

Principles of organizational, management and
control Model ex Italian Legislative Decree N.
231/2001

Approved by the Board of Directors on 16th December 2015

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CHAPTER 1 - DESCRIPTION OF THE REFERENCE REGULATORY FRAMEWORK

1.1 Introduction

With the Legislative Decree of June 8, 2001 No. 231 (hereafter, the “Legislative Decree N. 231/2001” or the “Decree”), issued to implement the mandate given to the Government in accordance with Article 11 of Law No. 300 dated September 29, 2000, it has been dictated the discipline for “*the liability of legal entities for administrative offenses resulting from crimes*”.

In particular, this framework regards entities with legal personalities, and even companies and associations without it.

The Legislative Decree N. 231/2001 has its genesis in some international and European conventions ratified by Italy, which require to predict forms of liabilities of collective entities for specific offenses.

Indeed, according to the roles introduced by the Decree, companies may be held “responsible” for specific committed or attempted offenses, even in the interest or benefit of companies themselves, by senior managers (the so-called “apical subjects” or simply “apicals”) and those who are subjects of the direction or supervision of the latter (Art. No. 5, paragraph 1 of the Legislative Decree N. 231/2001).

Companies’ administrative liability is independent from penal liability of the person who has committed the crime and joins the latter.

This liability expansion aims substantially at involving, in the punishment of certain crimes, the companies’ assets and, ultimately, the shareholders’ economic interests, who, until the entry into force of the Decree in question, did not suffer direct consequences from crimes committed by directors and / or employees, in the interest or to the advantage of their Company.

The Legislative Decree N. 231/2001 updates the Italian judicial system because both pecuniary and interdiction penalties are now applicable to companies, directly and independently, in relation to crimes attributed to subjects functionally linked to the Company itself pursuant to art. No. 5 of the Decree.

The administrative responsibility of the Company is, however, excluded if it has, among other things, adopted and effectively implemented, prior to the commission of the offenses, organization, management and control models suitable to prevent such offenses; these models can be adopted on the basis of codes of conduct (guidelines) issued by the associations representing companies, including CONFINDUSTRIA, and communicated to the Ministry of Justice.

The administrative responsibility of the Company is, in any case, excluded if apical subjects and / or their subordinates acted solely in their interest or in the interest of third parties.

1.2 Liability nature

With regard to the nature of administrative liability ex Legislative Decree N. 231/2001, the Explanatory Report of the Decree emphasizes the “*the birth of a third category which combines the*

essential features of penal and administrative system, in the attempt to mix together reasons of preventive efficacy with those, even more unavoidable, of the best guarantee”.

The Legislative Decree N. 231/2001 has introduced in our legal order an “administrative” liability for companies - in accordance with the provision of the art. No. 27, paragraph no. 1, of our Constitution - but with many points of contacts with the “penal” one.

In this sense, see - among the most significant – articles No. 2, 8 and 34 of the Legislative Decree N. 231/2001, when the first reaffirms the principle of legality typical of criminal law; the second affirms the autonomy of the entity's liability with respect to ascertaining the liability of the individual author of the criminal conduct; and the third provides for the fact this liability, dependent on the commission of an offense, is assessed in a criminal case and is, therefore, assisted by the assurances of the criminal process. Consider, also, the afflictive character of the sanctions imposed on the Company.

1.3 Crime authors: apical subjects and individuals under other's direction

As mentioned above, according to the Legislative Decree N. 231/2001, the Company is responsible for crimes committed in its interest or to its advantage:

- by “people who perform representative, administrative or directional functions for the Company itself or for one of its organizational units provided with financial and functional autonomy, as well as by people who practice, even de facto, its management or its control (the above-defined "apical subjects" or "apicals"; art. No. 5, paragraph no. 1, lett. a) of Legislative Decree N. 231/2001);
- by people under the direction or supervision of one of apical subjects (the so-called individuals under others' direction, art. No. 5, paragraph no. 1, lett. B) of Legislative Decree N. 231/2001).

It is appropriate, moreover, to stress that the Company is not responsible, in accordance with legislative provision (art. No. 5, paragraph no. 2, of Legislative Decree N. 231/2001), if people mentioned above have acted in their own interest or in the interest of third parties.

1.4 Type of offence

According to the Legislative Decree N. 231/2001, the Company may be held liable only for the offenses specified in articles no. 24 - 25-octies of the Legislative Decree N. 231/2001, if committed in its interest or for its benefit by qualified people ex art. No. 5, paragraph no. 1 of the Decree or in the case of specific legal provisions that make reference to the Decree, as in the case of art. No. 10 of the Law no. 146/2006.

The types may be included, for ease of exposition, in the following categories:

- **crimes against the Public Administration.** It is the first crime group initially identified by the Legislative Decree N. 231/2001 (art. No. 24 and 25);
- **crimes relating to counterfeiting money, public credit cards, revenue stamps and instruments or identifying signs**, such as counterfeiting money, public credit cards and revenue stamps, provided for art. No. 25 - *bis* of the Legislative Decree and e introduced by the Law no. 409 of November 23, 2001, bearing “*Urgent provisions for the introduction of Euro*”;
- **corporate crimes.** The Legislative Decree N. 61 of April 11, within the reform of corporate system, provides for the extension of the companies' administrative liability also to certain

corporate crimes (such as false corporate communication, unlawful influence on the board, cited by the art. No. 25-ter of the Legislative Decree N. 231/2001);

- **crimes for the purposes of terrorism or subversion of the democratic order** (cited by the art. No. 25-quater of the Legislative Decree N. 231/2001, introduced by the art. No. 3 of the Law no. 7 of January 14, 2003). These are the “*crimes for the purposes of terrorism or subversion of the democratic order envisaged by the criminal code and by the special laws*”, as well as crimes, different from these latter, “*which are, in any case, committed in breach of the conditions established by the International Convention for the suppression of the funding of terrorism signed in New York on December 9, 1999*;
- **market abuse**, cited by the art. no. 25-sexies of the Decree, as introduced by the art. No. 9 of the Law no. 62 of April 18, 2005 (“*Community Law 2004*”);
- **crimes against the individual**, envisaged by the art. no. 25-quinquies, introduced in the Decree by the art. no. 5 of the Law no. 228 of August 11, 2003, such as child prostitution, child pornography, reduction to or maintenance in a state of slavery or servitude;
- **transnational crimes**. The art. no. 10 of the Law no. 146 of March 16, 2006 concerns the administrative liability for companies even with regards to crimes specified by law, presenting transnational peculiarity;
- **crimes against the life and safety of the individual**. The art. No. 25-quater.1 of the Decree provides for crimes concerning the Company’s administrative liability for practices involving the mutilation of female genitals;
- **crimes with regard to health and safety**. The art. no. 25-septies provides for crimes concerning the Company’s administrative liability with regard to the art. no. 589 and 590, third paragraph of the Criminal Code (manslaughter and serious or very serious injuries), committed by breaching occupational health and safety regulations;
- **receiving, money-laundering and handling money, goods or utilities of illegal origin, as well as self-laundering**. The art. no. 25-octies of the Decree provides for the extension of the companies’ administrative liability also to crimes envisaged in the art. no. 648, 648-bis, 648-ter and 648 – ter 1 of the Criminal Code;
- **computer crimes and unlawful data processing**. The art. no. 24-bis of the Decree provides for crimes concerning the Company’s administrative liability with regard to the art. no. 615-ter, 617-quater, 617-quinquies, 635-bis, 635-ter, 635-quater and 635-quinquies of the Criminal Code;
- **crimes related to organized crime**. The art. no. 24-ter of the Decree provides for crimes concerning the Company’s administrative liability with regard to the art. no. 416, sixth paragraph, 416-bis, 416-ter and 630 of the Criminal Code and the art. no. 74 of the “Testo Unico” of the Presidential Decree no. 309 of October 9, 1990;
- **crimes against industry and commerce**. The art. no. 25-bis of the Decree provides for crimes concerning the Company’s administrative liability with regard to the art. no. 513, 513-bis, 514, 515, 516, 517, 517-ter and 517-quater of the Criminal Code;
- **offences relating to breach of copyright**. The art. no. 25-novies of the Decree provides for crimes concerning the Company’s administrative liability with regard to the art. no. 171, first paragraph, letter a-bis), and third paragraph, 171-bis, 171-ter and 171-septies, 171-octies of the Law no. 633 of April 22, 1941;
- **inducing others not to issue statements or to issue untrue statements to the judicial authorities** (art. no. 377-bis of the Criminal Code), cited by the art. no. 25-novies of the Decree;
- **environmental crimes**. The art. no. 25-undecies of the Decree provides for crimes concerning the Company’s administrative liability with regard to the art. no. 452-bis, 452-quater, 452-quinquies, 452-sexies, 452-octies, 727-bis and 733-bis of the Criminal Code (this especially refers to significant environmental crimes such as pollution and environmental disaster), some articles envisaged by the Legislative Decree N. 152/2006 (Testo Unico regarding environmental themes), some articles envisaged by the the Law no. 150/1992 related to the protection of

endangered animal and plant species and dangerous animals, the art. no. 3, paragraph no. 6, of the Law no. 549/1993 related to the ozone and environment protection and some articles of the Legislative Decree N. 202/2007 related to the malicious pollution caused by ships;

- **crimes against the use of third-country citizens staying illegally in the Italian territory.** The art. no. 25-*duodecies* of the Decree provides for crimes concerning the Company's administrative liability with regard to the art. no. 2, first paragraph of the Legislative Decree N. 109 of July 16, 2012, in case foreign workers without resident permission or expired permission are used.
- **crimes related to corruption within private citizens.** The art. no. 25-*ter 1, letter s-bis* of the Decree provides for crimes concerning the Company's administrative liability with regard to the art. no. 2635 of the Civil Code.

The categories listed above are shortly doomed to be increased, again, even for the legislative tendency to expand the scope of operations of the Decree, also in compliance with the international and European obligations.

