Approved at the meeting of the Board of Directors on April 6, 2022

"ORGANIZATION, MANAGEMENT AND CONTROL MODELEX D.LGS. 231/2001"

NKE AUTOMATION S.R.L.

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DEFINITIONS

- "Risk Activity": phase of the Sensitive Process within which there may be prerequisites/potential for the commission of an offense;
- "Instrumental Activities": activities through which the crime of bribery/conspiracy can be committed;
- "CCNL" means the Collective Bargaining Agreement currently in force and applied by NKE Automation S.r.l;
- "Code of Conduct" means the Code of Conduct adopted by NKE Automation S.r.l.
- "Consultants": those who act on behalf of and/or for NKE Automation. S.r.l. on the basis of a mandate or other collaborative relationship, including a coordinated one;
- "Recipients": Corporate Bodies, Employees, Consultants and Partners (to be understood as including suppliers, customers and additional third parties intended to cooperate with the company within the scope of Sensitive Processes);
- "Employees" means all employees of NKE Automation S.r.l. (including managers);
- "Legislative Decree 231/01" means Legislative Decree No. 231 of June 8, 2001, as amended;
- "NKE Automation S.r.l., which within the document will also be indifferently referred to as the Company;
- "Reference Guidelines":the Guidelines for the construction of organization, management and control models under Legislative Decree 231/01 approved by Confindustria in June 2021;
- "Models" or "Model" means the models or the organization, management and control model required by Legislative Decree 231/01;
- "Sensitive Transaction" means a transaction or act that falls within the scope of Sensitive Processes and may be commercial, financial or corporate in nature (as to the latter category examples are: capital reductions, mergers, demergers, transactions on the shares of the parent company, contributions, returns to shareholders, etc.);
- "Corporate Bodies" means the members of the Board of Directors and the Board of Statutory Auditors of NKE Automation S.r.l;
- "Supervisory Board" means the body in charge of supervising the operation of and compliance with the Model and its updating;
- "P.A." means the Public Administration, including its officials and persons in charge of public service;

- "Partners": natural persons or legal entities (temporary business associations - ATI, *joint ventures*, consortia, etc.), with which NKE Automation S.r.l. enters into any form of pactually regulated collaboration or the contractual counterparty(ies) of NKE Automation S.r.l, both natural persons and legal entities (e.g. suppliers, customers, agents, etc.) where intended to cooperate with the company on an ongoing basis within the scope of Sensitive Processes;

- "Sensitive Processes": activities of NKE Automation S.r.lin the scope of which there is a risk of commission of crimes;

- "Crimes": the Crimes to which the regulations set forth in Legislative Decree 231/01 (also possibly supplemented in the future) apply;

- SECTION I
INTRODUCTION

1. Legislative Decree No. 231/01 and relevant legislation

On June 8, 2001, Legislative Decree No. 231 of June 8, 2001, on "Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality" (hereinafter "Decree" or "Legislative Decree 231/2001") was issued in execution of the delegation of authority under Article 11 of Law No. 300 of September 29, 2000, and came into force the following July 4.

The issuance of the Decree is part of a national legislative context of the implementation of international obligations: in fact, it aimed to bring Italian legislation on the liability of legal persons into line with a number of international Conventions to which Italy had previously acceded, such as the Brussels Convention of July 26, 1995 (on the protection of the European Community's financial interests), the Brussels Convention of May 26, 1997 (on combating bribery involving officials of the European Community or member states) and the OECD Convention of December 17, 1997 (on combating bribery of foreign public officials in economic and international transactions).

Legislative Decree 231/01 introduced for the first time in our legal system a regime of administrative liability-referable in essence to criminal liability-against entities for certain crimes or administrative offenses committed, in their interest or to their advantage, by:

(i) natural persons who hold positions of representation, administration or management of the entities themselves or of one of their organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the entities themselves (so-called "top" persons);

(ii) Individuals subject to the direction or supervision of any of the above individuals.

If the perpetrator of the crime or administrative offense is among the senior persons, a presumption of liability is established, in view of the fact that this natural person expresses, represents and implements the management policy of the entity. On the other hand, there is no presumption of liability for the entity in the event that the perpetrator of the crime or administrative offence is a person subject to the management or supervision of one of the individuals referred to in point (i), since in such a case the unlawful act of the subordinate individual entails the entity's liability only if it turns out that its commission was made possible by the failure to comply with the obligationsof management o supervision. The liability of the entity is additional to and not a substitute for that of the natural person who materially carried out the wrongful act, which, therefore, remains governed by common criminal law. In any case, the liability of the entity and the liability of the natural person who materially committed the offense are both subject to investigation in the same proceedings before the criminal court. In addition, the liability of the entity remains even if the natural person who committed the crime is not identified or does not turn out to be

punishable.

The liability introduced by Legislative Decree 231/01 arises only in cases in which the unlawful conduct has been carried out in the interest or to the advantage of the entity: therefore, not only when the unlawful conduct has resulted in an advantage, patrimonial or otherwise, to the entity, but also in cases in which, even in the absence of such a concrete result, the unlawful act finds reason in the interest of the entity. On the other hand, there is no liability of the entity in the event that the perpetrator of the crime or administrative offence has acted exclusively in his own interest of third parties.

Legislative Decree 231/01 intended to construct a model of liability of the entity in accordance with guarantee principles, but with a preventive function: in fact, through the provision of liability for unlawful acts directly in the hands of the company, it is intended, in fact, to urge the latter to organize its structures and activities in such a way as to ensure adequate conditions for safeguarding the interests that are criminally protected. The Decree applies in relation to both offenses committed in Italy and those committed abroad, provided that (i) the entity has in the territory of the Italian State its head office (i.e., the actual place where administrative and management activities are carried out) or the place where the activity is carried out on a continuous basis, or (ii) the State of the place where the offense was committed does not proceed directly against it. On the basis of the jurisprudential interpretation consolidated over time, the entities targeted by the Decree, in addition to those specifically indicated ("entities provided with legal personality, companies provided with legal personality and companies and associations also without legal personality" and excluding the State, territorial public entities, other non-economic public entities as well as entities that perform functions of constitutional importance) also include private law companies that perform a public service (e.g., through a concessionary relationship) and companies controlled by public administrations.

The assessment of liability under Legislative Decree 231/01 exposes the entity to different types of sanctions.The sanctions that can be imposed on the entity are both pecuniary and disqualifying: among the latter, the most serious are the suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence, the prohibition to contract with the Public Administration (except to obtain the performance of a public service), the disqualification from carrying out the activity, the exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted, and the prohibition to advertise goods and services.

Monetary sanctions are applied whenever the entity commits one of the crimes or administrative offenses provided for in the Decree. Disqualification penalties, on the other hand, can only be applied in relation to the offenses for which they are expressly and specifically provided for by the Decree, if at least one of the following conditions is met: (i) the entity has derived a significant profit from the offense and the offense has been committed by individuals in a senior position, or by individuals subject to the direction and supervision of others, when the commission of the offense was determined or facilitated by serious organizational deficiencies; (ii) in the case of of reiteration of the

offenses. The prohibitory measures - if there are serious indications of the entity's liability and there are well-founded and specific elements that make the danger of a possible

commission of misdemeanors of the same nature - may be applied, at the request of the Public Prosecutor, even as a precautionary measure, already at the investigation stage.

Confiscation of the price or profit of crime (except for the part that can be returned to the injured party) is always ordered against the entity in the conviction. When it is not possible to execute the confiscation on the goods directly constituting the price or profit of the crime, the same may be aimed at sums of money, goods or other utilities of equivalent value to the price or profit of crime. As a precautionary measure, seizure may be ordered on things which, constituting price or profit of crime or their monetary equivalent, are susceptible to confiscation.
In addition, in certain cases, if disqualifying sanctions are applied, publication of the conviction may be ordered, a measure capable of having a serious impact on the image of the entity.

The Decree has provided a form of exemption from administrative liability that operates if the entity demonstrates that it has adopted and effectively implemented, prior to the commission of the illegal act, an Organization and Control Model suitable for preventing crimes of the kind that occurred, entrusted a body with autonomous powers of initiative and control (Supervisory Board) with the task of supervising the functioning and observance of the Model itself; that the act was committed by fraudulently circumventing the Model and that there was no omission or insufficient supervision by the Supervisory Board.

For a description of the individual types of offenses to which these regulations apply, please refer to the more extensive discussion in Annex A of this Model.

2. The function of the Model under Legislative Decree 231/01

The adoption of the Model, provided by law as optional and not mandatory, was considered by NKE Automation S.r.l a relevant opportunity to implement an "active" prevention of crimes, through the strengthening of its *Corporate Governance*, as well as the dissemination of suitable ethical/behavioral principles.

The Model identifies-consistent with the Code of Conduct (the principles of which are described in Annex D) adopted by the Company, which is an integral part of it- the rules and procedures that must be complied with by all Recipients, i.e., those, such as Employees, Corporate Bodies, Consultants and Partners, who work on behalf of or in the interest of the Company in the context of Processes Sensitive to the commission of the crimes presupposed by the liability under Legislative Decree 231/01.

The Supervisory Board, appointed for this purpose, ensures constant oversight of the implementation of the Model, through monitoring activities and the possible imposition of disciplinary or contractual sanctions aimed at effectively censuring any illegal behavior.

3. Reference Guidelines

In preparing this Model, NKE Automation S.r.l was inspired by the **Confindustria Guidelines** - the principles of which are described in Appendix B and referred to in the text of this Model.

It is understood that the Model, having to be drafted with reference to the concrete reality of the company, may well deviate from the Reference Guidelines which, by their nature, are general in nature.

SECTION II

THE CONSTRUCTION OF THE MODEL

1. Principles and inspiring elements of NKE's Model

In the preparation of this Model, account was taken not only of the requirements of Legislative Decree 231/01, but also of the procedures and control systems (noted in the "*as-is"* phase) already operating in the company and considered suitable also as measures for the prevention of crimes and control over Sensitive Processes. In particular, the following were found to be operating at NKE Automation S.r.l:

- the Code of Conduct, which expresses the principles of "corporate ethics" recognized as its own and on which the Company calls for compliance by all Employees, Corporate Bodies, Consultants and Partners;
- *Corporate governance* principles, reflecting applicable regulations;
- the internal control system (and thus, company procedures, documentation and provisions inherent in the hierarchical-functional and organizational structure of the company and management control system);
- The rules inherent in the administrative, accounting, financial system;
- Internal communication and staff training;
- The disciplinary system set forth in the applicable labor contract
- in general, applicable Italian regulations (including, for example, labor safety laws).

1.1 The characteristics of the Model of NKE Automation S.r.l.

In line with the provisions of Legislative Decree 231/01, this Model is characterized by the elements of *effectiveness*, *specificity* and *timeliness*.

<u>The effectiveness</u>

The effectiveness of an organizational Model depends on its suitability in concrete terms to prevent, or at least significantly reduce, the risk of committing the offenses provided for in Legislative Decree 231/01. This suitability is guaranteed by the existence of decision-making and preventive and subsequent control mechanisms suitable for identifying operations that possess anomalous characteristics, reporting conduct falling within the areas of risk and the consequent tools for timely intervention. The effectiveness of an organizational model, in fact, is also a function of the efficiency of suitable tools to identify "malfeasance symptoms."

<u>The specificity</u>

Specificity is one of the elements that connotes the effectiveness of the Model, pursuant to Article 6, Paragraph 2 letter a and b.

The specificity of the Model is related to the risk areas - and requires a census of the activities within the scope of which crimes may be committed - and the processes of formation and implementation of the entity's decisions in "sensitive" areas.

Similarly, the Model must, in addition, identify suitable ways of managing financial resources, provide for reporting requirements and an adequate disciplinary system as well as take into account the characteristics and size of the company, the type of business conducted, and the company's history.

Topicality

Regarding this aspect meanwhile, a Model is suitable to reduce the risks from Offenses if it is constantly adapted to the characters of the structure and activity of the enterprise.

Effective implementation of the Model requires, in accordance with the provisions of Article 7 of Legislative Decree 231/01, periodic verification and possible amendment of the same in case any violations are discovered or changes occur in the activity or organizational structure of the company/entity.

Article 6 of Legislative Decree 231/01 assigns the task of updating the Model to the Supervisory Board, as the holder of autonomous powers of initiative and control.

1.2 The definition of the Model of NKE Automation S.r.l.

The preparation of this Model was preceded by a series of preparatory activities divided into different phases and all directed toward the construction of a system of risk prevention and management in line with the provisions of Legislative Decree 231/01 and inspired not only by the rules contained therein but also by the Reference Guidelines.

1) **Identification of Sensitive Processes ("*as-is analysis* ")**

In order to identify the areas in which the risk of crimes being committed and the ways in which they can be most likely to occur, company documentation (organization charts, activities carried out, main processes, board minutes, proxies, organizational arrangements, risk assessment document, etc.) was examined.) and to interview key individuals within the corporate structure (e.g., Finance Manager, Human Resources Manager, Safety Manager, Purchasing Manager, etc.) with questions aimed at deepening the Sensitive Processes and the control over them (existing procedures, documentability of operations and controls, separation of functions, etc.).

2) **Creation of the "gap analysis"**

On the basis of existing controls and procedures in relation to Sensitive Processes and the provisions and purposes of Legislative Decree 231/01, actions to improve the existing Internal Control System (processes and procedures) and organizational requirements essential for the definition of a "specific" model of organization, management and monitoring under Legislative Decree 231/01 were identified.

3) **Preparation of the Model**

This Model is structured in sections containing principles and general rules of behavior, prepared to prevent the commission of the offenses covered by Legislative Decree 231/01 and listed in Annex A.

1.3 The adoption of the Model of NKE Automation Srl and its subsequent amendments.

This Model was adopted by a resolution of the Board of Directors of NKE Automation S.r.l, which also established the Supervisory Board.

Each member of the Board of Directors, as well as the Company's Board of Auditors, is committed to compliance with this Model.

Since this Model is an act of issuance by the management body (in accordance with the requirements of Article 6, Paragraph I, Letter a) of Legislative Decree 231/01), amendments and additions are the responsibility of the Board of Directors.

The Board of Directors may delegate specific changes to the Chief Executive Officer, with the understanding that he or she must ratify any changes made annually.

1.4 The implementation of the Model of NKE Automation Srl.

The responsibility regarding the implementation of this Model in relation to the identified Sensitive Processes rests exclusively with NKE Automation S.r.l, which has assigned to its Supervisory Board the competence to exercise the relevant controls according to the procedures described in the Model itself.

2. The Supervisory Board

2.1 Identification of the Supervisory Board: appointment and dismissal

Legislative Decree 231/01 stipulates that the body entrusted with the task of supervising the operation of and compliance with the Model, as well as ensuring that it is updated, must be a body of the company with autonomous powers of initiative and control (Art. 6. 1, *b)* of Legislative Decree 231/01).

The Confindustria Guidelines suggest that it should be a body of the entity other than the Board of Directors, characterized by autonomy, independence, professionalism and continuity of action, as well as honorability and absence of conflicts of interest.

Applying these principles to the corporate reality of NKE Automation S.r.l. and in view of the specificity of the tasks that fall to the Supervisory Board, the related task was entrusted, by resolution, to the following corporate functions: a member of the Human Resources function, a member of the Finance functionand an

external professional.

The aforementioned components were recognized as a whole, as the most appropriate to assume this role, given the following requirements that each of them possesses, in line with the provisions of Legislative Decree 231/01, the Guidelines and case law:

- **autonomy and independence**. The most appropriate solution to ensure the autonomy of control from any form of interference and / or conditioning by any component of the entity, appears to be the inclusion of the Supervisory Board in the highest possible hierarchical position as well as the provision of reporting activity exclusively to the highest hierarchical leadership (CEO, Board of Directors and Board of Auditors). It is, moreover, essential that the Supervisory Board does not perform operational tasks, that is, it is not directly involved in the management activities that constitute the object of its control activities;
- **honorability**. In particular, the Supervisory Board has no criminal convictions, even if not final, of conviction or plea bargaining for crimes that lead to disqualification from public office or that are among those referred to in Legislative Decree 231/01;
- proven **professionalism**. The Supervisory Board possesses specific skills in the field of inspection and consultancy activities, as well as technical and professional skills adequate to carry out the functions of analysis of control systems and of a legal and penal nature: taking into account that the discipline in question is essentially a penal discipline and that the activity of the Supervisory Board is aimed at preventing the perpetration of crimes, it is essential that the Supervisory Board has knowledge of the individual cases, which can also be ensured to the Supervisory Board through the use of company resources or external consultancy. With regard to the issues of protection of health and safety at work, the Supervisory Board must make use of all the resources activated for the management of the relevant aspects (RSPP - Head of the Prevention and Protection Service, ASPP - Prevention and Protection Service Officers, RLS - Workers' Safety Representative, MC - Competent Doctor, first aid officers, emergency officer in case of fire). These individuals and the Supervisory Board perform their duties on different levels, within an integrated control system between them. In particular, the Head of the Prevention and Protection Service carries out a technical-operational control (1st degree control), the Supervisory Board a control on the efficiency and effectiveness of the procedures relevant under Legislative Decree 231/01 (2nd degree control).
- **continuity of action**. The Supervisory Board continuously carries out the activities necessary for the supervision of the Model with adequate commitment and with the necessary powers of investigation; it is a structure referable to the company, so as to ensure due continuity in supervisory activities.
- **availability of organizational and financial means** necessary for the performance of its functions. The independence of the Supervisory Board is, moreover, ensured by the obligation of the management body to approve in the context of the formation of the corporate budget an adequate allocation of financial resources, proposed by the Supervisory Board itself, of which the latter can

Arrange for any needs necessary for the proper performance of tasks (e.g., specialized consulting, travel, etc.).

Members from inside or outside the entity may be called upon to be members of the collegial Supervisory Board, provided that each of them meets the above requirements of autonomy and independence. In the case of mixed composition, since total independence from the entity cannot be demanded of the internally sourced members, the degree of independence of the body is required to be assessed as a whole.

The aforementioned individuals exercise their decision-making powers severally, themselves providing a mechanism aimed at preventing conflicting decisions from being made, which includes a decisive intervention by the Chief Executive Officer.

The definition of aspects pertaining to the continuity of the action of the Supervisory Board, such as the scheduling of activities, the taking of minutes of meetings and the regulation of information flows by the corporate structures, is left to the Supervisory Board itself, which may regulate its internal functioning by means of a special regulation of its activities (determination of the time intervals of controls, identification of analysis criteria and procedures, etc.).

The appointment of the Supervisory Board and the revocation of its office are the responsibility of the Board of Directors, with the power for the same to delegate the company's legal representatives to provide with the necessary replacements in the event of the resignation of the Supervisory Board and/or organizational changes, reporting to the Board of Directors itself, which must ratify any new appointment.

2.2 Functions and powers of the Supervisory Board

The Supervisory Board is entrusted with the task of supervision:

- On compliance with the Model by Employees, Corporate Bodies, Consultants and Partners;
- on the effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of crimes;
- On the appropriateness of updating the Model, where there is a need to adapt it in relation to changed business and/or regulatory conditions.

To this end, the Supervisory Board is guaranteed free access - at all functions of the Company, without the need for any prior consent - to any company information, data or document deemed relevant to the performance of its duties and must be constantly informed by management: a) on aspects of the company's activities that may expose NKE Automation S.r.l. to the risk of committing one of the offenses; b) on relations with Consultants and Partners operating on behalf of the company within the scope of Sensitive Transactions; c) on the company's extraordinary operations.

In particular, the Supervisory Board:

- Conducts reconnaissance of company activities for the purpose of updating the mapping of Sensitive Processes;
- verifies compliance with the methods and procedures laid down in the Model and detects any behavioral deviations that may emerge from the analysis of the information flows and reports to which the heads of the various functions are bound;
- collects, processes and maintains information relevant to compliance with the Model, and updates the list of information that must be transmitted to him or kept available to him;
- coordinates with company functions (including through special meetings) for the best monitoring of activities in relation to the procedures established in the Model and to assess the Model's adequacy and updating needs;
- interprets relevant legislation and verifies the adequacy of the Model to these regulatory requirements;
- makes proposals to the management body for any changes and/or additions that may be necessary as a result of significant violations of the requirements of the Model, significant changes in the internal structure of the Company and/or the way in which business activities are carried out, as well as regulatory changes;
- periodically carries out targeted audits of certain transactions or specific acts carried out by the Company, especially in the area of Sensitive Processes, the results of which must be summarized in a special *report to* be exposed when *reporting* to the deputy Corporate Bodies;
- reports to the management body any ascertained violations of the Organizational Model that may result in the entity being held liable and coordinates with company management to assess the adoption of any disciplinary sanctions, without prejudice to the latter's competence to impose the sanction and the related disciplinary procedure;
- coordinates with the head of the function in charge of managing Human Resources in defining training programs for personnel and the content of periodic communications to be made to Employees and Corporate Bodies, including through space on the company's Intranet, aimed at providing them with the necessary awareness and basic knowledge of the regulations set forth in Legislative Decree 231/01;
- activates and conducts internal investigations, liaising from time to time with the relevant business functions to acquire additional elements of investigation (e.g., with the function in charge of managing Human Resources for the application of disciplinary sanctions, etc.);
- periodically checks, with the support of the other relevant functions, the system of delegated and proxy powers in force and their consistency with the entire system of organizational communications (such are those internal company documents by which proxies are conferred) recommending any changes if the management power and/or qualification does not correspond to the powers of representation conferred on the proxy or there are other anomalies;

- indicates to *management* the appropriate additions to the financial resource management systems (both incoming and outgoing), already in place in the company, to introduce some suitable devices to detect the existence of any financial flows connoted by greater margins of discretion than those ordinarily provided.

The activities carried out by the Supervisory Board cannot be reviewed by any other company body or structure, it being understood, however, that the management body is in any case called upon to carry out a supervisory activity on the adequacy of its intervention, since the management body bears the ultimate responsibility for the functioning of the organizational model.

2.3 Reporting by the Supervisory Board to senior management

The Body of Supervisory Board reports in on the implementation of Model and the emergence of any critical issues.

The Supervisory Board has two *reporting* lines:

- the former, on an ongoing basis, directly to the CEO;
- the second in respect of the Board of Directors and the Board of Statutory Auditors, reporting at least every six months on the activity carried out (controls carried out and their outcome, the specific checks referred to in point 3 below and their outcome, any update of the mapping of Sensitive Processes, etc.);

If the Supervisory Board detects critical issues referable to any of the members of the Board of Directors or the Board of Statutory Auditors, the corresponding report is to be addressed promptly to one of the other individuals not involved.

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

The Board of Statutory Auditors, the Board of Directors, and the Chief Executive Officer have the power to convene the Supervisory Board at any time, which, in turn, has the power to request, through the relevant functions or individuals, that the aforementioned bodies be convened for urgent reasons.

2.4 Information flows to the Supervisory Board

The Supervisory Board within the scope of its powers of initiative and control receives from the relevant corporate functions the information necessary for the performance of its task of supervising the operation of and compliance with the Model as well as its updating. In particular, the following **information concerning the management of sensitive processes** must be mandatorily transmitted to the Supervisory Board:

- findings and penalties imposed by public agencies (Internal Revenue Service, Labor Inspectorate, INPS, INAIL, ARPA, ASL, etc.) as a result of inspections;

- measures and/or news from judicial police organs, or any other authority, from which it can be inferred that investigations are being carried out, including against unknown persons, for predicate offenses that may involve the Company;
- Decisions related to the application for, disbursement and use of public funding,disbursements, contributions, grants;
- Requests for legal assistance made by Managers and/or Employees against whom the Judiciary proceeds for offenses under the regulations;
- information on disciplinary proceedings conducted and any sanctions imposed pursuant to the Model (including measures towards Employees) or of the orders dismissing such proceedings with the reasons for them;
- organizational changes;
- Capital stock transactions;
- any cases of fraud computer o of attempts of fraud referable to the execution/requests for payment;
- requests to open/close current accounts to be managed/operated independently by the Company;
- Changes in the delegates to operate the current accounts to be managed/operated independently by the Company.

With particular reference to the information to be provided to the Supervisory Board on environmental and health and safety issues, please refer to Appendix C.

