



F.A.G. ARTIGRAFICHE

Joint Stock Company with Sole Shareholder

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REA 150806

Fully Paid-up Share Capital €1,000,000

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Organisation and Management Model

Ex Legislative Decree no. 231 of 8th June 2001

General Part

REVISIONS

Revision	Approval	Description of changes
00	Board of Directors meeting on 06/16/2011	Adoption
01	Board of Directors of	Compete review and adoption of environmental violations
02	Board of Directors of 19/12/2012	Introduction paragraph on "Crimes related to the employment of citizens without residence permits"
03	Board of Directors of 19/12/2012	Introduction of offenses regarding corruption between individuals (amendment to Article 25 of Leg. Decree 231/2001)
04	Board of Directors of 21/01/2014	Introduction of the crime of substituting the IT identity (amendment of article 24-bis of Legislative Decree 231/2001). Complete revision of the document layout.
05	Board of Directors of 12/06/2014	Introduction of the crime of "Solicitation of Minors" and "Political-Mafia electoral exchange"
06	Board of Directors of 03/07/2017	Introduction of the types of offenses: self-laundering (Law 186/2014 amending Article 25-octies); environmental crimes (Law 68/2015 amending Article 25-undecies); false balance sheets (Law 69/2015 amending Article 25-ter). Revision of paragraph "3.4 Information flows" Review of Chapter "4. Disciplinary System" Introduction of Chapter "5. Dissemination of the Model" Review of Chapter "6. Adoption and updating of the Model"



ORGANISATIONAL MODEL

GENERAL PART

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PART ONE

THE COMPANY

0 THE COMPANY AND ITS ORGANISATIONAL STRUCTURE

0.1 The Company

General information about the company **FAG ARTIGRAFICHE Società per Azioni con socio unico** (hereinafter "**FAG ARTIGRAFICHE SPA**") is summarised in the following table.

<i>Denomination</i>	FAG ARTIGRAFICHE Società per Azioni con socio unico		
<i>Legal Address and Operational Headquarters</i>	Via Torino, 347 – DOGLIANI (CN) - 12063		
<i>Secondary Office</i>	Via delle Industrie 20/22 - CANNETO SULL'OGGIO (MN) - 46013		
<i>Business Registry</i>	Cuneo 02043840046		
<i>REA (Economic and Administrative Index) no.</i>	Cuneo 150806		
<i>Fully Paid-up Share Capital</i>	€1,000,000		
<i>National Collective Contracts applied</i>	CCNL - Tertiary: Distribution and Services		
<i>telephone</i>	+39 0173721240	<i>Website</i>	www.fagartigrafiche.com
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0.2 Company Purpose

The Company's purpose is:

- the manufacture and sale of all products deriving from the processing of paper and cardboard generally;
- the carrying out of all activities related to packaging and containers of any kind;
- the exercise of purchasing, building, sales, bartering, restructuring, and management activities regarding real estate of any type and especially; the execution and coordination of works of lotting and real estate generally; the technical and economic coordination, processing and conclusion of any real estate operation, including intermediation;
- the company may carry out any other operation necessary for the pursuit of the corporate purpose, including the acquisition of shareholdings in companies having as their objective activities connected to the corporate purpose. The company is prohibited from gathering public savings;
- the company will be able to carry out any financial transaction necessary for the achievement of the corporate purpose, and in particular to stipulate loan contracts by permitting the undersigning of mortgage contracts on company properties, as well as receiving funding from shareholders in compliance with current regulations.

0.3 Business Model

At present, the company mainly and exclusively carries out the production of packaging, containers and exhibitors (products deriving from the processing of paper) referred to in the aforementioned corporate purpose.

The commercial activity aimed at the formulation of offers to individuals and to the **acquisition of contracts** is carried out by personnel employed by the Sales Department who initiate contact with the counterparty and prepare the technical and offer documentation, within the limits of their autonomy recognised by company practices, whilst the Sales Manager and/or the administrators contribute to determining the values and the economic amounts to be included in the offer and sign all commercial offers.

In this regard, it is appropriate to consider that the company FAG ARTIGRAFICHE SPA is part of a group of homogeneous companies that exploit their synergies both at a productive and, above all, commercial level.

In the phase of **preparation of a job**, the company FAG ARTIGRAFICHE SPA relies on the technical department staff that handles (define from a technical standpoint) the product design, the plant manager coordinates the human and material resources (production planning: commitment of internal staff and machines), checking the availability of materials and/or equipment. In this phase, the detailed planning of all the phases of the order commences.

The **supplying** phase is carried out by the logistics manager who, after identifying the needs, defines an agreements for the supply of goods and services, within the limits of determined amounts.

The next **production** phase is managed by the Plant Manager who deals with the realisation (printing, gluing, die cutting, storage) and shipping of the products.

0.4 Governance

0.4.1 The Governance Structure

The company FAG ARTIGRAFICHE SPA is a joint-stock company.

The Company FAG ARTIGRAFICHE SPA is a company subject to the management and coordination activities of others pursuant to Article 2497-bis of the Italian Civil Code.

The administrative body of the company is represented by a Consiglio di Amministrazione comprising 4 members.

The structure of delegations and powers is defined in detail in the document "The Governance Structure".

In accordance with Article 20 of the Bylaws, *"The company is administered by a board of directors consisting of a minimum of three and a maximum of nine members who are elected during the Shareholders' Meeting, following the determination of their number."*

With regard to the powers of the Board, Article 21 of the Bylaws establishes:

"The board of directors has the broadest powers for the ordinary and extraordinary management of the Company. They may, therefore, carry out all actions, including acts of disposition, deemed appropriate for the implementation of the business purpose, with the only exception being those that the law expressly reserves to the Shareholders' Meeting."

Because of this, the current corporate governance establishes that all **powers of ordinary and extraordinary administration are reconducted to the Board of Directors (without prejudice to the authorisations referred to above)**.

Article 25 of the Bylaws also states that *"The legal representation of the company falls to the Chairperson of the Board of Directors, or in his/her absence or in the case of impediment, to the director so delegated."*

Also envisaged is the right to appoint directors, institutors, procurers, agents for certain deeds or categories of deeds.

The company has appointed a **Board of Statutory Auditors**; and **is subject to an audit** by auditors registered in the appropriate Register, also within the group to which they belong, with their financial statements subject to review by the auditing company appointed by the parent company.

0.4.2 Principles of control regarding proxies and powers of attorney

The system of proxies and powers of attorney must be characterised by elements of "certainty" for the purpose of preventing crimes and allowing efficient management of the company's activities.

By "*delegate*", it is intended the internal act of attribution of functions and tasks, reflected in the system of organisational communications. By "*proxy*", it is intended the unilateral legal transaction with which the entity assigns to a single subject the power to act as representative of the same.

The essential requirements of the system of delegates and proxies are as follows:

- all those who partake in rapports with the P.A. on behalf of the Entity must be provided with formal delegations and - where necessary - also with the proxy;
- to each delegation that involves the power of representation of the Entity vis-à-vis third parties, an internal delegation must be provided that describes the relative management power;
- the delegations must unite each power with the relative responsibility and an appropriate position in the organisational chart;
- each delegation must specifically and unequivocally define:
 - the powers of the delegation, specifying the limits;
 - the subject (entity or individual) to whom the delegate reports hierarchically;
 - the delegate must be granted spending powers appropriate to the roles conferred;
 - the system of delegates and proxies must be updated in a timely manner.

The Delegates and Proxies System is a control protocol applicable to all sensitive activities.

0.4.3 Control principles concerning the general organisational system

All Sensitive Activities must be carried out in compliance with the laws in force, with the values and policies of the Company and with the rules contained in this Model.

Generally, **the Company's organisation system must comply with the basic requirements of formalisation and clarity, communication and separation of roles**, in particular as regards the assignment of responsibilities, representation, definition of hierarchical lines and operational activities.

The Company must be equipped with **organizational tools (organisational charts, organisational communications, procedures, etc.) based on the general principles** of:

- a clear description of the reporting lines;
- knowability, transparency and publicity of the powers attributed (within the Company and towards interested third parties);
- clear and formal delimitation of roles, with a complete description of the duties of each function, the relative powers and responsibilities.

Internal procedures must be characterised by the following elements:

- (i) separation, within each process, between the person who makes the decision (decision-making impetus), the subject that executes this decision and the person who is entrusted with checking the process (the so-called "**segregation of functions**");
- (ii) a written trace of each relevant step in the process (the so-called "**traceability**");
- (iii) an adequate level of **formalisation**.

In particular, these must be:

- clearly and precisely defined by means of appropriate documents, made available and known to all employees, a company organisation chart, and the areas and responsibilities of the company functions;
- predisposed specific *policy* and operating procedures with particular reference to the processes relating to areas at risk of crime;

- envisaged with clarity and precision the roles and tasks of the internal managers of each area of risk, to which they confer the power of direction, impetus and coordination of the underlying functions.

PART TWO

LEGISLATIVE DECREE NO. 231 of 8/06/2001

1 THE RESPONSIBILITY OF THE ENTITY: LEGAL PROFILES

1.1 The regulation of the administrative liability of legal persons, companies and associations, in accordance with the regulation introduced under Legislative Decree 231/2001

Legislative Decree no. 231 of 8th June 2001 (hereinafter referred to as the "Decree"), implementing Law no. 300 of 29th September 2000, disciplines - introducing it for the first time in the Italian legal system - the administrative responsibility of legal entities, companies and associations also without legal personality (entities). Before the introduction of this legislation, collective bodies were not subject to criminal-administrative liability under Italian law and only natural persons (administrators, managers, etc.) could be prosecuted for the commission of any offenses in the interests of the corporate structure.

This regulatory framework has been profoundly innovated by the Decree, which marked the adaptation of the Italian legislation to a series of international conventions to which Italy joined some time ago: in particular, it is the Convention on financial protection of the European Communities of 26th July 1995, of the EU Convention of 26th May 1997 on the fight against corruption, and of the OECD Convention of 17th September 1997 on combating bribery of foreign public officials in international business transactions. With the issuance of the Decree, the Italian legislator has complied with the obligations established by such international and EU instruments, which have specifically the provision of paradigms of liability of legal persons and of a corresponding system of sanctions, which affects corporate crime in a more direct and effective way.

The Decree is therefore inserted in a context of implementation of international obligations and - aligning itself with the regulatory systems of many European countries - establishes the responsibility of *societas*, considered "as an independent centre of interests and legal relations, a point of reference of precepts of various nature, and a matrix of decisions and activities of the subjects operating in the name, on behalf or otherwise in the interest of the entity" (thus the report on the preliminary draft reform of the penal code, prepared by the Commission chaired by Prof. Carlo Federico Grosso).

The establishment of the administrative responsibility of companies arises from the empirical consideration that illicit conduct committed within the company, far from achieving a private initiative of the individual, often falls within the scope of a widespread company policy and is the result of top decisions of the same body.

This is an "administrative" liability *sui generis*, since, even if it involves administrative sanctions, it results from a crime and presents the guarantees appropriate for the criminal trial.

In particular, the Decree provides for an articulated system of sanctions that moves from the application of pecuniary sanctions, to which are added - in accordance with the scale of the seriousness of the crime committed - interdictory measures such as suspension or revocation of

concessions and licences, the prohibition to enter into contracts with the public administration, the exclusion or revocation of financing and contributions, the ban on advertising of goods and services, through to the heaviest interdictory sanctions, which may even reach the prohibition of exercising the same business activity.

The administrative sanction for the company, however, can only be applied by the criminal court, in the context of provisions of guarantee set up under criminal law, and only if all the objective and subjective requirements determined by the legislator are met: in particular, one of the crimes for which the administrative liability of the entity is envisaged must be committed, and this offense needs to be committed in the interest or to the advantage of the company, by top managers or those subject to them.

The liability of the entities also extends to offenses committed abroad, provided that the State in which the deed was committed does not undertake proceedings against them, provided that the particular conditions of the Decree exist. This entails, for the purposes of this organisational model, the need to also consider the operations that FAG ARTIGRAFICHE SPA is found to perform abroad, for example for purchases from countries other than Italy or for sales of its products in foreign markets. This aspect will be examined as being relevant here in the second part of this document, when the individual hypotheses of violation for which the legislator has foreseen the responsibility of the collective body will be addressed.

With regard to the requirements necessary for establishing, alongside the criminal liability of natural persons, the administrative responsibility of the legal person, it must be emphasised that it needs to be, first of all, a crime committed in the interest or to the advantage of the entity. The exclusive advantage of the agent (or of a third party with respect to the entity) does not determine any responsibility for the entity, since it is in a situation of manifest extraneousness of the legal person with respect to the crime.

As for the subjects, the legislator, in Article 5 of the Decree, foresees the responsibility of the entity whereby the crime is committed:

- "by persons who are representatives, administrators or managers of the entity or one of its organisational units with financial and functional autonomy, as well as persons who exercise, also de facto, management and control of the same" (so-called apical subjects);
- "by persons subject to the direction or supervision of one of the persons referred to in letter a)" (the so-called subordinates).

As we can see, the subjects referred to by the law in question are those who perform functions related to the management and control of the institution or of its articulations. Hence, the legislator wanted to undertake a choice of a "*functionalist*" rather than "*nominalistic*" nature, thus maintaining attention on the concrete activity carried out, rather than to the formally-covered qualification.

Also to be emphasised is the equivalence - compared to the persons who cover roles of representation, administration or management of the entity - with those who perform the same functions in an "organisational unit with financial and functional autonomy". As we know, this is an increasingly widespread figure in the current economic reality, especially in the context of companies structured across several sites, and it requires particular attention in order to develop an organisational model that is proved to be, in practice, truly effective. In the special part dedicated to individual crimes, it will be possible to verify that it is necessary to ensure that every single professional figure potentially at risk of committing crimes in FAG ARTIGRAFICHE SPA is monitored, through the preparation of appropriate procedures, in order to ensure the proper overseeing and effective supervision of those "sensitive" activities with a view to the potential commission of the offenses envisaged by the Decree.

Again as regards the subjects, it has already been clarified that the letter b) of Article 5 refers to "persons subject to management or supervision of persons in senior positions". In this regard, the Ministerial Report states that "the choice to limit the responsibility of the '*societas*' only in the case of a crime being committed by those at the top, it would not have proved plausible from the logical and political criminal point of view". On the one hand, in fact, it would have been absurd for an exclusion of the entity's responsibility for the crimes committed, in its interest or to its advantage, by the personnel in charge; on the other hand, modern economic realities are characterised by a clear fragmentation of operational and decisional processes, so that the importance of the personnel involved in the choices and activities of the body is becoming increasingly important.

As can be easily understood, this imposes a detailed analysis of the individual procedures through which the different activities carried out by the company are effectuated, so as to be able to set up effective controls, able to prevent the commission of crimes or determine, in each case, the rapid identification and reporting by the supervisory and internal control bodies. As stated, the present model of these aspects will be dealt with later.

For the purposes of affirming the liability of the entity, in addition to the existence of the requisites referred to above, which render it possible to make an objective connection between the crime committed and the activity of the entity, the legislator also imposes the ascertainment of a subjective prerequisite, consisting in the guilt of the entity for the crime. This subjective requirement is determined with the identification of an organisation's fault, understood as the violation of adequate rules on diligence self-imposed by the entity itself and aimed at preventing the specific risk of crime. The aforementioned rules of diligence constitute the central component of this organisational model.

1.2 Types of offences

According to the Decree, the entity can be held liable only for the offenses expressly referred to by the Decree, if committed in their interest or advantage by qualified entities ex Article 5, paragraph 1, of the same decree.