1.5 Penalty system

The art. no. 9-23 of the Legislative Decree N. 231/2001 provide for the following sanctions at the expense of the Company, as a result of the commission or the attempted commission of the offences mentioned above:

- financial penalties (and conservative seizures);
- disqualification penalties (also applicable as a precautionary measure) of a duration not less than three months and not more than two years (with the clarification that, pursuant to art. no. 14, first paragraph, of the Legislative Decree N. 231/2001, "*the disqualification sanctions are related to the specific task to which the Company's offense concerns*"), which, in turn, may consist of:
 - disqualification from carrying on the business;
 - suspension or revocation of permits, licenses or concessions functional to the commission of the offense;
 - ban to contract with the Public Administration, except for obtaining public services;
 - exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
 - ban to advertise goods or services;
- requisition (and conservative seizures);
- judgement publication (in case of the application of a disqualification).

The financial penalty is determined by the judge through a system based on "shares" in a number not less than one hundred and not more than one thousand, and of a variable amount between a minimum of € 258,22 and a maximum of € 1.549,37. In the quantification of financial sanction, the judge sets:

- the number of shares, taking into consideration the gravity of the offence, the degree of Company's liability as well as the activities done to eliminate or mitigate the offence consequences and to prevent the commission of further offences;
- the amount of each share, based on the Company's economic and financial conditions.

The disqualification penalties are applied in relation to offences for which they are expressly provided for (i.e. crimes against the Public Administration, some crimes against the Public trust - such as counterfeiting money - crimes for the purposes of terrorism or subversion of the democratic order, crimes against the individual, crimes with regard to practices involving the mutilation of female genitals, transnational crimes, crimes with regard to health and safety, as well as receiving,

money-laundering and handling money, goods or utilities of illegal origin, computer crimes and unlawful data processing, crimes related to organized crime, crimes against industry and commerce, offences relating to breach of copyright, some environmental crimes, crimes against the use of third-country citizens staying illegally in the Italian territory, improper inducement to give or promise benefits), provided that, at least, one of the following conditions:

- the Company has drawn a substantial profit from the commission of the crime, and it has been committed by individuals in apical positions or individuals subject to the command of others when, in the latter case, the commission of the offense has been determined or facilitated by serious organizational shortcomings;
- in case of crime reiteration.

The judge determines the type and duration of the disqualification sanction taking into consideration the ability of each sanctions to prevent offences similar to those committed and, if necessary, he / she may jointly apply them (art. no. 14, first and third paragraph of the Legislative Decree N. 231/2001).

Penalties for the disqualification from carrying on the business, the ban to contract with the Public Administration and to advertise goods or services may be applied - in worst cases – in a definitive way. Also note the possible prosecution of Company's business (instead of imposing the penalty), determined by a commissioner appointed by the court, pursuant to and subject to the conditions set out in the art. no. 15 of the Legislative Decree N. 231/2001.

1.6 Attempt

In cases of crimes' commission, in the attempt form, punished according to the Legislative Decree N. 231/2001, the financial penalties (in terms of amount) and the disqualification one (in terms of duration) may be reduced from a third to an half.

The sanctions' imposition is excluded in cases in which the Company voluntarily prevents the completion or the realization of the action (art. no. 26 of the Legislative Decree N. 231/2001).

1.7 Events that may modify the Company

The Legislative Decree N. 231/2001 regulates the Company's financial liability, even in relation to the modifying events as the transformation, the merger, the breakup and the Company's disposal. According to the art. no. 27, first paragraph, of the Legislative Decree N. 231/2001, it is responsible for the payment of the financial penalty the Company with its assets, or with the common fund, where the notion of assets is referred to companies and organizations with legal personality, while the notion of common fund concerns the non-recognized associations.

The art. no. 28-33 of the Legislative Decree N. 231/2001 regulate the impact, on companies, of modifying events related to the operations of transformation, merger, breakup and Company's disposal. The Legislator has taken into account two opposite needs:

- on the one hand, avoid that such operations may be a means of easily eluding the Company's administrative liability;
- on the other hand, not to penalize reorganizational operations with no elusive intent.

The Explanatory Report of the Legislative Decree N. 231/2001 says *“The general standard followed in this regard has been to regulate the financial penalties' fate according to the principles established by the Civil Code, in relation to the generality of the other original Company's debts,*

keeping, conversely, the disqualification penalties' connection with activities in which the offense was committed".

In case of transformation, the art. no. 28 of the Legislative Decree N. 231/2001 envisages that the Company's liability remains the same related to crimes committed before the moment in which the transformation took effect (in accordance with the nature of that institution, which involves a simple Company's type change, without causing the extinction of the original legal entity).

In case of merger, the Company which results from it (even from the incorporation) is liable for offences committed by companies participating to the merger itself (art. no. 29 of the Legislative Decree N. 231/2001).

The art. no. 30 of the Legislative Decree N. 231/2001 envisages that, in case of partial breakup, the split Company is still liable for the offences committed before the moment in which the operation took effect.

The organizations benefiting from the breakup (both total and partial) are jointly and severally liable to pay financial penalties owned to split Company for crime committed before the moment the breakup took effect, within the limit of the actual value of the equity transferred to each organization.

This limit does not apply to beneficiary companies, to which it is devolved, even if only in part, the business unit within which the offense was committed.

The disqualification penalties related to offenses committed before the moment in which the breakup took effect, apply to organizations to which the business unit, even if only part of it, remain or is transferred, within which the offense was committed.

The art. no. 31 of the Decree provides for common dispositions for merger and breakup, in relation to the penalties' determination in cases such unusual operations have occurred before the trial conclusion. It is explained, in particular, the principle whereby the judge must commensurate the financial penalty, according to the principles provided for by the art. no. 11, second paragraph, of the Decree, referring in any case the original entity's economic and financial conditions, and not those of the Company to which the penalty should be attributed after the merger or the breakup.

In case of disqualification penalty, the entity which will be considered liable after the merger or the breakup may ask the court to convert it into a financial penalty, provided that: (i) the organizational fault that has made possible the commission of the offense has been eliminated, and (ii) the entity has provided for the reimbursement for the damage and has made available (for the seizure) the part of the profit possibly obtained. The art. no. 32 of the Legislative Decree N. 231/2001 allows the judge to take into account the sentences already imposed to the companies participating to the merger or to the split Company in order to configure the repetition, pursuant to the art. N. 20 of the Legislative Decree N. 231/2001, in relation to the offences of the entity resulting from the merger or beneficiary of the breakup, relating to offences committed after them. In the case of Company's disposal and transfer, a unitary regulation is envisaged (art. no. 33 of the Legislative Decree N. 231/2001); the cessionary, in case of the disposal of activities in which the offence was committed, is jointly liable for the financial penalty's payment to the seller, with the following limitations:

- the benefit from the transferor's preventive enforcement is not included;
- the cessionary's responsibility is limited to the value of the divested Company and to financial penalties which result from mandatory account books, or due to administrative offences of which it was however aware of.

On the contrary, the disqualification penalties imposed to the transferor do not be extended to the cessionary.

1.8 Crimes committed abroad

According to the art. no. 4 of the Legislative Decree N. 231/2001, the Company may be held liable in Italy in relation to crimes - under the same Legislative Decree N. 231/2001 - committed abroad. The Exploratory Report of the Legislative Decree N. 231/2001 emphasizes the need not to leave unpunished a frequent criminal situation, even in order to avoid simple elusions of the whole regulation in question.

The assumptions on which the Company's liability for offences committed abroad is based, are:

- the offense must be committed by an individual operationally linked to the Company, pursuant to art. no. 5, first paragraph, of the Legislative Decree N. 231/2001;
- the Company must have its principal registered address in the Italian territory;
- the Company can be considered liable only in the cases and under the conditions laid down in the art. no. 7, 8, 9, 10 of the Criminal Code (in cases where the law envisages that the culprit - natural person - has to be punished at the request of the Minister of Justice, the Company will be persecuted only if the request is also made to the Company itself) and, even in accordance to the legal principle cited in the art. no. 2 of the Legislative Decree N. 231/2001, only against crimes for which its liability is mentioned by an *ad hoc* legislative regulation;
- subsisting cases and conditions laid down by the Criminal Code articles mentioned above, the Country of the place where the crime was committed does not proceed against the Company.

1.9 Investigation process

The liability for an administrative offense arising from a crime is established as part of a criminal case. In this regard, the art. no. 36 of the Legislative Decree N. 231/2001 provides for *"The jurisdiction to hear entity's administrative violation belongs to the competent criminal court for the offenses from which they depend. For the assessment procedure of the entity's administrative violation the provisions on the composition of the court and related trial of offenses from which the administrative offense depends will be followed"*.

Another rule, inspired by reasons of effectiveness, consistency and procedural economy, is the mandatory meeting of the proceedings: the trial against the entity will have to stay together as much as possible, to criminal one proceeded against the individual responsible for the crime on which the Company's liability is based (art. no. 38 of the Legislative Decree N. 231/2001). This rule finds a balance in the dictation of the same art. no. 38, which, in the second paragraph, regulates the cases in which the administrative offenses are separately considered.

The entity participates in criminal proceeding with its legal representative, unless such person is charged with the offense on which the administrative offense depends; and when the legal representative is not present, the entity is represented by the defender (art. no. 39, first and forth paragraphs and 4, of the Legislative Decree N. 231/2001).

1.10 Exempting value of organizational, management and control Models

A fundamental aspect of the Legislative Decree N. 231/2001 is the assignment of the exempting value to Company's organizational, management and control Model.

In the cases the crime has been committed by an individual in an apical position, indeed, the Company is not liable if it proves that (art. no. 6, first paragraph of the Legislative Decree N. 231/2001):

- the management body has adopted and effectively implemented, prior to the commission of the offense, organizational and management models suitable to prevent crimes of the same nature of those occurred;
- the task of supervising the functioning and observance of the models and their updates has been assigned to a corporate body with autonomous powers of initiative and control;
- the individuals have committed the crime by fraudulently evading the organizational and management models;
- there has been a lack of or insufficient supervision by the Supervisory Board.