The Supervisory Board is also kept informed by company management and any improvement actions defined. The outcome of this analysis provides an up-to-date situation of the Company's sensitive processes and risk activities consistent with Article 6 of Legislative Decree 231/01 and also constitutes an information flow to the Supervisory Board in relation to monitoring activities to be provided for in the annual Supervisory Program.

2.5 Collection and storage of information

The information, alerts and reports stipulated in this Model are kept by the Supervisory Board in a special database (computerized or hard copy), in compliance with confidentiality and privacy regulations.

3. Checks on the adequacy of the Model

The Supervisory Board carries out periodic checks on the actual capacity of the Model to prevent the commission of crimes, usually making use of the Audit function and the support of other internal functions that, from time to time, become necessary for this purpose.

This activity takes the form of spot checks of the most important corporate acts and contracts concluded by NKE in relation to the Sensitive Processes and

their compliance with the rules set forth in this Model, as well as the knowledge of Employees and Corporate Bodies of the issue of corporate criminal liability. A *review* of the reports received during the year, the actions taken by the Supervisory Board and the events considered risky is also carried out.

The audits and their outcome are *reported* to the Board of Directors and the Board of Auditors.

SECTION III

THE DISSEMINATION OF THE MODEL

Awareness of this Model is essential to develop the awareness of all Recipients operating on behalf and/or in the interest of the Company in the context of sensitive processes that they may incur offenses liable to penal consequences, not only for themselves but also for the Company, in the event of conduct contrary to the provisions of Legislative Decree 231/01 and the Model.

1. Employee Training and Information

NKE Automation S.r.l must ensure proper information/training on the content of this Model, both to the resources already in the company and to those to be included, of the rules of conduct contained therein, with different degree of depth in relation to the different level of involvement of those resources in Sensitive Processes.

The information and training system is supervised and supplemented by the activity carried out in this field by the Supervisory Board in collaboration with the head of the function delegated to manage Human Resources and the heads of the other functions from time to time involved in the application of the Model.

- ***The initial communication***

The adoption of this Model is communicated to all resources in the company at the time of adoption.

New hires, on the other hand, are given a set of information (e.g., Code of Conduct, category CCNL, Organizational Model, Legislative Decree 231/01, etc.), with which to assure them of knowledge considered of primary importance.

- ***Training***

Training activities aimed at disseminating knowledge of the regulations set forth in Legislative Decree 231/01 are differentiated, in content and delivery methods, according to the qualification of the recipients, the risk level of the area in which they work, and whether or not they have representative functions for the Company.

In particular, the Company has provided for different levels of information and training through appropriate dissemination tools.

The Supervisory Board is also entrusted with control over the content of training programs as described above.

All training programs will have a common minimum content consisting of an illustration of the principles of Legislative Decree 231/01, the constituent elements of the Model, the individual cases of offenses provided for in Legislative Decree 231/01, and the behaviors considered sensitive in relation to the occurrence of the aforementioned offenses.

In addition to this common matrix, each training program will be modulated to provide its users with the tools necessary for full compliance with the dictate

of Legislative Decree 231/01 in relation to the scope of operations and tasks of the recipients of the program itself.

Attendance at the training programs described above is mandatory, and control over actual attendance is delegated to the Supervisory Board.

2. Information to Suppliers, Consultants and Partners

Consultants and Partners must be informed of the content of the Model and of NKE's requirement that their behavior comply with the provisions of Legislative Decree 231/01.

3. Information to Directors and Auditors

This Model is delivered to each Director and Auditor, who undertake to abide by it.

SECTION IV

PENALTY SYSTEM

1. Function of the disciplinary system

The definition of a system of sanctions (commensurate with the violation and endowed with deterrence), applicable in the event of violation of the rules set forth in this Model, makes the supervisory action of the Supervisory Board efficient and is intended to ensure the effectiveness of the Model itself. In fact, the definition of such a system of sanctions of a disciplinary and/or contractual nature constitutes, pursuant to Article 6 first paragraph letter *e)* of Legislative Decree 231/01, an essential requirement of the Model itself for the purposes of exemption with respect to the Company's liability.

The application of the disciplinary system and related sanctions is independent of the conduct and outcome of any criminal proceedings initiated by the judicial authorities in the event that the conduct to be censured also counts as an offence relevant under Legislative Decree 231/01.

This is without prejudice, however, to any claim for compensation for any damage caused to the Company by conduct in violation of the rules set forth in this Model, as in the case of the application to it by the Judge of the precautionary measures provided for in Legislative Decree 231/01.

2. Measures against executives, clerks and workers

2.1 Disciplinary system

Conduct in violation of this Model by Employees subject to the collective bargaining agreement for the category applied to the Company constitutes a disciplinary offence.

Workers will be subject to the measures - in compliance with the procedures provided for in Article 7 of Law No. 300 of May 20, 1970 (Workers' Statute) and any applicable special regulations - provided for in the sanctions apparatus of the aforementioned ***Metalworking and Plant Installation Industry Collective Labor Agreement***, namely:

- verbal warning;
- written warning;
- fine;
- Suspension from work and pay up to a maximum of three days;
- dismissal.

All provisions of the applicable collective bargaining agreement, including:

- the obligation - in connection with the application of any disciplinary measure - of the prior notification of the charge to the employee and hearing the employee's defense;

- the requirement-except in the case of a verbal warning-that the objection be made in writing and that the measure not be issued until 5 days after the objection of the charge (during which the employee may present his or her justifications);
- The obligation to motivate the employee and notify the employee in writing of the imposition of the measure.

With regard to the investigation of infractions, disciplinary proceedings and the imposition of sanctions, the powers already vested, within the limits of their respective competence, in corporate *management* remain unchanged.

2.2 Violations of the Model and related sanctions

The following conduct constituting a violation of this Model is punishable:

- violations, by the employee, of internal procedures provided for in this Model or the adoption, in the performance of activities related to Sensitive Processes, of conduct that does not comply with the requirements of the Model whether or not they expose the Company to an objective situation of risk of commission of one of the offenses;
- The adoption of conduct that does not comply with the prescriptions of this Model and is uniquely directed to the commission of one or more offenses;
- The adoption of conduct in violation of the requirements of this Model, such as to result in the concrete and/or potential application against the Company of sanctions provided for in Legislative Decree 231/01.

The sanctions, of a disciplinary and contractual nature, and any claim for damages, will be commensurate with the level of responsibility and autonomy of the Employee, i.e., the role and intensity of the fiduciary bond associated with the assignment given to the Directors, Auditors, Suppliers, Consultants and Partners.

The system of sanctions is subject to constant verification and evaluation by the Supervisory Board and the Head of the function delegated to manage Human Resources, the latter remaining responsible for the concrete application of the disciplinary measures outlined herein upon any report by the Supervisory Board and after hearing the hierarchical superior of the author of the censured conduct.

3. Measures against managers

Conduct in violation of this Model or the adoption, in the performance of activities related to Sensitive Processes, of conduct that does not comply with the prescriptions of the Model itself, if committed by Executives, may cause the fiduciary relationship to be broken, with the application of the most appropriate sanctioning measures, in accordance with the provisions of Article 2119 of the Civil Code and the Collective Bargaining Agreement for Company Executives applied by the Company.

4. Measures against Directors

In the event of conduct in violation of this Model by one or more members of the Board of Directors, the Supervisory Board shall inform the Board of Directors and the Board of Statutory Auditors, who will take appropriate action including, for example, calling a shareholders' meeting in order to take the most appropriate measures permitted by law.

5. Measures against mayors

In the event of conduct in violation of this Model by one or more Statutory Auditors, the Supervisory Board shall inform the entire Board of Statutory Auditors and the Board of Directors, which will take appropriate measures including, for example, convening the shareholders' meeting in order to take the most appropriate measures provided by law.

6. Measures towards Suppliers, Consultants and Partners

Conduct in violation of this Model on the part of Suppliers, Consultants, including those in a coordinated collaboration relationship, and Partners, with regard to the rules applicable to them or the occurrence of crimes are sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts.

7. Measures against the Supervisory Board and others

The system of disciplinary and contractual sanctions as identified above will also apply to the Supervisory Board or to those individuals, Employees or Directors, who, through negligence, imprudence and inexperience, have failed to identify and consequently eliminate conduct placed in violation of the Model.

SECTIONV

THE ORGANIZATIONAL MODEL OF NKE Automation S.r.l.

1. General Control Environment

1.1 The Society's system of organization

The Company's system of organization must comply with the basic requirements of formalization and clarity, communication, and separation of roles particularly with regard to the allocation of responsibilities, representation, definition of hierarchical lines, and operational activities.

The company must have organizational tools (organizational charts, organizational communications, procedures, etc.) marked by general principles of:

- knowability within society;
- Clear and formal delineation of roles and functions;
- Clear description of carryover lines.

Internal procedures should be characterized by the following elements:

- separateness, within each process, between the person who initiates it (decision-making impulse), the person who executes and concludes it, and the person who controls it;
- Written traceability of each relevant step in the process;
- Adequacy of the level of formalization.

1.2 The system of proxies and powers of attorney

Delegation is the internal act of assigning functions and tasks, reflected in the organizational communication system. The essential requirements of the delegation system for the purpose of effective crime prevention are as follows:

- it is the responsibility of the Head of Function/Entity to ensure that all of its employees, who represent the Company have written proxies;
- the proxy must indicate:
  - delegating party (party to whom the delegate reports hierarchically);
  - name and duties of the delegate, consistent with the position held by the delegate;
  - scope of delegation (e.g., project, duration, product etc.);
  - date of issue;
  - Proxy's signature.

Power of attorney is the unilateral legal transaction by which the company grants powers of representation to third parties. The essential requirements of the power of attorney system for the purpose of effective prevention of crimes are as follows:

- power of attorney may be given to natural persons or to legal persons (who will act through their own attorneys vested with similar powers);

- general powers of attorney are granted exclusively to individuals with internal delegation of authority or a specific contract of appointment describing the relevant management powers and, where necessary, are accompanied by appropriate notice setting out the extent of powers of representation and, if any, spending limits.

1.3 I relationships with Suppliers /Consultants/Partners: principles general of behavior

Relationships with *Suppliers*/*Consultants*/*Partners*, in the context of sensitive processes and/or activities at risk of crime, must be marked by the utmost fairness and transparency, compliance with the law, the Code of Conduct, this Model and internal company procedures, as well as the specific ethical principles on which the Company's activities are based.

Suppliers, consultants, commercial agents, product/service providers and in general partners must be selected according to the following principles/specific procedure that take into consideration the elements specified below:

- verify **commercial and professional reliability** (e.g., through ordinary viewings at the Chamber of Commerce to ascertain the consistency of the activity carried out with the services required by the Company, self-certification under Presidential Decree 445/00 regarding any pending charges or judgments issued against them);
- Verify and monitor that business counterparties are not involved in actions that could lead to the risk of committing crimes of corruption, money laundering and/or financing of terrorist activities or cause potential involvement, even unintentional, of the Company in such actions resulting in serious reputational damage;
- select on the basis of the ability to offer in terms of quality, innovation, cost and **sustainability standards**, with particular reference to respect for human rights and workers' rights, the environment, and the principles of legality, transparency and fairness in business (this accreditation process must provide for high quality standards that can also be ascertained through the acquisition of specific certifications in the field of quality by the same);
- to avoid any commercial and/or financial transactions, either directly or through intermediaries, with individuals-individuals or legal persons-whose names are involved in investigations by judicial authorities for crimes presupposing liability under Legislative Decree 231/01 and/or reported by European and international organizations/authorities in charge of the prevention of crimes of terrorism, money laundering and organized crime.
- Avoiding/not accepting contractual relationships with entities -natural persons or legal entities- that have headquarters or residence or any connection with countries considered non-cooperative as they do not comply with the standards of international laws and the recommendations expressed by the FATF-GAFI (Financial Action Task Force against Money Laundering) or

that are on the prescription lists (so-called "Black Lists") of the UN, the European Union, OFAC (Office of Foreign Assets Control)and the World Bank;

- Recognize fees only against appropriate justification in the context of the contractual relationship established or in relation to the type of assignment to be performed and current local practices;
- in general, no payments may be made in cash, and in the case of an exception the same payments must be appropriately authorized. In any case, payments must be made within the framework of appropriate administrative procedures, documenting the reportability and traceability of the expenditure;
- with reference to financial management, the company implements specific procedural controls and pays special attention to flows that are not part of the company's typical processes and are therefore managed in an extemporaneous and discretionary manner. These controls (e.g., the activity of frequent reconciliation of accounting data, supervision, separation of duties, juxtaposition of functions, especially purchasing and finance, an effective apparatus of documentation of the decision-making process, etc.) are intended to prevent the formation of hidden reserves.

It should be noted that the monitoring of the process of "Qualification and selection of suppliers" is managed internally within the Company(Purchasing function). It was established in order to ensure efficiency, cost-effectiveness and homogeneity at the level in the identification of suppliers and the definition of the relevant contractual conditions.

1.4 Relationships with suppliers/consultants/partners: Contract clauses

Contracts with suppliers/consultants/partners should include the formalization of appropriate clauses that:

- Regulate the commitment to compliance with the Code of Conduct adopted by NKE Automation.
  S.r.l and Legislative Decree 231/01, as well as the declaration that they have never been implicated in legal proceedings related to the offenses covered in Legislative Decree 231/01 (or if they have been, they must in any case declare this for the purpose of greater attention by the company in case the establishment of the consulting or partnership relationship is reached). This commitment may be reciprocal if the counterparty has adopted its own and similar code of conduct and Model;
- define the consequences of violating the standards set forth in the Model and/or the Code of Conduct (e.g., express termination clauses, penalties);
- regulate the commitment, for foreign suppliers/consultants/partners, to conduct their business in accordance with rules and principles similar to those provided for by the laws of the State (or States) where they operate, with particular reference to the crimes of corruption, money laundering and terrorism and the rules that provide for liability for the legal person (Corporate Liability), as well as

the principles contained in the Code of Conduct, aimed at ensuring compliance with adequate levels of ethics in the exercise of their activities;

- allow the Company or persons/entities delegated by the Company, consistent with the type of contracts, to carry out inspections, audits and controls concerning performance on the contracted activities as well as to provide for final testing operations on the purchased asset.

1.5 Relationships with Customers: general principles of behavior

Relations with customers must be marked by utmost fairness and transparency, in compliance with the Code of Conduct, this Model, legal regulations and internal company procedures, which take into consideration the elements specified below:

- Accept cash (and/or other untraced mode) payments only to the extent permitted by law;
- Granting payment extensions only against established creditworthiness;
- Refuse sales in violation of international laws/regulations, which restrict the export of products/services and/or protect the principles of free competition;
- Charge prices in line with average market values. Subject to commercial promotions and possible donations, provided both are properly justified/authorized.

In order to improve the process, the Company has resolved to use a new management system-SAP-as of January 2023.

1.6 Cash flow management system

The Company, in accordance with the requirements of the Confindustria Guidelines, adopts a system of cash flow management based on principles of transparency, verifiability and inherent in the company's business, using mechanisms for the proceduralization of decisions that make it possible to document and verify the various stages of the decision-making process, in order to prevent the improper management of the entity's resources.

Proper management of the process, also in accordance with the provisions of Article 6(2)(c) of Legislative Decree 231/01, helps to prevent the riskof the Company committing multiple crimes.

With regard to cash flow management, the Company applies the following control principles:

- separation of tasks in the phases/activities key of the process (e.g., authorization, reconciliation);
- proxy system constantly aligned with authorization profiles residing on information systems;
- System of internal practices/procedures that regulate the main processes on which financial flows impact;
- Adequate traceability of information and document flows.

In order to improve the process, the Company has resolved to use a new management system-SAP-as of January 2023.

In particular, the Company has adopted practices/procedures that regulate activities related to cash flow management, with specific reference to budget preparation activities.

It should be noted that the Company,in order to monitor the corporate processes that in abstract terms may give rise to the risk of committing certain types of offences *under* Legislative Decree 231/01, such as,for example, corporate crimes,those of money laundering, receiving stolen goods, use of money, goods or utilities of unlawful origin as well as self-money laundering and tax crimes,avails itself of the support of external professionals (accountant's office) that supports the management of the tax calendar in addition to specific needs that require specialized advice and in the field of direct taxes, indirect taxes, *salaries, wages and local taxes*, *transfer pricing*.

NKE therefore carries out, with the support of the mentioned professionals but with its own internal resources allocated within the Finance entity, the following activities:

- passive cycle with regard to the recording of invoices and supplier payments;
- active cycle with regard to invoicing and customer accounts receivable management;
- general accounting;
- Tax services such as, management of tax compliance and related activities in direct and indirect taxes, litigation management;
- liquidity and treasury management, using in reference to inflows and outflows only accredited banking channels and financial intermediaries;
- Management of financial risks such as liquidity risk, exchange rates and interest rates,...

2. The sensitive processes of NKE Automation S.r.l.

NKE Automation S.r.l carries out technological activities applied to industrial automation: in particular with offer of solutions dedicated to fluid dispensing and crystal bonding, as well as development of systems for the application of adhesives and sealants, for VIN marking as well as the supply of power plants and pumping stations.

The risk analysis conducted for the purposes of Legislative Decree 231/01 showed that the Sensitive Processes at present mainly concern:

1) crimes against the P.A. and crimes against the Administration of Justice;
2) cybercrime offenses;
3) organized crime offenses and transnational crimes;
4) corporate crimes;

5) the crimes of manslaughter and grievous or very grievous bodily harm committed in violation of accident prevention and occupational hygiene and health protection regulations;
6) the crimes of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-money laundering;
7) Copyright infringement offenses;
8) tax crimes;
9) environmental crimes.

The risk related to the other offenses covered by Legislative Decree 231/01 appears only abstractly and not concretely conceivable.

Details of the offenses listed above are given in Appendix A. The 'objective of

this Section is to:

- indicate the principles and procedures that Employees, Corporate Bodies, Suppliers, Consultants and Partners of NKE are required to observe for the purpose of effective prevention of the risk of commission of crimes in the performance of activities in which the risk of commission of one of the above crimes is conceivable;
- provide the Supervisory Board and the heads of other corporate functions cooperating with it with executive tools to exercise control, monitoring and verification activities through the procedures in force and being issued by the company.

2.1 Sensitive Processes in Crimes against the Public Administration and the Administration of Justice

The main Sensitive Processes that the Company has identified internally in relation to the crimes set forth in Articles 24, 25 and *25-decies of* Legislative Decree 231/01 are as follows:

- Acquisition and management of disbursements, contributions or financing granted by Italian or foreign public bodies, with particular reference to the following Risk Activities:
    - Preparation of documentation for the purpose of obtaining the disbursement of grants/financing/facilitated loans from the public entity.
    - Preparation of reporting documentation in order to demonstrate the use of funds received.
- Management of relations with the P.A., with particular reference to the following Risk Activities:
    - Management of inspections (administrative, tax, social security, etc.).
    - Management of judicial and extrajudicial litigation against the P.A.

- Management of relations with the Judicial Authority, with particular reference to the following Risk Activity:
    - Management of relations with individuals called upon to make statements to the Judicial Authority.

In addition, within the scope of the offense related to Article 25 "Bribery and Corruption" of Legislative Decree 231/01, the following Instrumental Activities have been identified:

- Giving of gifts or gratuities;
- promises of employment;
- Consulting/supply management;
- expense reimbursements;

The general criteria for the definition of Public Administration and, in particular, Public Official and Person in Charge of a Public Service, are given in Annex A.

This definition includes a broad category of subjects with whom the Company may find itself operating in the performance of its activities, since it includes not only Public Entities and those who perform a legislative, judicial or administrative public function (Public Officials), but also subjects/entities entrusted by the P.A. - e.g., through an agreement and/or concession and regardless of the legal nature of the subject/entity, which may also be under private law - the care of public interests or the satisfaction of needs of general interest (public service appointees).

2.1.1 Specific principles of behavior

In addition to what is stated in the paragraph "General Control Environment" at the beginning of this section, some additional principles of behavior that must be observed specifically for effective prevention of the risk of committing crimes against the Public Administration and against the Administration of Justice are listed below:

- Verify that employees acting on behalf of and/or for the Company in the process of applying for subsidized loans to public bodies are formally identified and delegated;
- Make truthful statements to national or EU public bodies for the purpose of obtaining grants, contributions or funding;
- Prepare reports on the actual use of funds obtained from public grants and funding;
- Carry out procedural controls with reference to financial management, with particular attention to flows that are not part of typical processes

of the company and are therefore managed in an extemporaneous and discretionary manner in order to prevent the formation of hidden reserves;

- Verify that individuals participating in judicial, tax, and administrative inspections (e.g., related to Legislative Decree 81/2008, tax audits, INPS, etc.) are expressly identified and that the appropriate minutes are prepared and kept;
- not to distribute gifts and gratuities outside the provisions of the company procedure/practice and the Code of Conduct and related Norms: permitted gifts are always characterized by the exiguity of their value or because they are aimed at promoting charitable or cultural initiatives or the Company's *brand image.* Gifts offered - except those of modest value - must be adequately documented to enable verification by the Supervisory Board. In particular, any gifts to Italian and foreign public officials or their family members that could influence independence of judgment or induce them to secure any advantage for the company are prohibited;

- not make monetary handouts or grant benefits of any kind (promises of employment, etc.) to Italian or foreign public officials, either directly from Italian entities or their employees, or through persons acting on behalf of such entities both in Italy and abroad;
- not to influence, in the course of any business negotiation, request or relationship with the PA, the decisions of officials dealing or making decisions on behalf of the PA;
- not to give compensation, offer or promise benefits of any kind to employees/clients/suppliers/partners/service companies that are not adequately justified in the context of the employment or contractual relationship established with them and to local practices;
- not to offer corporate hospitality (including meals and entertainment) to public officials outside the provisions of corporate procedure/practice and the Code of Conduct : business and labor relations should take precedence over entertainment, which should not be excessive and should only be offered as a sideline;
- Not to be represented in dealings with the Public Administration, by consultants or third parties that may create conflicts of interest;
- not solicit and/or obtain confidential information that could compromise the integrity or reputation of either party;
- Do not engage in conduct that has the purpose or effect of inducing a person to make false statements before the Judicial Authority;
- in relations with the Public Authorities, with particular regard to judging and investigating Authorities, maintain a clear, transparent, diligent and cooperative behavior, through the communication of all information, data and

news that may be requested.

2.2 Sensitive Processes in the area of cybercrimes

The main Sensitive Processes that theCompany hasidentified, albeit residually, in relation to the crimes under Article *24-bis* of Legislative Decree 231/01 are as follows:

Management of the Information Technology/Telematics System with particular reference to the following Risk Activities:

- Installation/ Maintenance equipment computer equipment(*software* e *hardware*).
- Monitoring access to computer/telematics systems.

- Use of computer/telematic systems to support work activities with particular reference to the following Risk Activity:
    - Access to external computer/telematic systems (e.g., third-party companies, government, etc.).

The risk of commission of the offenses covered by this Section may occur although in the abstract to a greater extent in the areas (activities, functions, processes), in which the personnel, in the performance of their activities, have an information system with external connectivity and, in particular, the IT area, given the specific skills and knowledge that characterize the Employees working in this area.

NKE in order to protect its corporate assets as well as to prevent the commission of any criminal offenses, maintains constantly updated corporate information security programs.

In particular, measures are taken to ensure sufficient knowledge and proper use of the information system, such as preparing information security policies, organizing training courses for employees, and implementing communications.

That being said, express reference is made to compliance with company regulations adopted to govern the use of IT resources and tools.