Before entering into the details of the activities carried out by FAG ARTIGRAFICHE SPA, in order to assess which of them expose the institution to the possible commission of the crimes foreseen by the Decree, it is advisable to complete the general classification of the confines covered by this normative source.

Originally envisaged for offenses against the public administration (Article 25 of the Decree) or against the patrimony of the Public Administration (Article 24), the liability of the entity has been extended - due to legislative provisions subsequent to the Decree - also to include offenses in the matter falsehoods in coins, public credit cards and stamps and in instruments and signs of recognition (Article 25-bis), corporate offenses (Article 25-ter), crimes for terrorism or subversion of democratic order (Article 25-quater), female genital mutilation practices (Article 25-quater-1), crimes against the individual personality (Article 25-quinquies) and, through the recent Law no. 62 of 18th April 2005, also to the crimes of market abuse (insider trading and rigging the market, Article 25-sexies).

The intention of the legislator to include in the 2001 decree all the crimes that the entity can commit is evident from the constant increase of the "presupposed" cases. In fact, the crimes of injuries and manslaughter committed with violation of the accident prevention rules have been introduced on the protection of hygiene and health in the workplace (Article 25-septies) in 2007 - subsequently amended by Legislative Decree 81/2008 - along with the crimes of receiving stolen goods, money laundering and other means of illicit provenance (Article 25-octies), computer crimes and illicit use of data (Article 24-bis), organised crime offenses (Article 24-ter), crimes against industry and commerce (Article 25-bis-1 of the Decree), crimes concerning the violation of copyright (Article 25-novies of the Decree).

By way of implementation of Decree no. 121 of 7th July 2011, the references to crimes concerning the inducement of making false testimony have been modified (Article 25-decies of the Decree) and environmental offenses have been introduced (Article 25-undecies of the Decree).

The legislator, with Decree no. 109 of 25th July 2012, then introduced crimes related to the employment of foreign citizens without a residence permit amongst the types of offenses (Article 25-duodecies of the Decree).

With Law no. 190 of 6th November 2012, Article 25 of the Decree has been amended to "*Malfeasance, undue inducement to give or promise utility and corruption*", with the inclusion, as a predicate offense, of the new Article 319-quater; finally, in the catalogue of predicate offenses as per Article 25-ter (corporate offenses), Article 2635 of the Civil Code is added. The new predicate offense is that which punishes the corruptor (anyone) who offers money or other benefits to one of the qualified subjects (indicated in the first paragraph of Article 2635) or to their subordinates, belonging to another Company, who must perform acts contrary to their duties and causing damage to the Company they belong to (Corruption between private individuals).

In the Official Gazette no. 292 of 17th December 2014, Law 186 of 15th December 15 2014 was published containing "*Provisions regarding the emergence and return of capital held abroad as well as for strengthening the fight against tax evasion. Provisions on self-laundering*" which has included the crime of self-laundering in the penal code and has amended Article 25-octies to include the new case among the predicate offenses of corporate liability. Such an insertion has consequences of particular complexity in the risk assessment phase, given that the new offense seems to recall cases currently "out of the 231 catalogue". Amongst the crimes as sources to be examined there are, at least in the abstract, all the non-culpable crimes that do not immediately give rise to liability ex "231", especially tax payables. The proceeds that, for example, derive from tax evasion or the tax savings generated by unfaithful declarations - if employed in economic, financial, business or speculative activities in order to hinder the identification of their origin - could thus give rise to the new crime. If the re-employment was then in the interest or to the advantage of the company, this would respond to ex 231.

In the Official Gazette no. 122 of 28th May 2015, the Law 68 of 22nd May 2015 was published which contains "*Provisions on crimes against the environment*". With the entry into force of the provision - the title VI-bis ("Of the crimes against the environment") is introduced into the Criminal Code, with new types of offenses: environmental pollution (Article 452-bis) and its form aggravated by death or injury (Article 452-ter), environmental disaster (Article 452-quater), culpable crimes against the environment (Article 452-quinquies), trafficking and abandonment of high-radioactivity material (Article 452-sexies), the impediment of monitoring (Article 452-septies), omitted reclamation (Article 452-terdecies).

In addition to reforming the system of environmental crimes, Law 68/2015 also acted upon the liability of institutions. In fact, changes the Article 25-undecies of Decree 231, added new cases amongst the predicate offenses.

In the Official Gazette no. 124 of 30th May 2015, Law no. 69 of 27th May 2015, cited "*Provisions on crimes against the public administration, mafia-type associations, false accounting, as well as further amendments to the code of criminal procedures, the relative rules of implementation and the Law no. 190 of 6th November 2012.*"

The new law impacts upon, amongst other things, certain crimes against the P.A. (peculation, corruption and undue inducement), increasing the penalties; reintroduces the crime of false accounting (with even more severe penalties for companies and administrators who produce "false company communications"), and exacerbates the penalties for criminal association mafia.

The main innovation is the reintroduction of false accounting that, after 13 years, is a crime once more, no matter the corporate reality in which it occurs. The changes are added to Article 25-ter-1 with a tightening of sanctions for the various crimes covered therein.

Article 8 of the text sets out, in fact, that "*The directors, general managers, executives responsible for drafting corporate accounting documents, statutory auditors and liquidators who, seeking to gain for themselves or for others an unfair profit in financial statements or in other company communications directed to the shareholders or the public pursuant to the law, consciously present material facts that are untrue, or omit material facts, the disclosure of which is imposed by the law on the economic or financial situation of the company, or of the group to which it belongs in a concretely adapt way to induce others in error shall be **punished with the imprisonment sentence of one to five years.***"

The types of offenses referred to in the Decree can be included in the following categories:

1) Offenses against the Public Administration and against the patrimony of the Public Administration (Articles 24 and 25 of Legislative Decree no. 231/2001):

- misappropriation of funds to the detriment of the State or other public body (Article 316-ter of the Criminal Code);
- embezzlement to the detriment of the State or other public entity (Article 316-bis of the Criminal Code);
- fraud to the detriment of the State or other public entity (Article 640, paragraph 2, no. 1 of the Criminal Code);
- aggravated fraud for the obtainment of public funds (Article 640-bis of the Criminal Code);
- computer fraud against the State or other public entity (Article 640-ter of the Criminal Code);
- corruption (Articles 318, 319, 320, 321 and 322-bis of the Criminal Code);
- incitement to corruption (Article 322 of the Criminal Code);
- corruption in legal proceedings (Article 319-ter of the Criminal Code);
- malfeasance (Article 317 of the Criminal Code);
- undue inducement to give or promise benefits (Article 319-quarter of the Criminal Code)

2) Computer crimes and unlawful processing of data (Article 24-bis of the Decree) - [Article added by Law no. 48 of 18th March 2008, Article 7]. [Article amended by the Law Decree no. 93 of 14th August 2013, Article 9, paragraph 2, converted by Law no. 119 on 15th October 2013].

- Falsehood in public information technology documents or having evidential effect (Article 491-bis of the Criminal Code),
- Illegal access to a computer or telecommunications system (Article 615-ter of the Criminal Code),
- Illegal possession and distribution of access codes to computer or telecommunication systems (Article 615-quater of the Criminal Code),
- Distribution of equipment, devices or computer programmes intended to damage or interrupt a computer or telecommunication system (Article 615-quinquies of the Criminal Code),
- Unlawful interception, prevention or interruption of computer or telecommunication transmissions (Article 617-quater of the Criminal Code),
- Installation of equipment designed to intercept, impede or interrupt computer or telecommunication transmissions (Article 617-quinquies of the Criminal Code),

- Damage to computer information, data and programmes (Article 635-bis of the Criminal Code),
- Damage to computer information, data and programmes used by the State or any other public entity or public utility (Article 635-ter of the Criminal Code),
- Damage to computer or telecommunication systems (Article 635-quater of the Criminal Code),
- Damage to computer or telecommunication systems of public utility (Article 635-quinquies of the Criminal Code),
- Computer fraud by the person who provides services of electronic signature certification (Articles 640-ter and 640-quinquies of the Criminal Code).

3) Organised crime offences (Article 24-ter of the Decree) - [Article added by Law no. 94 of 15th July 2009, Article 9, paragraph 29].

- Criminal association (Article 416 of the Criminal Code with the exception of the sixth paragraph),
- Criminal association aimed at reducing or maintaining slavery, human trafficking, the purchase and sale of slaves, and crimes relating to violations of the provisions on illegal immigration as per Article 12 of Legislative Decree 286/1998 (Article 416, paragraph 6, of the Criminal Code),;
- Mafia-type association (Article 416-bis of the Criminal Code),
- Political-mafia electoral exchange (Article 416-ter of the Criminal Code),
- Abduction of persons for robbery or extortion (Article 630 of the Criminal Code),
- Association aimed at illicit trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9th October 1990),
- The illegal manufacture, introduction into the State, sale, ceding, possession and carrying in a public place or open to the public of weapons of war or war-type or parts thereof, explosives, clandestine weapons, as well as more common firearms (Article 407, paragraph 2, letter a, number 5)

4) Crimes of malfeasance, undue inducement to give or promise aid and corruption (Article 25 of the Decree) [Article amended by the Law no. 190 of 6th November 2012] .:

- Corruption for an official act (Article 318 of the Criminal Code);
- Penalties for the corruptor (Article 321 of the Criminal Code)
- Corruption for an act contrary to official duties (Article 319 of the Criminal Code);
- Aggravating circumstances (Article 319-bis of the Criminal Code)
- Corruption in legal proceedings (Article 319-ter of the Criminal Code);
- Undue inducement to give or promise benefits (Article 319-quater) [added by Law no. 190 of 6th November 2012];
- Incitement to corruption (Article 322 of the Criminal Code)
- Malfeasance (Article 317 of the Criminal Code)

5) Crimes relating to counterfeiting in coins, public credit cards and stamps and in instruments or signs of recognition (Article 25-bis of the Decree) [Article added

by Legislative Decree no. 350 of 25th September 2001, Article 6, Legislative Decree converted with amendments by Law no. 409 of 11/23/2001; modified by Law no. 99 of 23/07/09].

- Counterfeiting of money, spending and introduction into the State, following agreement to that end, of falsified coins (Article 453 of the Criminal Code);
- Alteration of money (Article 454 of the Criminal Code);
- Expenditure and introduction into the State, without complicity, of counterfeit money (Article 455 of the Criminal Code);
- Use of counterfeit money received in good faith (Article 457 of the Criminal Code);
- Counterfeiting revenue stamps, introducing into the State, acquisition, possession, or placing in circulation of counterfeit revenue stamps (Article 459 of the Criminal Code);
- Counterfeiting of watermarked paper used for the production of credit cards or revenue stamps (Article 460 of the Criminal Code);
- Production or possession of watermarks or instruments for the counterfeiting of money, revenue stamps, or watermarked paper (Article 461 of the Criminal Code)
- Use of counterfeit or altered revenue stamps (Article 464 of the Criminal Code)
- Counterfeiting, alteration or use of distinctive signs of intellectual property or industrial products (Article 473 of the Criminal Code)
- Introduction into the State and trade of products with false markings (Article 474 of the Criminal Code)

6) Crimes against industry and trade (Article 25-bis-1 of the Decree) - [Article added by Law no. 99 of 23/07/09].

- Interference with freedom of industry or commerce (Article 513 of the Criminal Code)
- Fraud in the exercise of trade (Article 515 of the Criminal Code)
- Sales of non-genuine foodstuffs sold as genuine (Article 516 of the Criminal Code)
- Sale of industrial products with misleading marks (Article 517 of the Criminal Code)
- Production and sale of goods made by usurping industrial property titles (Article 517-ter of the Criminal Code)
- Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517 of the Criminal Code)
- Unlawful competition using threat or violence (Article 513-bis of the Criminal Code)
- Fraud against domestic industries (Article 514 of Criminal Code)

7) Corporate offenses (Article 25-ter of the Decree) - [Article added by Legislative Decree no. 61 of 11th April 2002, Article 3 and subsequently amended by Law no. 69 of 29th April 2015].

- False corporate communications (Article 2621 of the Civil Code);
- False corporate communications to the detriment of shareholders or creditors (Article 2622, paragraph 1 and 3 of the Civil Code);
- Obstruction to audit (Article 2625, paragraph 2 of the Civil Code);
- Fictitious formation of capital (Article 2632 of the Civil Code);
- Undue repayment of contributions (Article 2626 of the Civil Code);
- Illegal distribution of profits or reserves (Article 2627 of the Civil Code);

- Unlawful transactions involving shares or shareholdings or of the parent company (Article 2628 of the Civil Code);
- Operations the detriment of creditors (Article 2629 of the Civil Code);
- Unlawful distribution of company assets by liquidators (Article 2633 of the Civil Code);
- Unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code);
- Speculation (Article 2637 of the Civil Code);
- Failure to communicate a conflict of interest (Article 2629-bis of the Civil Code) - [Article added by Law no. 262 of 28th December 2005, Article 31];
- Obstructing the activities of public supervisory authorities (Article 2638 of the Civil Code);

8) Corruption between individuals (Article 25-ter, paragraph 1, letter s) [Article added by Law no. 190 of 6 November 2012, Article 1, comma 77, letter b].

- Corruption between private parties (Article 2635 of the Civil Code) [Article added by Law no. 190 of 6th November 2012]

9) Offences with the aim of terrorism and subversion of the democratic order (Article 25-quater of the Decree) - [Article added by Law no. 7 of 14th January 2003, Article 3].

The following can be considered, even if the Decree does not propose a finite list of violations:

- Associations with purposes of terrorism, even international, or subversion of the democratic order (Article 270-bis of the Criminal Code);
- Aiding criminal associates (Article 270-ter of the Criminal Code);
- Attacks connected to terrorism or subversion (Article 280 of the Criminal Code);
- Act of terrorism with deadly or explosive devices (Article 280-bis of the Criminal Code)
- Abduction of persons connected to terrorism or subversion (Article 289-bis of the Criminal Code);
- Instigation to commit any of the crimes against the personality of the State (Article 302 of the Criminal Code);
- Political conspiracy through agreement and political conspiracy via association (Articles 304 and 305 of the Criminal Code);
- Belonging to an armed gang and partaking in training and participation and providing assistance to those involved in conspiracy or the armed gang (Article 306 and 307 of the Criminal Code);
- Terrorist offenses foreseen by special laws, consisting of all that which concerns the Italian legislation, issued in the 1970s and 1980s, aimed at fighting terrorism;
- Offenses, other than those indicated in the Criminal Code and in special laws, determining the violation of Article 2 of the International Convention on the Suppression of Terrorist Financing, approved in New York on 9th December 1999.

10) Crimes of mutilation of female genital organs (Article 25-quater-1 of the Decree);

- Female genital mutilation practices (Article 583-2 of the Criminal Code)

11) Crimes against the individual personality (Article 25-quinquies of the Decree) [Article added by Article 5 of Law no. 228 of 11/08/2003]; [Article amended by Law no. 39 of 04/03/2014, Article 3; [Article amended by Law no. 39 of 04/03/2014, Article 3].

- Subjection to slavery (Article 600 of the Criminal Code);
- Child prostitution (Article 600-bis of the Criminal Code);
- Child pornography (Article 600-ter of the Criminal Code);
- Possession of pornographic material (Article 600-quater of the Criminal Code);
- Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code);
- Virtual pornography (Article 600-quater,1 of the Criminal Code) [Added by Article 10, of Law 38 of 6th February 2006];
- Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code);
- Trafficking and trading of slaves (Article 601 of the Criminal Code);
- Alienation and purchase of slaves (Article 602 of the Criminal Code);
- Grooming of minors (Article 609 of the Criminal Code)

12) Crimes of abuse of privileged information and market manipulation (Article 25-sexies of the Decree) - [Article added by Law no. 62, Article 9 of 18th April 2005].