In the case of offenses committed by apical subjects, a presumption of Company's liability, therefore, exists due to the fact that such individuals express and represent the policy and, therefore, the Company's will. That presumption, however, can be overcome if the Company is able to prove its non-involvement to the facts ascribed to these individuals, proving the existence of the requirements listed above, concomitant with each other and, consequently, the fact that the commission of the offense is not derived from its own "organizational fault."

In the case of offences committed by individuals subject to the command of others, the Company is liable if the commission of the offense was made possible by the violation of the obligations of management or supervision to the observance of which the Company is called for.

In any case, the violation of the obligations of management or supervision is excluded if the Company, before the crime commission, has adopted and effectively implemented an organizational, management and control model suitable to prevent crimes of the same nature of those occurred.

In cases of offences committed by individuals subject to the command of apical ones, there is the reversal of the burden of proof. The prosecution must prove, in the circumstances described by the art. no. 7, the non-adoption and effective implementation of an organizational, management and control model capable of preventing crimes of the same nature of those occurred.

The Legislative Decree N. 231/2001 sets out the contents of organizational, management and control models, considering that the models themselves must, in relation to the delegated powers' extension and the risk of offences' commission, as specified by the art. no. 6, second paragraph:

- identify the activities in which offenses may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the Company's decisions with regard to the offenses' prevention;
- identify ways of managing financial resources in order to prevent the offenses' commission;
- provide for information obligations against the body responsible for supervising the functioning and compliance of the models;
- introduce a disciplinary system suitable to punish non-compliance with measures specified in the model.

The art. no. 7, fourth paragraph of the Legislative Decree N. 231/2001 also sets out the requirements for the effective implementation of organizational models:

- the periodic review and possible modification of the model when significant violations of the requirements or when organizational changes advised;
- a disciplinary system suitable to punish non-compliance with measures specified in the model.

1.11 Codes of conduct (Guide Lines)

The art. no. 6, third paragraph, of the Legislative Decree N. 231/2001 provides for “*Organizational and management models may be adopted, guaranteeing the requirements as reported in the second paragraph, according to codes of conduct redacted by entities’ representative associations, announced to the Ministry of Justice which, in conjunction with the relevant Ministries, may formulate, within thirty days, observations about the suitability of model to prevent crimes*”.

CONFINDUSTRIA, fulfilling the provisions as reported by the article mentioned above, has defined the Guide Lines to build the organizational, management and control models (hereafter, “CONFINDUSTRIA’s Guide Lines”) giving, by the way, methodological suggestions to identify risky areas (sector/activity in which crimes may be committed), the design of a control system (the so-called protocols for the formation planning and Company’s decision fulfilment) and the organizational, management and control model’s contents.

In particular, CONFINDUSTRIA’s Guide Lines indicate to associated companies to use *risk assessment* and *risk management* processes and provide for the following steps for the model definition:

- risk and protocols identification;
- adoption of some general tools, within which the most important are the ethical with reference to crimes ex Legislative Decree N. 231/2001 and a disciplinary system;
- identification of criterion to Compliance Committee’s selection, indications on its requirements, tasks, powers and information obligations.

CONFINDUSTRIA’s Guide Lines have been transmitted, before their diffusion, to the Ministry of Justice, pursuant to the art. no. 6, third paragraph, of the Legislative Decree N. 231/2001, so that the latter could be express its point of view within thirty days, as provided for in the art. no. 6, third paragraph, of the Legislative Decree N. 231/2001, mentioned above.

The last version has been published on March 31, 2014 (with approval by the Ministry of Justice on 21 July 2014).

EPTAINKS S.P.A. has adopted its own organizational, management and control model, based it on Guide lines drawn up the main trade associations, and, over all, on CONFINDUSTRIA’s Guide Lines.

1.12 Suitability Syndicate

The check for the Company’s liability, attributed to the penal court, takes place through:

- the verification of the crime’s existence for the Company’s liability;
- the suitability syndicate on the adopted organizational models.

The judge's syndrome on the abstract suitability of the organizational model to prevent crimes as described in the Legislative Decree N. 231/2001 has managed according to the so-called "*posthumous prognosis*" criterion.

The suitability judgment has to be made according to a substantially ex ante criterion, so that the judge is ideally in the Company, in the moment in which the crime has been committed to assay the adopted model's suitability. In other words, it has to be judged "suitable to prevent crimes" the model which, before the crime's commission, might and had to be considered in a way to avoid or, at least, to reduce, with reasonable assurance, the crime's commission risk occurred at a later stage.

CHAPTER 2 - DESCRIPTION OF THE COMPANY REALITY - ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL ORGANIZATIONAL STRUCTURE OF THE COMPANY

2.1 *EPTAINKS S.P.A.*

EPTAINKS S.P.A. (hereinafter, also, the "**Company**"), carries out its activity in the sector of research, development, production and trade of products, machines, plants, services, systems and solutions in the chemical and industrial processes sector, including production and trade of inks, photo-emulsions, chemical products and accessories for printing, graphics and industry in general, as well as the exercise of any instrumental activity including:

- the activity of acquiring shareholdings and owned real estate;
- control, strategic, technical, administrative-financial coordination, planning and management of the financial activities of subsidiaries and companies and all related transactions;
- construction, maintenance, restructuring and management of movable and immovable properties;
- technical assistance and customer training activities.

EPTAINKS S.P.A., for the achievement of the corporate purpose, making use of a technical-administrative organization and in the cases provided for by law of professionals registered in the appropriate registers, may also carry out the following activities:

- acquire and grant manufacturing licenses, trademarks, patents and signs;
- assume the representation or agency or act as commission agent of companies or enterprises operating in the sectors relevant to their corporate purpose;
- carry out all the contractual, commercial, real estate and financial acts and operations that will be deemed useful by the directors for the achievement of the corporate purpose.

The Company has its registered office in Milan.

2.2 *EPTAINKS S.P.A. Governance Model*

Corporate governance is one of the fundamental requirements for guaranteeing the effectiveness of the organizational and management model pursuant to the Legislative Decree 231/2001, as it is inherent to the aspects relating to the distribution of powers and responsibilities among the corporate bodies (Assembly of Shareholders, Board of Directors, Board of Statutory Auditors) and corporate functions.

Administrative body

EPTAINKS S.P.A. is currently administered by a Board of Directors consisting of four members appointed by the Shareholders' Meeting, of which one formally holds the role of Chairman of the Board of Directors.

The Board of Directors is vested with the broadest powers of ordinary and extraordinary administration, except those reserved by law or by the articles of association to the Shareholders' Meeting.

The main powers of ordinary and extraordinary administration are, however, essentially attributed by proxy to the Chairman of the Board of Directors (Chairman and M.D.) and to two of the current Directors (Deputy Chairman & CEO, Deputy Chairman).

The legal representation of the Company is attributed to the Chairman of the Board of Directors and also to the Directors with delegated powers from the Board, within the limits of the delegation, and to the vice-chairmen.

The Chairman of the Board of Directors convenes the BoD, sets the agenda, coordinates its work and ensures that adequate information on the items on the agenda is provided to all directors.

Board of Statutory Auditors and control functions

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 organizational, administrative and accounting structure adopted by the Company and its concrete functioning. The Board is made up of three standing members and two alternates and the Chairman of the Board of Statutory Auditors is appointed by the shareholders.

The Board of Statutory Auditors meets at least every ninety days at the initiative of any of the statutory auditors and is validly constituted with the presence of the majority of the statutory auditors and resolves with the favorable vote of the absolute majority of the statutory auditors.

In addition to the control exercised by the Board of Statutory Auditors and, in general, by the Administrative Body, the activity carried out by the Company is also subject to the controls of the auditing company (accounting control) and, as regards the aspects connected to this Organizational and management, of the Supervisory Body.

2.3 EPTAINKS S.P.A. Organizational Model

The Company's current organizational model is structured by dividing the company staff into the following main areas, each coordinated by a Managing Director:

- Area of the Business Activities (Sales, Marketing, Image & Communication, Customer Care), including following functions:
 - Business Development
 - Market Area Italy
 - Market Area International
 - Marketing
- Area of the Operative Functions (Operations, R&D, Administration, Finance and Control, Information Systems, Procurement), including following functions:
 - Operations
 - R&D
 - Administration, Finance and Control
 - Information Systems
 - Procurement
- Area of the Support Functions, including following functions:
 - SHE (Safety, Health and Environmental) (RSPP located in Luisago)
 - Q (Quality)
 - HR (Human Resources)
 - Legal (Legal)

2.4 *The quality, environment and safety management system*

As part of the improvement of its processes, the Company has adopted a Quality Management System which is subject to certification by recognized third parties. This set of procedures was found to be in compliance with the requirements of the applicable international standards, i.e. the UNI EN ISO 9001: 2008 standard.

The Company has also adopted a system of procedures and controls regarding the protection of workplace safety and the workplace as well as the protection of the environment (Environmental and Occupational Safety Management System) in compliance with the requirements OHSAS 18001/2007 and 14001/2004.

CHAPTER 3 – ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL AND FOLLOWED METHODOLOGY FOR ITS ARRANGEMENT

3.1 Introduction

The adoption of an organizational, management and control model ex the Legislative Decree N. 231/2001 (hereinafter also the “**Model**”), in addition to represent a reason for the Company liability’s exemption with reference to crimes commission’s types included in the Decree, is an act of corporate responsibility by the side of the Company, from which benefits arise for all *stakeholder*: shareholders, managers, employees, beneficiaries, and all other individuals whose profits are linked to Company’s faith.