In addition to making express reference to the principles contained in the Code of Conduct,appropriate guidance on:

- Use of software and hardware
- Use of e-mail and the Internet
- Access control
- ICT asset management

2.2.1. Specific principles of behavior

In addition to what is stated in the "General Control Environment" section at the beginning of this section, some additional principles of behavior that must be observed specifically for effective prevention of the risk of committing cybercrimes

are listed below:

- Provide, to the recipients, adequate information regarding the proper use of the company's information technology resources and the risk of the commission of computer crimes;
- Restrict access through company resources to computer networks and systems outside the company consistent with work requirements;
- set up and maintain adequate physical defenses to protect the Company's *servers* and more generally to protect any corporate computer system, including by setting up a system to control access to the *server* rooms;
- adequately inform users of computer systems of the importance of keeping their access codes (*username* and *password*) confidential and not disclosing them to third parties;
- disseminate to users of information systems a specific document by which they commit themselves to the proper use of the company's information technology resources;
- inform users of computer systems of the need not to leave their computer systems unattended and the convenience of locking them, should they leave their workstations, with their access codes;
- Set up the computer systems themselves so that if they are not used for a specified period of time, they will automatically lock up;
- access to and from the outside (connection to the Internet) must be authorized and must be carried out only in the permitted manner;
- Equip the *servers* room with a door with physical access control allowed only to authorized personnel;
- protect each corporate computer system in order to prevent the unlawful installation of *hardware* devices capable of intercepting communications relating to a computer or telecommunications system, or between several systems, or capable of preventing or interrupting them;
- provide each computer system with adequate *firewall* and antivirus *software* and ensure that, where possible, these cannot be disabled;
- Prohibit the installation and use of *software* (programs) not approved by the Company and unrelated to the professional activity performed by the recipients or users;
- Restrict access to areas and sites on the Internet that are particularly sensitive because they are vehicles for the distribution and dissemination of infected programs (so-called "viruses") capable of damaging or destroying computer systems or data contained therein (e.g., e-mail sites or sites for disseminating information and *files*);
- Prohibit, in particular, the installation and use, on the Company's computer systems, of *software* (so-called "*P2P*", *file sharing* or unauthorized *instant messaging*) by means of which it is possible to exchange with other parties within the Internet network all types of *files* (such as movies, documents, songs, viruses, etc.) without any possibility of control by the Company;

- protect the *wireless connections* (i.e., wireless, by means of *routers* equipped with WiFi antenna), which may be used to connect to the network, by setting an access key, in order to prevent third parties, external to the Company, from illicitly connecting to the Internet network through the Company's *routers* and committing offenses attributable to the Company's employees;
- provide, where possible, a *username* and *password* authentication process to which corresponds a limited profile of system resource management, specific to each recipient or category of recipients.

Cybercrime offenses also include so-called forgery offenses. Therefore, the transmission of any untrue, forged or inauthentic act by means of a telematic transmission is absolutely prohibited.

2.3 Sensitive Processes under organized crime offenses and transnational crimes

Organized crime offenses under Article 24- *ter* of Legislative Decree 231/01 and Articles 3 and 10 of Law No. 146/2006 presuppose the existence:

- of a stable associative bond between three or more persons, intended to last even beyond the realization of the concretely planned crimes;
- Of a criminal program aimed at the commission of an indeterminate number of crimes;
- Of an adequate organizational structure to carry out the criminal objectives.

Therefore, the liability of the entity is extended to any type of crime implemented in an associative form regardless of the concrete commission of the crime-end, even if not directly included in the scope of Legislative Decree 231/01.

With the law ratifying the Palermo Convention, the scope of operation of Legislative Decree 231/01 is broadened: in fact, the provisions of Legislative Decree 231/01 apply to the transnational crimes indicated in Law 146/2006, according to Article 10 of the law itself.

The law defines transnational crime as a crime, punishable by imprisonment of not less than a maximum of four years, involving an organized criminal group and which:

- Is committed in more than one state; or
- Is committed in one state, but a substantial part of its preparation, planning, direction or control takes place in another state; or
- Is committed in one state, but an organized criminal group engaged in criminal activities in more than one state is involved in it; or
- Is committed in one state but has substantial effects in another state.

The Company believes that it must oversee the internal organization through appropriate segregation of duties and processes for managing relationships with suppliers/customers/partners through specific controls over the following Risk Activities:

- Qualification and selection of suppliers/clients/partners.
- Contractual/investment relationships.
- Management of payments/collections made/received.

2.3.1 Specific principles of behavior

In addition to what is stated in the "General Control Environment" section at the beginning of this section, some additional principles of behavior that must be observed specifically for effective prevention of the risk of domestic and transnational commission of organized crime offenses are listed below:

- provide for appropriate segregations of duties and responsibilities in the management of the supplier/partner, with particular reference to the evaluation of bids, the performance of the service and its approval, and the settlement of payments;
- Verify the regularity of payments, with reference to the full coincidence between recipients/orderers of payments and counterparties actually involved in the transactions;
- Perform formal and substantive controls of corporate financial flows, with reference to payments to third parties and intercompany payments/transactions. These controls must take into account the registered office of the counterparty company (e.g., tax havens, countries at risk of terrorism, etc.), the credit institutions used (registered office of the banks involved in the transactions and institutions that do not have physical establishments in any country) and any corporate screens and trust structures used for extraordinary transactions or operations.

2.4 Sensitive Processes under corporate crimes

The main Sensitive Processes that the Company has identified internally in relation to the crimes set forth in Article *25-terof* Legislative Decree 231/01 are as follows:

- Preparation of communications to shareholders and/or third parties regarding the company's economic, asset and financial situation (financial statements accompanied by the relevant statutory reports, etc.), with particular reference to the following Risk Activities:
    - Drafting of the Balance Sheet, Income Statement, Notes to the Financial Statements, and Report on Operations.
- Management of control activities by the Shareholders, the Board of Statutory Auditors, and the independent auditors, with particular reference to the following

Risk Activity:

- Control carried out by the Members and the Board of Auditors.

In relation to the type of crime related to Article *25-ter*, paragraph 1, letter s-bis "**Bribery among private individuals**" of Legislative Decree 231/01, the main Sensitive Process identified by the Company is as follows:

- Management of relationships with suppliers/customers/partners, with particular reference to the following Risk Activities:
    - Qualification and selection of suppliers/clients/partners.
    - Contractual/investment relationships.
    - Management of payments/collections made/received.

In addition, the following Instrumental Activities have been identified under this offense:

- Giving of gifts or gratuities;
- promises of employment;
- Consulting/supply management;
- expense reimbursements.

2.4.1 Specific principles of behavior

In addition to what is stated in the paragraph "General Control Environment" at the beginning of this section, some additional principles of behavior that must be observed specifically for effective prevention of the risk of committing corporate crimes are listed below.

This Section also provides for the express obligation of the Company's Corporate Bodies, Employees and Consultants, to the extent necessary for the functions they perform, to:

As part of the preparation of communications to shareholders and/or third parties regarding the company's economic, asset and financial situation (financial statements accompanied by the relevant statutory reports, etc.):

- to behave correctly, transparently and cooperatively, in compliance with the law and internal company procedures, in all activities aimed at the preparation of financial statements and other corporate communications, in order to provide shareholders and third parties with true and correct information on the company's economic, asset and financial situation;

- Strictly observe all rules set by law to protect the integrity and effectiveness of share capital, so as not to harm the guarantees of creditors and third parties in general;

- Draw up the above documents according to specific company procedures that:
    - determine with clarity and completeness the data and news that each function must provide, the accounting criteria for processing the data, and the timeline for delivering them to the responsible functions;

  - provide for the transmission of data and information to the responsible function through a system (including computer-based) that allows for the tracking of individual steps and the identification of individuals entering data into the system;
- Prepare a basic training program on the main legal and accounting concepts and issues on financial statements, aimed at all managers of the functions involved in the preparation of financial statements and other related documents, taking care, in particular, of both the training of new employees and the conduct of periodic refresher courses.

As part of the Management of Relations with the Board of Auditors:

- Ensuring the smooth operation of the Company and the Corporate Bodies, guaranteeing and facilitating all forms of internal control over the company's management provided for by law (see art.14 , 1°c, of Legislative Decree 14/2019), as well as the free and correct formation of the will of the shareholders' meeting;

Within the of management of relationships with suppliers/customers/partners/intermediaries the following behavioral principles are specified(in relation to the crime of "Bribery among private individuals"):

- not distribute gifts and gratuities outside the provisions of the Code of Conduct: permitted gifts are always characterized by the smallness of their value or because they are aimed at promoting charitable or cultural initiatives or the Company's *brand image.* Gifts offered - except those of modest value - must be adequately documented to enable verification by the Supervisory Board. In particular, any gratuity to suppliers/clients/partners/intermediaries that could influence independent judgment or induce them to secure any advantage for the company is prohibited;
- not make charitable donations and sponsorships without prior authorization or outside the scope of corporate practice; such contributions must be intended solely to promote charitable or cultural initiatives or the Company's *brand image.* All donation proposals must receive the appropriate administrative and financial approvals;
- Not making expenditures for meals, entertainment or other forms of hospitality outside the scope of company procedures and the Code of Conduct.
- avoid situations of conflict of interest, with particular reference to interests of a personal, financial or family nature (e.g., the existence of financial or business holdings in supplier companies, clients or competitors, improper advantages arising from the role played within the Company, etc.), which could influence independence towards suppliers/clients/partners/intermediaries;
- Not making monetary handouts or granting benefits of any kind (promises of employment, etc.) to suppliers/clients/partners either directly or through intermediaries;
- not hire or make promises of employment that are not based on criteria of objectivity, competence and professionalism and that are not adequately

documented;

- not to give compensation, commission, offer or promise benefits of any kind to suppliers/clients/partners/intermediaries that are not adequately justified in the context of the working relationship or contractual relationship established with them and to current local practices;
- Provide appropriate segregations of duties and responsibilities in management:
  - of the supplier/partner/intermediary, with particular reference to the evaluation of bids, the performance of the service/supply and its approval, and the settlement of payments;
  - of the customer, with particular reference to setting the price, payment terms and conditions, and discounting;
- any financial transaction must assume knowledge of the beneficiary of the relevant sum;
- Verify the consistency between the subject matter of the contract and the service/supply performed, as well as the coincidence between recipients/payment orderers and counterparties actually involved in the transactions;
- Carefully investigate and report to the Supervisory Board:
  - Requests to make payments to a third party instead of directly to the contracting party;
  - Unusually high fee demands;
  - Claims for reimbursement of expenses that are inadequately documented or unusual for the operation in question;
  - Granting discretionary discounts that are not adequately documented and/or authorized;
  - Requests to make payments from/to an account other than the one listed in the registry or relating to credit institutions located in tax havens or that have no physical establishments in any country;
  - Requests to make payments to/from counterparties based in tax havens, terrorism risk countries, etc.

2.5 Sensitive Processes under the crimes of culpable homicide and serious or very serious culpable injury (committed in violation of accident prevention and occupational hygiene and health protection regulations)

The Model must provide an appropriate system of control over its implementation and the maintenance over time of the conditions of suitability of the measures taken.

The Company has equipped itself with an internal control system for the protection of safety in the workplace, aimed at preventing possible violations of the relevant regulations and ensuring the necessary technical expertise and powers for the verification, assessment and management of risk through the provision of a suitable organizational structure, internal rules and procedures, and with constant monitoring of processes.

This monitoring, carried out by the **Company's designated internal functions**, is possibly supplemented by the activity carried out, at the request of the Supervisory Board, by external entities and/or the Company's Audit function. The findings of the interventions are communicated to the Supervisory Board in order to assess the possible need to modify or supplement the internal control system for safety.

The review and possible amendment of the Model must be adopted when significant violations of regulations relating to accident prevention and occupational hygiene are discovered, or when there are changes in the organization and activity in relation to scientific and technological progress (Art. 30 co. IV Legislative Decree No. 81 of 2008).

It should be noted that the Company is currently ISO 45001 "*Occupational Health and Safety Management Systems"* certified.

The main Sensitive Processes that the Company has concretely identified internally in relation to the crimes set forth in Article *25-septies* of Legislative Decree 231/01 are as follows:

1. **Compliance with legal technical and structural standards related to equipment, facilities, workplaces and specific risks, with particular reference to the following Risk Activities:**
   - Identification and evaluation of legal requirements, technical standards and other applicable requirements with reference to the business reality;
   - Scheduling of inspections, periodic checks and maintenance interventions;
   - Identification of competent company figures to procure (in compliance with applicable regulations) hazardous equipment, machines, substances and preparations.
2. **Risk assessment activities and preparation of consequent prevention and protection measures, with particular reference to the following Risk Activities:**
   - Hazard identification and risk assessment (referring to all conditions applicable to the business reality);
   - Identification of implemented preventive and protective measures and personal protective equipment;
   - Review of risk assessment following significant changes (new activities, changes in legislation, production process or work organization, emergencies, accidents, occupational diseases, etc.);
   - Definition and implementation of the improvement plan containing the implemented prevention and protection measures planned according to the priorities for action.
3. **Activities of an organizational nature such as emergencies, first aid, contract management, periodic safety meetings, consultation with workers' safety representatives, with particular reference to the following Risk Activities.**

- **In relation to the organization of emergency and first aid situations:**
  - Identification of possible emergency situations and definition of actions to be taken;
  - Identification and designation of persons in charge of implementing emergency management measures (fire prevention and firefighting, workplace evacuation, first aid, etc.);
  - Drafting of the Emergency Plan, defining the organizational and management measures to be implemented;
  - First aid organization with the cooperation of the Medical Officer in charge;
  - Organizing how to communicate with relevant public services on emergency management (firefighting, first aid, etc.);
  - Definition of how to branch the alarm;
  - Preparation and posting of floor plans showing escape routes and the location of firefighting equipment;
  - Organization of annual fire and first aid drills;
  - Evaluation of the outcome of emergency testing, adequacy of management measures applied and possible updating of the Improvement Plan.

- **In relation to procurement management:**
  - Selection of contractors after verification of technical and professional suitability;
  - Contractors' contractual duties and obligations;
  - Implementation of measures provided for in Article 26 of Legislative Decree 81/08 (obligations related to contracts or works or supply contracts);
  - Implementation of measures under Title IV of Legislative Decree 81/08 (management of temporary and mobile construction sites);
  - Supervision of Supervisors and Construction Manager (enforcement of Article 26 and Title IV measures).
- **In connection with the organization of periodic safety meetings and To consultation with workers' safety representatives.**
  - Periodic meeting ex art. 35 Legislative Decree 81/08;
  - Consultation of Workers' Representatives and attributions provided for in Article 50 of Legislative Decree 81/08.

4. **Health surveillance activities, with particular reference to the following Risk Activities:**
   - Verification of qualifications and requirements of the Medical Officer and implementation of health surveillance;

- Participation of the Medical Officer in risk assessment, drafting the health protocol and defining the periodicity of health checks;
- Periodic inspection of working environments, by the Medical Officer;
- Establishment and safekeeping, by the Medical Officer, of workers' health records.

5. **Information and training of workers, with special reference to the following Risk Activities:**
    - Ways of managing worker information and training activities;
    - Preparation and implementation of the "Annual Education, Information and Training Program" for all company figures;
    - Education and training for workers in charge of the use of work equipment requiring special knowledge and for those requiring special skills;
    - Training of RSPP, RLS, and emergency and first aid officers ;
    - Verification of the adequacy of the training given regarding the risks of the task to which the worker is assigned;
    - Training of workers on the main aspects of the Organization and Management Model and the roles, duties and responsibilities of each figure involved in it;
    - Collection and storage of training, information and worker data;
    - Information to workers on first aid, firefighting and workplace evacuation procedures as well as the names of those in charge.
6. **Supervisory activities with reference to workers' compliance with safe work procedures and instructions, with particular reference to the following Risk Activities:**
    - Identification of security system figures and assignment of their positions;
    - Supervision, by Managers and Supervisors, of workers' compliance with company regulations.
7. **Acquisition of legally required documentation and certifications, with particular reference to the following Risk Activities:**
    - Management and custody of mandatory certifications and all documents pertaining to occupational health and safety.
8. **Periodic audits of the application and effectiveness of the procedures adopted, with particular reference to the following Risk Activities:**

- Periodic monitoring and measurement of the implementation and effectiveness of adopted procedures;
- Audit activities to monitor the implementation and effectiveness of the procedures applied.

9. **Systems for recording that the activities in items 1 through 8 have been carried out, with particular reference to the following Risk Activities:**
   - Defining and implementing how documentation is managed and kept.
10. **Articulation of functions that ensure the technical skills and powers necessary for the verification, evaluation, management and control of risk as well as a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model, with particular reference to the following Risk Activities:**
    - In relation to health and safety roles and responsibilities:
      - Formal definition of the internal organizational structure in charge of managing health and safety aspects in the workplace of the site;
      - Updating the organization in charge of managing occupational health and safety issues in case of changes in the organizational structure of the site;
      - Formal designation of the Prevention and Protection Service Manager and any Prevention and Protection Service Officers;
      - Compliance with health and safety work procedures and instructions through the organizational structure in charge of supervision and control activities.
    - In relation to the disciplinary system:
      - Communication to all stakeholders of the disciplinary and penalty system adopted by the company;
      - Application of the disciplinary and penalty system for conduct in violation of the control system and/or failure to comply with obligations under occupational health and safety legislation.
11. **Control system on the fulfillment of what is stated in items 1 to 10, with particular reference to the following Risk Activity:**
    - Establishment of a suitable control system on the application of prevention and protection measures, as well as accident prevention and workplace hygiene.

2.5.1 Specific principles of behavior and preventive measures

This part is intended to regulate the behaviors put in place by Employer, Managers, Supervisors, Workers and Contractors.

The goal is to:

- provide a list of the general principles and specific procedural principles to which the recipients, to the extent that they may be involved in the performance of Activities at Risk, are required to adhere for the purpose of preventing the crimes of manslaughter and serious or very serious culpable injury, committed in violation of the rules on accident prevention and the protection of hygiene and health at work, while taking into account the different position of each of the subjects themselves vis-à-vis the Company and, therefore, the diversity of their obligations as specified in the Model;
- provide the Supervisory Board and the heads of the other corporate functions called upon to cooperate with it with the operational tools to carry out the planned control, monitoring and verification activities. In this regard, it should be noted that, given the specificity of the subject matter, the Supervisory Board in carrying out its activities will, necessarily, have to make use of specialized personnel also in order to maintain and integrate the requirement of professionalism required of its role by the norm.

In order to enable the implementation of principles aimed at protecting the health and safety of workers as identified in Article 15 of Legislative Decree 81/2008 and in compliance with the provisions of Legislative Decree 81/2008 as amended, the following is provided.

Procedures/dispositions

- The Company must issue procedures/provisions to formally define duties and responsibilities regarding safety;
- the Company must monitor occupational accidents and regulate reporting to INAIL in accordance with the provisions of the law;
- the Company must monitor occupational diseases and regulate the reporting of related data to the National Register for Occupational Diseases established at the INAIL database;
- the Company must adopt an internal procedure/arrangement for organizing preventive and periodic health examinations;
- the Company must adopt an internal procedure/disposition for the management of first aid, emergency, evacuation and fire prevention;
- the Company must adopt procedures/arrangements for the administrative handling of injury and occupational disease files.

Requirements and skills

- The SPP Manager, competent physician, first aid officers and individuals assigned to the Prevention and Protection Service must be formally appointed;

- Those responsible for monitoring the implementation of maintenance-improvement measures must be identified;
- the physician must hold one of the qualifications under Art. 38 Legislative Decree 81/2008, namely:
  - of specialization in occupational medicine or preventive medicine of workers and psychotechnics;

    or
  - teaching in occupational medicine or preventive medicine of workers and psychotechnics or industrial toxicology or industrial hygiene or occupational physiology and hygiene or occupational clinic;

    or
  - authorization referred to in Article 55 of Legislative Decree August 15, 1991, n. 277;
  - specialization in hygiene and preventive medicine or forensic medicine and proven attendance at appropriate university training courses or proven experience for those who were performing as of August 20, 2009, the activities of competent physician or had performed them for at least one year within the previous three years.
- The SPP Manager must have professional skills and requirements in prevention and safety and, specifically, must:
  - Be in possession of an upper secondary education degree;
  - Have participated in specific training courses appropriate to the nature of the hazards present in the workplace;
  - Have obtained certificate of attendance of specific training courses on risk prevention and protection;
  - Have attended refresher courses.
- The competent physician must participate in the organization of environmental monitoring and receive copies of the results.

Information

- The Company must provide adequate information to employees and new hires (including temporary workers, interns and co.co.pros) about the specific risks of the enterprise, the consequences of these and the prevention and protection measures taken;
- there must be evidence of the information provided for the management of first aid, emergency, evacuation and fire prevention, and minutes must be kept of any meetings;
- employees and new hires (including temporary workers, interns, and co.co.pros) must receive information on the appointment of the SPP Manager, the competent physician, and the specific duty officers for first aid, rescue, evacuation, and fire prevention;

- information and instruction for the use of work equipment made available to employees must be formally documented;
- the SPP Manager and/or the competent physician must be involved in the establishment of information programs;
- the Company must organize periodic meetings between the functions in charge of occupational safety;
- the Company must involve the Workers' Safety Representative in the organization of risk detection and assessment activities, designation of fire prevention, first aid and evacuation workers.

Training

- The Company must provide adequate training to all employees on workplace safety;
- The SPP Manager and/or the competent physician must participate in the drafting of the training plan;
- training provided must include evaluation questionnaires;
- training must be appropriate to the risks of the task to which the worker is actually assigned;
- a specific training plan must be prepared for workers exposed to serious and immediate risks;
- workers who change jobs and those transferred must have prior, additional and specific training for the new job;
- managers and supervisors receive appropriate and specific training and periodic refresher training by the employer in relation to their occupational health and safety duties;
- those assigned to specific prevention and protection tasks (fire prevention officers, evacuation officers, first aid officers) must receive specific training;
- the Company must carry out periodic evacuation drills, evidence of which must be provided (minutes of the drill with reference to participants, conduct and findings).

Registers and other documents

- The accident book must always be up-to-date and filled out in its entirety;
- In the case of exposure to carcinogens or mutagens, an exposure register must be prepared;
- Documentary evidence must be given of workplace visits conducted jointly between the SPP Manager and the competent physician;

- the Company must keep records related to occupational safety and hygiene compliance;
- the risk assessment document may also be kept in a computer medium and must be dated or attested by the employer's signature on the document, as well as, for the sole purpose of proof of the date, by the signature of the SPP Manager, the RLS or the territorial workers' safety representative and the competent doctor;
- the risk assessment document must indicate the criteria the tools and methods by which the risk assessment was carried out. The choice of criteria for drafting the document is left to the Employer, who provides it with criteria of simplicity, brevity and comprehensibility, so as to ensure its completeness and suitability as an operational tool for planning company interventions and prevention;
- the risk assessment document must contain the program of maintenance and improvement measures.

Meetings

The Company must organize periodic meetings between the relevant functions, which are allowed to be attended by the Supervisory Board, through formal convening of the meetings and related minutes signed by the participants.

Duties of the Employer and Manager.

- Organize the prevention and protection service-the SPP Manager and the employees-and appoint the competent doctor;
- Evaluate - including in the choice of work equipment, chemical substances or preparations used, and in the arrangement of workplaces - all risks to the health and safety of workers, including those concerning groups of workers exposed to particular risks, including those related to work-related stress, as well as those related to differences in gender, age, origin from other countries, and the specific type of contract through which the work is performed;
- adapt work to man, particularly in the design of workplaces and the choice of work equipment and methods, especially to mitigate monotonous work and repetitive work and to reduce the health effects of these jobs;
- Draw up, as a result of this assessment, a document (to be kept at the company or production unit) containing:
  - A report on the assessment of risks to safety and health at work, specifying the criteria adopted for the assessment;
  - The identification of preventive and protective measures and personal protective equipment, resulting from the assessment in the first point;

- The program of measures deemed appropriate to ensure the improvement of safety levels over time.