- Abuse of privileged information (Article 184 of Legislative Decree no. 58 of 24th February 1998, et seq.);
- Manipulation of the market (Article 185 of Legislative Decree no. 58 of 24th February 1998, et seq.).

13) Crimes of culpable homicide and negligent personal injury committed with violation of the accident prevention regulations and the protection of hygiene and health at work. (Article 25-septies of the Decree) - [Article added by Law no. 123 of 3rd August 2007, Article 9].

- Manslaughter (Article 589 of the Criminal Code)
- Personal injury due to negligence (Article 590, paragraph 3 of the Criminal Code)

both committed in violation of the accident prevention regulations and the protection of hygiene and health at work.

14) Crimes of receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin (Article 25-octies of the Decree) - [Article added by Legislative Decree no. 231 of 21st November 2007, Article 63, paragraph 3, subsequently amended by Law no. 186 of 15th December 2014].

- Handling stolen goods (Article 648 of the Criminal Code)
- Money laundering (Article 648-bis of the Criminal Code)
- Use of money, goods or property of unlawful origin (Article 648-ter of the Criminal Code)
- Self money-laundering (Article 648-ter-1 of the Criminal Code)

15) Crimes regarding the violation of copyright (Article 25-novies of the Decree) [Article added by Law no. 99 of 23/07/09].

- Rendering a work, or part thereof, of protected intellectual property available to the public, in a system of telematic networks, through connections of any kind (Article 171, Law 633/1941 paragraph 1 letter a) bis);
- Crimes referred to in the previous point committed on the works of others not intended for publication if honour or reputation is offended (Article 171, Law 633/1941 paragraph 3);
- Abusive duplication, for profit, of computer programmes; the import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programmes contained in media not marked by SIAE (the Italian copyright collecting agency); provision of means to remove or circumvent the protection devices of computer programs (Article 171-bis of Law 633/1941, paragraph 1);
- Reproduction, transfer to other media, distribution, communication, presentation or public demonstration of the contents of a database; extraction or re-utilisation of the database; distribution, sale or lease of databases (Article 171-bis of Law 633/1941, paragraph 2);
- Abusive duplication, reproduction, transmission or dissemination in public via any procedure, in whole or in part, of intellectual property intended for television, film, sale or rental of records, tapes or similar media or any other medium containing phonograms or videograms of assimilated musical, cinematographic or audiovisual works or sequences of moving images; literary, dramatic, scientific or educational, musical or dramatic musical and multimedia works, even if included in collective or composite works or databases; reproduction, duplication, unauthorised transmission or distribution, sale or trade, transfer for any reason or abusive importation of more than fifty copies, or copies of works protected by copyright and related rights; submitting to a system of telematic networks, through connections of any kind, an intellectual work protected by copyright, or part thereof (Article 171-ter of Law 633/1941);
- Failure to notify the SIAE (Italian copyright collecting agency) of identification of media data not subject to the signing or false declaration (Article 171-septies Law 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, for public or private use of equipment or parts of equipment for the decoding of conditional access audio-visual transmissions made via ether, satellite, cable, in both analogical and digital form (Article 171-octies of Law 633/1941).

16) Inducement not to make or to make false statements to the judicial authority (Article 25-decies of the Decree) - [Article added by Law no. 116 of 3rd August 2009, Article 4 and subsequently amended by Article 2 of Legislative Decree no. 121 of 7th July 2011].

- Inducement to not make statements or to make false statements to the judicial authorities (Article 337-bis of the Criminal Code)

17) Environmental crimes (Article 25-undecies of the decree) - [article added by Legislative Decree no. 121, Article 2, of 7th July 2011 and subsequently amended by Law no. 68 of 28th April 2015]

- Killing, destroying, capturing, taking or detaining protected fauna or flora specimens (Article 727-bis of the Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Criminal Code);

- Discharges of industrial wastewater, without authorisation, or their continuance even after the suspension or revocation of the authorisation (Article 137 of Legislative Decree no. 152 of 3rd August 2006);
- Unauthorised waste management activities (Article 256 of Legislative Decree no. 152 of 3rd August 2006);
- Failure to clean up sites as a result of pollution of the ground, subsoil, surface water or groundwater exceeding the concentrations of risk threshold (Article 257 of Legislative Decree no. 152 of 3rd August 2006);
- Transportation of hazardous waste without the prescribed formulary or with incomplete or incorrect data in the formulary (Article 258 of Legislative Decree no. 152 of 3rd August 2006);
- Illicit waste traffic (Article 259 of Legislative Decree no. 152 of 3rd August 2006);
- Activities organised for the illegal trafficking of waste (Article 260 of Legislative Decree no. 152 of 3rd August 2006);
- IT system for monitoring the traceability of waste (Article 260-bis of Legislative Decree no. 152 of 3rd August 2006);
- Violation of atmospheric emissions limits and related requirements (Article 279 of Legislative Decree no. 152 of 3rd August 2006);
- Import, export or re-export of specimens, under any customs procedure, without the required certificate or license, or with an invalid certificate or license of specimens belonging to the types listed in Annex A of Council Regulation (EC) 338/97 of 9th December 1996, and subsequent implementations and modifications (Articles 1, 2 and 6 of Law no. 150 of 7th February 1992);
- Falsification or alteration of certificates, licenses, import notifications, declarations, communications of information for the purpose of acquiring a license or a certificate, the use of false or altered certificates or licenses (Article 3-bis, of Law no. 150 of 7th February 1992);
- Cessation and reduction of the use of substances harmful to stratospheric ozone (Article 3 of Law no. 549 of 28th December 1993);
- Involuntary pollution with permanent or particularly serious damage to water, to animal or plant species by a ship (Article 9 of Legislative Decree 6 November 2007 no. 202);
- Involuntary pollution with permanent or particularly serious damage to water, to animal or plant species by a ship (Article 8 of Legislative Decree 6 November 2007 no. 202);
- Environmental Pollution (art.452 bis of the Penal Code)
- Environmental disaster (art. 452 quater of the Penal Code)
- Intentional crimes against the environment (Art. 452 - e CC)
- Trafficking and abandonment of highly radioactive material (Art. 452-sexies Criminal Code)
- Preventing control (Article 452 septies of the criminal code)
- Omitted Reclamation (Art. 452 terdecies cp)

18) Employment of third-country nationals whose stay is irregular (Article 25 duodecies of the decree) - [article added by Legislative Decree 25 July 2012 n. 109 art.1]

- Any employer who employs foreign workers who do not have a permit to stay under this article, or whose permit has expired and for which no renewal, revocation or annulment has been requested under the terms of the law, is punishable by a term of imprisonment from six months to three years and with a fine of 5,000 euros for every worker employed (art. 22 paragraph 12 Legislative Decree 286/1998)

19) "Trans-national" crimes [Law of 16 March 2006, n. 146, art. 3 and 10];

Article 3 of the Law defines trans-national crime as an offence punishable by imprisonment of not less than four years, if an organised criminal group is involved, and: (a) it is committed in more than one State; (B) or it is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State; (C) or it is committed in one State but involves an organised criminal group involved in criminal activity in more than one State; (D) or it is committed in one State but has substantial effects in another State.

- Crime association (art. 416 of the Criminal Code)
- Mafia-type association (Article 416-bis of the Criminal Code),
- Criminal association for the smuggling of foreign manufactured tobacco (Article 291-quater of the Presidential Decree of 23 January 1973 No. 43)
- Association aimed at illicit trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9th October 1990),
- Acts aimed at obtaining the illegal entry of foreigners into the national territory and aiding their stay in order to obtain unfair profit (Article 12 co. 3, 3 bis, 3 ter and 5 D. lgs. 25 July 1998 n. 286)
- Persuasion to make no statement or make false statements to the judicial authority (Article 377-2 Penal Code)
- Personal favoritism (Article 378 Penal Code)

It seems opportune to clarify that the crimes listed above can determine the responsibility of the Entity on the sole condition that they are connoted by the character of the "transnationality". To be able to define itself as transnational, the crime must have been committed by an organized criminal group and must also have one of the following circumstances:

- that the crime is committed in more than one state;
- or where committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State;
- or where committed in one State but involving an organised criminal group who are involved in criminal activity in more than one State;
- or where committed in one state but with substantial effects in another State.

In the absence of the aforesaid requirements, the penalties deriving from the commission of the aforementioned crimes will continue to concern only the natural persons who have committed them.

1.3 Fines

Briefly indicate the penalties from the Decree against the company as a result of the commission or attempted commission of the crimes mentioned above:

- pecuniary sanction up to a maximum of Euro 1,549,370.69 (and precautionary attachment on the precautionary basis);
- disqualification sanctions (also applicable as a precautionary measure) lasting no less than three months and no more than two years (with the clarification that, pursuant to Article 14, paragraph 1, Decree, "The disqualification sanctions refer to the specific activity to which the offense of the entity refers) which, in turn, may consist of:

- ban from business;
- suspension or revocation of permits, licenses or concessions related to the offense;
- ban on negotiating with the Public Administration;
- exclusion from benefits, loans, grants or aids and the possible revocation of those already granted;
- - ban on advertising goods or services;
- confiscation (and seizure as a precautionary measure);
- publication of the sentence (an additional punishment in case of application of a disqualification).

The "*pecuniary sanctions*" they are determined by the Criminal Judge through a system based on "quotas" 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 € 1549.37. In determining the pecuniary sanction the judge determines:

- The judge determines the number of quotas taking into account the seriousness of the crime, the degree of the Entity's liability as well as of the activity undertaken to cancel or mitigate the consequences of the offence and to prevent the commission of further offences.
- the amount of the individual share, based on the economic and equity conditions of the company.

The "*interdictory sanctions*" Apply in relation to crimes only for which they are expressly provided for:

- to crimes against the Public Administration pursuant to articles 24 and 25 of the Decree;
- to crimes, such as counterfeiting in coins, as per art. 25-bis of the Decree;
- crimes relating to terrorism and subversion of the democratic order, as per art. 25-quater of the Decree;
- to crimes against the individual personality, as per art. 25-quinquies of the Decree;
- to crimes of culpable homicide and negligent personal injury committed with violation of the accident prevention regulations and the protection of hygiene and health at work pursuant to art. 25-septies of the Decree;
- to environmental crimes, referred to in Article 25 undecies of the Decree;

The application is scheduled provided that at least one of the following conditions is met:

- the company has gained a considerable profit from the offence and it was committed by persons in senior positions or by persons subject to another person's management when, in such a case, the offence committed was determined or facilitated by severe organisational shortcomings;
- in the event of repeated offences.

The judge determines the type and duration of the disqualification penalty taking into account the suitability of the individual sanctions to prevent offences of the type committed and, if necessary, can apply them jointly (Article 14, paragraph 1 and paragraph 3, Decree).

The penalties providing for disqualification from conducting business, bans on entering into contracts with Public Administration and bans on advertising goods or services can be applied - in severe cases - on a permanent basis. In addition, instead of the imposition of the disqualification sanction, the possible continuation of the company's activity by a commissioner appointed by the judge pursuant to and under the conditions of art. 15 of the Decree.

1.4 Exemption of responsibilities: the organization and management model

As mentioned, the articles 6 and 7 of the Decree provide exemption from administrative liability if the institution has effective and effective models of organization and management suitable to prevent crimes of the kind that occurred.

From these norms of the legislative decree, a difference of discipline emerges, and of probative regime, in relation to the crimes committed by the subjects in top position with respect to the crimes committed by the subordinates.

In particular, the responsibility is excluded if the Body proves that:

- the governing body has adopted and effectively implemented, prior to the commission of the fact, a model of organization and management suitable for preventing crimes of the kind that occurred (hereinafter the "Model");
- the task of supervising the functioning and observance of the Model and proposing its updating has been entrusted to a Supervisory Body of the Entity (hereinafter "Supervisory Body"), which has autonomous powers of initiative and control;
- the persons who committed the crime acted by fraudulently evading the aforementioned Model;
- there has not been omitted or insufficient supervision by the Supervisory Body.

The adoption of the model is therefore the measure of diligence defined by the legislator and represents for the institution the possibility of going free of its responsibility.

The introduction of the culpable offense in the 231 system, occurred with Law 123/2007 replaced by the Legislative Decree 81/2008 "TU Safety and health in the workplace", in the absence of any provision aimed at harmonizing the discipline of 'body - as so far configured - with the new archetype of crime, brings out a series of compatibility problems of not simple solution.

The traditional structure of the charge for "organization fault", from which the administrative responsibility of the institution derives, must in fact now be measured with the commission of crimes, whose identifying elements and methods of realization are very different from those typical of crimes up to the recent era examined for the purpose of building the Organizational Model.

The not easy harmonization concerns, firstly, the necessary existence of an interest or advantage of the institution in relation to the commission of the offense. But the most problematic point is that the criterion of exemption from responsibility indicated in the previous point - that is the demonstration that the fact has been committed by the agent through the fraudulent avoidance of the protections placed by the institution within its organization - while it adheres to the paradigm of malicious crime, on the other hand, it can not evidently be caught up in cases of crime where the volitional element of the event is lacking.

In this case, it should be considered that, in order to be exempt from liability, the entity must be able to demonstrate that the culpable violation committed by its exponent was carried out despite the implementation of an effective system for monitoring the application of rules, general and special, aimed at avoiding the risk of verifying the event.

The mere adoption of the Model by the governing body - which is to be identified in the controlling body of management power: the Consiglio di Amministrazione - however, does not seem sufficient to determine the exemption from liability of the entity, being rather necessary that the Model is also effective and effective.

As regards the effectiveness of the Model, the legislator, in art. 6 paragraph 2 D.Lgs. 231/2001, states that the Model must satisfy the following requirements:

- identify the activities in which crimes may be committed (so-called "mapping" of the activities at risk);
- provide for specific protocols intended for planning the formation and implementation of the Organisation's decisions in relation to the offences to be prevented;
- identify appropriate methods to manage financial resources , in order to prevent offences from being committed;
- provide for the obligation to provide information to the board responsible for supervising the functioning and observance of the models;

According to the art. 7, for the crimes committed by subjects under the management, the institution only responds if the commission of the offense has been made possible by the non-observance of the duties of management or supervision (in this case the burden of proof is borne by the 'accusation'). This non-compliance shall however be excluded should the Organisation, prior to the commission of the offense, have adopted and effectively implemented an Organisation, Management and Control Model which is suitable for the prevention of crimes similar to the offence occurred.

Therefore the characteristic of the effectiveness of the model is linked to its effective implementation which, according to the art. 7 paragraph 4 Decree, requires:

- a periodic check and any modification of the same when significant violations of the provisions are discovered or when changes occur in the organization or activity (updating of the model);
- a disciplinary system to sanction non-compliance with the measures specified in the model.

The organizational models, according to the provisions of art. 6, paragraph 3, of the decree "may be adopted (...) on the basis of codes of conduct drawn up by the representative associations of the entities, communicated to the Ministry of Justice that, in consultation with the competent Ministries, can formulate, within thirty days, observations on the suitability of models to prevent crimes ". It should, however, be stressed that the indications contained in the guidelines drawn up by the trade associations represent only a reference framework and do not exhaust the precautions that can be adopted by the individual bodies within the autonomy of choosing the most suitable organizational models.

