
- spreading of information and comments about the products and activities of a competitor, with a view to defamation, or appropriating the qualities or business of a competitor.

The following SIPA resources are directly involved in the performance of these sensitive processes:

- Technical Office;
- Commercial.

3. Principles of conduct

When carrying out operations that involve managing the design, manufacture and commercialisation of products, the Employees and all parties directly and indirectly involved within SIPA (including Consultants, Owners and *Partners*, to the extent necessary in order to perform their functions) must, in general:

- comply rigorously with all legal requirements and internal corporate procedures for managing the design, manufacture and commercialisation of the products;
- refrain from initiating, collaborating with or causing conduct that, individually or collectively, results directly or indirectly in commitment of the above offences against trade and industry.

In this regard, SIPA has adopted a specific product safety and quality policy, consistent with best practices and the European technical regulations, ensuring that an excellent standard is achieved.

4. Specific procedures

With regard to activities involving the types of transaction at risk identified above, Employees and all parties directly or indirectly involved in the management of product processes within SIPA, to the extent necessary for their functions, must comply with the specific corporate procedures adopted from time to time.

5. Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body

is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