The introduction of an entrepreneurial acting’s control system, together with the ethical principles’ setting and disclosure, improving the already high *standard* of conduct adopted by the Company, perform a normative function because they regulate conducts and decisions of who, daily, is called for acting in favor of the Company, pursuant to ethical principles and conduct standards mentioned above.

Therefore, the Company has wanted to start a series of activities (hereafter, the “Project”) in order to make its own organizational model pursuant to the requirement envisaged in the Legislative Decree N. 231/2001, and coherent with both the already deep-rooted principles in its *governance* culture, and indications contained in CONFINDUSTRIA’s Guide Lines.

3.2 EPTAINKS S.P.A. project for the definition of its own organizational, management and control model ex Legislative Decree n. 231/2001

The methodology chosen to carry out the Project, in terms of organization, definition of operating methods, structuring in phases, assignment of responsibilities between the various company functions, was developed in order to ensure the quality and authoritativeness of the results.

The Project was divided into five phases summarized in the following table.

Phases	Activities
Phase 1	<p><i>Start of the Project and identification of the processes and activities within which the crimes referred to by Legislative Decree N. 231/2001 may be committed.</i></p> <p><i>Presentation of the Project in its complexity, collection and analysis of the documentation, and preliminary identification of the processes / activities within which the crimes referred to in Legislative Decree N. 231/2001 (so-called "sensitive" processes / activities) may be committed.</i></p>
Phase 2	<p><i>Identification of the key officers.</i></p> <p><i>Identification of the key officers, i.e. people who, based on their functions and responsibilities, have an in-depth knowledge of sensitive areas / activities, as well as of the control mechanisms currently in place, in order to determine the areas of intervention and a detailed interview plan .</i></p>

Phase 3	<i>Analysis of the processes and of the sensitive activities.</i> <i>Identification and analysis of sensitive processes and activities and control mechanisms in place, with particular attention to preventive controls and other compliance elements / activities.</i>
Phase 4	<i>Gap analysis and Action Plan.</i> <i>Identification of the organizational requirements that characterize a suitable organization, management and control model pursuant to the Legislative Decree N. 231/2001 and the "strengthening" actions of the current control system (processes and procedures).</i>
Phase 5	<i>Definition of the organization, management and control model.</i> <i>Definition of the organization, management and control model pursuant to the Legislative Decree N. 231/2001 divided into all its components and operating rules and consistent with the CONFINDUSTRIA Guidelines.</i>

The methodologies followed and the criteria adopted in the various phases of the Project are presented below.

3.2.1 Start of the Project and identification of the processes and activities within which the crimes referred to by Legislative Decree N. 231/2001 may be committed.

The art. no. 6, second paragraph, letter a) of the Legislative Decree N. 231/2001 indicates, among the requirements of the model, the identification of the processes and activities within which the crimes expressly referred to in the Decree may be committed. In other words, these are business activities and processes that are commonly defined as "sensitive" (hereinafter, "sensitive processes" and "sensitive activities").

The purpose of Phase 1 was precisely the identification of the business areas subject to the intervention and the preliminary identification of the processes and sensitive activities.

In particular, following the presentation of the Project, a work team was created consisting of external professionals and internal resources of the Company with the assignment of their respective tasks and operational roles.

Preliminary to the identification of sensitive activities was the analysis, mainly documentary, of the corporate and organizational structure of the Company, carried out in order to better understand the Company's activity and to identify the business areas subject to the intervention.

The collection of relevant documentation and its analysis from both a technical-organizational and legal point of view have allowed an initial identification of the sensitive processes / activities and a preliminary identification of the functions responsible for these processes / activities.

At the end of Phase 1, a detailed work plan of the subsequent phases was prepared, subject to revision according to the results achieved and the considerations that emerged during the Project.

The activities carried out in Phase 1, concluded with the sharing of the sensitive processes / activities identified with the work team, are listed below:

- *collection of documentation relating to the corporate and organizational structure (for example: organization charts, main organizational procedures, main task sheets, powers of attorney, etc.);*
- *analysis of the documentation collected to understand the Company's business model;*

- *identification of the business areas of activity and related functional responsibilities;*
- *preliminary identification of sensitive processes / activities pursuant to Legislative Decree N. 231/2001;*
- *preliminary identification of the departments / functions responsible for the sensitive processes identified.*

3.2.2 Identification of the key officers

The purpose of Phase 2 was to identify the managers of sensitive processes / activities, or the resources with in-depth knowledge of the sensitive processes / activities and of the control mechanisms currently in place (hereinafter, "key officer"), completing and deepening the preliminary inventory of sensitive processes / activities as well as of the functions and subjects involved.

In particular, the key officers have been identified as the highest organizational level people able to provide detailed information on individual business processes and on the activities of individual functions. In addition to the Chairman of the Board of Directors, the first lines responsible for the functions involved in carrying out sensitive processes and some second-level managers were therefore considered key officers.

Below are the activities carried out during Phase 2, at the end of which a preliminary "map of sensitive processes / activities" was defined to direct the analysis activity, through interviews and insights, of the subsequent Phase 3:

- *collection of further information through in-depth analysis of the documents and meetings with the internal representatives of the Project as well as with the Work Team;*
- *identification of further subjects capable of making a significant contribution to the understanding / analysis of sensitive activities and the related control mechanisms;*
- *preparation of the map that "crosses" the sensitive processes / activities with the related key officers;*
- *preparation of a detailed plan of interviews to be carried out in the subsequent Phase 3.*

3.2.3 Analysis of the processes and of the sensitive activities

The objective of Phase 3 was to analyze and formalize for each sensitive process / activity identified in Phases 1 and 2: i) its main phases, ii) the functions and roles / responsibilities of the internal and external parties involved, iii) the of existing controls, in order to verify in which areas / sectors of activity the types of crime referred to in Legislative Decree N. 231/2001.

In this phase, therefore, a map of the activities was created which, in consideration of the specific contents, could be exposed to the potential commission of the crimes referred to in Legislative Decree N. 231/2001.

The analysis was carried out through personal interviews with the key officers who also had the purpose of establishing the management processes and control tools for each sensitive activity, with particular attention to compliance elements and existing preventive controls. to oversee them.

In identifying the existing control system, the following control principles were taken as a reference, among other things:

- *existence of formalized procedures;*

- *ex post traceability and verifiability of activities and decisions through adequate documentary / information supports;*
- *segregation of duties;*
- *existence of formalized proxies / powers of attorney consistent with the organizational responsibilities assigned.*

The interviews were conducted by experienced risk management and process analysis professionals.

The results of the interviews, conducted in the manner described above, were shared with the Work Team.

Below are the various activities that characterized Phase 3, at the end of which the document "Matrix identification of areas at risk" was drawn up, the basic contents of which are:

- *execution of structured interviews with the key officers, as well as with the personnel indicated by them, in order to collect, for the sensitive processes / activities identified in the previous phases, the information necessary to understand:*
 - *the elementary processes / activities carried out;*
 - *the internal / external functions / subjects involved;*
 - *the related roles / responsibilities;*
 - *the existing control system;*
- *sharing with the key officers what emerged during the interviews;*
- *formalization of the map of sensitive processes / activities in a specific form that collects the information obtained and any critical issues identified on the controls of the sensitive process analyzed.*

3.2.4 Gap Analysis and Action Plan

The purpose of Phase 4 consisted in identifying i) the organizational requirements characterizing an organizational model suitable for preventing the crimes referred to in Legislative Decree N. 231/2001 and ii) the improvement actions of the existing organizational model.

In order to detect and analyze in detail the existing control model to monitor the risks found and highlighted in the risk assessment activity described above and to assess the compliance of the model itself with the provisions of the Legislative Decree N. 231/2001, a comparative analysis (the so-called "gap analysis") was carried out between the existing organizational and control model ("as is") and an abstract reference model assessed on the basis of the content of the regulations referred to in the Legislative Decree N. 231/200 ("to be").

Through the comparison made with the gap analysis it was possible to infer areas for improvement of the existing internal control system and, on the basis of what emerged, an implementation plan was prepared aimed at identifying the organizational requirements characterizing an organization, management and control in compliance with the provisions of Legislative Decree N. 231/2001 and the actions to improve the internal control system.

The activities carried out in this Phase 4, which ended after sharing the gap analysis document and the implementation plan (so-called Action Plan) with the Work Team and Top Management are listed below:

- *gap analysis: comparative analysis between the existing organizational model ("as is") and an organization, management and control model "aimed" in compliance with the provisions of the Legislative Decree N. 231/2001 ("to be") with particular reference, in terms of compatibility, to the system of delegations and powers, the Code of Ethics, the system of company procedures, the characteristics of the body to be entrusted with the task of supervising the functioning and compliance with the model;*

- *preparation of an implementation plan for the identification of organizational requirements characterizing an organization, management and control model pursuant to the Legislative Decree N. 231/2001 and the improvement actions of the current control system (processes and procedures).*

3.2.5 Definition of the organizational, management and control Model

The purpose of Phase 5 was to prepare the organization, management and control model of the Company, divided into all its components, in accordance with the provisions of the Legislative Decree N. 231/2001 and the indications provided by the CONFINDUSTRIA Guidelines.

The implementation of Phase 5 was supported both by the results of the previous phases and by the policy choices of the Company's decision-making bodies.

3.3 EPTAINKS S.P.A. organizational, management and control model.

The Company's setting of its own organizational, management and control model *ex* Legislative Decree N. 231/2001 (hereafter, the "Model") has required, therefore, an *assessment* activity of the existing model in order to make it coherent with control principles introduced by the Legislative Decree N. 231/2001 and, consequentially, suitable to prevent the crimes' commission cited in the Decree itself.

Indeed, the Legislative Decree N. 231/2001 attributes, together with the occurrence of the circumstances envisaged by the art. no. 6 and 7 of the Decree, a discriminant value to the adoption and effective implementation of organizational, management and control models, to the extent that these latter result suitable to prevent, with reasonable assurance, the commission or attempted commission of the crimes cited in the Decree.