PART THIRD

THE REALIZATION OF THE ORGANIZATIONAL MODEL

2 THE ORGANIZATIONAL MANAGEMENT AND CONTROL MODEL

2.1 Guidelines provided by the Category Associations

Article. 6, paragraph 3 of the Decree states that "The organizational and management models may be adopted, guaranteeing the requirements referred to in paragraph 2, on the basis of codes of conduct drawn up by the representative associations of the bodies, communicated to the Ministry of Justice which, in consultation with the competent Ministries, he can formulate, within thirty days, observations on the suitability of the models to prevent offences ".

Confindustria has defined the Guidelines for the construction of the organization, management and control models (hereinafter, "Confindustria Guidelines") providing, among other things, methodological indications for the identification of the risk areas (sector / activities in the where crimes can be committed), the design of a control system (the so-called protocols for planning the training and implementation of the decisions of the body) and the contents of the organization, management and control model.

In the sector covered by the company there are currently no Guidelines, therefore those indicated by Confindustria will be followed, taking into account the company reality and the peculiarities of the operating sector. The preparation of this Model is inspired by the Guidelines issued by Confindustria on March 7, 2002, updated on March 31, 2008 and on July 23, 2014. The pathway these identify for elaborating the model can be schematically represented under the following basic points:

- identification of the areas of risk, in order to verify in which areas/sectors the offences might be committed;
- setting out a checking system in such a way that risks are lowered by adopting appropriate protocols.

In support of this, we need the coordinated set of organizational structures, activities and operating rules applied - on the recommendation of the top management - by the management and by the assigned and assigned personnel, aimed at providing reasonable assurance regarding the achievement of the objectives falling within a good internal control system. The most important components of the preventive control system proposed by Confindustria are a:

- code of Ethics;
- Organisational system;
- Procedural and computer manuals;
- Authorisation and signatory powers;
- Control and management systems;
- Communications to staff and their training;

The control system must also be informed by the following principles:

- verifiability, documentability, coherence and congruence of each operation;
- separation of functions (no single person can manage an entire process independently);
- documentation of checks;
- introduce an appropriate disciplinary system to apply penalties for violation of the rules and procedures provided by the model;

Furthermore, it is necessary to proceed to the identification of a Supervisory Body whose main requirements are:

- autonomy and independence;
- professionalism;
- continuity of actions.

to which the various company departments must send a series of information.

2.2 Premise

The decision of FAG ARTIGRAFICHE SPA to adopt a model of organization and management pursuant to the Decree, in addition to representing a reason for exemption from the responsibility of the Company with regard to the commission of certain types of offences, is an act of social responsibility of the Company towards its stakeholders.

In order to guarantee more and more conditions of correctness and transparency in the management of company activities, FAG ARTIGRAFICHE SPA has deemed it appropriate to adopt an organization, management and control model pursuant to the Decree which, together with the Code of Ethics, organizational procedures and other company policies and provisions, constitutes the program to ensure effective prevention and detection of violations of laws and the set of corporate governance tools aimed at allowing the company to run smoothly and consistently with the objectives set.

FAG ARTIGRAFICHE SPA it is also determined to ensure that the aforementioned corporate governance instruments adopted are constantly suitable for preventing the commission of offences: for this purpose, the Company proceeds to a continuous verification of the effectiveness of the Model adopted with respect to its organizational and business situation and to interventions changes to the Decree, as well as to critical issues that have emerged in the application of the Model itself. In particular, FAG ARTIGRAFICHE SPA, as part of the periodic updating of the Model, it considered not only the inclusion of new types of crime related to the evolution of the relevant legislation, but also the occurrence of corporate events and any identified and significant risk signals also for the purposes of application of the aforementioned legislation.

Precise internal rules fulfill the function of organizing the system of powers and delegations, of regulating and preparing the protocols of the activities carried out within the company, of regulating the various information flows between the various functions and the various bodies.

With this in mind, the adoption of the organizational model also ensures the important result of informing the personnel in the company and external collaborators and partners of the burdensome administrative sanctions applicable to the company in the case of commission of crimes, ensuring the prevention of the commission of offences. , even criminal, within the company's activities through the continuous control of all areas of risk activities and the training of personnel assigned to the correct fulfillment of their duties.

For the preparation of its Organization and Management Model, FAG ARTIGRAFICHE SPA he therefore expressly took into account:

- of the provisions of Legislative Decree 231/2001,

- of the accompanying ministerial report and the ministerial decree of 26 June 2003 n. 201 containing the regulation for the implementation of Legislative Decree 231/2001;
- of the guidelines prepared by Confindustria.

2.3 Objectives and aims of the model

The adoption of the Model aims to improve its internal control system, limiting significantly the risk of committing the offences envisaged by the legislation in question and at the same time allowing FAG ARTIGRAFICHE SPA to benefit from the exemption provided for by the provisions of the Decree.

The choice of Consiglio di Amministrazione of FAG ARTIGRAFICHE SPA to have a Model of organization and management is part of the wider company policy of the company that is expressed in actions and initiatives aimed at raising awareness among all the staff belonging to FAG ARTIGRAFICHE SPA (from management to all employees), and all external collaborators and business partners to the transparent and correct management of the company, compliance with current legal regulations and fundamental principles of business ethics in the pursuit of the corporate purpose.

Through the adoption of the Model, FAG ARTIGRAFICHE SPA it is proposed to pursue the following main purposes:

- identify the activities performed by the individual company departments which, due to their particular type, may involve a crime risk pursuant to the Decree;
- analyze the potential risks with regard to the possible ways in which the offences are implemented with respect to the internal and external operating context in which the company operates;
- evaluate the system of preventive controls and its adjustment to ensure that the risk of commission of offences is reduced to an "acceptable level";
- to define a system of rules that establishes the general lines of conduct (Code of Ethics, Guidelines of Behavior included in the Special Parts) and specific (organizational procedures) aimed at regulating corporate activities in "sensitive" sectors;
- establish a system of authorization and signature powers to ensure a timely and transparent representation of the corporate process of training and implementation of decisions;
- implement a control system able to promptly report the existence and the emergence of general and / or particular critical situations;
- train the personnel in charge of the contents of the Model and, more generally, of the authorization powers, of the hierarchical lines of dependence, of the procedures, of the information flows and of everything that contributes to give transparency to the business activity;
- make all the Recipients of the Model aware of the need for timely compliance with the Model itself, to whose violation they achieve severe disciplinary sanctions;
- provide for a system of sanctions related to the violation of the provisions of the Code of Ethics and of the procedures provided for by the Model;
- to inform about the serious consequences that could derive from the company (and therefore indirectly to all the stakeholders) from the application of the pecuniary and interdictory sanctions provided for by the Decree and the possibility that they may also be ordered as a precautionary measure;
- to appoint and assign to a Supervisory Body specific competences regarding the control of the effective functioning, adequacy and updating of the Model.

2.4 Assumptions of the Model: the integrated system of internal controls

In preparing the Model, it was based on the concrete evaluation of the company's operational and organizational characteristics.

The internal control system already existing and implemented by FAG ARTIGRAFICHE SPA it is the set of rules, procedures and organizational structures that aim to ensure compliance with corporate strategies and the achievement of the effectiveness and efficiency of processes, the safeguard of the value of assets and protection of losses, reliability and integrity of accounting and management information, compliance of transactions with the law, supervisory regulations, the Articles of Association and the internal provisions of the intermediary.

The control system involves every sector of the activity carried out by the Company through the distinction of operational tasks from those of control, mitigating any possible conflict of interest.

The main objectives of the Company's internal control system consist of operational, information and compliance objectives:

- the operational objective of the internal control system concerns the effectiveness and efficiency of the Company in using resources and protecting against losses: in this case, the internal control system aims to ensure that the entire organization is staffed operate for the achievement of corporate objectives and without putting other interests in front of those of the Company;
- the objective of information is expressed in the preparation of timely and reliable reports for the decision-making process within the organization and also responds to the need to ensure reliable documents directed to the outside;
- the compliance objective ensures that all transactions are conducted in compliance with laws and regulations, prudential requirements and relevant internal procedures.

In particular, the company's internal control system is based on the following qualifying elements:

- code of Ethics;
- organizational system formalized in the attribution of responsibilities;
- corporate structure and composition of the Boards of Directors of Group companies;
- policies and operating procedures;
- IT systems already oriented to segregation of functions;
- control over administrative and accounting matters;
- management and reporting control system;
- Authorization and signature powers assigned in coherence with responsibilities;
- internal communication system and staff training.

The controls involve, with different roles, the Consiglio di Amministrazione, the Board of Statutory Auditors, the Sales Department, as well as all the company Departments and all the personnel at the various levels.

The responsibility for the correct functioning of the internal control system is the responsibility of each organizational structure for all the processes for which it has managerial responsibility.

The tasks of the various bodies are defined in compliance with the following types of control structure:

- line controls, performed by the individual operating units on the processes for which they have managerial responsibility, aimed at ensuring the correct performance of the operations;
- monitoring activities carried out by the managers of each process and aimed at verifying the correct performance of the underlying assets on the basis of hierarchical controls;
- internal audit, aimed at detecting anomalies and possible violations of procedures and regulations and assessing the adequacy of the overall internal control system and exercised by structures that are independent from those operating.

Although the existing internal control system is able to be used also for the prevention of the crimes contemplated by the Decree, the Consiglio di Amministrazione, sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, to protect its position and image, the expectations of its shareholders and the work of its employees, has decided to conduct an analysis of its organizational, management and control tools, aimed at verifying the correspondence of the behavioral principles and procedures already adopted for the purposes envisaged by the Decree and, where necessary, to adapt them in order to make them conform to the aforementioned purposes.

2.5 The control system:

The methodology chosen to implement the Model, in terms of organization, definition of operating procedures, structuring in phases, assignment of responsibilities among the various company functions, has been elaborated in order to guarantee the quality and the authoritativeness of the results.

The model has been prepared by FAG ARTIGRAFICHE SPA keeping in mind, as already anticipated, the provisions of the Decree and the guidelines elaborated on the subject by Confindustria.

The phases in which they are described are described below FAG ARTIGRAFICHE SPA has articulated the work of identifying areas at risk and detecting the current system of controls and controls aimed at preventing crimes.

2.5.1 Premise

A fundamental concept in the construction of a preventive control system is that of "*acceptable risk*". In designing control systems to protect business risks, defining acceptable risk is a relatively simple operation, at least from a conceptual point of view.

The risk is considered acceptable when the additional checks "cost" more than the resource to be protected (for example: the common cars are equipped with an alarm and not even an armed vigilante).

In the case of the Decree, the economic logic of costs can not however be a reference that can be used exclusively. It is therefore important that for the application of the rules of the Decree an effective threshold is defined that allows to limit the quantity / quality of the prevention measures to be introduced in order to avoid the commission of the crimes considered.

In the absence of a determination of the acceptable risk, the quantity / quality of preventive controls that can be established is in fact virtually infinite, with the foreseeable consequences in terms of business operations. Moreover, the general principle, also invoked in criminal law, the concrete exigibility of behavior, summarized by the Latin *ad "impossibilia nemo tenetur"*, represents an indispensable reference criterion even if, often, it is difficult to identify the limit in concrete terms.

With regard to the preventive control system to be constructed in relation to the risk of committing the types of crime contemplated by the Decree, the conceptual threshold of acceptability, in cases of malicious crimes, is represented by a prevention system that can not be bypassed if not in fraudulent way.

This solution is in line with the logic of the "fraudulent avoidance" of the organizational model as an exemption expressed by the aforementioned Decree for the purpose of excluding the administrative responsibility of the entity (Article 6, par. the persons committed the offence by fraudulently evading the organisation and management models;

Otherwise, in cases of culpable homicide and negligent personal injury committed with violation of the rules on health and safety at work, the conceptual threshold of acceptability, to the effects of the Decree, is represented by the implementation of a conduct (not accompanied by will of the event-death / personal injury) in violation of the organizational prevention model (and the underlying mandatory obligations prescribed by the preventive regulations) despite the timely observance of the supervisory duties set by the Decree by the appropriate Supervisory Body. This is because the fraudulent avoidance of organizational models appears incompatible with the subjective element of crimes of culpable homicide and negligent personal injury, referred to in Articles. 589 and 590 of the Penal Code.

Therefore, given that the organizational models must be suitable to prevent crimes of both malicious and negligent origin envisaged by the Decree, the first objective for the construction of an organizational model is to regulate and monitor activities that involve a risk of crime in order to avoid Commission, bearing in mind, as mentioned above, that the same crimes can still be committed once the model is implemented but, in this case, in the case of fraudulent crimes, only if really wanted by the agent both as conduct and as an event.

The model and its measures must be implemented in such a way that the agent not only has to "want" the crime event (for example to bribe a public official) but can only implement his criminal purpose by fraudulently circumventing (for example through artifices and / or deception) the indications of the company. The set of measures that the agent, if he wants to commit a crime, is forced to "force", must be carried out in relation to the specific activities of the body considered at risk and to the individual crimes hypothetically connected to them.

In the hypothesis, however, of culpable offences, the same must be wanted by the agent only as conduct and not as an event.

The methodology for the implementation of a risk management system set out below is of general significance. The described process can in fact be applied to various types of risk

2.5.2 Construction of the preventive control system

The preventive control system must be such as to ensure that the risks of committing the crimes, according to the methods identified and documented in the previous phase, are reduced to an "acceptable level", according to the definition set out in the introduction. In essence, it is a matter of designing what the Decree defines "specific protocols aimed at planning the formation and implementation of the decisions of the entity in relation to the crimes to be prevented".

The components of an internal control system (estimate), for which there are consolidated methodological references, are manifold. However, it should be emphasized that the control components that will be indicated must be integrated into an organic system, in which not all necessarily have to coexist and where the possible weakness of a component can be counterbalanced by the reinforcement of one or more of the other components in a compensatory key.

What has just been said applies especially to small businesses, which are unrealistic to impose the use of the whole set of control tools available to large organizations. Depending on the size scale, only certain control components may be used, while others may be excluded (perhaps because they are implicit in the business model) or be present in extremely simplified terms.

However, it should be reiterated that, for all institutions, be they large, medium or small, the system of prior checks must be such that:

- in the case of fraudulent crimes, it can not be circumvented if not intentionally;
- in the case of culpable offences, as such, incompatible with fraudulent intentionality, it is in any case violated, despite the punctual observance of the supervisory duties by the appropriate Body

2.5.3 Model Components for Dreadful offences

The components of the Model for Dreadful offences are:

Code of ethics (or behavior) with reference to the crimes considered.

The adoption of ethical principles in relation to the behaviors that can integrate the types of offences envisaged by the Decree constitutes the basis on which to set up the preventive control system. These principles can be inserted into ethical codes of a more general nature, where existing or instead be subject to autonomous foresight.

Organisational system

It must be sufficiently formalized and clear, especially as regards the attribution of responsibilities, the lines of hierarchical dependence and the description of tasks, with specific provision of control principles such as, for example, the juxtaposition of functions.

Within the organizational system, attention must be paid to the management systems of the personnel involved. These systems are necessary to guide and direct the activities of the operating and managerial staff towards the efficient achievement of the company objectives.

Manual and computer procedures or procedures

The use of practices or procedures such as to regulate the performance of the activities by providing for the appropriate control points (quadrature, detailed information on particular subjects such as consultants and collaborators). A particular preventive effectiveness is the control tool represented by the separation of tasks among those who perform crucial phases (activities) of a risky process.