The activity of assessment and drafting of the document must be carried out in collaboration with the person in charge of the prevention and protection service and the competent doctor after consultation with the safety representative, and must be carried out again when there are changes in the production process that are significant for the safety and health of workers, in relation to the degree of evolution of technology or following significant accidents or when the results of health surveillance show the need for it. In such cases, the risk assessment document must be reworked within 30 days of the respective causes;

- Take the necessary measures for the safety and health of workers, in particular:
    - designating in advance the workers responsible for the implementation of fire prevention and firefighting measures, evacuation of workers in case of serious and immediate danger, rescue, first aid and, in any case, emergency management;
    - updating prevention measures in relation to organizational and production changes that are relevant to occupational health and safety, or in relation to the degree of development of prevention and protection technology;
    - taking into account the workers' abilities and conditions in relation to their health and safety, in assigning the relevant tasks to them;
    - providing workers with necessary and suitable personal protective equipment in consultation with the Prevention and Protection Service Manager;
    - taking appropriate measures so that only workers who have received appropriate instructions access areas that expose them to a serious and specific risk;
    - requiring individual workers to comply with applicable regulations, as well as company regulations on safety and occupational hygiene and the use of collective means of protection and personal protective equipment made available to them;
    - sending workers for medical examination within the deadlines stipulated in the health surveillance program and requiring the competent doctor to comply with the obligations stipulated in the occupational safety regulations, informing him/her about the processes and risks related to the production activity;
    - taking measures to control hazardous situations in the event of an emergency and instructing that workers, in the event of serious, immediate and unavoidable danger, leave the workplace or hazardous area;
    - informing workers exposed to serious and immediate risks about the risks themselves and the safety specifications adopted;

  - refraining, except for duly justified exceptions, from requiring workers to resume their activities in a work situation where serious and immediate danger persists;
  - allowing workers to verify, through the safety representative, the application of safety and health protection measures, and allowing the safety representative to access company information and documentation pertaining to risk assessment, related prevention measures, and those pertaining to hazardous substances and preparations, machinery, equipment, organization and work environments, and occupational injuries and illnesses;
  - taking appropriate measures to prevent the technical measures taken from causing health hazards to the public or deteriorating the outdoor environment;
  - monitoring occupational accidents involving at least one day's absence from work and occupational diseases and keeping records of the data collected, of which the prevention and protection service and the competent doctor must also be informed;
  - consulting with the safety representative regarding: risk assessment, identification, planning, implementation and verification of prevention in the Company; designation of prevention officers, fire prevention activities, first aid, evacuation of workers; organization of training of workers in charge of emergency management;
  - taking the necessary measures for the purpose of fire prevention and evacuation of workers, as well as for the case of serious and immediate danger. These measures must be appropriate to the nature of the activity, the size of the company, or production unit, and the number of people present;
- agree with the competent physician, at the time of appointment, on the place of safekeeping of the health and risk records of the worker undergoing health surveillance, to be kept with preservation of professional secrecy; a copy of the health and risk records must be given to the worker at the time of termination of employment, providing the worker with the necessary information regarding the preservation of the original. Each worker concerned must be informed of the results of health surveillance and, upon request, receive a copy of the health records.

Duties of the person in charge

- **supervise and monitor individual workers' compliance with their legal obligations,** as well as with the company's provisions on occupational health and safety and the use of the collective means of protection and personal protective equipment made available to them and, in the event of persistent non-compliance, inform their immediate superiors;

- check to ensure that only workers who have received appropriate instructions access areas that expose them to a serious and specific risk;
- require compliance with measures to control hazardous situations in the event of an emergency and instruct that workers, in the event of serious, immediate and unavoidable danger, leave the workplace or hazardous area;
- Inform workers exposed to the risk of serious and immediate danger as soon as possible about the risk itself and the protective arrangements made or to be made;
- Refrain, except for duly justified exceptions, from requiring workers to resume their work in a work situation where serious and immediate danger persists;
- Promptly report to the employer or manager both deficiencies in work means and equipment and personal protective equipment, and any other hazardous conditions occurring during work, of which he/she becomes aware on the basis of the training received;
- Intervene to change the noncompliant behavior by providing necessary safety guidance;
- interrupt the worker's activity and inform the direct superiors, in case of failure to implement the provisions or persistent non-compliance;
- if necessary, if it detects deficiencies in work means and equipment (and any hazardous conditions), temporarily stop the activity and promptly report nonconformities to the employer and manager.

Duties of Workers

- Observe the provisions and instructions given by the employer, managers and supervisors for the purpose of collective and individual protection;
- Properly use machinery, equipment, tools, hazardous substances and preparations, means of transport and other work equipment, and safety devices;
- Appropriately use the protective equipment made available to them;
- immediately report to the employer, the manager or the person in charge any deficiencies in the means and devices referred to in the preceding points as well as any other dangerous conditions of which they become aware, taking direct action, in case of urgency, within their powers and possibilities, to eliminate or reduce such deficiencies or dangers, notifying the workers' safety representative;
- Do not remove or modify safety or warning or control devices without permission;

- not to carry out on their own initiative operations or maneuvers that are not within their competence or that may compromise their own safety or that of other workers;
- Undergo the health checks provided against them;
- contribute, together with the employer, managers and supervisors, to the fulfillment of all obligations imposed by the competent authority or otherwise necessary to protect the safety and health of workers during work.

2.5.2 Procurement contracts

Relations with contractors

The Company must prepare and keep updated the list of companies operating within its sites under contract.

Arrangements for management and coordination of contract work must be formalized in written contracts in which there are express references to the requirements of Article 26 of Legislative Decree 81/2008, including, in the employer:

- Verify the technical and professional suitability of contractors in relation to the work to be contracted out, including through registration with the chamber of commerce, industry and handicrafts;
- Provide detailed information to contractors about the specific risks existing in the environment in which they are to work and about the prevention and emergency measures taken in connection with their activities;
- Cooperate in the implementation of prevention and protection measures from occupational hazards incident to the contracted work activity and coordinate protection and prevention measures from the risks to which workers are exposed;
- Adopt measures to eliminate risks due to interference between the work of different enterprises involved in the execution of the overall work.

Except in cases of services of an intellectual nature, mere supplies of materials or equipment, as well as works or services whose duration does not exceed five man-days (man-days means the presumed extent of the works, services and supplies represented by the sum of the man-days necessary to carry out the works, services and supplies considered with reference to the time span of one year from the beginning of the works)- provided that they do not involve risks indicated in Art. 26 paragraph 3- *bis* of Legislative Decree 81/08-the employer arranges/organizes the joint risk assessment with the contracting companies. The commissioning employer and the contractor must prepare a single risk assessment document (DUVRI)in which the measures taken to eliminate interference are indicated. This document must be attached to the contract or work contract and must be adjusted as the work, services and supplies evolve.

In administration, contracting and subcontracting contracts, costs related to labor safety (which are not subject to rebate) must be specifically indicated. These data may be accessed by the workers' representative and labor unions upon request.

Contracts must clearly define the management of occupational safety requirements in the case of subcontracting.

The principal contractor is jointly and severally liable with the contractor, as well as with each of the additional subcontractors, if any, for all damages for which the worker, employed by the contractor or subcontractor, is not found to be indemnified by the National Institute for Industrial Accident Insurance.

As part of the performance of contracting and subcontracting activities, personnel employed by the contractor or subcontractor must carry special identification cards with photographs containing the employee's personal details and the Employer's name.

Relations with contractors

The Company must prepare and keep updated the list of companies at which it operates as a contractor.

The Company must request information from the companies at which it operates as a contractor about the specific risks and preventive measures taken by them.

Where there are subcontractors, procedures for managing and coordinating subcontracted work must be established.

Contracts/works contracts must specifically state the cost related to occupational safety.

Obligations of suppliers

Suppliers must comply with the prohibition of manufacturing, selling, renting and leasing work equipment, personal protective equipment and facilities that do not comply with current laws and regulations on occupational health and safety.

In the case of financial leases of goods subject to conformity attestation procedures, the same must be accompanied, by the lessor, by the relevant documentation.

Purchase of equipment, machinery and plant

The purchase of equipment, machinery and facilities must be made after evaluation of the safety requirements of the same and in accordance with relevant current and applicable regulations (e.g., CE marking, possession of declaration of conformity issued by the installer, etc.).

Where required by current regulations, their commissioning will be subject to verification and testing procedures.

Workers in charge of the use of new equipment, machinery and facilities should be properly trained.

2.5.3 Disciplinary system

In addition to what has already been stated in Section III of these Guidelines, it should be noted that failure to comply with the measures and behavioral principles provided for the protection of workers' health and safety constitutes a disciplinary offence punishable under and pursuant to Article 49 of the CCNL applied by the Company.

2.6 Sensitive Processes within the scope of the crimes of receiving, laundering and using money, goods or benefits of illicit origin, as well as self-money laundering

The main Sensitive Processes that the Company has concretely identified internally in relation to the crimes set forth in Article 25- *octies* of Legislative Decree 231/01 are as follows:

- Cash flow management with particular reference to the following Risk Activities:
  - Relationship management with suppliers/customers/partners
  - Management of the active and passive cycle and general accounting
  - Management of investments and extraordinary operations;
  - Management of tax/tax compliance;
  - Management of *intercompany* transactions and *transferpricing.*

2.6.1 Specific principles of behavior

In addition to what is stated in the paragraph "General Control Environment" at the beginning of this section, some additional principles of conduct are listed below that must be observed specifically for the effective prevention of the risk of committing the crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin as well as self-money laundering. In addition, these behavioral principles constitute a safeguard aimed at ensuring the correctness of the elements that determine tax returns as well as preventing the predicate offenses set forth in Article 25- quinquiesdecies:

- Determining the minimum requirements to be met by bidding parties and setting the criteria for evaluating bids in standard contracts;
- Identify a function responsible for setting technical specifications and evaluating bids in standard contracts;
- Identify a body/unit responsible for the execution of the contract, indicating duties, roles and responsibilities;
- To determine the criteria for selecting, entering into and executing agreements/joint *ventures* with other enterprises for investment implementation;
- Ensure transparency and traceability of *agreements*/*joint* ventures with other enterprises for investment implementation;

- in relation to extraordinary transactions involve the tax function for the economic assessments underlying such transactions;

- Timely and properly record transactions/transactions in accordance with the criteria prescribed by law and based on applicable accounting principles;
- Check the completeness of documentation related to the management of the asset/liability cycle;
- Verify that the company performing the service is the same as the company issuing the invoice;
- Verify that any payments to be processed manually comply with the controls in the company's procedures and defined authorization levels;
- Verify the regularity of payments/collections, with reference to the full coincidence between recipients/orderers of payments and counterparties actually involved in the transactions;
- Carry out formal and substantive controls of corporate financial flows, with reference to payments to third parties and intercompany payments/transactions;
- Verify that the provision of goods and/or services, within the scope of both intercompany and related party relationships (the latter consistent with the specific company policy) are in line with market values and are properly contracted;
- Verify and periodically update the list of persons formally delegated and authorized to operate the company's bank accounts;
- Verify that bank accounts are properly reconciled;
- Provide appropriate training and information programs aimed at all employees working in company functions involved in the preparation of financial statements and other related documents as well as in company functions involved in tax compliance;
- Verify that investment initiatives comply with the authorization levels and rules defined in the Company's policy.

In preparing tax returns for income tax, indirect tax and other local taxes, the Company shall:

  - Verify the actual correspondence between the stated assets/liabilities and existing items by making use of the invoices for the completed transactions as well as the amounts contained in the accounting records;
  - peremptorily observe the deadlines stipulated in the applicable regulations for their submission as well as for the consequent payment of taxes.

It is also necessary:

- Do not accept cash payments, beyond current legal limits;
- in the case of handling payments/collections through a cash-fed petty cash, formally identify the manager of the petty cash and have a procedure governing

its proper use;

- Do not use anonymous instruments to carry out transfer transactions of significant amounts;
- not to transfer money and bearer securities (checks, money orders, certificates of deposit, etc.) for amounts in the aggregate exceeding the legal limits in force, except through authorized intermediaries, understood to be banks, electronic money institutions and Poste Italiane S.p.A;
- Maintain evidence, in special records on computer files, of transactions made on current accounts opened in states where looser transparency rules remain and managed independently for amounts in aggregate that exceed current legal limits.

2.7 Sensitive Processes in the area of copyright infringement offenses

The main Sensitive Processes that the Company has identified internally in relation to the crimes set forth in Article *25-novies* of Legislative Decree 231/01 are as follows:

- Installation/maintenance/upgrading of *software* provided by third parties, with particular reference to the following Risk Activities:
    - Conduct by the Company of duplication activities of computer *software*.
    - Reproduction, transfer to another medium, distribution, communication of the contents of a database.
- Use of computer/telematic systems to support work activities with particular reference to the following Risk Activities:
    - Reception/dissemination of a protected work of authorship.

The risk of committing the offenses covered by this Section may materialize to a greater extent in certain areas (activities, functions, processes), among which the areas in which personnel work in the management of company *software* assume central importance, given the specific skills and knowledge that characterize the Employees working in this area.

2.7.1 Specific principles of behavior

To guard the Sensitive Processes mentioned above, the principles dictated on the subject of Computer Crime offenses are recalled. In particular, it is appropriate to:

- Inform users of computer systems that the *software* assigned to them is protected by copyright laws and as such is prohibited from being duplicated, distributed, sold or held for commercial/entrepreneurial purposes;
- Adopt corporate rules of conduct covering all Company personnel as well as third parties acting on behalf of the Company.
- provide, to the recipients, adequate information regarding copyrighted works and the risk of the commission of this offense.

In addition to what is stated in the "General Control Environment" section at the beginning of this section, some additional principles of behavior that must be observed specifically for effective prevention of the risk of committing copyright infringement crimes are listed below:

- Protect *copyright* on data, images and/or *software* developed by the company and of strategic value to it through: trade secret, when and where legally possible and/or (for Italy);
- Use *disclaimers* on presentations, technical, commercial documentation that clearly identify the *copyright* holder and date of creation;
- Prohibit the use/use/installation on the computer tools granted by the Company of copied/unmarked/unauthorized material;
- Prohibit the *downloading* of *copyrighted software*;
- Provide, in contractual relationships with partners/third parties, indemnification clauses aimed at holding the Company harmless from any liability in the event of conduct, put in place by them, that may result in the violation of any copyright;
- include clauses that relieve the Company from any prejudicial consequences arising from third-party claims of alleged copyright infringement.

2.8 Sensitive Processes in the area of tax crimes

The main Sensitive Processes that the Company has concretely identified internally in relation to the crimes set forth in Article 25- *quinquiesdecies* of Legislative Decree 231/01 are the following:

- Management of invoicing, accounting data, and preparation of income or value-added tax returns in order to calculate taxes payable;
- Managing the issuance or release of active invoices or other accounting documents;
- Management of declarations of intent issued and received;
- Application of withholding taxes;
- Management of intra-community transactions

2.8.1 General principles of behavior

In addition to what is stated in the paragraph "General Control Environment" at the beginning of this section and the specific principles of behavior stated in paragraph 2.9 (crimes of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-money laundering), some principles of behavior that must be observed specifically for effective prevention of the risk of committing tax crimes are listed below.

It is prohibited to:

- Engaging in behaviors such as to integrate the types of crimes set forth in Article 25-quinquiesdecies of Legislative Decree No. 231/2001, concerning the tax crimes presented in Annex A;
- Representing or transmitting for processing and representation in annual income or VAT returns, false, deficient or, in any case, untrue data, or preparing invoices or other documents for non-existent transactions;
- Issue invoices or other documents for nonexistent transactions;
- Engage in conduct that prevents, through the concealment of documents or the use of other fraudulent means, or obstructs the performance of control and audit activities by shareholders and the Board of Statutory Auditors;
- make services or payments in favor of collaborators, suppliers, consultants, or other third parties working on behalf of the Company, which are not adequately justified in the context of the contractual relationship established with them or in relation to the type of assignment to be performed and current local practices;
- provide the Tax Administration with untrue documentation, conceal relevant news and information, and, more generally, hinder its control activities.

In general, it is required to:

- Draw up and keep constantly updated a calendar, including informational ones, with evidence of the fulfillments required for the submission of income tax and VAT returns;
- Ensure the completeness, truthfulness and transparency of the data and documentation submitted;
- Check operations and correspondence with reality for the purpose of avoiding objective simulations;
- Check the parties involved in order to avoid the emergence of subjective simulations (interposed parties);
- Ensure that all documentation and correspondence held with the Public Administration and broken down by history and type of taxes declared/paid are filed at the area designated for this purpose.
- Verify the existence and operation of business partners (e.g., suppliers, consultants,..).
- Fulfilments towards the Tax Administration and, more generally, towards third parties must be carried out with the utmost

diligence and professionalism so as to provide clear, accurate, complete, faithful, and truthful information while avoiding and in any case reporting, in the appropriate form and manner, any situations that could lead to the commission of the crimes covered by Regulation 231.

- Verify and monitor periodically, before conducting intra-EU transactions, that third parties (suppliers, exporters, dealers, customers, etc.) with whom the Company does business are registered in the VIES (VAT information exchange system) file.
- Carry out specific checks if the trading counterpart is not registered in VIES.

2.8.2 Specific principles of behavior

Listed below are some additional principles of conduct that must be observed specifically for effective prevention of the risk of tax crimes being committed.

When the Company acts as a supplier to a regular exporter and receives a declaration of intent from the customer, it must:

- verify electronically (on the website of the Internal Revenue Service) that the habitual exporter has submitted the declaration of intent;
- Issue invoice for non-taxable transaction for VAT purposes.

When the Company issues declarations of intent to its suppliers, it must:

- Check one's available ceiling;
- Submit declaration of intent to the Internal Revenue Service;
- Check the level of use of the declaration of intent against invoices received without applying VAT.

When the Company acts as a tax withholding agent, it must:

- Collect the specific documentation required by law in order to properly apply the withholdings required for different types of payments;
- Keep such documentation and make it available for the purpose of internal control and possible audits.

2.9 Sensitive Processes in the area of environmental crimes

For NKE, safeguarding the environment is a key element in the management of the business. In particular, the Company is committed to providing all the human and instrumental resources necessary for continuous improvement of environmental performance, evaluating all investment opportunities that may be necessary for this purpose.

NKE, consistent with the principles expressed in the Code of Conduct, has therefore prepared and applies in its Plants an Environmental Management System (EMS) that complies with the Standards set forth in ISO 14001.

In order to obtain formal validation of what has already been implemented, the Company has initiated, at its plant, an activity aimed at certifying that its objectives, policies, procedures and operating methods comply with the Standards set forth in UNI-EN ISO 14001.

Organizational homogeneity and standardization of processes and of the environmental management system are in fact necessary conditions for the effective achievement of objectives also in the environmental field (certification according to international standards and by independent bodies is then the confirmation of the application of such homogeneity within the various realities of the Company).

The main Thematic Control Areas that NKE has concretely identified internally are as follows:

- **Waste management**, with particular reference to the following Risk Activities:
    - Classification of waste generated.
    - Collection and storage of waste within the plant.
    - Recovery and disposal of waste directly or through third parties.
    - Transportation of waste directly or through a third party.
    - Trading and brokering of waste directly or through third parties.
    - Transboundary waste shipment (directly or through a third party).
    - Storage of hazardous medical waste at the site of generation.
- **Discharge of wastewater,** with special reference to the discharge of water containing hazardous substances. Since NKE does not have production processes that involve process water management, discharges to the sewer are treated as domestic/Urban.
- **Atmospheric emissions.**
- **Activities to safeguard soil, subsoil and groundwater**, with special reference to the following Risk Activities:
    - Operation of production activities within protected site.
    - Management of remediation activities.

2.9.1 Specific principles of organization

Listed below are the principles of behavior that must be observed specifically for effective prevention of the risk of committing the crimes in question.

These principles, mostly contained in the Environmental Management System adopted by NKE, are aimed at ensuring compliance with environmental regulations and the provisions contained in Legislative Decree 231/01 and preventing events that could generate forms of

pollution, minimizing the impact of production processes on the environment and seeking continuous improvement in energy performance.

The Environmental Management System is, in addition, aimed at preventing possible violations of the regulations as well as ensuring the necessary technical expertise and powers for risk verification, assessment and management through the provision of a suitable organizational structure, internal rules and procedures.

The monitoring of processes, carried out constantly by the company's internal functions in charge, is possibly supplemented by the activity carried out, at the request of the Supervisory Board, by the Internal Audit function. The results of the interventions are communicated to the Supervisory Board and the relevant internal structure in order to assess the possible need to modify or supplement the internal control system for the prevention of environmental crimes.

Organization of the production unit and allocation of responsibilities

NKE must have an internal operational structure in charge of the Environmental Management System, the main elements, activities and processes of which are described in the "Environmental Management System Manual " (e.g. persons in charge of specific environmental management tasks, organization charts, job descriptions, etc.). In case suppliers or partners are permanently present within the production unit, a brief description of their activities/tasks should also be provided.

The production unit must appoint one or more Management Representative(s) for the Environmental Management System (EMS) by specific appointment, giving him/her the role, responsibility and authority for:

- Ensure that the EMS is established, implemented and kept active in accordance with the requirements of ISO 14001:2004 ,legal requirements and other requirements voluntarily subscribed to by the organization;
- Report, on a periodic basis, to the management of the production unit on the progress of the EMS for the purpose of review and continuous improvement.

Presentation of the production unit

The production unit shall provide a description of its organizational structure and territorial framework indicating by way of example but not limited to:

- the physical perimeter;
- The geographical spatial setting;
- The geological/hydrogeological information;
- The description of production processes and activities auxiliary to production (e.g., production of motor vehicles through the stages of sheet metal, painting and assembly);
- The raw materials and products used in the processes described;
- The identification of direct or indirect activity-related environmental aspects and impacts and the assessment of them.

Environmental Policy: development and dissemination

The management of each production unit must issue the Environmental Policy , which constitutes a statement of principle enshrining the company's commitment to environmental protection, compliance with relevant legislation, voluntarily signed prescriptions and continuous improvement of its management system.

Management must ensure that the Policy is appropriate to the nature, scale, and environmental impacts of its activities, products, and services and that it is regularly reviewed and updated.

The Environmental Policy must be disseminated to all levels of the production unit, as well as to suppliers and contractors on the site. The Environmental Policyis also made available to anyone (stakeholders, customers and the general public) who makes a request for it.

Environmental aspects

The production unit must identify and assess, by means of a specific procedure, the environmental aspects associated with its activities, products or services under ordinary and extraordinary conditions, taking into account also the activities carried out by personnel belonging to third-party companies.

The results should be analyzed at management review meetings and used as a basis for revising the principles of the Environmental Policy, objectives and programs.

Identification, access, and evaluation of regulatory requirements

NKE must identify legal and other signed environmental requirements.

The prescriptions should be analyzed for applicability within the production unit and appropriately disseminated.

It is also necessary to ensure periodic monitoring and evaluation of compliance with the requirements applicable to the production unit.

Main documents and records

NKE must make available e maintain updated the following documentation:

- The Integrated System Management Manual;
- The Environment Policy, goals and objectives;
- General Procedures, Operating Procedures and Work Instructions;
- records, including permits, required by ISO 14001 (e.g., wastewater discharge permit, air emission permit, Integrated Environmental Permit, etc.);
- documents necessary to ensure the planning, operation, and control of processes related to significant environmental aspects (e.g., records of

loading unloading, waste identification forms, maintenance activity records, etc.).

Information and training

NKE must provide adequate information and training to employees and new hires (including temporary workers, interns, and co.co.pros) in this regard:

- to the importance of conforming one's behavior to the Environment Policy , adopted procedures and EMS requirements;
- to the significant environmental aspects and impacts associated with their work, as well as the benefits associated with improving individual performance.

In order to ensure that all personnel in the production unit have received adequate training, an annual training plan should be drawn up that includes assessment questionnaires/specific learning tests whenever possible.

Workers who change jobs and those who are transferred must have prior, additional and specific training for the new job.

Operational control, surveillance and measurement

Environmental operating criteria defined by the production unit in Operating Procedures and Work Instructions must be disseminated to suppliers, consultants and partners if their activities are related to significant environmental aspects.

The production unit must also carry out surveillance and performance measurement activities that have a significant impact on the environment.

Internal Audits and Management Review

The production unit must establish a procedure for planning, conducting and recording internal EMS audits, setting out the basic principles, criteria and procedures for conducting them, and also providing guidance for the selection and training of auditors.

The effectiveness and efficiency of the EMS is verified as part of the Management Review, during which Management assumes awareness of the need for continuous improvement of the system in order to minimize its environmental impacts.

2.9.2 Specific principles of behavior and preventive measures Waste management

Waste management should be carried out in accordance with the principles of precaution and prevention, involving all stakeholders who can influence the quality and quantity of waste generated and taking advice from specialized third parties if necessary.

The Society must:

- Ensure the proper administrative and legal management of waste from the place of generation to final disposal;
- Pursue the goal of reducing the quantity and hazardousness of waste generated;
- Promote separate collection and proper separation of waste-essential for increasing reuse/recovery and prioritizing recovery over disposal;
- Ensure proper separation of waste by providing specific procedures to avoid mixing of hazardous waste and hazardous waste with non-hazardous waste.