In particular, pursuant to the art. no. 6, second paragraph of the Legislative Decree N. 231/2001, an organizational, management and control model has to meet the following requirements:

- identify the activities in which crimes may be committed;
- provide for specific control protocols aimed at setting Company's decisions development and implementation according to the crimes to be prevented;
- identify suitable financial resources' management modalities to prevent the crimes' commission;
- provide for information obligations towards the body asked to monitor the models' functioning and respect;
- introduce a suitable disciplinary system in order to punish the failure to comply with measures mentioned in the model.

In the light of the previous considerations, the Company has intended to set a Model that, referring to the advises given by CONFINDUSTRIA Guidelines, takes into consideration its own reality, coherent with its *governance* system and capable of valuing existing controls and internal bodies.

The adoption of the Model, pursuant to the cited Decree, does not constitute an obligation. The Company has considered, however, such adoption in line with its corporate policies in order to:

- institute and /or strengthen control which allow the Company to prevent or promptly react in order to avoid the crimes' commission by apical subjects or individual under the command of the formers, which imply the Company's administrative liability;
- sensitize, with the same scopes, all subjects who cooperate, with different grade, with the Company (external partners, suppliers, etc.), asking them, within the limits of activities done in the interest of the Company, for adopting such a conduct that does not involve the crimes' commission risk;
- guarantee its own integrity, adopting behavior specifically provided for by the art. no. 6 of the Decree;
- improve the effectiveness and the transparency in the Company's management activities;
- induce the potential culprit's full awareness to commit a crime (whose commission is strongly convicted and contrary to the Company's interests, even if the Company itself would have a profit from it).

Therefore, the Model represents a combination of principles, procedures and dispositions which: i) weigh on the whole Company's functioning and on its modality to be in contact with external parties and ii) regulate the scrupulous management of the sensitive activities' control system, oriented to prevent crimes' commission or their attempted commission cited in the Legislative Decree N. 231/2001.

The Model, as approved by the Company's Board of Directors, includes the following constitutive elements:

- process of Company's activities identification in which the crimes described in the Legislative Decree N. 231/2001 could be committed;
- prevision of *control protocols (or standards)* in relation to the selected sensitive activities;
- identification process of suitable financial resources' management modality to prevent crimes' commission;
- compliance committee;
- information flows from and to the compliance committee and specific information obligations to the compliance committee itself;
- disciplinary system aimed at punishing the violation of the Model's dispositions;
- training and communication program to employees and other individuals who interact with the Company;
- Model's upgrade and adaption criterions;
- Code of Ethics.

The constitutive elements mentioned above are described in the following documents:

- Organizational, management and control Model *ex* Legislative Decree N. 231/01 (embodied by this document);
- Code of Ethics.

The document "Organizational, management and control Model *ex* Legislative Decree N. 231/01" contains:

(i) in the General Part, a description on:

- regulatory framework;
- Company's situation, *governance* system and its organizational structure;
- Company compliance committee's characteristics, in particular its powers, tasks and information flows which regards it;
- function of the disciplinary system and related system of sanctions;
- training and communication program to be adopted in order to guarantee Model's actions and dispositions knowledge ;

- Model's upgrade and adaption criteria.

(ii) in the Special Part, a description on:

- crimes types cited by the Legislative Decree N. 231/2001 which the Company has decided to take into consideration looking at its activities' peculiarities;
- sensitive processes / activities and related control *standards*.

The document envisages as Model and control system's essential part the Code of Ethics, approved by the Board of Directors.

The Code of Ethics gathers together ethical principles and values which shape the corporate culture and have to inspire conducts and behaviours of individuals who operates in the interest of the Company both inside and outside its organizational structure, in order to prevent crime's commission linked to Companies' administrative liabilities.

The Code of Ethics approval creates an internal regulatory *corpus* coherent and effective, in order to prevent wrong behaviours or not in line with Company's guidelines and completely integrates itself with EPTAINKS S.P.A. Model.

CHAPTER 4 – THE SUPERVISORY BOARD PURSUANT TO THE LEGISLATIVE DECREE N. 231/2001

4.1 The Supervisory Board of EPTAINKS S.P.A.

Based on the provisions of Legislative Decree N. 231/2001 - art. 6, paragraph 1, letter a) and b) - the entity may be exonerated from liability resulting from the commission of offenses by qualified persons pursuant to art. 5 of the Legislative Decree N. 231/2001, if the managing body has, among other things:

- adopted and effectively implemented an organization, management and control model suitable for preventing the offenses considered;
- entrusted the task of supervising the functioning and observance of the model and of updating ⁽³⁰⁾ it to a body of the entity with autonomous powers of initiative and control.

The task of continuously monitoring the widespread and effective implementation of the Model, its compliance by the recipients, as well as proposing its updating in order to improve the efficiency of the prevention of crimes and offenses, is entrusted to this body set up by the company internally.

The entrusting of the aforementioned tasks to a body with autonomous powers of initiative and control, together with the correct and effective performance of the same, is therefore an indispensable prerequisite for the exemption from liability provided for by Legislative Decree N. 231/2001.

The CONFINDUSTRIA Guidelines ⁽³¹⁾ suggest that this is a body characterized by the following requirements:

⁽³⁰⁾ The Explanatory Report to Legislative Decree N. 231/2001 states, in this regard: "*The entity (...) will also have to supervise the effective operation of the models, and therefore their observance: for this purpose, to ensure the maximum effectiveness of the system, the company is make use of a structure that must be established internally (in order to avoid easy maneuvers aimed at pre-establishing a license of legitimacy for the work of the company through the use of compliant bodies, and above all to found a real fault of the entity), with of autonomous powers and specifically responsible for these tasks (...) of particular importance is the provision of an information burden towards the aforementioned internal control body, functional to guaranteeing its own operational capacity (...)*".

⁽³¹⁾ According to the CONFINDUSTRIA Guidelines, the requirements necessary to fulfill the mandate can be summarized as follows:

- **Autonomy and independence:** these qualities are obtained with the inclusion of the Body in question as a unit of staff in the highest possible hierarchical position and providing for the "reporting" to the top management of the company or to the Board of Directors as a whole.
- **Professionalism:** This connotation refers to the wealth of tools and techniques that the Body must possess in order to effectively carry out the assigned activity. These are specialized techniques typical of those who carry out "inspection" activities, but also consultancy for the analysis of control and legal systems and, more particularly, criminal law. As for the inspection and analysis of the control system, the reference - by way of example - to statistical sampling is evident; the techniques of analysis and risk assessment; to the measures for their containment (authorization procedures; mechanisms of counter position of tasks; etc.); the flow-charting of procedures and processes for identifying weaknesses; the techniques of interviewing and processing questionnaires; to elements of psychology; the methodologies for identifying fraud; etc. These are techniques that can be used retrospectively, to ascertain how a crime of the species in question could have occurred and who committed it (inspection approach); or as a preventive measure, to adopt - at the time of the design of the Model and subsequent amendments - the most suitable measures to prevent, with reasonable certainty, the commission of the crimes themselves (consultancy approach); or, again, currently to verify that daily behaviors actually respect the codified ones.
- **Continuity of action:** in order to guarantee the effective and constant implementation of such an articulated and complex model as the one outlined, especially in large and medium-sized companies, it is necessary to have a structure dedicated exclusively and full-time to 'supervisory activity on the Model free, as mentioned, of operational tasks that could lead it to take decisions with economic-financial effects'".

- (i) autonomy and independence;
- (ii) professionalism;
- (iii) continuity of action.

The requirements of autonomy and independence would require the absence, on the part of the supervisory body, of operational tasks which, by making it participate in operational decisions and activities, would jeopardize its objectivity of judgment, provision of reports from the supervisory body to the top management of the company as well as the provision, as part of the annual budgeting process, of financial resources intended for the functioning of the supervisory body.

Moreover, the CONFINDUSTRIA Guidelines provide that in the case of a mixed composition or with internal subjects of the Body, since the members of internal origin are not required to have total independence from the body, the degree of independence of the Body must be assessed in its entirety.

The requirement of professionalism must be understood as the wealth of theoretical and practical knowledge of a technical-specialist nature necessary to effectively carry out the functions of the supervisory body, i.e. the specialized techniques of those who carry out inspection and consulting activities.

The requirement of continuity of action requires the presence in the supervisory body of an internal structure dedicated on an ongoing basis to the supervision of the Model.

The Legislative Decree N. 231/2001 does not provide information on the composition of the Supervisory Board ⁽³²⁾.

In the absence of such indications, the Company opted for a solution which, taking into account the purposes pursued by the law, was able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls which the supervision is in charge, in compliance with the requirements of autonomy and independence highlighted above.

In this context, the Supervisory Body (hereinafter the "Supervisory Body") of the Company is a collegial body identified by virtue of the professional skills acquired and personal characteristics, such as a strong control capacity, independence of judgment and moral integrity.

4.1.1 General principles regarding the establishment, appointment and replacement of the Supervisory Board

The Supervisory Board of the Company is established by resolution of the Board of Directors and remains in office for the period established in the appointment and can be re-elected.

⁽³²⁾ The CONFINDUSTRIA Guidelines specify that "The law does not provide precise indications about the composition of the Supervisory Body. This allows you to opt for both a mono-subjective and a multi-subjective composition. In the latter case, subjects internal and external to the body may be called upon to compose the Body, provided they have the requirements [...]. In spite of the indifference of the legislator with respect to the composition, the choice between one or the other solution must take into account the purposes pursued by the same law and, therefore, ensure the effectiveness of the controls. Like every aspect of the model, the composition of the Supervisory Body must also be modulated on the basis of the size, type of activity and organizational complexity of the entity." CONFINDUSTRIA, Guidelines, cit., In the version updated in March 2014.

The appointment as a member of the Supervisory Body is subject to the presence of the subjective eligibility requirements ⁽³³⁾.