In this field, specific interest covers the area of financial management, where procedural control makes use of instruments consolidated in administrative practice, including signature combinations; frequent reconciliation; supervision; separation of tasks with the aforementioned juxtaposition of functions, for example between the purchasing function and the financial and / or treasury administrative function.

Particular attention must be paid to financial flows that do not fall within the typical corporate processes, especially if these are areas that are not adequately proceduralized and are characterized by extemporaneousness and discretion. In any case it is necessary that the principles of transparency, verifiability, inherent to the company activity are always safeguarded.

Authorisation and signatory powers;

They must be assigned consistently with the defined organizational and management responsibilities, and provide, if necessary, an indication of the cost approval thresholds.

Management control system;

It must be able to provide timely notification of the existence and of the occurrence of general and / or particular critical situations. Functional to this is the definition of appropriate indicators for the individual types of risk detected (for example brokerage agreements that provide for off-shore payments) and the risk assessment processes internal to individual company functions.

Communication to the personnel and its training.

These are two important requirements of the model for its proper functioning. With reference to communication, it must obviously concern the code of ethics but also the other instruments such as authorization powers, lines of hierarchical dependence, procedures, information flows and everything that contributes to giving transparency in daily operations.

In addition, this communication should be: comprehensive, effective, authoritative (i.e. issued by an appropriate level), clear and detailed, repeated periodically. an appropriate training programme targeted at staff in the risk areas, which is suitably adjusted to the role and level of responsibility of the staff, illustrating the opportunities, as well as the legal reasons, that inspire the rules and their practical scope.

2.5.4 Model components for culpable offenses

Without prejudice to what has already been specified in relation to the cases of arson, the following indications apply.

Code of ethics (or behavior) with reference to the crimes considered.

It is also an expression of company policy for health and safety at work and indicates the vision, the essential values and the beliefs of the company in this area. It therefore serves to define the direction, the principles of action and the results to be pursued in the subject.

Organisational structure

An organizational structure is required with tasks and responsibilities in the field of health and safety at work formally defined in accordance with the organizational and functional structure of the company, from the employer to the individual worker.

Particular attention should be paid to the specific figures operating in this field (RSPP - Prevention and Protection Service Manager, ASPP - Prevention and Protection Service Officers, RLS - Workers Safety Representative, MC - Competent Physician, First Aid staff, emergency worker in case of fire).

The specific figures envisaged by other relevant regulations must also be taken into consideration, as well as the requirements and documentation relating to safety supervision.

This approach basically involves that:

- in defining the organizational and operational tasks of the company management, managers, supervisors and workers, also those relating to the security activities of their respective competence and responsibilities related to the exercise of the same activities are specified;

- in particular, the duties of the Prevention and Protection Service Manager and of any employees of the same service, of the Workers' Safety Representative, of the emergency management personnel and of the competent doctor are specifically documented.

Training and instruction

They are essential components for the functionality of the model. The performance of tasks that may affect health and safety at work requires adequate expertise, to be verified and nurtured through the provision of training and training aimed at ensuring that all personnel at all levels are aware of the importance of compliance of their actions with respect to the organizational model and the possible consequences due to behaviors that deviate from the rules dictated by the model.

In concrete terms, each worker / company operator must receive adequate and adequate training with particular reference to his / her job and to his / her duties. This must be done upon recruitment, transfer or change of duties or the introduction of new work equipment or new technologies, new dangerous substances and preparations.

Communication and involvement

The circulation of information within the company assumes significant value to encourage the involvement of all stakeholders and to allow for awareness and commitment at all levels.

The involvement should be achieved through:

- prior consultation regarding the identification and assessment of risks and the definition of preventive measures;
- periodic meetings that take into account at least the requests established by the legislation in force, also using the meetings planned for company management.

Operational management

The control system, in relation to risks to health and safety at work, should be integrated and be consistent with the overall management of the company processes.

From the analysis of the company processes and their interrelation and the results of the risk assessment comes the definition of the procedures for the safe performance of the activities that significantly impact on health and safety at work.

The company identifies the areas of intervention associated with health and safety aspects and exercises regulated operational management.

In this sense, particular attention should be given to:

- selection, recruitment and qualification of personnel;
- work organization and work stations;
- acquisition of goods and services used by the company and communication of appropriate information to suppliers and contractors;
- normal and extraordinary maintenance;
- qualification and selection of suppliers and contractors;
- emergency management
- procedures to address the differences with respect to the objectives set and the rules of the control system.

Security monitoring system.

The management of health and safety at work should provide for a phase of verification of the maintenance of the risk prevention and protection measures adopted and assessed as suitable and effective. The technical, organizational and procedural prevention and protection measures implemented by the company should be subject to planned monitoring.

The setting up of a monitoring plan should be developed through:

- time scheduling of checks (frequency);
- assignment of executive duties and responsibilities;
- description of the methods to be followed;
- methods for reporting any non-compliant situations.

2.5.5 Control Principles

The components of the organizational models described above must be integrated into a system architecture that respects a series of control principles, including:

every operation, transaction and action must be: verifiable, documented, consistent and appropriate,

here must be adequate documents to support every operation, so that checks can be carried out at any time to ascertain the reasons for the operation and its characteristics, and to identify those who authorised, executed, recorded and checked the operation itself.

The protection of data and procedures in the IT environment can be ensured by adopting the security measures already provided for by Legislative Decree no. 196/2003 (Personal Data Protection Code) for all data processing carried out with electronic instruments .

Article. 31 of the Code, in fact, prescribes the adoption of security measures such as to minimize "the risks of destruction or loss, even accidental, of the data, unauthorized access or treatment not allowed or not in accordance with the purposes of collection "

no single person can manage an entire process independently,

The system must guarantee the application of the principle of separation of functions, for which the authorization to carry out an operation must be under the responsibility of a person other than those who account for, performs operations or controls the operation.

Furthermore, it is necessary that:

- no one is given unlimited powers;
- the powers and responsibilities are clearly defined and known within the organization;
- the authorization and signature powers are consistent with the assigned organizational responsibilities.

documentation of checks;

The control system should document (possibly through the drafting of minutes, internal audit reports, reviews and possible hearings with top management and non-business figures) the performance of compliance checks and compliance with the provisions of the law, to any regulations in force, to the internal rules and regulations set by the company itself.

2.6 Identification of activities at risk and definition of protocols

Article. 6, paragraph 2, lett. a) of the Decree indicates, among the requirements of the model, the identification of the processes and activities in which the offenses expressly referred to in the decree may be committed. In other words, these are business activities and processes that are commonly referred to as "sensitive" (hereafter, "sensitive activities" and "sensitive processes").

In this phase, the areas at potential risk of committing significant crimes pursuant to the Decree and / or instrumental are understood to mean those, respectively, the activities whose execution could directly give rise to the commission of one of the offenses contemplated by the Decree and the areas in which, in principle, the conditions, the opportunities or the means for the commission of the crimes in question could be configured.

The result of this phase is the creation of a mapping of the activities that, in consideration of the specific contents, could be exposed to the potential commission of the crimes referred to in the Decree.

It is necessary to carry out an analysis of the various policies and procedures (or practices), conduct interviews with several subjects, in order to favor the best knowledge in relation to the operations of the individual sector of the company's activities. The results of the meetings, in addition to illustrating the contents and operating methods of each organizational unit, allow to identify the risk profiles for the commission of the hypotheses of crime identified by the Decree. For each activity, it then proceeds to indicate the specific reasons for the existence or non-existence of each risk profile.

The work of realization of the Model has therefore developed in different phases, which have been carried out in compliance with the fundamental principles of documentation and verifiability of the activities, to allow the comprehension and reconstruction of all the project activities carried out as well as the respect of the dictates of Legislative Decree 231/2001.

2.6.1 Collection and analysis of documentation

The activity is carried out through the organization of specific meetings with the directors and senior managers of the FAG ARTIGRAFICHE SPA, be aware of the contents and scope of the Decree during the meetings themselves and the delivery of explanatory material (when deemed necessary), including the descriptive list of the crimes introduced by the Decree.

First of all, we proceeded to collect the official documentation useful for carrying out the analysis and available at the company concerning:

- Organizational charts
- corporate governance guidelines;
- policies, codes of conduct and operating procedures;
- Assignments and powers of attorney.
- existing sanctions system;
- existing ethical code;
- Internal plans and reports Audit.

Then, the aforementioned documentation was examined in order to establish an information platform of the company's structure and operations, as well as the division of powers and competences.

2.6.2 Identification of activities at risk

The activity is carried out through the organization of specific meetings with the directors and senior managers of the FAG ARTIGRAFICHE SPA, be aware of the contents and scope of the Decree during the meetings themselves and the delivery of explanatory material (when deemed necessary), including the descriptive list of the crimes introduced by the Decree.

A mapping of all the company's activities has been carried out, based on the processes and sub-processes of each Direction. A detailed analysis was carried out on each individual activity specifically aimed at verifying both the actual operating procedures and the division of competences.

For what concerns the offenses against individual freedom - contemplated in the provision referred to in art. 25 - it was considered the specific activity carried out by FAG ARTIGRAFICHE SPA there are no risk profiles such as to make the possibility of their commission reasonably justified in the interest or to the advantage thereof. The reference to the principles contained both in this Model and in the Company's Code of Ethics is therefore exhaustive, where corporate representatives, collaborators and commercial partners are bound to respect solidarity values, protection of individual personality, correctness, morality and respect for the laws.

The identification of areas at risk of committing significant offenses pursuant to Legislative Decree no. 231/2001 was also carried out through the use of questionnaires or interviews of some Managers of each Direction.

The results of this activity (Risk Assessment) are collected and formalized in the Special Part of this Organizational Model.

2.6.3 Identification and analysis of current risk controls

For the risk areas, the subjects responsible for the management of the identified activities were then asked to illustrate or to provide the operational procedures and the existing concrete controls, recognizable as suitable for monitoring the identified risk. The result of the activity is summarized in the documentation data available at the Company.

The activity took the form of meetings with top managers and managers of the FAG ARTIGRAFICHE SPA, the collection of available data (procedures, practices, documents, ..) possibly supplemented by personal interviews. The information collected is also intended to indicate, for each of these activities, the potential risk profile and the reason for the existence of this risk profile (potential risk-crime profiles) and to establish the management methods and the instruments of control, with particular attention to existing preventive controls to oversee the risks involved.

2.6.4 Gap Analysis

The risk situation and relative principals reported in the documentation data was compared with the needs and requirements imposed by Legislative Decree no. 231/2001 in order to identify the shortcomings of the existing system. In the cases where risky assets deemed not sufficiently manned have been identified, steps were taken to identify, with the support of the subjects responsible for these activities, the most effective interventions that would be suitable for effectively preventing the identified risk assumptions, taking into also the existence of operating rules in force or even just actually respected in practice. In this phase, a particular attention was dedicated to identify and report the processes of management and control of financial resources in activities deemed sensitive to the realization of the relevant offenses pursuant to the Decree.

The information re-elaborated, with reference to each potential risk-offender profile, identifies the opportunities, also potential, for committing the crimes themselves with reference to the main implementation methods identified. Through the Gap Analysis, it is possible to identify:

- the control mechanisms detected within the scope of the Function / Management considered;
- the adequacy of the same or their ability to prevent or detect illegal behaviour;
- suggestions to remedy any misalignments with respect to the Model to set.

2.6.5 Definition of protocols.

The protocols contain the discipline that the subject, having operational responsibility, help to identify the most suitable to govern the identified risk profile: in fact, they are a set of rules originated from a detailed analysis of each individual activity and of the prevention system of risk.

The protocols are inspired by the rule of making the various phases of the decision-making process documented and verifiable, so it is possible to trace the motivation that guided the decision.

Originated from the assessment of the internal control system, the protocols with reference to the areas at risk of crime and / or instrumentation cited, intend to provide the rules of conduct and the operating and control procedures to which FAG ARTIGRAFICHE SPA must comply with the performance of risk and / or instrumental activities.

Therefore, the aforementioned protocols allow the following objectives to be achieved:

- functional segregation of operating and control activities;
- traceability of risky operations and controls implemented to prevent the commission of offenses;
- distribution and assignment of the authorizing and decision-making powers and responsibilities of each structure, based on the principles of transparency, clarity and verifiability of operations.

The protocols are completed and integrated with the rules established by the Code of Ethics represented, precisely because they have been appropriately structured on the basis of the requirements expressed by the Decree, a fundamental tool for expressing the principles of corporate ethics that the company recognizes as its own, establishes a healthy, transparent and correct management of the activities of the personnel involved.

For each area in which a risk profile has been identified, a protocol has been defined, understood as a set of rules (guidelines, procedures, limitations of powers, systems of verification and control), to be considered suitable to govern the identified risk profile. The protocols are inspired by the rule of making the various phases of the decisional, operational and control process documented and verifiable, with reference to the identified sensitive activities. The operational unit of reference will implement the protocol and will then be responsible for verifying that the day-to-day operations are effectively aligned with the implementation phases and the verification intervals envisaged and summarized.

The effective system of protocols cannot disregard the comparison with the system of Powers and Delegations in place, in order to ascertain the consistency of the conferral powers with respect to the disciplined decision-making processes.

In the end FAG ARTIGRAFICHE SPA it follows the principle which only persons with formal and specific powers can undertake commitments to third parties in the name on behalf of the company they belong to. Furthermore, it has created a coherent system that assigns to each subject (both with true powers of attorney, and even only with internal proxies) powers corresponding to the organizational position and to the tasks and responsibilities entrusted to him.

2.7 Structure and organization of the Model

The Model consists of two distinct parts:

- **General part** - introduces the company, illustrates the function and principles of the Model and the contents of the Legislative Decree. 231/2001 and the main rules of reference, is completed with a section that constitutes the heart of the Model and refers to its contents: from the adoption, to the identification of activities at risk, to the definition of protocols, characteristics and operation of the Supervisory Body, information flows, training and information activities, the disciplinary system, updating the Model;
- **Special Part** - divided into the types of offenses / processes at risk of committing a crime illustrates and analyzes the analysis of the operational activities of the entity for the categories of crime envisaged by the Decree where potential risk-offender profiles have been identified, with indication of the controls (system of delegations and protocols) to contain the risk itself.

They form an integral part of the Model adopted by FAG ARTIGRAFICHE SPA the following documents:

- THE CODE OF ETHICS
- Company protocols (as well as any operational procedures and practices);

2.8 The recipients of the Model

The recipients (hereinafter referred to the "Recipients") of the Model and undertake to comply with the content of the same:

- directors and managers of the company (so-called subjects *apical*)
- the company's personnel (so-called internal subjects *subject to other direction*);
- collaborators, any agents and representatives, consultants, in general, those who perform self-employment activities to the extent that they operate within the so-called sensitive areas of activity on behalf of or in the interest of the company;
- the customers for whom the company carries out its activities provided for by the corporate purpose;
- suppliers and partners (also in the form of a temporary association of companies, as well as any joint-venture companies) that operate in a significant and / or continuous manner within the so-called sensitive areas of activity on behalf or in the interest of FAG ARTIGRAFICHE SPA;
- more generally, to all those who, for whatever reason, operate within the so-called sensitive areas on behalf and in the interest of the company.

2.9 Adoption and updating the Model

The adoption and effective implementation of the Model constitute, by express legislative provision, a responsibility of the Consiglio di Amministrazione

In fact, the art. 6, paragraph 1, letter a) of the Decree requires that the Model be an "act of enactment of the governing body".

Therefore, the adoption of the Organizational Model is the responsibility of the Consiglio di Amministrazione of FAG ARTIGRAFICHE SPA, which provides by resolution.