In addition, the Company, taking into account its own organization and the legal requirements applicable also at the local level, must define, through specific procedure, the control methods to be adopted in waste management with particular attention to the following activities:

- **classification of waste produced**:
  - Identify the activities or processing that give rise to the waste and determine information on each waste regarding its chemical, physical, qualitative and quantitative characteristics, activity and/or facility of origin;
  - carry out classification according to the descriptions and codes of the European Waste Catalogue (EWC) provided for in the relevant legislation and through chemical and process analysis, if necessary using the advice of third parties;
  - Identify different waste destination options (recovery, treatment, waste-to-energy, incineration, landfill);
  - periodically repeat waste characterization analyses and, in any case, whenever new types of waste are generated;
  - take into account any changes in direct materials, auxiliaries and any process changes, which may result in the generation of a new waste or change in existing ones;
- **Permit management and control:**
  - Identify the person who, at each waste delivery operation to third-party transporters and disposers, checks:
    - The existence and validity of the authorization of the transporting supplier;
    - registration with the National Register of Waste Management Companies for the type of transport of that waste;
    - The validity of the permit of the recipient/disposer of the waste;
    - That the license plate of the vehicle that will transport the waste is listed in the authorization/registration with the National Register;
    - That the quantity of the load does not exceed the maximum capacity of the vehicle;

    - That the acquiring firm has sent the prescribed notice of commencement of business for the operation of recovery operations of that type of waste, in the case of a waste destined for recovery;
    - The surety bonds of disposers and transporters;
  - for the transport of dangerous goods/waste (subject to ADR regulations),ensure the presence of the specific figure of the "ADR consultant", both in case the activity is carried out directly by the company through its own personnel, and in case of subcontracting to external suppliers;
- **Management of waste accompanying documents and communications to public agencies:**
  - Entrust appropriately trained personnel with the compilation and verification of administrative documentation pertaining to waste management, and in particular loading and unloading registers, waste identification forms (FIRs) and the Single Annual Waste Declaration Form (MUD);
  - Have a system for verifying that the IV copy of the FIR is returned within the timeframe set by the standard;
  - Identify the person responsible for reporting data to Public Authorities, where required by current local regulations (e.g., sending the MUD, filling in the waste section for the E PRTR - European Pollution Release and Transfer Register - declaration, annual ADR report);

- **Management of temporary waste storage/ecological island**:
  - Entrust management to designated personnel who will:
    - Verify that any waste is deposited in the established and properly identified areas;
    - check the quantities present in order to ensure that loading and unloading operations are correctly filled in on the register and ensure attendance during opening hours;
    - Organize disposal activities so that the time and management conditions dictated by current regulations are met;
- **Definition of controls under the purview of Industrial Safety:**
  - Provide controls on incoming vendor approvals;
  - Participate in the weighing of incoming and outgoing vehicles;
  - Carry out spot checks of outgoing vehicles to verify that the material loaded corresponds to that indicated in the sales order and/or in the transport documents and FIR.

<u>**Wastewater discharge**</u>

Water discharge management is closely related to the activities, products and production facilities. In order to ensure compliance with relevant regulations, the Company shall:

- Identify and describe the discharge networks present and the process steps that generate the different types of wastewater, as well as the internal and external control points;
- Ensure the proper administrative and legal management of activities that generate water discharges and in particular:
  - in the case of activation or modification of a water discharge, assess whether the modification introduced results in the need to prepare and submit to the relevant public agencies an application for authorization/ modification of the water discharge;
  - following the issuance of the permit by the relevant agencies, take charge of and implement the requirements therein, including any other requirements of the Authority (e.g., analytical controls);
- in case the permit requires periodic self-inspections, but at least once a year:
  - Plan analysis activities through specialized providers and identify individuals to assist in the survey phases;
  - Check that the documentation issued as a result of the checks carried out is complete and consistent with the activity performed and compare the values found with those authorized;
  - Establish and apply specific procedures to ensure consistency between what is declared to the Competent Authority during release/renewal in relation to the presence of substances in Tables 3/A and 5 of Annex V to Part III of Legislative Decree 152/06 as amended and the actual chemical composition of water discharges;
  - in case of abnormalities or exceeding of attention values and/or exceeding of legal/authorized limits, detect nonconformities and define and implement appropriate corrective and preventive actions;
- Plan and implement specific control and maintenance cycles that ensure the reliability and proper management of facilities that generate water discharges and treatment/purification plants.

Atmospheric emissions

In order to ensure the proper administrative and legal management of facilities that generate atmospheric emissions,the Company shall:

- Identify and describe the emission points present and the process steps that generate the different types of emissions;
- In case of installation, relocation or substantial modification (a substantial modification is defined as one that results in an increase or qualitative change in emissions or that alters the conditions of technical conveyance of the

themselves) of a facility that generates emissions, apply for and obtain prior authorization from the relevant public agencies;

- following the issuance of the permit by the relevant agencies, take charge of and implement the requirements therein, including any other requirements of the Authority (e.g., analytical controls);
- In case the permit requires periodic self-inspections:
    - Plan analysis activities through specialized providers and identify individuals to assist in the survey phases;
    - Check that the documentation issued as a result of the checks carried out is complete and consistent with the activity performed and compare the values found with those authorized;
- in case of abnormalities or exceeding of attention values and/or exceeding of legal/authorized limits, detect nonconformities and define and implement appropriate corrective and preventive actions;
- Plan and implement specific control and maintenance cycles that ensure the complete reliability of facilities that generate atmospheric emissions, as well as abatement equipment, where present.

Activities to safeguard soil, subsoil and groundwater

The management of soil, subsoil and groundwater protection activities by the Company must be carried out according to the principles of precaution and prevention, involving all stakeholders in different capacities in the performance of the activity in order to:

- Ensure the proper execution of activities related to the handling and transportation of raw materials and waste as well as the replenishment of chemicals, and in particular:
    - loading/unloading, topping up on machinery/equipment, and refilling of hazardous substances must be carried out by taking all necessary precautions to avoid leakage into the environment;
    - transport and handling personnel within the Company must be informed about the precautions to be taken in driving conduct (e.g., commensurate speed with the type of cargo being transported and road conditions);
    - Have the necessary containment and emergency response systems in case of an accidental spill;
- Ensure the proper operation and maintenance of the facilities in the Society:
    - Arrange appropriate control and verification cycles of tanks, reservoirs, networks also using specialized suppliers;
    - Check that the documentation issued as a result of the audits conducted is complete and consistent with the activity performed and compare the values found with the reference values;

- Define and implement an emergency plan aimed at:
    - Identify potential emergency situations and incidents that may impact the environment as well as how to respond to prevent/mitigate associated negative environmental impacts;
    - Bring the emergency plan to the attention of all internal and external stakeholders through ways that make communication effective;
    - Review and/or revise the emergency plan whenever accidents, emergency situations, health/safety hazards, or abnormal environmental impacts occur;
- To define the procedures for monitoring the activity and reporting to the competent authority to be implemented when site remediation is required.

Managing relationships with suppliers/consultants/partners

To carry out certain activities including the transportation, disposal, recovery and sale of waste, the Company uses suppliers/consultants/partners.

The selection of consultants/suppliers/partners and the regulation of relations with them should be guided by the following principles:

- Give preference to consultants/suppliers/partners with UNI EN ISO 14001:2004-certified or EMAS-registered Environmental Management Systems;
- Verify the commercial and professional reliability of the same through the acquisition of, but not limited to, the following documents:
    - Ordinary visura at the Chamber of Commerce;
    - Self-certification in accordance with Presidential Decree 445/00 regarding any pending charges or judgments issued against them;
    - A copy of the certificate of registration with the National Register of Environmental Managers;
    - Authorization of waste final destination facilities;
    - Waste transport permits;
- Provide for appropriate clauses in contracts with consultants/suppliers/partners:
    - whereby the same undertake to comply with and have their employees, third-party auxiliaries and any sub-contractors comply with legal regulations protecting the environment;
    - by which they declare and guarantee that they possess all administrative authorizations necessary for the performance of the contracted services;

enabling the company or persons/entities delegated by the company to carry out inspections, audits and controls on activities related to significant environmental aspects;

ANNEX A: The cases of predicate offenses.

1. The cases of crimes against the Public Administration (Articles 24 and 25 of Legislative Decree 231/01)

A brief description is given below of the individual cases covered by Legislative Decree 231/01 Articles 24 and 25.

- ***Embezzlement (limited to the first paragraph) (Article 314 c.p.)***

A public official or person in charge of a public service, who, having by reason of his office or service the possession or otherwise the availability of money or other movable thing of others , appropriates it, shall be punished by imprisonment from four years to ten years and six months.

- ***Embezzlement by profiting from the error of others (art. 316, Criminal Code)***

A public official or a person in charge of a public service, who, in the performance of his duties or service, taking advantage of the error of others, unduly receives or believes, for himself or for a third party, money or other benefit, shall be punished by imprisonment from six months to three years. The punishment shall be imprisonment from six months to four years when the act offends the financial interests of the European Union and the damage or profit exceeds 100,000 euros.

- ***Embezzlement to the detriment of the state or the European Union (Article 316-bis of the Criminal Code).***

This offence is committed if, after receiving funding or contributions from the Italian state or the European Union, one does not proceed to use the sums obtained for the purposes for which they were intended (the conduct, in fact, consists in having misappropriated, even partially, the sum obtained, without it mattering that the planned activity was nevertheless carried out).

Taking into account that the consummative moment of the crime coincides with the executive phase, the crime itself can also occur with reference to financing that has already been obtained in the past and is now not allocated to the purposes for which it was provided.

- ***Undue receipt of disbursements to the detriment of the state or the European Union (Article 316-ter of the Criminal Code)***

This offence is committed in cases where - through the use or submission of false statements or documents or through the omission of due information - contributions, financing, subsidized loans or other disbursements of the same type granted or disbursed by the state, other public bodies or the European Community are obtained without being entitled to them.

In this case, contrary to what was seen regarding the previous point (Art. *316-bis*), the use that is made of the disbursements is irrelevant, since the crime is realized at the time the funding is obtained.

Finally, it should be pointed out that this offence is residual with respect to the case of defrauding the state, in the sense that it only occurs in cases where the

conduct does not integrate the extremes of defrauding the state.

- ***Concussion (art. 317 c.p.)***

This offence is committed when a public official or a person in charge of a public service, abusing his or her position or powers, compels someone to unduly give or promise, to him or a third party, money or other benefits. This crime is susceptible to a merely residual application within the scope of the cases considered by Legislative Decree 231/01; in particular, this form of crime could be found, within the scope of application of Legislative Decree 231/01 itself, in the event that an employee or agent of the Company concurs in the crime of the public official or public service appointee who, taking advantage of this capacity, requests undue services from third parties (provided that, from such behavior, an advantage for the Company derives in some way).

"Public official" and "person in charge of a public service" are also defined as the following:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;
2) Officials and agents hired by contract under the Staff Regulations of Officials of the European Communities or the applicable Staff Regulations of the European Communities;
3) persons seconded by the member states or any public or private entity to the European Communities, who perform functions corresponding to those of officials or agents of the European Communities;
4) members and employees of bodies established on the basis of the Treaties establishing the European Communities;
5) Those who, within other member states of the European Union perform functions is activities corresponding to those of public officials and public service officers.

- ***Undue inducement to give or promise benefits (Article 319-quater of the Criminal Code).***

This offense, also known as "***extortion by inducement,"*** occurs when the public official or public service officer, abusing his or her position, induces someone to unduly give or promise money or other benefit to himself or herself or to a third party.

The penalty is imprisonment from six to ten years and six months for the public official and the person in charge of a public service, and imprisonment for up to three years for the person who gives or promises money or other benefits.

- ***Bribery t o perform a function or to perform an act contrary to official duties (Articles 318, 319, 319-bis, 320 of the Criminal Code)***

These offenses occur when a public official receives, for himself or others, money or other benefits to perform, omit, or delay acts of his office (determining an advantage in favor of the offeror).

The public official's activity may take the form of either a due act (e.g., speeding up a file whose processing is his responsibility) or an act contrary to his duties (e.g.,

public official accepting money to ensure the awarding of a tender).

In the case of an act contrary to one's duties, the punishment shall be increased if the act relates to the conferment of public employment or salaries or pensions or the conclusion of contracts in which the administration to which the public official belongs is involved.

The punishments provided in the case of bribery for a due act also apply in the case where a public servant commits it, if he or she holds the capacity of a public servant.

The penalties provided in the case of an act contrary to one's duties also apply if a public servant commits the act.

These offenses differ from extortion in that there is an agreement between the bribe-giver and the corruptor aimed at achieving a mutual benefit, whereas in extortion the private party is subjected to the conduct of the public official or public service appointee.

Penalties are also provided for the briber (Article 321 of the Criminal Code).

"Public official" and "person in charge of a public service" are also defined as the following:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;
2) Officials and servants employed under contract under the Staff Regulations of Officials of the European Communities or the Conditions of Employment of Servants of the European Communities;
3) persons seconded by the member states or any public or private entity to the European Communities, who perform functions corresponding to those of officials or agents of the European Communities;
4) members and employees of bodies established on the basis of the Treaties establishing the European Communities;
5) Those who, within other member states of the European Union perform functions is activities corresponding to those of public officials and public service officers.

For the purpose of determining the penalties for the corruptor, persons performing functions or activities corresponding to those of public officials and persons in charge of a public service within other foreign states or international public organizations shall be considered "public officials" and "persons in charge of a public service," in addition to the persons indicated in the preceding points, if the act is committed in order to procure for themselves or others an undue advantage in international economic transactions.

- ***Bribery in judicial proceedings (Article 319-ter of the Criminal Code).***

This offense occurs when the Company is a party to a judicial proceeding and, in order to obtain an advantage in the proceeding, bribes a public official (not only a magistrate, but also a clerk or other official).

- ***Incitement to bribery (Article 322 of the Criminal Code).***

This offence occurs if, in the presence of behavior aimed at bribery, the public official refuses the offer illegally made to him.

"Public official" and "person in charge of a public service" are also defined as the following:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;
2) Officials and servants employed under contract under the Staff Regulations of Officials of the European Communities or the Conditions of Employment of Servants of the European Communities;
3) persons seconded by the member states or any public or private entity to the European Communities, who perform functions corresponding to those of officials or agents of the European Communities;
4) members and employees of bodies established on the basis of the Treaties establishing the European Communities;
5) Those who, within other member states of the European Union perform functions is activities corresponding to those of public officials and public service officers;
6) persons performing functions or activities corresponding to those of public officials and public service officers within other foreign states or international public organizations, if the act is committed to procure for themselves or others an undue advantage in international economic transactions.

- Embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of organs of international courts or organs of the European Communities or assemblies
international parliamentarians or international organizations and officials of the European Communities and foreign states (Article 322-bis of the Criminal Code)

The provisions of Articles 314, 316, 317 to 320 and 322, third and fourth paragraphs, also apply:

1) to members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;
2) to officials and servants employed under contract under the Staff Regulations of Officials of the European Communities or the Conditions of Employment of Servants of the European Communities;
3) to persons seconded by the member states or any public or private entity to the European Communities who perform duties corresponding to those of officials or agents of the European Communities;
4) to members and employees of bodies established on the basis of the Treaties establishing the European Communities;

5) to those who, within other member states of the European Union, perform functions or activities corresponding to those of public officials and persons in charge of a public service (358);

5-bis) to judges, the prosecutor, assistant prosecutors, officials and agents of the International Criminal Court, persons commanded by the States Parties to the ICC Treaty who perform functions corresponding to those of officials or agents of the ICC, members and employees of bodies established on the basis of the ICC Treaty.

5-ter) to persons performing functions or activities corresponding to those of public officials and public service officers within public international organizations;

5-c) to members of international parliamentary assemblies or an international or supranational organization and to judges and officials of international courts;

5-quinquies) to persons performing functions or activities corresponding to those of public officials and persons in charge of a public service within non-EU states, when the act offends the financial interests of the Union.

The provisions of Articles 319-quater, second paragraph, 321 and 322, first and second paragraphs, also apply if the money or other benefit is given, offered or promised:

1) To the persons specified in the first paragraph of this article;

2) to persons performing functions or activities corresponding to those of public officials (357) and persons in charge of a public service (358) within other foreign states or public international organizations.

The persons specified in the first paragraph are assimilated to public officials, if they perform corresponding functions, and to persons in charge of a public service (358) in other cases.

- ***Abuse of office (Article 323 of the Criminal Code).***

Unless the act constitutes a more serious crime, a public official or public service officer who, in the performance of his or her functions or service, in violation of specific rules of conduct expressly provided for by law or by acts having the force of law and from which no margin of discretion remains, or by omitting to abstain in the presence of his or her own interest or that of a close relative or in the other prescribed cases, intentionally procures for himself or herself or for others an unfair pecuniary advantage or causes others unfair damage, shall be punished by imprisonment of one to four years. The punishment is increased in cases where the advantage or damage is of a significant seriousness.

- ***Trafficking in unlawful influence (Article 346-bis of the Criminal Code).***

Whoever, outside the cases of complicity in the crimes referred to in Articles 318, 319, 319-ter and in the crimes of bribery referred to in Article 322-bis, by exploiting or boasting of existing or alleged relationships with a public official or a person in charge of a public service or one of the other persons referred to in Article 322-bis, unduly causes to give or promise, to himself or others money or other benefit, as the price of his or her own unlawful mediation to a public official or a person in charge of a public service or one of the other persons referred to in Article 322-bis, or to remunerate him or her in connection with the exercise of his or her functions or powers, shall be punished by imprisonment from one year to four years and six months.

The same punishment applies to anyone who unduly gives or promises money or other benefits.

The punishment is increased if the person who wrongfully causes money or other benefits to be given or promised to himself or others holds the title of public official or person in charge of a public service.

The penalties are also increased if the acts are committed in connection with the performance of judicial activities or to remunerate the public official or the person in charge of a public service or one of the other persons referred to in Article 322-bis in connection with the performance of an act contrary to the duties of his office or the omission or delay of an act of his office.

If the facts are of particular tenuousness, the punishment is lessened.

Fraud in public supply (Article 356 of the Criminal Code).

Whoever commits fraud in the performance of supply contracts or in the fulfillment of other contractual obligations specified in the preceding article shall be punished by imprisonment of one to five years and a fine of not less than 1,032 euros.

The punishment shall be increased in the cases provided for in the first paragraph of the preceding article.

Fraud against the European Agricultural Fund (Art. 2. L. 23/12/1986, n.898)

Where the act does not constitute the more serious offense provided for in Article 640-bis of the Criminal Code, anyone who, by means of the exposure of false data or information, unduly obtains, for himself or others, aid, premiums, allowances, refunds, contributions or other disbursements charged in whole or in part to the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development shall be punished by imprisonment of six months to three years. The punishment shall be imprisonment from six months to four years when the damage or profit exceeds 100,000 euros. When the amount unduly received is equal to or less than 5,000 euros, only the administrative penalty set forth in the following articles shall apply. For the purposes of the provision of the preceding paragraph 1 and that of paragraph 1 of Article 3, the disbursements charged to the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development shall be assimilated to the national portions provided for by Community regulations to supplement the sums charged to the said Funds, as well as the disbursements placed at the total expense of national finance on the basis

of Community regulations. In the judgment, the judge shall also determine the amount unduly received and sentence the offender to the

Return of it to the administration that ordered the disbursement referred to in paragraph 1.

Fraud to the detriment of the state, other public entity or the European Union (Article 640, paragraph 2 no. 1, Criminal Code)

This crime is committed when, in order to make an unfair profit, artifices or deceptions are put in place so as to mislead and cause damage to the State (or other Public Entity or the European Union).

This offense may occur, for example, if, in the preparation of documents or data for participation in tender procedures, untrue information (e.g., supported by fabricated documentation) is provided to the Public Administration in order to obtain the award of the tender.

- ***Aggravated fraud for obtaining public funds (Article 640- bis of the Criminal Code)***

This offense occurs when the fraud is carried out to unduly obtain public funds.

This offence may occur if artifice or deception, such as reporting untrue data or preparing false documentation, is carried out to obtain public funding.

- ***Computer fraud to the detriment of the state or other public entity (Article 640- ter of the Criminal Code)***

This crime is committed when, by altering the operation of a computer or telematic system or manipulating the data contained therein, an unfair profit is obtained by causing damage to third parties.

The offense is aggravated if it is committed by theft or misuse of digital identity to the detriment of one or more individuals.

Specifically, the crime under consideration may be constituted if, once financing has been obtained, the computer system is hacked in order to enter a financing-related amount higher than that obtained legitimately.

1.1 The Public Administration

The objective of this paragraph is to indicate general criteria and provide an illustrative list of those subjects qualified as "active subjects" in the crimes relevant for the purposes of Legislative Decree 231/01, that is, those subjects whose qualification is necessary to integrate criminal cases provided for therein.

1.1.1 Public administration entities

For the purposes of criminal law, a "Public Administration Entity" is commonly considered to be any legal entity that has public interests in its care and carries out legislative, jurisdictional or administrative activities by virtue of public law rules and authoritative acts.

Although there is no definition of public administration in the Criminal Code, according to the Ministerial Report to the Code itself and in relation to the offenses therein, those entities that carry out "all the activities of the state and other public entities" are deemed to belong to public administration.

In an attempt to formulate a preliminary classification of legal entities belonging to this category, it is possible to refer, most recently, to Article 1, Paragraph 2, Legislative Decree 165/01 on the subject of the organization of employment in public administrations, which defines all state administrations as public administrations.

The distinctive features of Public Administration entities are summarized below.

Public Administration Entity:

Any entity with public interests in its care, carrying out activities:

- **legislative**
- **jurisdictional**
- **administrative**

On the strength of:

- **rules of public law**
- **of authoritative acts**

Public Administration:

All **activities** of **the state** and other public agencies.

By way of example only, the following entities or categories of entities can be mentioned as entities of the Public Administration:

- Institutions and schools of all levels and educational institutions;
- Self-governing state agencies and administrations, such as:
- Ministries;
- House and Senate;
- Community Policy Department;
- Competition and Market Authority;
- Electricity and Gas Authority;
- Communications Guarantee Authority;
- Bank of Italy;
- Consob;
- Data Protection Authority;
- Internal Revenue Service;

- Regions;
- Provinces;
- Commons;
- Mountain communities, and their consortia and associations;
- Chambers of Commerce, Industry, Handicraft and Agriculture, and their

associations. All national, regional and local noneconomic public bodies, such as:

- INPS;
- CNR;
- INAIL;
- ISTAT;
- ENASARCO;
- ASL;
- Entities and State Monopolies;
- RAI.

Notwithstanding the purely illustrative nature of the public entities listed above, it should be pointed out that not all individuals acting in the sphere of and in relation to the aforementioned entities are subjects against whom (or by whom) the criminal cases *under* Legislative Decree 231/01 are perfected.

Specifically, the figures that are relevant for this purpose are only those of "Public Officials" and "Public Service Officers."

1.1.2 Public Officials

Under Article 357, Paragraph 1 of the Criminal Code, a public official "for *the purposes of criminal law*" is one who exercises "*a legislative, judicial or administrative public function.*"

The second paragraph then takes care to define the notion of "public administrative function." On the other hand, no similar definitional work has been done to specify the notion of "legislative function" and "judicial function" since the identification of the subjects that respectively exercise them has not usually given rise to particular problems or difficulties.

Therefore, the second paragraph of the article under review specifies that, for the purposes of criminal law, "*public is the administrative function governed by rules of public law and authoritative acts and characterized by the formation and manifestation of the will of the public administration or by its being carried out by means of authoritative or certifying powers.*"

In other words, an administrative function that is governed by "rules of public law,"

i.e., those rules aimed at the pursuit of a purpose, is defined as public

public and the protection of a public interest and, as such, opposed to the rules of private law.

The second paragraph of Article 357 of the Criminal Code then translates into normative terms some of the main broad criteria identified by case law and doctrine to differentiate the notion of "public function" from that of "public service."