In the choice of members, the only relevant criteria are those relating to the specific professionalism and competence required for the performance of the functions of the Body, integrity and absolute autonomy and independence from it; the Board of Directors, upon appointment, must acknowledge the existence of the requisites of independence, autonomy, integrity and professionalism of its members ⁽³⁴⁾.

In particular, following the approval of the Model or, in the case of new appointments, at the time of the appointment, the person designated to hold the position of member of the Supervisory Body must issue a declaration in which he certifies the absence of the following reasons for ineligibility:

- conflicts of interest, including potential ones, with the Company such as to prejudice the independence required by the role and duties of the Supervisory Body;
- direct or indirect ownership of shareholdings of such a size as to allow them to exercise significant influence over the Company;
- administrative functions - in the three financial years preceding the appointment as a member of the Supervisory Body or the establishment of a consultancy / collaboration relationship with the same Body - of companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings;
- sentence, even if not finalized, or sentence for the application of the penalty on request (the so-called plea bargain), in Italy or abroad, for the crimes referred to in Legislative Decree N. 231/2001 or other crimes in any case affecting professional morality and integrity;
- condemnation, with sentence, even if not finalized, to a penalty that involves the interdiction, even temporary, from public offices, or the temporary interdiction from the management offices of legal persons and companies;
- pending proceedings for the application of a preventive measure pursuant to law no. Of 27 December 1956 1423 and the law 31 May 1965 n. 575 or delivery of the seizure decree pursuant to art. 2 bis of the law n. 575/1965 or decree for the application of a preventive measure, be it personal or real;
- lack of the subjective requisites of integrity provided for by the Ministerial Decree of 30 March 2000 n. 162 for members of the Board of Statutory Auditors of listed companies, adopted pursuant to art. 148 paragraph 4 of the TUF.

If any of the aforementioned reasons for ineligibility should be the responsibility of an appointed person, ascertained by a resolution of the Board of Directors, the latter will automatically lose office.

⁽³³⁾ "This applies, in particular, when you opt for a multi-subjective composition of the Supervisory Body and all the different professional skills that contribute to the control of company management in the traditional model of corporate governance (for example, a member of the Board of Statutory Auditors or the person in charge of internal control). In these cases, the existence of the aforementioned requirements may already be ensured, even in the absence of further information, by the personal and professional characteristics required by the law for statutory auditors and for the person in charge of internal controls ". CONFINDUSTRIA, Guidelines, cit., In the final version updated in March 2014.

⁽³⁴⁾ In the sense of the need for the Board of Directors, at the time of appointment, "to acknowledge the existence of the requisites of independence, autonomy, integrity and professionalism of its members", Ordinance June 26, 2007 Court of Naples, Office of the Judge for Preliminary Investigations, Section XXXIII.

The Supervisory Body may benefit - under its direct supervision and responsibility - in carrying out the tasks entrusted to it, the collaboration of all the Company's functions and structures or external consultants, making use of their respective skills and professionalism. This faculty allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

The aforementioned reasons for ineligibility must also be considered with reference to any external consultants involved in the activity and performance of the duties of the Supervisory Body.

In particular, at the time of the assignment, the external consultant must issue a specific declaration in which he certifies:

- the absence of the aforementioned reasons for ineligibility or reasons impeding the taking on of the office (for example: conflicts of interest, kinship relationships with members of the Board of Directors, top management in general, Company statutory auditors and auditors appointed by auditing company, etc.);
- the circumstance of having been adequately informed of the provisions and rules of conduct envisaged by the Model.

The revocation of the powers of the Supervisory Body and the attribution of these powers to another person can only take place for just cause (also linked to organizational restructuring of the Company) through a specific resolution of the Board of Directors and with the 'approval by the Board of Statutory Auditors.

In this regard, the "just cause" of revocation of the powers associated with the position of member of the Supervisory Body means, by way of example and not limited to:

- gross negligence in the performance of the tasks related to the assignment such as: failure to draft the half-yearly information report or the annual summary report on the activities carried out by the Body; failure to draft the supervisory program;
- the "omitted or insufficient supervision" by the Supervisory Body - according to the provisions of art. 6, paragraph 1, lett. d), Legislative Decree N. 231/2001 - resulting from a conviction, even if not final, issued against the Company pursuant to Legislative Decree N. 231/2001 or by a sentence applying the penalty upon request (the so-called plea bargain);
- in the case of an internal member, the assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of "autonomy and independence" and "continuity of action" of the Supervisory Body. In any case, any provision of an organizational nature that concerns him (eg. Termination of employment, transfer to another position, dismissal, disciplinary measures, appointment of a new manager) must be brought to the notice of the Board of Directors;
- in the case of an external member, serious and ascertained reasons for incompatibility that nullify his independence and autonomy;
- the lack of even one of the eligibility requirements.

Any decision concerning individual members or the entire Supervisory Body relating to revocation, replacement or suspension are the exclusive competence of the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

4.2 Compliance Committee's functions and powers

Compliance Committee's activities cannot be criticized by other Company's bodies or functions. Control and verification activity done by the Committee is, in fact, strongly linked to the Model's goal of effective fulfilment and does not replace or substitute corporate control functions.

Drive and control powers are conferred to the Compliance Committee, which are indispensable for an effective and efficient control on the Model's observance and functioning as established by the art. no. 6 of the Legislative Decree N. 231/2001.

The Committee has independent initiative, intervention and control powers, which are extended to all Company's sectors and functions, powers that have to be exercised in order to carry out effectively and promptly the roles envisaged by the Model and its fulfilment standards.

In particular, the following tasks and powers are assigned to the Compliance Committee, for the correct fulfilment of its functions ⁽³⁵⁾:

- regulate its functioning even through an activities' procedure introduction which provides for: activities time-table, control time rate determination, criterion and analysis procedure identification, discipline of Company's structure information flow;
- monitor on Model operation with respect to both Decree crime commission prevention and its capacity to detect the potential crime realization;
- perform periodic inspective and control activities, with continuous nature - with a predetermined frequency and modality by the surveillance activity Program - unexpected controls, considering the different intervention sectors or activity types and their critical points in order to verify the Model's effectiveness and efficiency;
- freely access to any Company's directions and units - without any preventive approval - to ask for and acquire information, documentation and data, considered necessary to task execution as mentioned in the Legislative Decree N. 231/2001, from employees and managers. In the event of a motivated denial to the acts' access, the Body draws, if not in accordance with the defined motivation, a report to be transmitted to the Board of Directors.
- require relevant information or document, even digital ones, related to risk activities, administrators, control bodies, revision companies, employees, consultants, and in general to everybody who is liable to the observance of the mentioned Model. The obligation for such persons to comply with the Body's requirement should be insert in the single contract;

(35) *The activities that the Supervisory Board is called upon to perform, also on the basis of the indications contained in Articles 6 and 7 of Decree 231, can be summarized as follows:*

- *supervision of the **effectiveness** of the model, that is, the consistency between concrete behavior and the established model;*
- *examination of the **adequacy** of the model, i.e. its real - not merely formal - ability to prevent prohibited behaviors;*
- *analysis of the **maintenance** over time of the requirements of solidity and functionality of the model;*
- *taking care of the necessary dynamic **update** of the model, in the event that the analyzes carried out make it necessary to make corrections and adjustments.*

This latter point passing through:

- ***suggestions and proposals for adapting** the model to the corporate bodies or functions capable of giving them concrete implementation in the corporate fabric, depending on the type and scope of the interventions: the proposals regarding formal or less important aspects will be addressed to the Personnel and Organization or to the Director, while in other cases of greater importance they will be submitted to the Board of Directors;*
 - ***follow-up:** verification of the implementation and effective functionality of the proposed solutions.*
- CONFINDUSTRIA, Guidelines, cit., In the version updated in March 2014.

- look after, develop and promote a constant Model's upgrade, formulating, if necessary, proposals to directive bodies for potential upgrades and adaption to be realized through compulsory modifications and / or integrations in consequence of: i) relevant violations of Model's provisions; ii) relevant changes in the Company's internal structure and / or in modalities of carrying out business activities; iii) regulatory changes;
- verify the compliance with the Model's procedures and evaluate any behavior deviation that should appear from the information's flow analysis. The same verification should derive from the report issued by any single responsible function. Process should than follow what expected in the Model;
- ensure a periodic update of the "sensible area's identification system", and of sensible activities' map;
- look after its relations and ensure and information flows to the Board of Directors, as well as to the Board of Auditors;
- promote communication and training interventions on the contents of the Legislative Decree N. 231/2001 and the Model, regarding the impacts of the regulation on business activities and behavior standards, also establishing frequency controls. In this regard, it will be necessary to differentiate the program, paying particular attention to those working in the various sensitive activities;
- verify the establishment of an effective internal communication system to enable the relevant news transmission to the Legislative Decree N. 231/2001, ensuring the informant's protection and privacy; ensure knowledge of conduct which must be reported and alert execution's procedures;
- provide clarification on the meaning and the provisions' application contained in the Model;
- formulate and submit for approval by the executive body planned expenditures necessary for the proper assigned duties' performance, with absolute independence. Such expenditure provision, which will ensure the full and proper performance of its activities, must be approved by the Board of Directors. The Body can independently use resources that exceed its spending powers, in the case the resources' use is necessary to deal with exceptional and urgent situations. In these cases, the Body must inform the Board of Directors during its next meeting;
- promptly report to the executive body, the Model violations, for appropriate actions, which may give rise to Company liabilities;
- test and evaluate the suitability of the disciplinary system within the meaning and for the purposes of the Legislative Decree N. 231/2001.

In carrying out its activities, the Body can make use of the Company's functions by virtue of its powers.

4.3 Information obligations to the Supervisory Board – Information flows

The Supervisory Board should be promptly informed by a suitable communication system about those actions, behaviors, or events that may cause a Model's violation, more generally, are relevant for the purposes of the Legislative Decree N. 231/2001.