The power to update the Model - expression of an effective implementation of the same - is in charge of Consiglio di Amministrazione, which exercises it directly by a resolution or by delegation to the Chief Executive Officer and in the manner envisaged for the adoption of the Model.



ORGANISATIONAL MODEL

GENERAL PART

The updating activity, intended both as an integration and as a modification, is aimed at ensuring the adequacy and suitability of the Model, assessed with respect to the preventive commission function of the offenses indicated by Legislative Decree 231/2001.

It is the duty of the Supervisory Body to update the Model, as provided for in this Model, also implemented through the activities of the Heads of the Operating Unit.

The revision index ensures the traceability of the Model and allows it to represent its temporal and substantial evolution.

3 THE SUPERVISORY BODY

3.1 Structure and composition of the Supervisory Body

The exemption from administrative responsibility - governed by art. 6 paragraph 1 Decree. 231/2001 - also provides for the mandatory establishment of a Supervisory Body (SB) within the institution, which has both an independent power of control (which allows constant monitoring of the functioning and observance of the Model), with an autonomous power of initiative, to guarantee the updating of the Model itself.

As suggested by the Confindustria Guidelines, the collegial structure of such a body appears to be the best guarantee to enable it to effectively perform its tasks.

The further feature of the SB is the fact that its members have a thorough knowledge of the company's activities and are at the same time endowed with that authority and independence that ensures the credibility and the cogency of both the SB and its functions. .

The appointment of the members of the SB, as well as the possible revocation, are the responsibility of the Consiglio di Amministrazione.

On a subjective level, the members of the Body must be endowed with the requisites of professionalism and integrity. These subjects, by virtue of the activity, are made to perform, they must be equipped with the necessary technical knowledge and relative experience and therefore provided with knowledge of a business nature, but also with the necessary legal culture (corporate, criminal, civil). , procedural, administrative) accounting, management.

The members of the SB must also guarantee the integrity, the maximum reliability and the absence of any position of conflict (by way of example: relations of kinship with the corporate bodies or with the summit, conflicts of interests). In order to fulfill its multidisciplinary functions, the Supervisory Board will also be able to avail itself of the collaboration of particular professional skills found outside the company, and SB will be able to provide useful technical and specialist support for this purpose.

Other specific SB requirements must be:

Autonomy and independence

The requirements of autonomy and independence are fundamental so the SB is not directly involved in the operational / management activities that constitute the object of its control activity. These requirements are obtained by guaranteeing to the internal members of the SB, a hierarchical dependence as high as possible, using professionals or independent external personnel and not related to other relations with the company and providing a business management reporting activity, etc FAG ARTIGRAFICHE SPA.

Professionalism

The SB must possess, within it, a technical-professional skills appropriate to the functions it is called upon to perform; in particular, it must possess specific skills in terms of inspection and consultancy activities (eg: statistical sampling, analysis techniques, fraud detection methods) and legal. These characteristics, together with independence, guarantee the objectivity of judgment.

Continuity of action

The SB must:

- constantly work on the supervision of the Model with the necessary investigative powers;
- be an "internal" structure, even if composed of autonomous subjects with respect to the company's administrative body, to guarantee the continuity of the supervisory activity;
- take care of the implementation of the Model and ensure its constant updating;

- do not perform purely operational tasks that may affect the overall vision of the business activities that it requires.

3.2 Duties and powers of the Supervisory Body

The duties of the SB are expressly defined by the Decree in art. 6, paragraph 1, lett. b) as follows:

- supervising the functioning and observance of the Model;
- take care of the update.

In fulfillment of the first of these tasks, the SB is entrusted with the following activities:

- prepare the annual audit plan in adequacy and functioning of the Model;
- carry out checks on the activities or operations identified in the areas at risk, coordinating them with those recognized and entrusted to the Managers of the individual Operating Areas, in order to assess the compliance and operation of the Model;
- examine the reports that, on a half-yearly basis, are prepared by the Managers of the individual Operating Areas, in order to identify possible shortcomings in the functioning of the Model and / or possible violations of the same;
- to promote appropriate initiatives aimed at disseminating knowledge and understanding of the organizational model among staff, consultants and partners;
- evaluate reports of possible violations and / or non-compliance with the model;
- conduct investigations aimed at ascertaining possible violations of the provisions of the Model.

In fact, while taking into account, the competence for the adoption and effective implementation of the Model is expressly attributed, by art. 6 paragraph 1 lett. a) to the governing body, the decision was taken to entrust the conformity checks of the Model to the competence of the SB.

The task entrusted to the Supervisory Board is to take care of the compliance of the Model translates into the following activities:

- monitor the evolution of the reference legislation;
- prepare suitable measures to keep the mapping of areas at risk updated, according to the methods and principles followed in the adoption of this Model and also identified by the Unit Managers, regulating the methods of communication;
- monitor the adequacy and updating of protocols with respect to crime prevention needs;
- verify on a periodic basis the activities of all the individual Operating Areas, in order to ensure the correct identification of the activities at risk and their possible integration, to being able to make use of the information and collaboration of the Managers of the individual Operating Areas;
- verify that each part contributes to the Model is responsive and adequate to the needs of the Model as identified by law, that will able to take advantage of information and collaboration on the part of the Managers of the individual Operating and Functional Areas;
- to evaluate, together with the competent functions, the operational initiatives undertaken with a view to the effective updating of the Model;
- adopt, on the basis of such activity, the modifications to the Model, made necessary by significant violations of the provisions, by changes in the organization or activity, by legislative interventions that require their adaptation or from the actual commission of crimes;
- monitor the system of delegations, in order to ensure consistency between the powers granted and the activities actually carried out;
- verify the effectiveness and functionality of the amendments to the Model from time to time adopted by the competent bodies.

It is necessary, as a result of the modification of the Model, to modify the policies or procedures contained in the operating, quality and management manuals, the SB will be able to provide for the necessary changes to be made.

In order to guarantee the full effectiveness of its action - the SB has free access to all company documentation, that it can detect for the purpose of verifying the correct functioning of the Model.

For the purpose of full and independent fulfillment of their duties, the SB is assigned an appropriate annual budget, established by resolution from Consiglio di Amministrazione, which must allow the SB to be able to carry out its tasks in full autonomy, without limitations that may derive from insufficient financial resources in its endowment.

3.3 Reporting of the Supervisory Body

To ensure its full autonomy and independence in the performance of its functions, the Supervisory Body communicates directly to the Consiglio di Amministrazione of the Company and the Board of Statutory Auditors. The report to such bodies, competent to convene the Assembly of Members, is also the best guarantee of the ultimate control on the actions of the directors entrusted, to the legislative and statutory provisions to the members.

At least once a year, the SB reports to the Consiglio di Amministrazione of the Company and to the Board of Statutory Auditors (if required) regarding the implementation of the Model, with particular reference to the results of the supervisory activities carried out during the period and to the appropriate interventions for the implementation of the Model, by a written report.

The SB may at any time ask to be heard from Consiglio di Amministrazione whenever it deems it appropriate to carry out an examination or an intervention of such a body in matters pertaining to the functioning and effective implementation of the Model.

To guarantee a correct and effective information flow, the SB also has the possibility, in order to fully and correctly exercise its powers, to request clarifications or information directly from the Legal Representatives and to the subjects with the main operational responsibilities.

The SB may be called at any time by Consiglio di Amministrazione other corporate bodies to report on particular events or situations related to the operation and compliance with the Model.

The activities of the Supervisory Body are reported in the Meeting Reports available to the Administrative Bodies according to the reporting methods previously mentioned. In each report, they reported:

- The control activities performed by the Supervisory Body;
- Any critical issues emerged both in terms of individual behaviour or internal events and in terms of effectiveness of the Model.

3.4 Information flows towards the Supervisory Body

Legislative Decree No. 231/2001 sets out, among the requirements that the Model must satisfy, the establishment of specific disclosure obligations towards the Supervisory Body by the Company's Functions, aimed at allowing the Body itself to carry out its own supervisory activities and verification.

In this regard, the following information must be communicated to the Supervisory Body:

- on a periodic basis, information, data, news and documents that constitute exceptions and / or exceptions with respect to company procedures, previously identified by the Supervisory Body and formally requested by the latter from the individual Departments

- / Functions (so-called information flows)), according to the methods and timing defined by the Body itself;
- as part of the Supervisory Body's verification activities, any information, data, news and document deemed useful and/or necessary for the performance of these checks, previously identified by the Body and formally requested by the individual Departments / Functions;
 - on an occasional basis, any other information, of any nature, concerning the implementation of the Model and/or the Code of Conduct in the areas of activities at risk of crime, as well as compliance with the provisions of the Decree, which may be useful for the purpose of fulfillment of the duties of the Body (so-called reports), as reported in the Whistleblowing section of the company website.

In this last regard, the Recipients must report to the Supervisory Body any information relating to behavior that may integrate violations of the provisions of the Decree and/or the Model and/or the Code of Conduct, as well as specific types of offenses.

In the end, a dedicated communication channels have been set up to consult the Supervisory Board, consisting of an e-mail address (organismodivigilanza@fagartigrafiche.com) and an e-mail address (FAG ARTIGRAFICHE SPA, Via Torino 347, 12063, Dogliani (CN) - Confidential SB), the recipients of the Model and any notifications may be sent, and the access is reserved only to members of the Body. These methods of transmission of reports are aimed at guaranteeing the maximum confidentiality of the reporters, also in order to avoid retaliatory attitudes or any other form of discrimination or penalization against them.

The confidentiality of the sources and information which is in possession, is assured, without prejudice to the legal obligations. In addition, the Company will not carry out retaliatory actions (disciplinary sanctions, demotion, suspension, dismissal) or discriminate in any way in the workplace, the staff of the company has carried out actions in good faith to report events or situations related to compliance with the Code of Conduct of the Model, of company procedures or otherwise of the law.

The Supervisory Body will assess the reports received, and may convene, if it deems it appropriate, to be the reporting party to obtain more information, that the alleged perpetrator of the violation also giving rise to all the investigations and investigations that are necessary to ascertain the substantiation of the report.

We will not take into account reports without any substantial element to their support, excessively vague or poorly circumstantiated of evident defamatory or slanderous content. Once the validity of the report has been ascertained, the Body:

- for violations committed by employees, it immediately informs the Human Resources Manager in writing for the initiation of the consequent disciplinary actions;
- for violations of the Model and/or of the Code of Conduct, deemed founded, by the Sole Director of the Company, he immediately informs the Assembly members;
- for violations of the Model and/or of the Code of Conduct, deemed to be founded by top management figures of the Company, it immediately informs the Sole Director.

In addition to the information indicated above, they must be transmitted to the Supervisory Board:

from the Direction the news concerning:

- measures and/or news from judicial police, or any other authority, including administrative, which see the involvement of the company or senior management, which it is clear the conduct of investigations, including against unknown persons, for crimes pursuant to Legislative Decree 231/2001, without prejudice to the obligations of confidentiality and secrecy legally imposed;

- requests for legal assistance forwarded by managers and/or employees in the event of legal proceedings being initiated for crimes included in the Legislative Decree 231/2001;
- changes in the system of proxies and powers of attorney, as well as changes in the Articles of Association or company organization chart;
- results of any actions taken following a written report by the Supervisory Body of ascertained violation of the Model, the application of disciplinary sanctions for violation of the Model, as well as the provisions for archiving with the related reasons;

by the Responsible Human Resources or from the Direction the news concerning:

- reporting of serious injuries (homicide culpable or serious or very serious negligent injury, in any case any accident with a prognosis of more than 30 days) to employees, collaborators of the Company, and more generally to all those who have access to the Company's facilities;
- changes in roles and responsibilities within workplace safety management systems (such as appointment of Employer, delegation of functions pursuant to Article 16 of Legislative Decree no.81/2008, nomination a Manager) and environment (such as powers of attorney and proxies in environmental matters).

In the Special Parts, additional information requested periodically by the Supervisory Body is indicated. All information, documentation, including the reporting required by the Model, and the reports collected by the Supervisory Body and received at the same time in the performance of its institutional duties must be kept by the Body in a special file established at the headquarters of the Company, in compliance with the provisions on the processing of personal data.

Reports from company representatives or third parties

In the business context, any information, of any kind, coming from third parties and related to the implementation of the Model in the areas of activities at risk, must be brought to the attention of the Supervisory Body.

Disclosure requirements relating to official acts

In addition to the even unofficial reports referred to in the previous chapter, the information concerning the following must be transmitted to the Supervisory Board:

- measures and/or information from the Criminal Investigation Department (police), or any other authority, which indicate that investigations are underway, also against unknown persons, for the crimes referred to in the Decree;
- requests for legal assistance made by managers and/or employees in the event of initiation of legal proceedings against them and in relation to the offences referred to the Decree;
- reports prepared by the heads of other corporate functions within their supervisory activities, which may reveal facts, acts, events or omissions with critical profiles with respect to compliance with the provisions of the Decree;
- The news concerning the effective implementation, at all company levels, of the Organizational Model with evidence of the disciplinary proceedings carried out and of any sanctions imposed (including the provisions towards dipendenti) or the provisions for archiving such proceedings with the related reasons.

Any report related to offenses as established by the Decree, must be raised directly to the designated member of the Supervisory Body and may be raised anonymously, following the procedure indicated below.

Signal protection (Whistleblower protection)

The system for the protection of reports of violation of the provisions of the law, the Code of Ethics and the Model are considered a fundamental instruments for the effective application of the crime prevention system.

The personnel in charge of reporting a violation of the Organizational Model, even if the same is not a crime, must not be in any way disadvantaged for this action, regardless of whether its report was found to be founded or not.

The Personnel who believe that they have been discriminated against in their activity as a result of reporting a violation of the Organizational Model, must report abuse to the SB.

FAG ARTIGRAFICHE SPA It works to provide a workplace which is free of discrimination and harassment and expects the staff to do everything possible to maintain this type of environment work

The company will not be able to tolerate harassment by an employee by anyone (see the provisions listed below in this regard by the code of ethics). The disciplinary actions will be taken against anyone who implements discriminatory actions or harasses the personnel who report a violation of the Model.

The personnel in charge who signals a violation of the Model or sends an accusation is false, or presented by means other than those recognized by the protection system, will not be entitled to the protections offered by the latter. The disciplinary procedures will be initiated against anyone who intentionally raises false or irregular accusations.

FAG ARTIGRAFICHE SPA encourages the personnel who wants to raise an issue related to a violation of the Model, and to discuss it with the direct Head of Function before following the whistleblowing procedures, except for obvious contraindications.

It is expected that in the majority of cases, the function manager will be able to solve the problem informally. In the end, the Function Managers must consider all the worries raised in a serious and complete manner and, where necessary, request opinions from the Supervisory Body and other competent figures and / or carry out thorough investigations, in compliance with their duties. If the report does not give a result or the staff is uncomfortable in presenting the report to the Head of function, he must contact the SB directly.

Consultants and Partners, in relation to the activity carried out with FAG ARTIGRAFICHE SPA, they report directly to the SB.

To allow a correct assessment and a complete investigation of a report related to suspicious behaviour, when reporting the alleged violation, the assigned personnel must provide the information below, which will flow into a special document drawn up by the SB:

- description of the matter with all the relevant details (for example the occurrence, the type of behaviour, the date and place of the event and the parties involved);
- an indication confirming whether the event occurred, is occurring or is likely to occur;
- an indication of the way in which the person concerned has become aware of the fact / situation;
- existence of witnesses;
- further information deemed relevant by the assigned personnel;
- if the staff has already raised the problem with someone else and, to whom;
- the specific function in which the suspicious behaviour occurred.