The distinguishing features of the first figure can be summarized as follows:

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

Public administrative function: Administrative function governed by **rules of public law** and **authoritative acts**; characterized by:

- **Formation and manifestation of the will of the public administration**, or
- **performance by means of authoritative or certifying powers.**

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

Foreign public officials:

- **Any person exercising a legislative, administrative or judicial function in a foreign country;**
- **any person who performs a public function for a foreign country or for a public agency or public enterprise of that country;**
- **any official o agent of a public international public.**

1.1.3 Persons in charge of a public service

At present, the definition of the category of "persons in charge of a public service" is not in agreement in doctrine as well as in jurisprudence. Wanting to better specify this category of "persons in charge of a public service," it is necessary to refer to the definition provided by the Criminal Code and the interpretations that have emerged as a result of practical application. In particular, Article 358 c.p. states that "*persons in charge of a public service are those who, at any title, perform a public service.*

Public service is to be understood as an activity regulated in the same forms as public office, but characterized by the lack of the powers typical of the latter, and to the exclusion of the performance of simple tasks of order and the performance of merely material work."

The "service," in order for it to be called public, must be governed-as well as the "public function"-by rules of public law, however, without powers of a certifying, authorizing and deliberative nature proper to the public function.

The law further specifies that the performance of "mere orderly duties" or the "performance of merely material work" can never constitute "public service."

Jurisprudence has identified a series of "revealing indices" of the public character of the entity, for which the case history on the subject of Public Joint Stock Companies is emblematic. In particular, reference is made to the following indices:

- subjection to control and direction for social purposes, as well as to a power of appointment and removal of directors by the state or other public agencies;
- The presence of an agreement and/or concession with the public administration;
- The financial contribution from the state;
- The presence of the public interest within the economic activity.

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

The special features of the figure of the public service appointee are summarized in the following mirror:

Persons in Charge of a Public Service: Those who, in any capacity, perform a public service.

Public service: An activity:

- governed by public law regulations;
- characterized by the lack of powers of a deliberative, authoritative and certifying nature (typical of the public administrative function), and
- the performance of mere orderly duties or the performance of merely material work can never constitute Public Service.

2. The cases of "computer crime" offenses (Art. *24-bis* of Legislative Decree 231/01)

Law No. 48/2008 ratifying the Convention on Cybercrime introduced into Legislative Decree 231/01 Article ***24-bis*** , which extended the administrative liability of legal persons to **"Computer Crime" offenses**.

A brief description is given below of the individual cases covered by Legislative Decree 231/01 in Article *24-bis*

- ***Forgery of a public computer document or one having evidentiary effect (Article 491-bis of the Criminal Code)***

If any of the falsehoods provided for in this chapter concern a public computer document having evidentiary effect, the provisions of this chapter concerning public records shall apply.

- ***Unauthorized access to a computer or telematic system (Article 615-ter of the Criminal Code).***

Whoever unlawfully enters a computer or telematic system protected by security measures or remains there against the express or tacit will of those who have the right to exclude him, shall be punished by imprisonment of up to three years.

The penalty is imprisonment from one to five years:

1) if the act is committed by a public official or a person in charge of a public service, with abuse of power, or with violation of the duties inherent in the function or service, or by a person who also abusively practices the profession of a private investigator, or with abuse of the quality of system operator;
2) If the perpetrator uses violence to property or persons to commit the act, or if he is blatantly armed;
3) if the act results in the destruction or damage of the system or the total or partial interruption of its operation, or the destruction or damage of the data, information or programs contained therein.

   If the facts referred to in the first and second paragraphs concern computer or telematic systems of military interest or relating to public order or public safety or health or civil defense or otherwise of public interest, the punishment shall be, respectively, imprisonment of one to five years and three to eight years. In the case provided for in the first paragraph, the crime is punishable on complaint by the offended person; in other cases it is prosecuted ex officio.

- ***Unauthorized possession and dissemination of access codes to computer or telematic systems (Article 615-quater of the Criminal Code)***

Whoever, in order to procure for himself or others a profit or to cause damage to others, abusively procures, reproduces, disseminates, communicates or delivers codes, passwords or other means suitable for access to a computer or telematic system, protected by security measures, or otherwise provides indications or instructions suitable for the aforesaid purpose, shall be punished by imprisonment of up to one year and a fine of up to five thousand one hundred sixty-four euros.

The punishment shall be imprisonment from one to two years and a fine from five thousand one hundred sixty-four euros to ten thousand three hundred twenty-nine euros if any of the circumstances referred to in numbers 1) and 2) of the fourth paragraph of Article 617- *quater are met*.

- ***Dissemination of computer equipment, devices or programs aimed at damaging or interrupting a computer or telecommunications system (Article 615-quinquies of the Criminal Code)***

Whoever, for the purpose of unlawfully damaging a computer or telecommunications system, the information, data or programs contained therein or pertaining to it, or to facilitate the total or partial interruption or alteration of its operation, procures, produces, reproduces, imports, disseminates, communicates,

delivers or otherwise makes available to others computer equipment, devices or programs, shall be punished by imprisonment of up to two years and a fine of up to 10,329 euros.

- ***Illegal interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the Criminal Code)***

Whoever fraudulently intercepts communications relating to a computer or telecommunications system or between several systems, or prevents or interrupts them, shall be punished by imprisonment of six months to four years. Unless the act constitutes a more serious crime, the same punishment shall apply to anyone who discloses, by any means of information to the public, in whole or in part, the contents of the communications referred to in the first paragraph.

The crimes referred to in the first and second paragraphs are punishable on complaint by the offended person.

However, it shall be prosecuted ex officio and the penalty shall be imprisonment from one to five years if the act is committed:

1) to the detriment of a computer or telematic system used by the State or other public entity or enterprise exercising public services or public necessity;
2) by a public official or a person in charge of a public service with abuse of power or with violation of the duties inherent in the function or service, or with abuse of the quality of system operator;
3) By those who are also illegally practicing as private investigators.

- ***Installation of equipment designed to intercept, prevent or interrupt computer or telematic communications (Article 617- quinquies of the Criminal Code)***

Anyone who, outside the cases permitted by law, installs equipment to intercept, prevent or interrupt communications related to a computer or telecommunications system or between several systems, shall be punished by imprisonment of one to four years.

The penalty is imprisonment for one to five years in the cases provided for in the fourth paragraph of Article *617c*.

- ***Damage to computer information, data and programs (Article 635- bis of the Criminal Code).***

Unless the act constitutes a more serious crime, anyone who destroys, deteriorates deletes, alters or suppresses information, data or computer programs of others shall be punished, on complaint by the offended person, by imprisonment of six months to three years.

If the circumstance referred to in No. 1) of the second paragraph of Article 635 applies, or if the act is committed with abuse of the capacity of a system operator, the punishment shall be imprisonment of one to four years, and it shall be prosecuted ex officio.

- ***Damage to information, data and computer programs used by the state***

or other public body or otherwise of public utility (Article 635-ter of the Criminal Code)

Unless the act constitutes a more serious crime, anyone who commits an act aimed at destroying, deteriorating, erasing, altering or suppressing information, data or computer programs used by the State or other public entity or pertaining to them, or otherwise of public utility, shall be punished by imprisonment of one to four years.

If the act results in the destruction, deterioration, deletion, alteration or suppression of computer information, data or programs, the penalty shall be imprisonment for 3 to 8 years.

If the circumstance referred to in number 1) of the second paragraph of Article 635 applies, or if the act is committed with abuse of the capacity of system operator, the punishment shall be increased.

- ***Damage to computer or telematic systems (Article 635-quater of the Criminal Code).***

Unless the act constitutes a more serious crime, anyone who, through the conduct referred to in Article 635 *bis*, or through the introduction or transmission of data, information or programs, destroys, damages, renders, in whole or in part, unserviceable others' computer or telematic systems or seriously obstructs their operation shall be punished by imprisonment from 1 to 5 years.

If the circumstance referred to in number 1) of the second paragraph of Article 635 applies, or if the act is committed with abuse of the capacity of system operator, the punishment shall be increased.

- ***Damage to computer or telematic systems of public utility (Article 635-quinquies of the Criminal Code).***

If the act referred to in Article *635-quater* is aimed at destroying, damaging, rendering, in whole or in part, unserviceable computer or telematic systems of public utility or seriously hindering their operation, the punishment shall be imprisonment from 1 to 4 years.

If the act results in the destruction or damage of the public utility computer or information system or if it is rendered, in whole or in part, unserviceable, the punishment shall be imprisonment of 3 to 8 years.

If the circumstance referred to in number 1) of the second paragraph of Article 635 applies, or if the act is committed with abuse of the capacity of system operator, the punishment shall be increased.

- ***Computer fraud of electronic signature certifier (Article 640- quinquies of the Criminal Code).***

A person who provides electronic signature certification services, who, in order to procure for himself or others an unjust profit or to cause damage to others, violates the obligations prescribed by law for the issuance of a qualified certificate, shall be punished by imprisonment of up to 3 years and a fine of 51 to 1,032 euros.

3. The cases of organized crime offenses (Article *24-ter* of Legislative Decree 231/01).

Law No. 94, Art. 2, paragraph 29, of July 15, 2009, introduced organized crime offenses within the scope of Art. *24b* of Legislative Decree 231/01.

The individual cases covered by Article *24b* of Legislative Decree 231/01 are briefly described below.

- ***Criminal conspiracy (Article 416 of the Criminal Code).***

When three or more persons associate for the purpose of committing multiple crimes, those who promote or constitute or organize the association shall be punished, for that alone, by imprisonment of three to seven years.

For merely participating in the association, the penalty is imprisonment from one to five years.

Leaders are subject to the same punishment as established for promoters. If the associates run down the countryside or public streets in arms, imprisonment from five to fifteen years shall apply.

The penalty is increased if the number of associates is ten or more.

If the association is aimed at committing any of the crimes set forth in Articles 600, 601, 601-bis and 602, as well as in Article 12, paragraph *3-bis*, of the Consolidated Text of the provisions concerning the discipline of immigration and norms on the condition of the foreigner, set forth in Legislative Decree July 25, 1998, no. 286 as well as in Articles 22, paragraphs 3 and 4, 22-bis, paragraph 1 of Law No. 91 of April 1, 1999, imprisonment from five to fifteen years in the cases provided for in the first paragraph and from four to nine years in the cases provided for in the second paragraph[1] shall apply.

- ***Mafia-type association, including foreigners (Article 416- bis of the Criminal Code).***

Anyone who is a member of a mafia-type association consisting of three or more persons shall be punished by imprisonment of ten to fifteen years. Those who promote, direct or organize the association shall be punished, for that alone, by imprisonment of twelve to eighteen years.

An association is of the mafia type when those who are part of it make use of the intimidating force of the bond of association and the condition of subjugation and omertà resulting from it to commit crimes, to directly or indirectly acquire the management or otherwise control of economic activities,

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1The offenses under Articles 600, 601, 601-bis and 602 of the Criminal Code are described in the section on the *Crimes against the individual*, provided for in Article 25- *quinquies* of Legislative Decree 231/01.

Article 12, paragraphs 3 and *3-bis*, of Legislative Decree No. 286(Provisions against illegal im migration) of July 25, 1998, provides: "Unless the fact constitutes a more serious crime, anyone who, in violation of the provisions of this Consolidated Text, promotes, directs, organizes, finances or carries out the transportation of foreigners into the territory of the State or performs other acts aimed at illegally procuring their entry into the territory of the State, or of another State of which the person is not a citizen or does not have the right of permanent residence, shall be punished by imprisonment from five to fifteen years and a fine of € 15.000.00 for each person in the case where: (a) the act relates to the illegal entry or stay in the territory of the State of five or more persons; (b) the person transported has been exposed to danger to his life or safety to procure his illegal entry or stay; (c) the person transported has been subjected to inhuman or degrading treatment to procure his illegal entry or stay d) the act is com mitted by three or more persons in complicity with each other or by using international transportation services or documents that are forged or altered or otherwise illegally obtained; e) the perpetrators have the availability of weapons or explosive materials. *3-bis*. If the acts referred to in com m ittee 3 are com m itted by

the recurrence of two or more of the hypotheses referred to in subparagraphs (a), (b), (c), (d) and (e) of the same com m ittee, the punishment therein shall be increased. (*omissis*)

of concessions, authorizations, contracts and public services or to realize unfair profits or advantages for themselves or others.

If the association is armed, the punishment of imprisonment from twelve to twenty years in the cases provided for in the first paragraph and from fifteen to twenty-six years in the cases provided for in the second paragraph shall apply.

The association is considered armed when the participants have the availability, for the achievement of the purpose of the association, of weapons or explosive materials, even if concealed or kept in a storage place.

If the economic activities of which the associates intend to assume or maintain control are financed in whole or in part with the price, product, or profit of crimes, the penalties established in the preceding paragraphs shall be increased by one-third to one-half. Confiscation of the things that served or were intended to commit the crime and the things that are the price, product, or profit thereof or that constitute its use is always mandatory against the convicted person.

The provisions of this article shall also apply to the camorra, 'ndrangheta and other associations, however locally named, including foreign ones, which by availing themselves of the intimidating force of the bond of association pursue aims corresponding to those of mafia-type associations.

- ***Mafia political election exchange (Article 416- ter of the Criminal Code).***

Anyone who accepts a promise to procure votes through the means set forth in the third paragraph of Article 416-bis in exchange for the disbursement or promise of disbursement of money or other benefits shall be punished by imprisonment of four to ten years.

The same punishment applies to a person who promises to procure votes in the manner referred to in the first paragraph.

- ***Kidnapping for the purpose of extortion (art. 630, Criminal Code)***

Whoever kidnaps a person for the purpose of gaining, for himself or others, an unjust profit as the price of release shall be punished by imprisonment from twenty-five to thirty years.

If the death, as an unintended consequence of the offender, of the person seized nevertheless results from the seizure, the offender shall be punished by imprisonment of thirty years.

If the offender causes the death of the kidnapped person, the penalty of life imprisonment shall apply.

To the contestant who, by dissociating himself from the others, endeavors in such a way that the taxable person regains his freedom', without this result being a consequence of the price of release, the punishments provided for in Article 605 shall be applied.

If, however, the taxable person dies as a result of the seizure after release, the penalty is imprisonment for six to fifteen years.

In respect of the participant who, disassociating himself from the others, takes steps, outside the case provided for in the preceding paragraph, to prevent the criminal activity from being carried to further consequences or concretely assists the police or judicial authority in the collection of evidence decisive for the identification or capture of the

competitors, the penalty of life imprisonment is replaced by that of imprisonment for twelve to twenty years, and the other penalties are decreased by one-third to two-thirds.

When a mitigating circumstance applies, the punishment stipulated in the second paragraph shall be replaced by imprisonment of twenty to twenty-four years; the punishment stipulated in the third paragraph shall be replaced by imprisonment of twenty-four to thirty years.

If more than one mitigating circumstance concurs, the sentence to be applied as a result of the decreases cannot be less than ten years, in the case provided for in the second paragraph, and fifteen years, in the case provided for in the third paragraph.

The punishment limits provided for in the preceding paragraph may be exceeded when the mitigating circumstances set forth in the fifth paragraph of this Article are met.

- ***Conspiracy for the purpose of dealing in narcotic or psychotropic substances (Art. 74 Presidential Decree 309/1990 - Consolidated Law on Narcotic Drugs)***

When three or more persons associate for the purpose of committing more crimes among those specified in Article 73, whoever promotes, constitutes, directs, organizes or finances the association shall be punished for that alone by imprisonment of not less than twenty years. A person who participates in the association shall be punished by imprisonment of not less than ten years. The punishment is increased if the number of associates is ten or more or if the participants include persons engaged in the use of narcotic or psychotropic substances. If the association is armed, the punishment, in the cases specified in paragraphs 1 and 3, may not be less than twenty-four years' imprisonment and, in the case specified in paragraph 2, twelve years' imprisonment. The association is considered armed when the participants have the availability of weapons or explosive materials, even if concealed or kept in a storage place. The punishment is increased if the circumstance referred to in subparagraph (e) of paragraph 1 of Article 80 applies. If the association is formed to commit the acts described in paragraph 5 of Article 73, the first and second paragraphs of Article 416 of the Criminal Code shall apply.

The punishments stipulated in paragraphs 1 to 6 shall be decreased by one-half to two-thirds for those who have effectively worked to secure evidence of the crime or to divert decisive resources from the association for the commission of the crimes.

- ***Art. 407, co. 2, lett. a), no. 5 c.p.p. Crimes of illegal manufacture, introduction into the state, offering for sale, transfer, possession and carrying in a public place or open to the public of weapons of war or type war or parts thereof, explosives, clandestine weapons as well as more common firearms excluding those provided for in Art. 2, para. 3 l. 110/75.***

4. The cases of transnational crimes (Law No. 146 of March 16, 2006)

Law No. 146 of March 16, 2006, published in the Official Gazette on April 11, 2006,

ratified and implemented the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Assembly on Nov. 15, 2000 and May 31, 2001 (so-called Palermo Convention).

The core of the convention is the notion of *transnational crime* (Art. 3). Such is the crime that (i) crosses, in one or more aspects (preparatory, commissive or effected), the borders of a single state, (ii) is

committed by a criminal organization and (iii) is characterized by a certain degree of seriousness (it must be punished in individual jurisdictions with a prison sentence of not less than a maximum of four years).

Therefore, what is relevant is not the occasional transnational crime, but the crime that is the result of an organizational activity endowed with stability and strategic perspective, thus likely to be repeated over time.

With the law ratifying the Palermo Convention, the scope of operation of Legislative Decree 231/01 is broadened: in fact, the provisions of Legislative Decree 231/01 apply to the transnational crimes indicated in Law 146/2006, according to Article 10 of the law itself.

The law defines transnational crime as a crime, punishable by imprisonment of not less than a maximum of four years, involving an organized criminal group and which:

- Is committed in more than one state; or
- Is committed in one state, but a substantial part of its preparation, planning, direction or control takes place in another state; or
- Is committed in one state, but an organized criminal group engaged in criminal activities in more than one state is involved in it; or
- Is committed in one state but has substantial effects in another state.

The Company is liable for the following crimes, committed in its interest or for its benefit, if they have the character of transnationality as defined above.

Crimes of association

- ***Criminal conspiracy (Article 416 of the Criminal Code).***
- ***Mafia-type association (Article 416-bis of the Criminal Code).***
- ***Association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (Article 74 of Presidential Decree No. 309/1990)***[2]
- ***Conspiracy to smuggle foreign manufactured tobacco (Article 291-quater of Presidential Decree No. 43/1973)***

This offense occurs when three or more persons associate for the purpose of introducing, selling, transporting, purchasing or possessing a quantity of smuggled foreign processed tobacco exceeding ten kilograms in the territory of the state. Those who promote, constitute, direct, organize or finance are punished by imprisonment of three to eight years. Those who participate, on the other hand, shall be punished by imprisonment of one to six years.

Migrant trafficking offenses

2The offenses provided for in Articles 416, 416 *bis* and Art. 74 of Presidential Decree No. 309/1990. are described in the section on *Organized Crime Crimes* provided for in Art. 24 *ter* of Legislative Decree 231/01.

- ***Smuggling of migrants (Article 12 paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree No. 286/1998)***

This criminal hypothesis occurs when a person commits acts aimed at procuring the entry of a person into the territory of the State in violation of the laws concerning the regulation of immigration, or acts aimed at procuring the illegal entry into another State of which the person is not a citizen or does not have permanent residency title, or, in order to gain an unfair profit from the illegal condition of the foreigner, to favor the permanence of the foreigner. In such a case, one is punished with imprisonment from four to fifteen years and a fine of 15,000 euros for each person (depending on the individual criminal hypothesis, the penalties may be increased in accordance with the provisions of the regulations referred to).

In such a case, the company is subject to a fine of two hundred to one thousand shares and a disqualification sanction of up to two years. As a result, the fine can reach the amount of approximately 1.5 million euros (in particularly serious cases, the penalty can be tripled).

In the case of committing migrant smuggling crimes, disqualification sanctions are applied to the entity for a term not exceeding two years.

Offenses of obstruction of justice

- ***Inducement not to make statements or to make false statements to judicial authorities (Article 377-bis of the Criminal Code)***

This offence occurs when, a person, by violence or threat, or by offering or promising money or other benefits, induces a person called upon to make before the judicial authorities statements that can be used in criminal proceedings, to not make statements or to make false statements, when the person has the right to remain silent. In such a case, one is punished with imprisonment from two to six years.

- ***Aiding and abetting (art. 378, Criminal Code)***

This offence occurs when activities are carried out to help a person evade investigation or evade the search of the Authority, following the commission of a crime. In such a case, imprisonment of up to four years is provided.

In the above cases, the company is subject to a fine of up to five hundred shares. Therefore, the fine can reach the sum of approximately 775 thousand euros. With reference to these types of crimes there are no prohibitory sanctions.

5. Crimes relating to "counterfeiting money, public credit cards, revenue stamps and distinctive instruments or signs" and crimes against industry and commerce (Articles *25-bis* and *25-bis* 1 of Legislative Decree 231/01)

A brief description is given below of the **offenses** covered by Article *25-bis* of Legislative Decree 231/01 and, in particular, the **offenses on the subject of falsification of distinctive signs** (Articles 473 and 474 of the Criminal Code) introduced by Law No. 99, Article 15, Paragraph 7, of July 23, 2009:

- ***Counterfeiting of money, spending and introduction into the state, in concert, of counterfeit money (Article 453 of the Criminal Code);***
- ***Alteration of currency (art. 454 Penal Code);***
- ***Spending and introduction into the State, without concert, of counterfeit money (Article 455 of the Criminal Code);***
- ***Spending of counterfeit money received in good faith (Article 457 of the Criminal Code);***
- ***Forgery of revenue stamps, introduction into the state, purchase, possession or circulation of forged revenue stamps (Article 459 of the Criminal Code);***
- ***Counterfeiting watermarked paper in use for the manufacture of public credit cards or stamps (Article 460 of the Criminal Code);***
- ***Manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper (Article 461 of the Criminal Code);***
- ***Use of counterfeit or altered stamps (Article 464 of the Criminal Code);***
- ***Counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (art. 473 Penal Code)***

Anyone who, with knowledge of the existence of the industrial property title, counterfeits or alters trademarks or distinctive signs, whether domestic or foreign, of industrial products, or anyone who, without being an accomplice to the counterfeiting or alteration, makes use of such counterfeited or altered trademarks or signs, shall be punished by imprisonment from six months to three years and a fine from 2,500 to 25,000 euros.

Subject to the punishment of imprisonment for a term of one to four years and a fine of euro 3,500 to 35,000 euros whoever counterfeits or alters industrial patents, designs or models, domestic or foreign, or, without being a party to the counterfeiting or alteration, makes use of such counterfeited or altered patents, designs or models.

The crimes provided for in the first and second paragraphs are punishable provided that the rules of domestic laws, EU regulations and international conventions on the protection of intellectual or industrial property have been observed.

- ***Introduction into the state and trade in products with false signs (Art. 474)***

Outside the cases of complicity in the crimes provided for in Article 473, anyone who introduces into the territory of the State, in order to profit from it, industrial products with counterfeit or altered trademarks or other distinctive signs, whether domestic or foreign, shall be punished by imprisonment from one to four years and a fine from 3,500 to 35,000 euros.

Outside the cases of conspiracy to counterfeit, alter, introduce into the territory of the State, anyone who holds for sale, offers for sale or otherwise puts into circulation, in order to profit from them, the products referred to in the first paragraph shall be punished by imprisonment of up to two years and a fine of up to 20,000 euros.

The crimes provided for in the first and second paragraphs are punishable provided that the rules of domestic laws, EU regulations and international conventions on the protection of intellectual or industrial property have been observed.

Law July 23, 2009, No. 99, Art.15, Paragraph 7 also introduced **Art. *25-bis* I of Legislative Decree 231/01**, headed **"Crimes against industry and commerce,"** the individual cases of which are described below:

- ***Disturbing freedom of industry or commerce (Art. 513 Penal Code)***

Anyone who uses violence against property or fraudulent means to prevent or disrupt the operation of an industry or trade shall be punished, on complaint by the offended person, if the act does not constitute a more serious crime, by imprisonment for up to two years and a fine from 103 to 1,032 euros.

- ***Unlawful competition with threats or violence (Art. 513-bis.)***

Whoever in the exercise of a commercial, industrial or otherwise productive activity engages in acts of competition with violence or threats shall be punished by imprisonment of two to six years.

The punishment is increased if the acts of competition involve a financial activity in whole or in part and in any way by the state or other public entities.