The information obligation about any conduct contrary to the provisions contained in the Model are part of the wider employee's care and loyalty duty.

The business functions that operate in sensitive activities must transmit to the Supervisory Board information concerning: i) their periodic results of monitoring in the implementation of the Model, even on request (summary *reports* of activities carried out, etc.). ii) any anomalies in the context of available information.

The information may include, by way of illustration:

- operations which fall into the sensitive activities (e.g. information relating to staff recruitment, unplanned inspections by Public officers, etc.) ;
- measures and / or information from the judicial police or any other authority, which indicate the conduct of investigations, even against unknown individuals, for the offenses indicated in the Legislative Decree N. 231/2001, and which may involve the Company;
- requests for legal assistance made by employees in the event of judicial proceedings against them, and in relation to the offenses indicated in the Legislative Decree N. 231/2001, unless expressly prohibited by the court;
- reports prepared by the other business functions' managers within their control activities, which might possibly reveal facts, acts, events or omissions critical to compliance with the Model's rules and provisions;
- information relating to disciplinary proceedings and any penalties imposed (including the measures taken against employees) or dismissal of such proceedings and the connected reasons;
- any other information which, although not falling in the above list, are relevant for the purposes of a correct and complete supervisory activities and Model's upgrade.

With regard to consultants, contractors, suppliers, etc., it is contractually required an immediate information obligation at their expense, in the cases in which they receive, directly or indirectly, by a Company's employee / representative a request for behaviors that could cause a Model's violation.

In this regard, the following general requirements are applicable:

- it is necessary to collect any reports concerning: i) the commission, or the reasonable commission risk, of crimes indicated in the Legislative Decree N. 231/2001, ii) conducts not in line with the rules of conduct issued by the Company; iii) conducts that, in any case, may result in a Model's violation;
- the employee who becomes aware of a violation, attempt or suspected breach of the Model, has to contact its line manager or, if the warning remains unresolved or the employee feels uncomfortable to contact his immediate supervisor to the do it, has to report directly to the Supervisory Board;
- consultants, external co-worker, suppliers, may carry out directly to the Supervisory Board, regarding the relationships and activities with the Company, reports about any situation in which they receive, directly or indirectly, by a Company's employee / representative, a behavior request that could lead to a Model's violation;
- in order to efficiently collect the reports described above, the Supervisory Board will promptly and widely communicate to all stakeholders, the modalities and their performing means;
- the Supervisory Board, at its discretion and under its responsibility, evaluate the reports received and cases where it is necessary to take actions;
- the reasons regarding the investigation outcome must be explained in writing.

The correct fulfillment of the information obligation by the employee cannot imply the application of disciplinary sanctions⁽³⁶⁾.

⁽³⁶⁾ *"The regulation of the procedures for fulfilling the obligation to inform does not intend to incentivize the phenomenon of reporting internal rumors (whistleblowing), but rather to create that reporting system of real facts and / or behaviors that does not follow the hierarchical line and which allows the staff to report violations of regulations within the entity, without fear of retaliation. In this sense, the Supervisory Body also assumes the characteristics of the Ethic Officer, but without the disciplinary powers that it will be appropriate to allocate to a special committee or, in the most delicate cases, to the Board of Directors ". CONFINDUSTRIA, Guidelines, cit., In the version updated in March 2014.*

The Company adopts appropriate and effective measures to ensure that it is always guaranteed the identity confidentiality of those who transmits to the Body useful information to identify behaviors that differ from the Model's provisions, the procedures established for its implementation and the procedures established by the internal control system, except from the law requirements and the Company's and wrongly accused and / or in bad faith individual's rights.

4.3.1 Information collection and storage

Any information, warning, report, envisaged by the Model is preserved by the Supervisory Board in a special archive (electronic or hardcopy) for a period of at least 10 years.

4.3.2 Supervisory Board's Reporting to corporate bodies

The Supervisory Board reports on the Model's implementation, the rise of any critical issues, the need to make modifications. There are separate reporting lines for the Supervisory Board:

- on an ongoing basis, it reports to the Board of Directors, in the person of the Chief Executive Officer;
- on a regular basis at least every six months, it submits a report to the Board of Directors, in the presence of the Board of Auditors.

The meeting with the corporate bodies and the Chief Executive Officer to which the Supervisory Board reports, must be documented.

The Supervisory Board prepares:

- on a regular basis (at least monthly), an informational report on the carried out activities, to be presented to the Board of Directors and the Board of Auditors;
- on a continuous basis, written reports on accurate and specific aspects of its activities, which are considered of particular importance and significance in the context of prevention and control, to be submitted to the Chief Executive Officer;
- immediately, a notice on the occurrence of extraordinary circumstances (e.g. significant violations of the Model's principles, legislative innovations in the field of Companies' administrative liability, and significant changes to the Company's organizational structure, etc.), and, in the case of received warnings which are a matter of urgency, to be submitted to the Chief Executive Officer..

The periodic reports prepared by the Supervisory Board are also drawn up in order to allow the Board of Directors the necessary assessments to make any Model's updates, and must at least contain:

- any problems arose regarding how to implement the procedures envisaged by, or adopted pursuant to, or in the light of the Model;
- the warnings' report received from internal and external Model's parties;
- disciplinary procedures and sanctions that may be applied by the Company, with exclusive reference to the activities at risk;
- an overall assessment of the Model's functioning with possible recommendations for additions, corrections or changes.

CHAPTER 5 - DISCIPLINARY SYSTEM

5.1 Disciplinary system's function

The art. no. 6, second paragraph, letter e), and the art. no. 7, fourth paragraph, letter b), of the Legislative Decree N. 231/2001 indicate, as a condition for the effective implementation of the organizational, management and control Model, the introduction of a disciplinary system to punish non-compliance with the measures indicated in the Model itself.

Therefore, the definition of an appropriate disciplinary system is an essential requirement of the Model's value with respect to the Companies' administrative liability.

The adoption of disciplinary measures in the event of violations of the Model's provisions is independent from an offence's commission, and the conduct and outcome of legal proceedings possibly instituted by the court ⁽³⁷⁾.

The observance of the Model's provisions adopted by the Company is an essential part of the contractual obligations of the "Recipients" as defined below.

The violation of the provisions by the recipients damage the relationship of trust established with the Company and may lead to disciplinary actions, legal or criminal. In the most serious cases, the violation may result in the termination of the employment relationship, if engaged in by an employee, or the interruption of the relationship, if engaged in by a third party.

For this reason, it is required that each recipient knows the rules contained in the Company's Model, as well as the reference standards that regulate the activities carried out as part of its function.

This disciplinary system, adopted pursuant to the art. no. 6, second paragraph, letter. e) of the Legislative Decree N. 231/2001, must be considered as complementary and not alternative to the disciplinary system established by the National Collective Bargaining Agreement in force and applicable to different Company's employees categories.

The imposition of disciplinary sanctions against Model's violations is independent from the possible establishment of a prosecution for the offence's commission under the Decree.

The penalty system and its applications are constantly monitored by the Supervisory Board.

No disciplinary proceedings may be filed, nor any disciplinary sanction may be imposed for Model's violation, without Supervisory Board's prior notice and opinion.

5.2 Disciplinary sanctions and measures

5.2.1 Measures applicable in the case of non-compliance by employees

The Code of Ethics and the Model are a set of rules under which the Company's employees must comply also pursuant to the requirements of the art. no. 2104 and 2106 of the Italian Civil Code, and to the National Collective Bargaining Agreement, relating to standards of conduct and disciplinary sanctions. Therefore, all the behaviors kept by employees in Ethic Code and Model's violation, and in violation of their implementation procedures, constitute a non-fulfilment of the employment relationship's primary obligations and, consequently, infractions, involving the possibility of the establishment of disciplinary proceedings and the consequent application of penalties.

Against individuals with the title of middle managers, office workers, blue-collar workers, the measures provided for in the art. no. 50, 51 and 52 of the national collective bargaining agreement

for employees of the chemical sector, are applicable - in accordance with the procedures provided for by the art. no. 7 of the Law no. 300 of May 20, 1970 (Workers' Statute).

The disciplinary offenses may be punished according to the misconduct's seriousness, with the following measures:

- 1) verbal warning;
- 2) written warning;
- 3) penalty;
- 4) suspension;
- 5) dismissal.

For disciplinary measures more severe than rebuke or verbal reprimand, written communication must be made to the employee, with the specification of the facts constituting the infringement.

The measure will not be issued if after eight days of such communication, during which the employee may submit his justification. If the measure will not be issued within that period of time, these justifications will be deemed accepted.

In the event the infringement is sufficiently serious to result in the dismissal, the employee may be suspended, as a precautionary measure, until the time of measure imposition, which must be justified and communicated in writing.

5.2.2 Measures applicable in the case of non-compliance by Executives

The executive relationship is characterized by an eminently trusty nature. The behavior of the manager, beyond reflected in the Company, representing a model and example for all those who work there, has also an impact on the Company's external image. Therefore, the compliance by the Company Executives' with the requirements of the Code of Ethics, Model and implementation procedures is an essential element of executive employment.

In respect of executives who have committed a violation of the Code of Ethics, Model or the procedures established in its implementation, the function shall exercise disciplinary authority initiates proceedings pertaining to the related disputes and implement the most appropriate sanctions in accordance Executives with the provisions of the collective labor agreement and, if necessary, in compliance with the procedures set out in art. 7 of Law no. 300 of May 30, 1970.

The penalties shall be applied in accordance with the principles of gradualness and proportionality in relation to the seriousness of the fact and of the negligence or willful misconduct of the possible. Among other things, with the dispute can be very precautionary measure revoking any powers entrusted to the person concerned, until the eventual resolution of the report in the presence of such serious violations as to obviate the fiduciary relationship with the company.