Where possible and not contraindicated, the person in charge of the report, must also provide his name and information for possible contacts. The procedure of non-anonymous reporting must be preferred, by virtue of the greater ease of ascertaining the violation.

The Supervisory Body establishes an internal communication channel that guarantees, if the nature of the report requires it, the confidentiality of what is reported, to avoid retaliatory attitudes towards the reporting party.

The staff who wish to remain anonymous must use the traditional mail or the special box located at the entrance of the company.

In any case, anonymous alerters are encouraged to provide sufficient information about a fact or situation to allow an adequate investigation.

Direct reporting Confidentiality.

- All personnel involved in any whistleblowing system are required to maintain high standards of professionalism and confidentiality.
- Any document created in connection with a whistleblowing report must be kept strictly confidential.
- During any communication and/or meeting, it is necessary to pay attention and to avoid possible harmful statements to protect the identity of the persons involved, and to make sure that the investigations do not cause damage.
- All investigations must be carried out to avoid excessive attention and/or speculation by those who must not be involved.
- Communications should be directed only to those who need to be informed.
- The personnel interviewed in connection with an investigation must be aware of the fact that the issue will be treated in a confidential manner, and must avoid talking to third parties.

3.5 Appointment of members of the Supervisory Body

The Decree, by virtue of the regulatory changes made by art. 1, paragraph 82, of the 2005 Finance Act, establishes that the Supervisory Board can be both a single-objective and a multi-subjective one.

FAG ARTIGRAFICHE SPA has opted, in full compliance with the regulatory framework, for an SB plurisoggettivo, composed of qualified professionals in the areas of greatest risk of crime, with the requirements of the law.

The appointment of the members dei membri of the SB, as well as the possible revocation, are the responsibility of the Consiglio di Amministrazione. The administrative body proceeds to these operations in full compliance with the provisions of the law, also on the basis of the provisions of the Confindustria Guidelines and in any case in compliance with the rules indicated in this Model.

The members of the Body are appointed by resolution of the Consiglio di Amministrazione, the members must receive a letter of assignment that they must sign for acceptance and to certify the absence of grounds impeding the appointment.

In order to allow the Supervisory Body to perform its functions to the full, it was then envisaged that it will be able to make use of internal and external consultants. More precisely:

- will be able to make use of the specific skills of the internal functions of the company;
- in any case, it may avail itself of external consultants for the specific skills that the Supervisory Board deems appropriate.

In order to allow the SB the best knowledge on the implementation of the Model, on its effectiveness and on its effective functioning, as well as on the updating needs of the Model itself, it is essential that the SB always operates in close connection with the company.

Simultaneously with the appointment of the Supervisory Body, it was therefore decided to appoint the Supervisory Body's Contact Persons (hereinafter referred to as Supervisory Supervisors), to be identified in the Heads of the Departments responsible for the activities deemed most sensitive, those who have operational responsibility of each sector of activity in which, at present, the existence of hypotheses of risk of committing the offenses identified by law, has been recognized and which are the same subjects that have contributed to defining the protocols suitable for presiding such risks.

The establishment of the Supervisory Authorities remains more concrete guarantee and therefore effective possibility of implementing the Model, representing them as an effective link between the SB and the individual operating units within, which risk profiles were identified.

The presence of the Supervisory Authorities constitutes the best possibility of fulfilling the obligation to effectively implement the Model, since the same are the subjects that can allow an effective aid for the fulfillment of the supervisory obligation, they are more knowledgeable the concrete operation and current functioning of the activities identified in the risk areas which they are responsible.

Each Supervisory Contact Person identified is therefore required to report to the Supervisory Board, in order to allow the Supervisory Board to respect and fulfill its duty to monitor the functioning and compliance with the Model and a constant adjustment of the Model itself.

For all other operational aspects, the SB will self-regulate through a series of rules (defined through the Supervisory Board Regulation) that ensure the best functioning, taking into account all the provisions of the law, the Guidelines, the Code ethical and of the Model itself.

3.6 Causes of (in) eligibility, decadence and suspension of members of the Supervisory Body

3.6.1 Ineligibility

The members of the Supervisory Body must possess the requisites of honorability mentioned in art. 109 of the legislative Decree. 1 September 1993, n. 385: in particular, members of the Supervisory Body can not appointed those who are in the conditions provided by art. 2399 C.c.

Furthermore, those who have been convicted with a sentence that has become final can not be appointed to the office of members of the Supervisory Body; even issued in art, 444 of Code of Criminal Procedure, and with conditionally suspended sentence, without prejudice to the effects of rehabilitation:

- to imprisonment for a period of not less than one year for one of the crimes provided for by the Royal Decree of 16 March 1942, n. 267;
- for imprisonment for a period not less than one year for one of the offenses provided by the rules governing banking, financial, securities, insurance and the rules on markets and securities, payment instruments;
- to imprisonment for a period not less than one year for a crime against the public administration, against public faith, against property, against the public economy, for a crime in tax matters;
- for any crime committed to imprisonment for a period not less than two years;

- for one of the predicted crimes in Title XI of Book V of the Civil Code amended by Legislative Decree no. 61/02;
- for a crime that imposes and has imported the sentence to a penalty which results in the interdiction, even temporary, from public offices, or the temporary interdiction from the management offices of legal entities and companies;
- for one or more crimes among those strictly required by the Decree, even with sentences lower than those indicated in the previous points;
- those who held the status of member of the Supervisory Body in companies against which the sanctions provided for by art. 9 of the Decree;
- those who have been definitively applied one of the prevention measures provided for by art. 10, paragraph 3, of the law 31 May 1965, n. 575, replaced by Article 3 of the Law of 19 March 1990, n. 55 and subsequent modifications;
- those who have been subject to the additional administrative sanctions provided by art. 187 in the Legislative Decree n. 58/1998.

The candidates for the office of members of the Supervisory Body must self-certify with a substitutive declaration of not being in any of the conditions indicated by number 1 to number 10, expressly committing to communicate any changes to the content of these declarations.

The Consiglio di Amministrazione of FAG ARTIGRAFICHE SPA may revoke the members of the Body in cases where significant non-compliance with the mandate conferred occurs, with regard to the tasks indicated in Article 6 of Annex 3; for hypothesis of violation of the confidentiality obligations pursuant to art. 3 of the same annex, as well as when there are causes of ineligibility referred to above, prior to the appointment as member of the SB and not indicated in the self-certification; when the causes of forfeiture specified below occur.

3.6.2 Decadence

The members of the Supervisory Body lose their office when they are found after their appointment:

- in one of the situations contemplated in the art. 2399;
- convicted with a definitive sentence (meaning a sentence pronounced pursuant to article 444 of the criminal procedure code) for one of the crimes indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- in the situation after the appointment, it is ascertained that he has held the status of member of the Supervisory Body within companies in respect of which the sanctions provided for by art. 9 of the Decree in relation to administrative offenses committed during their office.

3.6.3 Suspension

They constitute causes of suspension from the function of member of the Supervisory Body:

- the sentence with a non-definitive sentence for one of the crimes of the numbers 1 to 7 of the conditions of ineligibility indicated above;
- the application on request of the parties of one of the penalties referred to in the numbers 1 to 7 of the conditions of ineligibility indicated above;
- the application of a precautionary measure;
- the provisional application of one of the preventive measures envisaged by art. 10 paragraph 3, of the law 31 May 1965 n. 575, replaced by Article 3 of the Law of 19 March 1990 n. 55 and subsequent amendments and additions.



ORGANISATIONAL MODEL

GENERAL PART

4 Disciplinary System

For the purposes of assessing the effectiveness and suitability of the Model to prevent the offenses indicated by Legislative Decree no. 231/2001, it is necessary that the Model individuals and sanctions behaviours that may favor the commission of crimes. This is mentioned in the art. 6, paragraph 2 in Lgs.D. 231/2001, listing the elements that must be found within the models prepared by the company, in letter expressly provides that the company has the burden of "introducing a disciplinary system suitable to punish failure to comply with measures indicated by the Model".

Therefore, the definition of a system of sanctions, applicable in the event of violation of the provisions of this Model, is a necessary condition for ensuring the effective implementation of the Model itself, as well as an indispensable prerequisite to allow the Company to benefit from the exemption from administrative responsibility.

The application of disciplinary sanctions is independent of the imposition of a criminal conviction against the employee, the manager or the top manager or from the establishment of a criminal proceeding and even from the commission of a relevant offense pursuant to Legislative Decree 231 / 2001.

For the purposes of applying the disciplinary system, it constitutes an important conduct that determines the application of any sanctions, any action or behavior, even of an omission nature, put in place in violation of the rules contained in this Model of Organization, Management and Control.

The application of disciplinary sanctions, in compliance with the provisions of chapter 5 of the Disciplinary Code approved by the Company, must be inspired by the principle of proportionality and graduality, and in particular in identifying the related sanction and the objective and subjective aspects of the conduct are taken into account. relevant.

The disciplinary proceedings are initiated following the emergence of violations of the Model detected by the Supervisory Body during its control and supervision activities. The assessment of any liability deriving from the violation of the Model and the attribution of the sanction must in any case be conducted in compliance with current legislation, privacy, dignity and reputation of the subjects involved.

The sanctioning procedure is in any case referred to the function and / or the competent corporate bodies.

4.1 Violations of the Model

In terms of objective and in terms of graduality, the following are taken into account:

- breaches of the Model that did not involve exposure to risk or resulted in modest risk exposure;
- breaches of the Model that resulted in substantial or significant risk exposure;
- violations of the Model that have integrated a fact of criminal relief.

Furthermore, the relevant conduct assumes greater or lesser severity in relation to the circumstances in which the fact was committed and to the following subjective aspects:

- commission multiple violations with the same conduct;
- recurrence of the subject agent;
- the level of hierarchical and/or technical responsibility of the subject which the contested conduct is related to;

- sharing responsibility with other competitors in the violation of the procedure.

For the purposes of compliance with the Legislative Decree 231/2001, by way of example, constitute a violation of the Model:

- the implementation of actions or behaviours that do not comply with the provisions of the Model, or the omission of actions or behaviours prescribed by the Model, in carrying out activities in which the risk of committing the offenses (ie in the so-called sensitive processes) occurs or of activities connected to these;
- the implementation of actions or behaviors that do not comply with the principles contained in the Code of Ethics, or the omission of actions or behavior prescribed by the Code of Ethics, in the performance of sensitive processes or activities connected to them.

4.2 Measures towards employees

The behaviours held by employees (meaning all the subjects linked by a subordinate employment relationship with the Company) in violation of the single behavioural rules established by the Model constitute non-compliance with the primary obligations of the employment relationship and, consequently, disciplinary offenses.

In relation to employees, the Company must comply with the limits set forth in art. 7 of Law 300/1970 (Workers' Statute) and the provisions contained in the applicable National Collective Labor Contract for Workers, both with regard to the sanctions that can be imposed and the methods of exercising disciplinary power.

The violation of the rules of conduct and the procedures indicated in the Model, constitutes a disciplinary offense, pursuant to art. 2104, co. 2. By way of non-exhaustive example and without prejudice to the provisions of the National Collective Bargaining Agreement for the purposes of applying any disciplinary measures, a number of relevant conduct are indicated:

- violation of internal procedures or adoption, in the performance of activities at risk, behavior that does not comply with the provisions of the Model itself, having to recognize in such conduct a non-execution of the orders given by the Company both in written and verbal form (for example the Worker who do not comply with the prescribed procedures, fail to give notice to the Supervisory Body of the prescribed information, fail to carry out checks, etc.);
- adoption, in the performance of activities at risk, behavior that does not comply with the provisions of the Model or violation of the principles of the same, having to recognize in such behavior an inobservance of the orders given by the Company (for example the Worker who refuses to undergo the investigations health care as per Article 5 of Law No. 300 of May 20, 1970, falsify and / or alter internal or external documents, do not voluntarily apply the instructions given by the Company, in order to take advantage for itself or for the Company itself; recurrence, in any of the shortcomings that have resulted in the application of the disciplinary measures conservative).

The procedure for applying the sanction to non-managerial employees takes place in compliance with the provisions of Articles 7 L. 20.5.1970 n. 300 and applicable the Current Collective Labor Contracts..

The Supervisory Body sends to the Responsabile Risorse Umane a report containing:

- the particulars of the person responsible for the violation;
- the description of the contested conduct;
- the indication of the Model's provisions that have been violated;

- any documents and elements supporting the dispute.

With promptness from the acquisition of the report, the Responsabile Risorse Umane or another employee of the same Function transmits to the Employee a written complaint containing:

- the precise indication of the conduct found;
- the provisions of the Model object of violation;
- the notice of the faculty to formulate any deductions and/or written justifications within five days of receipt of the communication, being able - in the aforementioned term - to request the intervention of the trade union representative to whom the employee adheres or grants a mandate.

The sanctions that can be imposed fall within those provided for by the current legislation, by the collective bargaining applied and by the company disciplinary code in compliance with the current legislation, the procedures provided for by law May 30, 1970, n. 300 (Workers' Statute) and the relative provisions contained in the Current Collective Labor Contracts. The infringements will be ascertained and the consequent disciplinary proceedings initiated by the Personnel Department, as provided for by the Current Collective Labor Contracts and company procedures in compliance with current regulations.

The disciplinary sanctions established by the the Current Collective Labor Contracts and the National Collective Bargaining Agreement for Manufacturers of Optical Articles (Article 62), on an increasing scale depending on the seriousness of the violation, are:

- verbal warning;
- written warning;
- make an amount equivalent to 2 hours of pay including the contingency allowance;
- suspension from work up to a maximum of 3 days;
- dismissal for just cause with immediate termination of the employment relationship without notice or substitution allowance.

The admonition, verbal or written, is imposed, depending on the seriousness, to the worker who violates the internal procedures provided for in the Model (for example, who does not observe the prescribed procedures, omits to send the prescribed information to the Supervisory Body, except carry out the required checks, etc.) or adopt, in carrying out its activity, a behaviour that does not comply with the provisions of the Model.

The employee who violates the internal procedures envisaged by the Model or adopts the fine will not exceed 2 hours of pay; in the performance of activities in the areas at risk, a behaviour is repeatedly not compliant with the provisions of the Model.

In the provision of the suspension from work up to 3 days, the worker violates the internal procedures established by the Model or adopts, in the performance of the activities, a behaviour not in compliance with the provisions of the Model itself, as well as doing acts contrary to the interest of the company, expose the same to a situation of danger for the integrity of the company assets.

In the provision of dismissal without notice the worker who adopts in the performance of activities in the areas at risk behaviour in violation of the provisions of the Model and such as to be able to determine the application charged by the company of measures provided for by Legislative Decree. 231/2001, and/or in any case conduct such as to cause the company serious moral and/or material harm.

The Responsabile Risorse Umane or another employee of the same Function takes the decision and imposes the penalty. The sanctions must be imposed within six days from the justifications to the interested party. The provision is also communicated to the Supervisory Body.

The employee, without prejudice to the possibility of resorting to the Judicial Authority, may, in twenty days following receipt of the provision, promote the establishment of a conciliation and arbitration board, remaining in this case the suspended sanction until the relative ruling.

The Amministratore Delegato, the Direttore Generale and the Supervisory Body are informed about the outcome of the procedure.