- ***Fraud against national industries (art. 514 Criminal Code).***

Whoever, by offering for sale or otherwise putting into circulation, in domestic or foreign markets, industrial products, with counterfeit or altered names, trademarks or distinctive signs, causes harm to domestic industry shall be punished by imprisonment of one to five years and a fine of not less than 516 euros.

If the rules of domestic laws or international conventions on the protection of industrial property have been observed for the trademarks or distinctive signs, the penalty shall be increased and the provisions of Articles 473 and 474 shall not apply.

- ***Fraud in the exercise of trade (Article 515 of the Criminal Code).***

Whoever, in the exercise of a commercial activity, or in a store open to the public, delivers to the purchaser a movable thing for another, or a movable thing, in origin, provenance, quality or quantity, different from that stated or agreed upon, shall be punished, if the act does not constitute a more serious crime, by imprisonment of up to two years or a fine of up to 2,065 euros.

If precious objects are involved, the penalty is imprisonment for up to three years or a fine of not less than 103 euros.

- ***Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code)***

Anyone who offers for sale or otherwise markets as genuine non-genuine food substances shall be punished by imprisonment of up to six months or a fine of up to 1,032.00 euros.

- ***Sale of industrial products with false signs (Article 517 of the Criminal Code)***

Anyone who offers for sale or otherwise puts into circulation intellectual works or industrial products, with domestic or foreign names, trademarks or distinctive signs, capable of misleading the buyer as to the origin, provenance or quality of the work or product, shall be punished, if the act is not provided for as a crime by another provision of the law, by imprisonment of up to two years or a fine of up to twenty thousand euros.

- ***Manufacture e trade of goods made by usurping industrial property titles (Article 517-ter)***

Without prejudice to the application of Articles 473 and 474, anyone who, being able to know of the existence of the industrial property title, manufactures or industrially uses objects or other goods made by usurping an industrial property title or in violation thereof shall be punished, on complaint of the offended person, by imprisonment of up to two years and a fine of up to 20,000 euros

The same punishment shall be imposed on anyone who, in order to make a profit, introduces into the territory of the State, holds for sale, offers for sale directly to consumers or otherwise puts into circulation the goods referred to in the first paragraph.

The provisions of Articles *474-bis*, *474-ter, second paragraph,* and *517-bis,* second paragraph, shall apply.

The crimes provided for in the first and second paragraphs are punishable provided that the rules of domestic laws, EU regulations and international conventions on the protection of intellectual or industrial property have been observed.

- ***Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quater)***

Whoever counterfeits or otherwise alters geographical indications or appellations of origin of agri-food products shall be punished by imprisonment of up to two years and a fine of up to 20,000 euros.

The same punishment shall be imposed on anyone who, in order to make a profit, introduces into the territory of the state, holds for sale, offers for sale directly to consumers or otherwise puts the same products into circulation with the counterfeit indications or names.

The provisions of Articles *474-bis*, *474-ter, second paragraph,* and *517-bis,* second paragraph, shall apply.

The crimes stipulated in the first and second paragraphs are punishable provided that the rules of domestic laws, EU regulations and international conventions on the protection of geographical indications and designations of origin of agri-food products have been observed.

6. The cases of corporate crimes (Article *25-ter* of Legislative Decree 231/01).

A brief description is given below of the individual cases covered by Legislative Decree 231/01 in Article 25-ter*.*

- ***False corporate communications (art. 2621 civil code).***

The crime is committed in cases where directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, in order to obtain for themselves or others an unjust profit, in financial statements, reports or other corporate communications addressed to shareholders or the public provided for by law, knowingly expose material facts that do not correspond to the truth or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or the group to which it belongs,in a way that is concretely likely to mislead others.
In the case of the commission of such an offense, the penalty is imprisonment from one to five years.

Liability also arises if the falsehoods or omissions concern assets owned or administered by the company on behalf of third parties.

- ***Misdemeanors (Art. 2621-bis)***

A lesser penalty (six months to three years' imprisonment) applies if the false corporate communications provided for in Article 2621 are minor, also taking into account the nature and size of the company.

The same punishment also applies when the false corporate communications referred to in Article 2621 concern companies that do not exceed the limits indicated in the second paragraph of Article 1 of Royal Decree No. 267 of March 16, 1942 (i.e., companies not subject to bankruptcy). In such a case, the crime is prosecutable on complaint by the company, shareholders, creditors or other recipients of corporate communications.

- ***False corporate communications of listed companies (Article 2622 Civil Code).***

The crime is committed in cases where directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators of companies issuing financial instruments admitted to trading on a regulated market in Italy or another country of the European Union, in order to obtain unjust profit for themselves or others, in financial statements in reports or other corporate communications addressed to shareholders or the public, knowingly expose material facts that are untrue or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or the group to which it belongs, in a manner concretely likely to mislead others.
In the case of the commission of this offense, the penalty is imprisonment for three to eight years.

They are equated with companies issuing financial instruments admitted to trading on an Italian or other European Union regulated market:

1) companies issuing financial instruments for which a request for admission to trading on an Italian or other European Union regulated market has been submitted;

2) companies issuing financial instruments admitted to trading on an Italian multilateral trading facility;

3) companies that control companies issuing financial instruments admitted to trading on an Italian or other European Union regulated market;

4) Companies that appeal to or otherwise manage public savings.

The provisions of the preceding paragraphs shall also apply if the falsehoods or omissions concern property owned or administered by the company on behalf of third parties.

- ***False prospectus (art. 2623 Civil Code)***[3]

The criminal conduct consists of:

- In presenting false information in the prospectuses required for the purpose of soliciting investment or admission to listing on regulated markets, or in the documents to be published in connection with takeover or exchange offers, or
- In concealing data or news in the above-mentioned documents.

It should be noted that:

- the conduct must be aimed at gaining for oneself or others an unjust profit;
- the conduct must be likely to mislead the recipients of the prospectus.

- ***False reports or communications of the auditing firm (Article 2624 of the Civil Code)***[4]

The crime consists of false statements or concealment of information, by those in charge of the audit, concerning the company's economic, asset or financial situation, in order to obtain unjust profit for themselves or others.

The penalty is more severe if the conduct has caused pecuniary damage to the recipients of the communications.

Active parties are the managers of the auditing firm (own crime), but members of the Company's administrative and control bodies and its employees may be involved as accessories to the crime. It is, in fact, conceivable that there may be a possible complicity, pursuant to Article 110 of the Criminal Code, of the directors, the

[3] Repealed by Art. 34, com m 2 of Law No. 262 of December 28, 2005.

[4] Repealed by Art. 37, com m unication 34 of Legislative Decree No. 39 of January 27, 2010.

auditors, or other individuals in the audited company, who determined or instigated the unlawful conduct of the head of the auditing firm.

- ***Obstruction of control (art. 2625 civil code)[5]***

The crime consists in preventing or hindering, by concealing documents or other suitable artifices, the performance of control or audit activities legally assigned to shareholders, other corporate bodies, or auditing firms.

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

The typical conduct involves, outside the cases of legitimate reduction of share capital, returning, even simulated, contributions to shareholders or releasing them from the obligation to make them.

- ***Illegal distribution of profits or reserves (Art. 2627 Civil Code)***

This criminal conduct consists of distributing profits or advances on profits not actually earned or allocated by law to reserves, or distributing reserves, including those not established with profits, which cannot by law be distributed.

It should be noted that returning profits or replenishing reserves before the deadline for approval of the financial statements extinguishes the offense.

- ***Illicit transactions on the operations o shares shares or the parent company (art. 2628 Civil Code)***

This offense is perfected by the purchase or subscription of shares or stock in the company or the parent company, which causes an injury to the integrity of the share capital or reserves that cannot be distributed by law.

It should be noted that if the share capital or reserves are reconstituted before the deadline for the approval of the financial statements, relating to the fiscal year in relation to which the conduct took place, the offense is extinguished.

- ***Transactions to the detriment of creditors (Article 2629 Civil Code).***

The offence is committed by carrying out, in violation of legal provisions protecting creditors, reductions in share capital or mergers with another company or demergers, which cause damage to creditors.

It should be noted that compensation of damages to creditors before trial extinguishes the offense.

- ***Failure to disclose conflict o f interest (Art. 2629-bis, Civil Code)***

The offense occurs when a director or member of the management board of a company with securities listed on regulated markets in Italy or other

[5] M odified by Art. 37, com m unication 35, of Legislative Decree No. 39 of January 27, 2010, which excludes auditing from the list of activities whose im pediment by am inistrators is sanctioned by the rule.

State of the European Union or widespread among the public to a significant extent pursuant to Article 116 of the Consolidated Act referred to in Legislative Decree No. 58 of February 24, 1998, as amended, or of a person subject to supervision pursuant to the Consolidated Act referred to in Legislative Decree No. 385 of September 1, 1993, the aforementioned Consolidated Act referred to in Legislative Decree No. 58 of 1998, of Law No. 576 of August 12, 1982, or of Legislative Decree No. 124 of April 21, 1993, does not inform the other directors and the Board of Statutory Auditors of any interest he or she, on his or her own behalf or on behalf of third parties, has in a certain transaction of the company, specifying its nature, terms, origin and scope.

It should be noted that if the conflict of interest concerns the chief executive officer, he or she must also refrain from carrying out the transaction and refer it to the collegiate body.

- ***Fictitious capital formation (art. 2632 civil code).***

This is the case when: the capital of the company is fictitiously formed or increased by the allocation of shares or quotas for an amount less than their par value; shares or quotas are reciprocally subscribed for; contributions of assets in kind, receivables or the assets of the company, in the case of transformation, are significantly overvalued.

- ***Improper distribution of corporate assets by liquidators (Article 2633 Civil Code).***

The crime is perfected by the distribution of corporate assets among shareholders before the payment of corporate creditors or the setting aside of sums necessary to satisfy them, which causes damage to creditors.

It should be noted that compensation of damages to creditors before trial extinguishes the offense.

- ***Bribery among private individuals (art. 2635 c. 3 c.c.)***

The crime punishes those who, even through an intermediary,offer, promise or give money or other undue benefits to directors, general managers, managers in charge of drafting corporate accounting documents, auditors, liquidators, to those who, within the Entity exercise management functions other than those of the above persons or to persons subject to the management or supervision of the same, so that they perform or omit acts in violation of the obligations inherent to their office or obligations of loyalty, unless the conduct constitutes a more serious crime.

The penalty is imprisonment of one to three years and the offense is prosecutable ex officio if the act results in distortion of competition in the acquisition of goods or services.

- ***Incitement to bribery among private individuals (Article 2635-bis of the Civil Code).***

The crime punishes anyone who offers or promises undue money or other benefits to certain categories of persons working within companies or entities

(directors, general managers, executives in charge of drafting corporate accounting documents, auditors, liquidators, as well as those who perform in private companies a work activity with the exercise of management functions) to perform or omit an act in violation of the obligations inherent in their office or obligations of loyalty, if the offer or promise is not accepted.

- ***Unlawful influence on the assembly (Art. 2636 Civil Code).***

The typical conduct involves determining, by simulated acts or fraud, a majority at a meeting for the purpose of gaining, for oneself or others, an unfair profit.

- ***Market rigging (art. 2637 Civil Code).***

The offence occurs when false news is spread or simulated transactions or other artifices are carried out, which are concretely capable of causing a significant alteration in the price of unlisted financial instruments or for which an application for admission to trading in a regulated market has not been submitted, or of significantly affecting the public's reliance on the financial stability of banks or banking groups.

- ***Hindering the performance of the functions of public supervisory authorities (Article 2638 paragraphs 1 and 2 of the Civil Code)***

The criminal conduct is carried out through the exposure in communications to supervisory authorities required by law, in order to hinder their functions, of untrue material facts, even if subject to assessment, about the economic, asset or financial situation of the subjects subject to supervision, or through the concealment by other fraudulent means, in whole or in part, of facts that should have been communicated, concerning the same situation.

7. The cases of offenses of terrorism e of subversion of the democratic order (Art. *25-quater* of Legislative Decree 231/01)

The main cases referred to by Legislative Decree 231/01 in Article *25-quater* are briefly described below.

- ***Associations for the purpose of terrorism, including international terrorism or subversion of the democratic order (Article 270-bis of the Criminal Code)***

This provision punishes anyone who promotes, sets up, organizes, directs or finances associations that propose the commission of acts of violence for the purpose of terrorism or subversion of the democratic order.

For the purposes of criminal law, the purpose of terrorism also occurs when acts of violence are directed against a foreign state, institution or international body.

- ***Assistance to associates (Article 270-ter of the Criminal Code).***

The provision under consideration punishes anyone who harbors or provides food, hospitality, means of transportation, or means of communication to any of the persons participating in the associations indicated in Articles 270 and *270-bis* above.

A person who commits the act for the benefit of a close relative is not punishable.

- ***Enlistment for the purpose of terrorism, including international terrorism (Article 270- quater of the Criminal Code).***

Anyone who, outside the cases referred to in Article *270-bis* above, enlists one or more persons to carry out acts of violence or sabotage of essential public services for the purpose of terrorism, including those directed against a foreign state, institution or international body, shall be punished by imprisonment of seven to 15 years.

- ***Training at activities with purposes of terrorism including international terrorism (Article 270-quinquies of the Criminal Code).***

Anyone who, outside the cases described in Article *270-bis* described above, trains or otherwise provides instructions on the preparation or use of explosive materials, firearms or other weapons, noxious or dangerous chemical or bacteriological substances, as well as any other technique or method for the perpetration of acts of violence or sabotage of essential public services, for the purpose of terrorism, even if directed against a foreign state, institution or international body, shall be punished by imprisonment of five to ten years. The same punishment shall be applied against the person trained.

- ***Conduct for the purpose of terrorism (Article 270-sexies of the Criminal Code).***

Conduct which, by its nature or context, is likely to cause serious damage to a country or an international organization and is carried out for the purpose of intimidating the population or compelling public authorities or an international organization to perform or refrain from performing any act or destabilizing or destroying the fundamental political, constitutional, economic, and social structures of a country or an international organization, as well as other conduct defined as terrorist or committed for the purpose of terrorism by conventions or other rules of international law binding on Italy, are considered to be for the purpose of terrorism.

- ***Attack for the purpose of terrorism or subversion (Article 280 of the Criminal Code).***

Any person who for the purpose of terrorism or subversion of democratic order attempts on the life or safety of a person shall be punished under this provision.

The offense is aggravated if, the acts result in very serious injury or death of the person or if the act is directed against persons exercising judicial or penitentiary or public security functions in the exercise or because of their functions.

- ***Act of terrorism with deadly or explosive devices (Article 280-bis of the Criminal Code).***

Unless the act constitutes a more serious crime, anyone who for the purpose of

terrorism performs any act intended to damage movable or immovable property of others through the use of explosive or otherwise deadly devices shall be punished by imprisonment of two to five years. Explosive or otherwise deadly devices are defined as weapons and

the assimilated matters indicated in Article 585 of the Criminal Code and likely to cause significant property damage.

If the act is directed against the headquarters of the Presidency of the Republic, the Legislative Assemblies, the Constitutional Court, organs of the Government or otherwise organs provided for by the Constitution or constitutional laws, the punishment shall be increased by up to half.

If danger to public safety or serious damage to the national economy results from the act, imprisonment of five to ten years shall be applied.

- ***Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Criminal Code).***

This criminal conduct is carried out through the kidnapping of a person for the purpose of terrorism or subversion of democratic order.

The crime is aggravated by the death, intended or unintended, of the abductee.

- ***Kidnapping for the purpose of coercion (Article 289-ter of the Criminal Code).***

Whoever, outside the cases indicated in Articles 289-bis and 630, kidnaps a person or holds a person in his or her power by threatening to kill or injure him or her or to continue to hold him or her in order to compel a third party, whether a state, an international organization among several governments, a natural or legal person, or a collectivity of natural persons, to perform any act or to refrain from doing so, making the release of the kidnapped person conditional on such action or omission, shall be punished by imprisonment of twenty-five to thirty years.

The second, third, fourth and fifth paragraphs of Article 289-bis shall apply.

If the act is minor, the punishments provided for in Article 605 shall be applied, increased by one-half to two-thirds.

- ***Incitement to commit one of the crimes against the personality of the state (art. 302, Criminal Code)***

The provision states that anyone who instigates someone to commit one of the non-negligent crimes provided for in the title of the Penal Code devoted to crimes against the personality of the State, for which the law establishes life imprisonment or imprisonment, shall be punished, if the instigation is not accepted, or if the instigation is accepted but the crime is not committed, by imprisonment from one to eight years.

- ***Political conspiracy by agreement and political conspiracy by association (Articles 304 and 305 of the Criminal Code)***

This provision punishes the conduct of those who agree in order to commit one of the crimes mentioned in the previous point (Article 302 of the Criminal Code).

- ***Armed gang and formation and participation; assistance to participants in conspiracy or armed gang (Articles 306 and 307.c.p.)***

This crime occurs when, in order to commit one of the crimes specified in Article 302 of the Penal Code above, an armed gang is formed.

- ***Terrorism offenses under special laws: consist of all that part of Italian legislation, enacted in the 1970s and 1980s, aimed at combating terroris***

- ***Offenses, other than those specified in the Criminal Code and special laws, committed in violation of Article 2 of the New York Convention of December 8, 1999***

Under the said article, a crime is committed by anyone who by any means, directly or indirectly, unlawfully and intentionally provides or collects funds with the intent to use them or knowing that they are intended to be used, in whole or in part, for the purpose of accomplishing:

a) An act constituting a crime as defined in one of the treaties listed in the annex; or

b) any other act directed at causing death or serious bodily injury to a civilian, or to any other person who is not an active participant in situations of armed conflict, when the purpose of such an act, by its nature or context, is to intimidate a population, or to compel a government or international organization to do or refrain from doing something.

For an act to constitute one of the above offenses, it is not necessary that the funds be actually used to accomplish what is described in (a) and (b).

Any person who attempts to commit the above crimes commits an offense equally.

Also commits an offense is anyone who:

- takes part as an accomplice in the commission of a crime mentioned above;
- organizes or directs other persons for the purpose of committing any of the above crimes;
- contributes to the commission of one or more of the above crimes with a group of persons acting with a common purpose. Such contribution must be intentional and:
- Must be done in order to facilitate the criminal activity or purpose of the group, where such activity or purpose involves the commission of the crime; or
- must be provided with the full knowledge that the intent of the group is to commit a crime.

Among the criminal conduct supplementary to terrorist offenses, those that could easily be carried out are conduct consisting of "financing" (see Article *270-bis of the* Criminal Code).

In order to be able to say whether or not there is a risk of the commission of this type of crime, it is necessary to examine the subjective profile required by the rule for the crime to be committed.

From the point of view of the subjective element, crimes of terrorism take the form of malicious crimes. Thus, in order for the malicious case to be realized, it is necessary, from the point of view of the agent's psychological representation, that the agent be aware of the anti-legal event and wish to realize it through conduct attributable to him. Therefore, in order for the criminal offenses under consideration to occur, it is necessary for the agent to be aware of the terrorist nature of the activity and to have the intent to further it.

That said, in order for there to be criminal conduct supplementary to the crime of terrorism, it is necessary for the agent to be aware that the association to which he or she grants funding is for the purposes of terrorism or subversion and that he or she has the intent to further its activities.

Moreover, it would also be possible to perfect the criminal case even if the subject acted with malice aforethought. In that case, the agent would have to foresee and accept the risk of the occurrence of the event, although he or she would not directly intend it. The prediction of the risk of the occurrence of the event and the willful determination to engage in the criminal conduct must be inferred from unambiguous and objective elements.

8. The cases of crimes against the individual personality (Art. 25-quater. *1 e25-quinquies* of Legislative Decree 231/01)

The main cases referred to by Legislative Decree 231/01 in Article *25-quinquies* are briefly described below.

- ***Reduction or maintenance in slavery or servitude (art. 600, Criminal Code)***

Whoever exercises over a person powers corresponding to those of the right of ownership or whoever reduces or keeps a person in a state of continuous subjection, forcing him or her to labor or sexual services or to begging or otherwise to services involving his or her exploitation, shall be punished by imprisonment for a term of eight to twenty years.

The reduction or maintenance in the state of subjection takes place when the conduct is carried out through violence, threat, deception, abuse of authority or taking advantage of a situation of physical or mental inferiority or a situation of need, or through the promise or giving of sums of money or other benefits to those in authority over the person.

- ***Child prostitution (Article 600-bis of the Criminal Code).***

Whoever induces a person under the age of eighteen years into prostitution or promotes or exploits prostitution shall be punished by imprisonment for a term of six to twelve years and a fine of 15,000 to 150,000 euros.

Unless the act constitutes a more serious crime, anyone who engages in sexual acts with a child between the ages of fourteen and eighteen, in exchange for money or other economic benefit, shall be punished by imprisonment of one to six years and a fine of 1,500 to 6,000 euros.

- ***Child pornography (Article 600-ter of the Criminal Code).***

Whoever, using minors under the age of eighteen, performs pornographic performances or produces pornographic material or induces minors under the age

of eighteen to participate

to pornographic exhibitions shall be punished by imprisonment of six to 12 years and a fine of 24,000 to 240,000 euros.

The same punishment shall be imposed on anyone who trades in the pornographic material referred to in the first paragraph.

Whoever, outside the cases referred to in the first and second paragraphs, by any means, including by telematic means, distributes, disseminates, disseminates or publicizes the pornographic material referred to in the first paragraph, or distributes or disseminates news or information aimed at the solicitation or sexual exploitation of minors under eighteen years of age, shall be punished by imprisonment from one to five years and a fine from 2,582 to 51,645 euros.

Whoever, outside the cases referred to in the first, second and third paragraphs, offers or gives to others, even free of charge, the pornographic material referred to in the first paragraph, shall be punished by imprisonment of up to three years and a fine of 1,549 to 5,164 euros.

In the cases provided for in the third and fourth paragraphs, the punishment shall be increased by an amount not exceeding two-thirds where the material is of large quantity.

Unless the act constitutes a more serious crime, anyone who attends pornographic performances or shows involving minors under the age of 18 shall be punished by imprisonment of up to three years and a fine of 1,500 to 6,000 euros.
For the purposes of this article, child pornography means any depiction, by whatever means, of a child under the age of eighteen involved in sexually explicit activities, real or simulated, or any depiction of the sexual organs of a child under the age of eighteen for sexual purposes.

- ***Possession of pornographic material (Article 600-quater of the Criminal Code).***

Whoever, outside the cases provided for in Article *600-ter*, knowingly procures or possesses pornographic material made using minors under the age of eighteen years, shall be punished by imprisonment of up to three years and a fine of not less than 1,549 euros.

The penalty shall be increased by not more than two-thirds where the material held is of large quantity.

- ***Virtual pornography (Article 600-quater 1 of the Criminal Code).***

The provisions of Articles *600-ter* and *600-quater* also apply when the pornographic material depicts virtual images made using images of minors under eighteen years of age or parts thereof, but the penalty is decreased by one-third.

Virtual images are defined as images made by graphic processing techniques that are not associated in whole or in part with real situations, whose quality of representation makes non-real situations appear as real.

- ***Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code)***

Anyone who organizes or propagates trips aimed at the enjoyment of prostitution activities to the detriment of minors or otherwise including such activity shall be punished by imprisonment of six to 12 years and a fine of 15,493 to 154,937 euros.

- ***Solicitation of minors (Article 609-undecies of the Criminal Code).***

Whoever, for the purpose of committing the crimes referred to in Articles 600, 600-bis, 600-ter, and 600-quater, including those relating to pornographic material referred to in Article 600-quater.1, 600-quinquies, 609-bis, 609-quater, 609-quinquies, and 609-octies, entices a minor under the age of sixteen years, shall be punished, if the act does not constitute a more serious crime, by imprisonment of one to three years.

Solicitation is defined as any act aimed at gaining the trust of a minor through artifice, flattery or threats put in place including through the use of the Internet or other networks or means of communication.

- ***Trafficking in persons (Article 601 of the Criminal Code).***

Whoever commits trafficking in a person who is in the conditions referred to in Article 600 or, in order to commit the crimes referred to in the same Article, induces him or her by means of deception or compels him or her by means of violence, threat, abuse of authority or of a situation of physical or mental inferiority or a situation of necessity or by the promise or giving of sums of money or other benefits to the person having authority over them, to enter or stay in or leave the territory of the State or move within it, shall be punished by imprisonment for a term of eight to twenty years.