5.2.3 Measures applicable in the case of non-compliance by Board of Directors

In the case of violations of the provisions contained in the model by one or more directors, information will be given to the Board of Directors and the Board of statutory auditors to be taken appropriate measures in compliance with which the requirements adopted by the company. Please be advised that pursuant to art. 2392 Italian Civil Code administrators are responsible to the company for failing to fulfil the duties imposed by law with due diligence. Therefore in relation to the damage caused by specific adverse events closely related to the non-exercise of due diligence, you can correlate the performance of an action of social responsibility under art. 2393 Italian Civil Code et seq. in the judgment of the Assembly.

In order to ensure the full exercise of the right of defense must be provided for a time limit within which the applicant may submit a justifications written and could be heard defensive.

5.2.4 Measures applicable in the case of non-compliance by Board of statutory auditors

The notice of violation of the provisions and rules of model behavior by one or more statutory auditors, the Supervisory Board shall promptly inform the incident the entire Board of statutory auditors and the Board of Directors.

The addressees of the statement of the Supervisory Board may adopt, in accordance with the Statute, the appropriate measures including, for example, the convening of the general meeting in order to adopt the measures deemed more suitable.

In order to ensure the full exercise of the right of defense must be provided for a time limit within which the applicant may submit a justifications written and could be heard defensive.

5.2.5 Measures applicable in the case of non-compliance by collaborators

With respect to employees or third parties who work on behalf of the company, be determined by the sanctions and the procedures for application for violations of the code of ethics, and implementation procedures.

These measures will provide for more severe violations, but when the same are such as to undermine the confidence of society in respect of the subject responsible for violations, the report said. Upon occurrence of a violation on the part of these individuals, the contract manager shall, with the written report, the CEO.

5.2.6 Measures applicable in the case of non-compliance by Supervisory Board

In case of negligence, unskillfulness of Supervisory Board in supervising the correct application of the model and on their respect and had not been able to locate the same infringement cases proceeding to their elimination, the Board of Directors will, in consultation with the Auditors the necessary measures in accordance with the procedures laid down by the regulations in force, including the revocation of the appointment and save the request for compensation.

In order to ensure the full exercise of the right of defense must be provided for a time limit within which the applicant may submit a justifications written and could be heard defensive.

In the case of alleged unlawful conduct by members of the Supervisory Board, the Administrative Board, after receiving the report, investigates about the actual abuse that occurred and therefore determines its sanction to apply.

CHAPTER 6 – INFORMATION AND TRAINING PROGRAM

6.1 *Introduction*

The company, in order to give effective implementation to model, aims to ensure proper disclosure of the contents and principles of the same on the inside and outside of your organization.

In particular, the company's goal is to communicate the contents and principles of the model not only its employees but also to persons who, while not as formal employee status, work – even occasionally – for the achievement of the objectives of the company by virtue of contractual relationships. Are recipients of the model is the people that are functions of representation, administration or management in society, whether people subjected to the direction or supervision of any of the aforementioned parties (pursuant to art. 5 d.lgs. n. 231/2001), but also, more generally, all those who work for the attainment of the purpose and objectives of the company. Among the recipients of the Model are then numbered the components of corporate bodies, subjects involved in the functions of Supervisory Board, employees, collaborators, consultants, suppliers, and so on.

The Company, in fact, intends to:

- determine, in all those who work in its name and on its behalf in "sensitive areas", awareness to incur in case of violation of the provisions therein, an offence punishable by sanctions;
- inform all those involved in any way in its name, on its behalf or in its interest that the violation of prescriptions contained in the template will result in the application of appropriate sanctions or termination of the contractual relationship;
- reaffirm that the company does not tolerate illegal behavior of any kind and irrespective of any purpose, because these behaviors (even if the company was apparently in a position to take advantage of it) is contrary to the ethical principles which the company intends to follow.

The communication and training activities is varied depending on the recipients to whom it is addressed, but it is, in any case, based on the principles of comprehensiveness, clarity, accessibility and continuity in order to allow the different recipients full consciousness of those business arrangements that are required to adhere to ethical standards and to inspire their behaviors.

These consignees are obliged to comply with all provisions of the model, in fulfilment of the duties of loyalty, honesty and diligence resulting from the legal relationship established by the company.

The communication and training activities is supervised by the regulatory body, which are awarded, among others, the tasks of promoting and defining initiatives for the dissemination of knowledge and understanding of the model, as well as for staff training and awareness-raising of the observance of the principles contained in the model "and to" promote and develop communication and training interventions on the contents of the Legislative Decree N. 231/2001, impacts of the regulations on the activities of the company and the behavioral standards ".

6.2 *Employees*

Each employee is required to: i) acquire awareness of the principles and contents of model and code of ethics; ii) learn about the operational modalities with which must be carried out its activities; iii) contribute actively, in relation to its role and responsibilities, to the effective implementation of the model, reporting any shortcomings found in the same.

In order to ensure a rational and effective communication, the company promotes the knowledge of the contents and principles of model and implementation procedures within your organization to apply, with deepening diversified depending on the position and role.

Employees and new hires is delivered an excerpt of the Model and the Code of Ethics or is granted the possibility to consult them directly on your company's Intranet in a dedicated area. A declaration of knowledge and observance of the principles of the Model and the Code of Ethics described therein is signed by the employees.

In any case, for employees who do not have access to the Intranet, this documentation must be made available to them through alternative means, such as allegation to pay or docket with posters in corporate boards.

Communication and training on the principles and contents of model and code of ethics are guaranteed by the heads of individual functions that, as indicated, and scheduled by the regulatory body, identify the best ways to use these services.

The training can take place even at a distance through the use of computer systems (e.g. video conferencing, e-learning, staff meetings, etc.).

At the end of the training event, participants must fill out a questionnaire, thus attesting to receipt and course attendance.

Compiling and submitting the questionnaire will be considered valid as Declaration of knowledge and observance of the contents of the template.

Suitable communication tools will be used to update the recipients of this paragraph about any changes made to the template, and any relevant regulatory or procedural change.

6.3 *Corporate bodies' members and Company's subjects with representative function*

The members of corporate bodies and individuals with representative functions of the company is made available hard copy of the model at the time of acceptance of their charge and will be awarded their signed declaration of compliance with the principles of the model and the code of ethics.

Appropriate communication and training tools will be adopted to update them about any changes made to the template, and any relevant regulatory or procedural change.

6.4 *Supervisory Board*

Specific information or training (e.g. in relation to organizational and / or business changes within the company) is intended for members of the Supervisory Board and / or for identified entities, of which the Supervisory Board avails in the performance of their duties.

6.5 *Other recipients*

The communication of the contents and principles of the model must be addressed to third parties to conduct with the company contractually regulated cooperation (e.g. suppliers, consultants and other collaborators for self-employed persons) with particular reference to those operating within the framework of activities deemed sensitive pursuant to the Legislative Decree N. 231/2001.

To this end, the company will provide to the parties a statement of accounting policies and the code of ethics and will evaluate the opportunity of organizing ad hoc training sessions if it considers this necessary.

The training can take place even at a distance through the use of computer systems (e.g. video conferencing, e-learning).

CHAPTER 7 – MODEL ADOPTION – VIGILANCE, UPGRADE AND ADAPTION CRITERIONS

7.1 *Model's checks and controls*

The Supervisory Board shall draw up annually a regulatory program through which planning, in General, their activities, providing a calendar of activities to be undertaken during the year, the determination of the temporal cadences, identify criteria and analytical procedures, the possibility to perform verifications and unplanned controls.

In carrying out its tasks, the Supervisory Board may avail itself of the support of internal structures and functions to the society with specific skills in business sectors from time to time be checked, with reference to the technical operations necessary for the conduct of the audit function, external consultants. In this case, the consultants should always report the results of their work to the Supervisory Board.

The Supervisory Board are recognized, in the course of the checks and inspections, the wider powers in order to carry out effectively the tasks assigned to him.

7.2 *Upgrade and adaption*

The Board of Directors shall act with regard to the updating of the model and its adaptation in relation to change should make integrations that are required as a result of:

- significant violations of the requirements of the model;
- Amendment of society how conduct of business;
- regulatory changes;
- results of the checks

Once approved, changes and instructions for their application shall be communicated immediately to the Supervisory Board, which shall, without delay, make the same changes to treat and correct communication of content inside and outside the company.

The Supervisory Board has, in any case, specific duties and powers with respect to the care, development and promotion of the constant updating of the model. To this end, relevant observations and proposals, the Organization and the control system, corporate structures to this charge or, in cases of particular importance, the Board of Directors.

In particular, in order to ensure that the variations of the model are carried out with the necessary promptness and effectiveness, without at the same time incurring defects in coordination between operational processes, the requirements contained in the model and the distribution of same, the CEO makes periodically, where necessary, changes to the template that adhere to aspects of descriptiveness. It should be noted that the expression "descriptive aspects" refers to items and information resulting from deliberate acts by the Board of Directors (such as the redefinition of the organization chart) or by specific departments with delegation (i.e. new business processes).

On the occasion of the presentation of the summary annual report the Supervisory Board shall submit to the Board a notice of the changes made in the implementation of the delegation received in order to be subject to ratification by resolution of the Board of Directors.

- Remains, in any case, the exclusive competence of the Board of Directors the deliberation of updates of model adjustments due to the following factors:
- speech by regulatory changes relating to administrative responsibility of institutions;
- identification of new activities, or those previously identified variation, even possibly linked to launch new business activities;

- the formulation of observations by the Ministry of Justice guidelines pursuant to art. 6 of the Legislative Decree N. 231/2001 and articles. 5 and ss. D.M. June 26, 2003, n. 201;
- Commission of the offences referred to by the Legislative Decree N. 231/2001 by the addressees of the Model forecasts, or, more generally, of significant violations of model;

acknowledgement of shortcomings gaps Model forecasts as a result of checks on the effectiveness thereof.

The Model will be, in any case, subject to periodic review procedure every three years, by resolution of the Board of Directors.