4.3 Measures against managers

The managerial relationship is a relationship that is characterized by the eminently fiduciary nature. The behaviour of the manager is reflected not only within the Company, but also outside, for example, in terms of image compared to the market. Having said that, compliance by the company managers with the provisions of the present model and the obligation to comply with the provisions of the present model is an essential element of the managerial work relationship, constituting a stimulus and example for all those who they report hierarchically.

The violations, by managers, of the internal procedures envisaged by this Model or of adoption in the performance of activities in the areas at risk, of behaviour that does not comply with the provisions of the Model are detailed below, by way of example and not exhaustively, some cases of significant conduct are reported:

- failure to comply with the principles and protocols indicated in the Model;
- lacking or untruthful evidence of the activity carried out in relation to the procedures for documentation, storage and control of documents relating to company protocols to prevent its transparency and verifiability;
- violation and/or circumvention of the control system implemented by the subtraction, destruction or alteration of the documentation required by the Company Procedures or in the prevention of control or access to information to the persons in charge and to the Supervisory Body requests and documentation;
- violations of the provisions concerning the powers of signature and the system of proxies, with the exception of cases of extreme necessity and urgency, which must be given timely information to the hierarchical superior;
- omitted supervision, control and supervise the hierarchical superiors on their subordinates about the correct and effective application of the principles indicated in the Model;
- violation of the obligation of disclosure to the Supervisory Body and/or to the direct hierarchical superior regarding any violations of the Model put in place to other Recipients of this Disciplinary System or of which anyway there is direct and certain evidence;
- if relevant, lack of training and/or failure to update and/or failure to communicate to personnel operating within the scope of the processes governed by company protocols relating to sensitive areas.

In case of violation of the procedures established by the Organization, Management and Control Model, the sanctions envisaged by the Current Collective Labor Contracts based on the assessment of the gravity of the infringement and the adequacy of the sanction. In particular:

- in the case of a non-serious violation of one or more procedural or behavioural rules provided for in the Model which did not result in or entailed modest exposure to risk, the manager incurs 0.5 to 3 times the monthly fee in the written or pecuniary sanction;

- in case of serious violation of one or more provisions of the Model such as to constitute a significant non-fulfillment, which entailed appreciable or significant exposure to risk, the manager incurs the sanction of revocation, total or partial, of proxies or powers of attorney or dismissal with notice;
- in case of violations of the Model that have integrated a significant criminal event or violations that are serious enough to irreparably damage the relationship of trust, not allowing even a temporary continuation or involve the actual application to the company of the measures provided by the Decree and/or the commission of one of the predicate offenses, the manager incurs the sanction of dismissal without notice.

If the violations, by the managers of the provisions of the Model or the adoption, in the performance of activities in the areas at risk, that does not comply with the provisions of the Model itself, constitute a criminal case, the Company, at its choice, reserves the right to apply to the managers and awaiting the outcome of the criminal proceedings the following alternative provisional measures:

- precautionary suspension of the manager from the relationship with the right in any case to the full remuneration;
- attribution of a different location within the company.

By signing this Model, the manager expresses his consent to the application, at the Company's choice, of the aforementioned provisional measures.

The procedure for ascertaining the offense with regard to Executives is governed by the current regulatory provisions and the applicable collective agreements. In particular, the Supervisory Body. send to Amministratore Delegato, the Direttore Generale and from Responsabile Risorse Umane a report containing:

- the description of the conduct found;
- the indication of the Model's provisions that have been violated;
- the particulars of the person responsible for the violation;
- any documents proving the breach and/or other evidence.

With promptness from the acquisition of the Supervisory Body's report, the Amministratore Delegato, the Direttore Generale and / or the Responsabile Risorse Umane convene the Manager in charge by means of a notification of protest containing:

- the indication of the conduct established and the object of violation pursuant to the provisions of the Model;
- the notice of the date of the hearing and the right of the interested party to formulate, even on that occasion, possible justifications, both written and verbal, on the facts.

Evaluate the latter if the violation is proven and/or the necessary justifications are not provided, the Company will be able to impose the sanction and, if the manager is the recipient of proxies or powers of attorney from the Amministratore Delegato, the Direttore Generale, these may be revoked if they are connected to the alleged violation or if deemed otherwise appropriate.

The measure imposing the sanction is communicated in writing to the interested party, within six days following the presentation of the justifications.

The Amministratore Delegato, the Direttore Generale of the Company and the Supervisory Body must be informed about the results of the internal audits and the decisions taken.

Without prejudice to the right to appeal to the judicial authority against the disciplinary decision, the interested party may promote, within twenty days following receipt of the provision, the establishment of a conciliation and arbitration board, according to the legal and / or contractual

provisions in force (article 7 L.300 / 1970 and article 27 of the Current Collective Labor Contracts for Managers of industrial companies producing goods and services. In case of appointment of the Board, the disciplinary sanction remains suspended until the ruling of this body.

4.4 Measures against administrators

FAG ARTIGRAFICHE SPA evaluates with extreme rigor the infringements of the present Model carried out by those who represent the top management of the Company and thus manifest its image to employees, shareholders, creditors and the public. The creation and consolidation of a company ethic based on the values of fairness and transparency presupposes, first of all, that these values are made their own and respected by those who guide company decisions, in order to be an example and stimulus for all those who, at any level, they work for the Company.

In case of ascertained violation of the Model provisions, including those of the documentation that is part of it, by one or more directors, the Supervisory Body shall promptly inform the entire Consiglio di Amministrazione and the Collegio Sindacale, to ensure that they undertake or promote the most appropriate and appropriate initiatives, in relation to the seriousness of the violation detected and in accordance with the powers established by current legislation and by the Articles of Association.

In case of established violation of the provisions of the Model by the whole Consiglio di Amministrazione, including the documentation that is part of it, the Supervisory Body immediately informs the Collegio Sindacale, to ensure that the consequent initiatives are promoted.

In particular, in case of violation of the provisions of the Model, including those of the documentation that is part of it, by one or more directors, the Consiglio di Amministrazione will be able to proceed directly, based on the entity and seriousness of the violation committed, to the imposition of the sanctioning measure of the formal written reminder or even partial revocation of the delegated powers and powers of attorney conferred in the most serious cases, such as to harm the Company's confidence in against the manager.

In case of violations of the provisions of the Model, including those of the documentation that is part of it, by one or more directors, it is, unambiguously, directed to facilitate or instigate the commission of a relevant offense pursuant to Legislative Decree no. 231/2001 or to commit it, the sanctioning measures (such as merely an example, the temporary suspension from office and, in the most serious cases, the revocation from the same) must be adopted by the Shareholders' Meeting, upon proposal of the Consiglio di Amministrazione or del Collegio Sindacale.

4.5 Measures against the mayors

The violation of the Model should be ascribable to one or more statutory auditors, the Supervisory Body shall inform the Board without delay Collegio Sindacale and the Consiglio di Amministrazione, in the persons of their respective Presidents.

The Collegio Sindacale, after having carried out the appropriate further investigations and, if necessary, after hearing the party to whom the violation is contested, takes on, having heard the Consiglio di Amministrazione, the appropriate measures pursuant to art. 2407 cc

4.6 Measures against the top managers

In any case, even the violation of the specific duty of supervision on subordinates weighing on the top managers will imply the assumption by the Company of the sanctions deemed most appropriate in relation, on the one hand, to the nature and seriousness of the violation committed and, on the other hand, the qualification of the apex who should commit the violation.

By way of example and not exhaustively, the following types of conduct may constitute a precondition for the application of the sanctions:

- failure to comply with the principles and protocols indicated in the Model;
- violation and/or circumvention of the control system implemented by the subtraction, destruction or alteration of the documentation required by the Company Procedures or in the prevention of control or access to information to the persons in charge and to the Supervisory Body requests and documentation;
- violation of the provisions concerning the powers of signature and, in general, the system of proxies, with the exception of cases of necessity and urgency, which must be promptly disclosed to the Consiglio di Amministrazione;
- violation of the Supervisory Board's obligation to inform and/or the eventual above-ordered Person regarding conduct directed at the commission of a crime or an administrative offense included among those envisaged by the Decree.

As a consequence the sanctions in which the top subject can incur are:

- formal written reference;
- pecuniary sanction and/or total or partial revocation of proxies or powers of attorney;
- revocation of the appointment.

For violations of the Model that did not involve or have resulted in modest exposure to risk, the formal written notice will be imposed; for violations of the Model which entailed an appreciable or significant exposure to risk, the pecuniary sanction and/or the total or partial revocation of any proxies or powers of attorney will be imposed; for violations of the Model that have integrated a criminal fact, the withdrawal from office will be imposed.

If the Model is found to be in violation of the Model by a top management, the Supervisory Body shall transmit to the Consiglio di Amministrazione and al Collegio Sindacale a report containing:

- the description of the conduct found;
- the indication of the Model's provisions that have been violated;
- the particulars of the person responsible for the violation;
- any documents proving the breach and/or other evidence.
- its own proposal regarding the appropriate sanction with respect to the specific case.

With promptness from the acquisition of the Supervisory Board's report, the Consiglio di Amministrazione convenes the member indicated by the Supervisory Body for a meeting of the Board, to be held in accordance with the terms and conditions established by the by-laws.

The convocation must:

- be made in writing;

- contain the indication of the contested conduct and the provisions of the Model being infringed;
- communicate to the person concerned the date of the convocation, with the notice of their right to provide further evidence and/or deductions, both written and oral. The convocation must be signed by the President or by at least two members of the Consiglio di Amministrazione.

During this meeting, also attended by the members of the Supervisory Body, the interested party is heard and any written or decided deductions are made or any further investigations made.

The Consiglio di Amministrazione, having evaluated the elements acquired, decides the sanction to be imposed, justifying any dissent on the proposal of the Supervisory Body.

In the case of a serious violations such as to harm the trust of the company towards the administrator or a mayor (article 2392 of the Civil Code), he convenes the Assembly, proposing the most appropriate measures pursuant to art. 2383, c. 3, c.c.

The resolution of the Consiglio di Amministrazione and/or that of the Assembly, is communicated in writing to the Supervisory Body and to the interested party.

4.7 Measures towards external collaborators and partners

In contracts and agreements stipulated with companies, consultants, external collaborators, partners, etc, the specific clauses must be inserted on the basis of each behaviour of the same, or of subjects operating in favor of such subjects, put in place in contrast with the guidelines indicated by the Model and such as to entail the risk of commission of a sanctioned offense from the Legislative Decree. 231/2001 it will allow the company to terminate the contract or, alternatively, to request the fulfillment of the contract, except for compensation for damages.

5 MODEL DIFFUSION

The Company, which is aware of the importance that the training and information aspects assume in a prevention perspective, defines a communication and training program aimed at ensuring the dissemination to all Recipients of the main contents of the Decree and of the obligations deriving therefrom, as well as prescriptions provided by the Model.

Training and communication are central tools in the dissemination of the Model and the Code of Conduct that the company has adopted, constituting an essential vehicle of the regulatory system that all employees are required to know, observe and implement in the exercise of their respective functions .

In the end, information and training activities for personnel are organized by providing for different levels of study due to the different degree of involvement of personnel in activities at risk of crime. In any case, the training activity aimed at spreading the knowledge of the Legislative Decree. 231/2001 and the provisions of the Model, is differentiated in the contents and methods of dissemination according to the qualification of the Recipients, the level of risk in the area in which they operate, whether they are responsible for representing and managing the Company.

The training activity involves all the staff in force, as well as all the resources that in the future should be included in the company organization. In this regard, the related training activities will be foreseen and concretely carried out both at the time of recruitment, and on the occasion of any changes in duties, as well as following updates or changes to the Model.

With regard to the dissemination of the Model in the company context, the Company undertakes to carry out the following communication activities:

- in the recruitment phase, the Human Resources Manager promotes the information regarding the Management and Control Organization Model set up pursuant to the Legislative Decree no 231/2001 and the Code of Conduct, delivering a copy of both documents on the first day of work;
- possibility of access to a large section of the company network specifically dedicated to Legislative Decree no. 231/2001 and to the Code of Conduct of LAMPEM SRL in which are available and constantly updated, in addition to the aforementioned documentation, also informative communications on the subject and a disclosure presentation dealing with the Administrative Responsibility of Legal Entities pursuant to Legislative Decree 231/01.
- availability of a hard copy of the Organization and Management Model prepared pursuant to Legislative Decree no. 231/2001 and hard copy of the Code of Conduct, in order to guarantee the widest dissemination to all employees.

The communication is also implemented through organizational tools consisting of the Internet, Service Orders, Procedures, Internal Communications and also other tools such as authorization powers, hierarchical lines of dependence, procedures, information flows and everything contributing to giving transparency in daily operations. These tools ensure a capillary, effective, authoritative communication (ie issued at an appropriate level), clear and detailed, periodically updated and repeated.

The Company also has a program of training activities as follows:

- training courses and updating on the Legislative Decree no 231/01 for employees;
- specific modules dedicated to the Legislative Decree no 231/01 and included in the institutional courses for new hires and for executives;
- ad hoc seminars to deepen the Legislative Decree 231/01 aimed at specific segments of the company population as Managers and Procurators.

The courses are compulsory and the Human Resources Manager provides to track and record the participation in the training courses by the staff. The documentation in general relating to information and training activities will be kept by the Human Resources Manager and available for the related consultation by the Supervisory Body and any person entitled to view it.

The Company also promotes the knowledge and compliance with the Code of Conduct and the Model also among commercial and financial partners, consultants, collaborators in various capacities, customers and suppliers to whom both documents are made available through online consultation on the Company's website.

6 Adoption and updating the Model

The adoption and effective implementation of the Model are, by express legislative provision, a responsibility left to the Board of Directors. It follows that the power to adopt any updates to the Model is also the responsibility of the Consiglio di Amministrazione, who will exercise it by means of resolution in the manner envisaged for its adoption.

The updating activity, intended both as an integration and as a modification, is aimed at ensuring the adequacy and suitability of the Model, assessed with respect to the preventive commission function of the offenses indicated by Legislative Decree 231/2001.

Instead, the Supervisory Body is responsible for the concrete verification of the necessity or opportunity to proceed with updating the Model, by promoting this requirement towards the Consiglio di Amministrazione. The Supervisory Body, within the powers granted to it pursuant to art. 6, paragraph 1 letter b) and art. 7, paragraph 4 letter a) of the Decree, has the responsibility to formulate to the Consiglio di Amministrazione proposals regarding the updating and adaptation of this Model.

In any case, the Model must be promptly amended and supplemented by the Consiglio di Amministrazione, also on a proposal and after consulting the Supervisory Body, when:

- changes and elusions of the provisions contained therein have highlighted the ineffectiveness or incoherence for the purpose of crime prevention;
- significant changes in the Company's internal structure and/or in the methods of conducting business activities;
- regulatory changes;

The following tasks remain with the Supervisory Body:

- carry out periodic surveys to identify any updates to the company's activities in order to update the mapping of sensitive activities;
- coordinate with the Human Resources Manager for staff training programs;
- to interpret the relevant legislation regarding predicate crimes, as well as the Guidelines possibly prepared, also updating the existing ones, and verifying the adequacy of the internal control system in relation to the regulatory provisions or related to the Guidelines;
- verify the updating needs of the Model.

The persons in charge of the areas / offices involved process and make changes to the operating procedures for which they are responsible, when such modifications appear necessary for the effective implementation of the Model, or if they prove to be ineffective for the correct implementation of the Model's provisions. The competent corporate functions also take care of modifications or additions to the procedures necessary to implement any revisions of this Model.



ORGANISATIONAL MODEL

GENERAL PART

The changes, updates and additions to the Model must always be communicated to the Supervisory Body.