- ***Trafficking in organs taken from a living person (Art. 601-bis)***

Anyone who unlawfully trades, sells, purchases or, in any way and for any reason, procures or deals in organs or parts of organs taken from a living person shall be punished by imprisonment of three to twelve years and a fine of 50,000 to 300,000 euros. If the act is committed by a person exercising a health profession, the conviction is followed by perpetual disqualification from exercising the profession.

Unless the act constitutes a more serious crime, a term of imprisonment of three to seven years and a fine of 50,000 to 300,000 euros shall be imposed on anyone who organizes or propagates trips or publicizes or disseminates, by any means, including by computer or telematic means, advertisements aimed at trafficking in organs or parts of organs referred to in the first paragraph."

- ***Purchase and alienation of slaves (Article 602 of the Criminal Code).***

Anyone who, outside the cases specified in Article 601, purchases or alienates or disposes of a person who is in one of the conditions specified in Article 600 shall be punished by imprisonment for a term of eight to twenty years.

- ***Illegal intermediation and exploitation of labor (Article 603-bis of the Criminal Code).***

- Unless the act constitutes a more serious crime, it is punishable by imprisonment for a term of one to six years and a fine of 500 to 1,000 euros for each worker recruited, whoever:

1) recruits labor for the purpose of assigning them to work for third parties under exploitative conditions, taking advantage of the workers' state of need;

2) uses, hires or employs labor, including through the brokering activity referred to in No. 1), subjecting workers to exploitative conditions and taking advantage of their state of need.

If the acts are committed by means of violence or threats, a penalty of imprisonment of five to eight years and a fine of 1,000 to 2,000 euros per recruited worker shall be imposed.

For the purposes of this article, the existence of one or more of the following conditions shall constitute an indication of exploitation:

1) the repeated payment of wages and salaries in a manner manifestly inconsistent with the national or territorial collective bargaining agreements entered into by the most representative labor organizations at the national level, or otherwise disproportionate to the quantity and quality of work performed;

2) Repeated violation of regulations on working hours, rest periods, weekly rest, mandatory leave, and vacations;

3) The existence of violations of occupational safety and hygiene regulations;

4) The subjecting of the worker to degrading working conditions, surveillance methods or housing situations.

They constitute a specific aggravating circumstance and carry a penalty increase of one-third to one-half:

1) The fact that the number of recruited workers is higher atre;

2) The fact that one or more of the recruited subjects are minors of nonworking age;

3) having committed the act by exposing the exploited workers to situations of serious danger, having regard to the characteristics of the services to be performed and the working conditions.

- ***Practices of female genital organ mutilation (Article 583 bis of the Criminal Code).***

Whoever, in the absence of therapeutic needs, causes mutilation of female genital organs shall be punished by imprisonment of four to twelve years. For the purpose of this article, practices of mutilation of female genital organs shall be understood as clitoridectomy, excision and infibulation and any other practice that causes effects of the same kind. Any person who, in the absence of therapeutic needs, causes, for the purpose of impairing sexual functions, injury to the female genital organs other than those specified in the first paragraph, from which an illness in body or mind results, shall be punished by imprisonment of three to seven years.

The penalty is decreased by up to two-thirds if the injury is minor.

The punishment is increased by one third when the practices referred to in the first and second paragraphs are committed to the detriment of a minor or if the act is committed for profit. The provisions of this article shall also apply when the act is committed abroad by an Italian citizen or foreigner residing in Italy, or to the detriment of an Italian citizen or foreigner residing in Italy. In such case, the offender shall be punished at the request of the Minister of Justice.

With regard to crimes related to slavery, these offenses extend not only to the person who directly carries out the illegal act, but also to those who knowingly facilitate even financially the same conduct.

The relevant conduct in these cases may be the illegal procuring of labor through migrant smuggling and the slave trade.

9. The cases of market abuse crimes and administrative offenses (Art. 25 *sexies* of Legislative Decree 231/01)

9.1 Crimes and administrative offenses

The criminal and administrative offenses of market abuse are governed by the new Title *I-bis*, Chapter II, Part V of Legislative Decree No. 58 of February 24, 1998, (Consolidated Law on Finance, "TUF") headed "Insider Trading and Market Manipulation."

According to the new regulations, in fact, the entity may be held liable both when crimes of insider trading (Art. 184 TUF) or market manipulation (Art. 185 TUF) are committed in its interest or to its advantage, and when the same conducts do not constitute crimes but simple administrative offenses (respectively Art. 187 - *bis* TUF for insider trading and 187 - *ter* TUF for market manipulation).

In the event that the unlawful conduct integrates the extremes of a crime, the entity's liability will be based on Article 25-sexiesof Legislative Decree 231/01; in the event that, on the contrary, the offense is to be classified as administrative, the entity will be liable *under* Article *187-quinquies* TUF.

Offenses:

- ***Abuse of insider information (Art. 184 TUF)***

The crime of insider trading is committed by anyone who, having come into direct possession of insider information by being a member of administrative, management or supervisory bodies of an issuing company, or by being a shareholder of such a company, or by having learned such information in the course of and because of a private or public work activity:

- buys, sells, or engages in other transactions, directly or indirectly, on its own behalf or on behalf of third parties, in financial instruments[6] using the inside information acquired in the manner described above;
- communicates such information to others outside the normal course of one's employment, profession, function or office (regardless of whether those who receive such information use it to carry out operations);
- recommends or induces others, on the basis of the inside information it possesses, to carry out any of the transactions indicated in the first point.

A crime of insider trading is also committed by anyone who, coming into possession of insider information as a result of preparing or carrying out criminal activities, performs any of the above actions (this is the case, for example, of the "hacker" who, as a result of abusive access to a company's computerized system, manages to come into possession of *price-sensitive* confidential information).

Example:

[6] "Financial stru ments" means: (a) shares and other securities representing risk capital negotiable on the capital market; (b) bonds, government securities and other debt securities negotiable on the capital market; (*b-bis*) financial stru ments, negotiable on the capital market, provided for in the Civil Code; (c) units of mutual funds; (d) securities normally traded on the money market; (e) any other normally traded security that allows the acquisition of the stru ments indicated in the preceding paragraphs and related indices; (f) "*futures*" contracts on financial stru ments, on interest rates, on currencies, on commodities and on related indices, even when execution is through the payment of cash differentials; (g) spot and ter m ine exchange contracts (*swaps*) on interest rates, on currencies, on commodities as well as on stock indices (*equity swaps*), even when execution is through the payment of cash differentials;
(h) term ine contracts linked to financial stru ments, interest rates, currencies, commodities and related indices, even when the execution is through the payment of cash differentials; (i) option contracts to buy or sell the stru ments indicated in the preceding paragraphs and related indices, as well as option contracts on currencies, interest rates, commodities and related indices, even when the execution is through the payment of cash differentials; (j) combinations of contracts or securities indicated in the preceding paragraphs.

The company's Finance Manager issues orders to buy or sell equity securities of a listed company (such as a business *partner of* the company) based on inside information.

- ***Market manipulation (Art. 185 TUF)***

A market manipulation crime is committed by anyone who spreads false news (so-called informational manipulation) or engages in simulated transactions or other artifices concretely capable of causing a significant alteration in the price of financial instruments (so-called trading manipulation).

With reference to the dissemination of false or misleading information, it is also emphasized that this type of market manipulation also includes cases where the creation of a misleading indication results from the failure of the issuer or other obligated parties to comply with disclosure requirements.

Examples:

The company's General Manager disseminates false communications about corporate events (e.g., about the existence of ongoing restructuring projects) or the company's situation with the aim of influencing the prices of listed securities (*information manipulation*).

The Finance Manager issues buy and sell orders related to one or more specific financial instruments or derivative contracts near the end of trading so as to alter their final price (*negotiation manipulation*).

With reference to the example cases given, moreover, it is emphasized that the entity's liability can only be configured in the event that such conduct has been carried out in its interest or to its advantage by persons who hold positions of representation, administration or management of the entity itself or of one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same, or by persons subject to the management or supervision of one of the aforementioned persons.

Administrative offenses:

- ***Abuse of insider information (Article 187-bis TUF)***

The administrative offense of insider trading is committed by anyone who, having come into possession of insider information by virtue of being a member of administrative, management or supervisory bodies of an issuing company, or by being a shareholder of the issuing company, or by having learned such information in the course of and as a result of private or public employment:

- Buys, sells, or engages in other transactions, directly or indirectly, on its own behalf or on behalf of third parties, in financial instruments using the inside information acquired in the manner described above;
- communicates such information to others outside the normal course of one's employment, profession, function or office (regardless of

by the circumstance that those who receive such information use it to carry out transactions);

- recommends or induces others, on the basis of the inside information in his possession, to carry out any of the specified transactions.

It is also an administrative offense to misuse insider information if anyone who, coming into possession of insider information due to the preparation or execution of criminal activities, performs any of the above actions.

The case in question in this article largely corresponds to the criminal case governed by Article 184 TUF, differing from the latter mainly in the absence of intent in the illegal conduct (a necessary condition, on the contrary, for it to be a crime of insider trading). In fact, in order for the administrative offense of insider trading to be integrated, it is sufficient that the conduct engaged in is of a culpable nature, thus the actual intention of the perpetrator of the offense does not matter.

The penalties provided for in this article shall also apply to any person who engages in any of the conduct described therein while in possession of privileged information and knowing or even being able to know based on ordinary diligence the privileged nature thereof.

Lastly, it should be noted that for the cases under this article, attempt is equated with consummation.

Example:

The *Merger & Acquisition* Manager negligently (with an attitude of levity) induces others to engage in transactions in financial instruments on the basis of inside information acquired in the performance of his or her duties.

- ***Market manipulation (Article 187-ter TUF)***

The case provided for in Article *187-ter* TUF expands the scope of conduct relevant for the applicability of administrative sanctions from those punishable under criminal law and punishes anyone who, through any information medium, spreads false or misleading information, rumors or news that provides or is likely to provide false or misleading indications regarding financial instruments (so-called information manipulation).

In this case, therefore, the integration of the administrative offense of market manipulation is irrespective of the effects of the unlawful conduct, where Art. 185 TUF, in regulating the offenses of market manipulation, requires for the purposes of punishability of the conduct that the false news be "*concretely capable*" of appreciably altering the prices of financial instruments.

Paragraph 3 of Article *187-ter* TUF also provides for the sanctionability of the following conduct (so-called negotiation manipulation):

- transactions or trading orders that provide or are likely to provide false or misleading indications regarding the supply, demand, or price of financial instruments;

- transactions or buy and sell orders that enable, through the action of one or more persons acting in concert, the market price of one or more financial instruments to be set at an abnormal or artificial level;
- transactions or trading orders that use artifice or any other kind of deception or contrivance;
- other artifices designed to provide false or misleading indications regarding the supply, demand or price of financial instruments.

Example:

The *Investor Relations* Officer disseminates false or misleading information in the press with the intention of moving the price of an underlying security or asset in a direction that favors the open position on that financial instrument or asset or favors a transaction already planned by the person disseminating the information.

9.2 The concept of Inside Information

The concept of inside information is the fulcrum around which the entire *insider trading regulations* and those concerning corporate information regulated in Title III, Chapter I, Article 114 et seq. of the TUF and Consob Regulation No. 11971/1999 (hereinafter the "Issuers' Regulations") revolve.

According to the provisions of Article 181 of the TUF an **information is to be considered privileged information** (hereinafter the "Privileged Information"):

- **Of precise character**;

(i.e., information pertaining to circumstances or events that exist or have occurred or circumstances or events that can reasonably be expected to come into existence or occur; it must also be sufficiently explicit and detailed information so that those who use it are placed in a position to believe that certain effects on the price of financial instruments may actually occur from its use).

- **not yet made public;**

(i.e., information that has not yet been made available to the market, e.g., through publication on websites or in newspapers or through communications made to Regulatory Authorities).

- **concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments;**

(i.e., so-called "*corporate information*," i.e., information relating to the issuer's financial position or organizational affairs, or so-called "*market information*," i.e., information relating to the affairs of one or more financial instruments).

- **which if made public could significantly affect the prices of such financial instruments;**

(i.e., information that a reasonable investor-that is, an investor-average investor-would presumably use as one of the elements on which to base his or her investment decisions).

Lastly, it should be emphasized that in order for there to be talk of privileged information, it is necessary for all the characteristics described above to be co-present, the absence of only one of them being sufficient to deprive the information of its privileged character.

9.3 Disclosure requirements

The transposition of EU regulations on market abuse has made significant innovations to the information system provided for listed companies.

In fact, on November 29, 2005, Consob amended the Issuers' Regulations by dictating new rules regarding:

- **Public disclosure of information on transactions in financial instruments made by "relevant persons."** The disclosure requirements for the following persons are summarized below:
  - Listed issuers and entities that control them;
  - Members of the administrative and supervisory bodies;
  - executives;
  - persons who hold a significant shareholding within the meaning of Article 120 TUF (i.e., on the one hand, those who hold more than two percent of the capital of a company with listed shares and, on the other hand, listed companies that hold more than ten percent of the capital of a company with unlisted shares);
  - parties who participate in an agreement provided for in Article 122 TUF (i.e., a shareholders' agreement having as its object the exercise of voting rights in companies with listed shares and their controlling companies);
- The new rules on public disclosure of information on financial instrument transactions made by relevant persons stipulate that:
  - persons performing administrative, supervisory or management functions in a listed issuer or in a relevant subsidiary company, managers of the issuer, or of a relevant subsidiary company, who have regular access to Inside Information under Art. 181 TUF and have the power to make management decisions that may affect the development and future prospects of the listed issuer, must notify Consob and the listed issuer of transactions in shares and related financial instruments made by themselves (and persons closely associated[7]) within 5 trading days from the date on which the transaction

7 "Persons closely related to relevant persons" are defined as:

has been carried out. The listed issuer will then be required to disclose, by the end of the open market day following the day of their receipt, the information to the public (Art. *152-octies* paragraphs 1, 2,3, Issuers Regulation);

- persons holding at least 10 percent of the voting capital of the listed issuer must notify Consob of any relevant transactions under the *internal dealing* provisions and then disclose the information to the public within 15 days of their execution. They may, however, delegate the issuer to publish the information but must in that case make the disclosure to the issuer and Consob within 5 days.

  The Issuers' Regulations extend the above obligations to transactions involving the purchase, sale, subscription or exchange of shares or financial instruments related to shares (Article *152-septies* paragraph 2).

  The following transactions by relevant persons and closely related persons are exempt from the reporting requirement:

  - transactions whose total amount does not reach five thousand euros by the end of the year; for related derivative financial instruments, the amount is calculated by reference to the underlying shares;
  - transactions that are carried out between the relevant person and persons closely associated with him or her;
  - transactions carried out by the same listed issuer and its subsidiaries.

- **public disclosures of Inside Information**

The new rules on public disclosure of Inside Information stipulate that:

- The disclosure requirements of Article 114 TUF for listed issuers and their controlling entities (hereinafter "the Obligated Persons") concerning Inside Information directly concerning the issuer and its subsidiaries are fulfilled when upon the occurrence of a set of circumstances or an event "*although not yet formalized*," the public has been informed without delay (Article 66 paragraph 1, Issuers' Regulations).

- the spouse not legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, the parents, relatives and relatives-in-law of the relevant persons;
- Legal entities, partnerships and trusts in which a relevant person or one of the persons first indicated is the holder, alone or jointly with each other, of the management function;
- legal persons, directly or indirectly controlled by a relevant person or one of the persons mentioned in the first point;
- Partnerships whose economic interests are substantially equivalent to those of an individual relevant or one of the persons mentioned in the first point;
- *trustsconstituted for* the benefit of a relevant person or one of the individuals listed in the first bullet point.

Consob clarified that the phrase "*not yet formalized*" refers to events or circumstances that have in any case already occurred, in relation to which, however, final formalization is lacking.

The publication of such information must be made by sending a press release to the market management company, which will make it available to the public, and to at least two news agencies as well as to Consob (Article 66 paragraph 2, Issuers' Regulations).

The issuer shall, in addition, publish the press release on its website, where available, and keep it on the same for at least two years (Art. 66 paragraph 3, Issuers' Regulations).

- Listed issuers shall make the necessary arrangements for subsidiaries to provide all the news necessary to comply with the disclosure requirements of the law. Subsidiaries shall transmit the required news in a timely manner.
- Inside Information and *marketing* of the activities of the Obligated Persons must not be combined with each other in such a way as to be misleading (Art. 66 paragraph 6 (b), Issuers' Regulations). Consob clarified that the term *marketing*, moreover reproduced verbatim from the Level 2 Directive, includes, in the case under consideration, any type of promotional activity.

- Obligated Persons must give full disclosure to the public of those Inside Information that, intentionally or unintentionally, they have transmitted in the exercise of their work, profession, function or office, to third parties not subject to any obligation of confidentiality (Article 114 paragraph 4, TUF).

  In addition, when, as a result of the dissemination of news concerning the financial, economic or financial situation of issuers of financial instruments, or extraordinary finance transactions relating to such issuers, the price of the same instruments changes from the last price on the previous day, the Obligated Persons must publish in the prescribed manner a statement about the truthfulness of the same news, supplementing or correcting its content, in order to restore equal information conditions (Article 66 paragraph 8, Issuers' Regulations).

- Obligated Persons have the right to delay the disclosure of Inside Information to the market in order not to prejudice their legitimate interests (Art. 66- *bis*, Issuers' Regulations, which finds its normative source in Paragraph 3 of Art. 114 TUF).Relevant circumstances that legitimize this right are those in which the public disclosure of Inside Information may jeopardize the implementation of a transaction by the issuer itself or result in the public's failure to make an accurate assessment.

  Consob identifies two specific cases that undoubtedly fall under these relevant circumstances:

  - the one, consists of when there is ongoing trading and there is a risk that public disclosure could jeopardize the outcome; or the issuer's financial soundness is threatened by a serious and imminent danger, even if not within the scope of the provisions

applicable insolvency law, and public disclosure of the information risks seriously compromising the interests of existing or potential shareholders and jeopardizing the conclusion of negotiations aimed at securing the long-term financial recovery of the issuer;

- the other, concerns the case of decisions made or contracts concluded by the administrative body of an issuer whose effectiveness is subject to the approval of another body of the issuer, other than the shareholders' meeting, if the structure of the issuer provides for the separation of the two bodies; the delay may be permissible provided that the public disclosure of the information before approval combined with the simultaneous announcement that the approval is still pending, may jeopardize the correct assessment of the information by the public.

- The Obligated Persons who make use of the delay in disclosure must observe the necessary and appropriate procedures to ensure the confidentiality of the information and disclose the Inside Information without delay when such confidentiality should break down (Article *66-bis* paragraph 3, Issuers' Regulations). Such persons are required to notify Consob without delay of the delay and the reasons for it (Article *66-bis* paragraph 4, Issuers' Regulations). Following such notification or having otherwise become aware of a delay in the public disclosure of Inside Information, Consob may oblige the persons concerned to make the disclosure and in case of non-compliance provide at the expense of the persons concerned.
- Consob may, also on a general basis, require from the Obligated Persons, members of the administrative and control bodies and managers, as well as persons who hold a significant shareholding under Article 120 TUF (i.e., on the one hand, those who hold more than two percent of the capital of a company with listed shares and, on the other hand, listed companies that hold more than ten percent of the capital of a company with unlisted shares) or who participate in a pact provided for in Article 122 TUF (i.e., a shareholders' agreement having as its object the exercise of voting rights in companies with listed shares and in companies that control them) that news and documents necessary for public disclosure be made public in the manner it determines.

  In case of non-compliance, the Authority may provide directly at the expense of the defaulting party (Art. 114 paragraph 5, TUF as amended by Art. 14 Chapter III of Law No. 262 of December 28, 2005).

10. The offenses of culpable homicide and serious or very serious culpable injury committed in violation of accident prevention regulations and the protection of hygiene and health at work (Art. *25-septies* Legislative Decree 231/01 - Legislative Decree No. 81 of April 9, 2008)

Article 9of LawNo. 123 of August 3, 2007 amended Legislative Decree 231/01 by introducing within it the new Article *25-septies*, which extends the

liability of entities to offenses related to the violation of safety and accident prevention regulations.

In implementation of Article 1 of Law 123/07, Legislative Decree No. 81 of April 9, 2008, on health and safety in the workplace, came into force."

This measure is a Unified Text of coordination and harmonization of all relevant existing laws, with the intention of creating a unified tool that is easy to use for all those involved in safety management.

In particular, Legislative Decree 81/2008 provides for the repeal of a number of important safety regulations, including Legislative Decree 626/94 (Implementation of Community Directives concerning the improvement of the safety and health of workers at work), Legislative Decree 494/96 (Implementation of the Community Directive concerning the minimum safety and health requirements to be implemented at temporary or mobile construction sites), and most recently Articles 2, 3, 4, 5, 6 and 7 of Law 123/2007.

Article 300 of Legislative Decree 81/2008 replaced the wording of Article *25-septies* of the aforementioned Legislative Decree 231/01, which referred to the crimes referred to in Articles 589 (manslaughter) and 590 third paragraph (grievous or very grievous bodily harm) of the Criminal Code, committed by violating the rules on accident prevention and the protection of hygiene and health at work[8].

The new wording redefined the penalties applicable to the entity, graduating them in relation to the crime and the aggravating circumstances that may incur in its commission.

- ***Manslaughter (Article 589 of the Criminal Code).***

The crime occurs whenever a person negligently causes the death of another person.

However, the criminal offence included in Legislative Decree 231/01 concerns only those cases in which the event-death was caused not by generic negligence, and therefore by inexperience, imprudence or negligence, but by specific negligence, consisting in the violation of the rules for the prevention of accidents at work.

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[8] "Art. *25-septies*. - (Culpable homicide and serious or very serious culpable injury, com mitted with violation of accident prevention regulations and the protection of hygiene and health at work)

1. In relation to the crime referred to in Article 589 of the Criminal Code, com m itted with violation of Article 55, com m unication 2, of the legislative decree implementing the delegation of authority referred to in Law 123 of2007 on occupational health and safety, a fine in the amount of 1,000 quotas shall be applied. In the case of conviction for the crime referred to in the preceding sentence, the disqualification sanctions referred to in Article 9, com m 2 shall be applied for a period of not less than three months and not more than one year.

2. Except as provided in com m unication 1, a fine in an amount of not less than 250 quotas and not more than 500 quotas shall be imposed in relation to the crime referred to in Article 589 of the Criminal Code, com m itted with violation of the regulations on occupational health and safety protection.

In the case of conviction for the crime referred to in the preceding sentence, the disqualifying penalties referred to in Article 9, com m 2 shall apply for a period of not less than three months and not more than one year.

3. In relation to the crime referred to in Article 590, third com m ittee, of the Criminal Code, com m ittee with violation

of the regulations on occupational health and safety protection, a fine in an amount not exceeding 250 quotas shall be applied. In the case of conviction for the crime referred to in the preceding sentence, the disqualification sanctions referred to in Article 9, com m 2 shall be applied for a period not exceeding six months."

If the fact

In relation to the crime in question, the new Article *25-septies* of Legislative Decree 231/01 has provided for a fine of 1,000 quotas and an interdictory sanction of three months to one year against the entity, but only where it is committed in violation of Article 55, paragraph 2 of the Consolidated Act, i.e., when the criminal conduct is committed within certain specific types of companies (i.e., industrial companies with more than 200 employees or those in which workers are exposed to biological risks, asbestos, etc.).

If, on the other hand, the same crime is committed simply by violating accident prevention regulations, a fine of 250 to 500 quotas shall be imposed, and in the case of conviction for such a crime, a disqualification from three months to one year shall be imposed.

- Grievous or very grievous bodily harm (Art. 590 c. 3 Penal Code)

The crime occurs whenever a person, in violation of the regulations for the prevention of accidents at work, causes serious or very serious injury to another person.

According to Paragraph 1 of Article 583 of the Criminal Code, injury is considered serious in the following cases:

"(1) if the act results in an illness that endangers the life of the offended person, or an illness or inability to attend to ordinary occupations for a period exceeding forty days;

(2) if the act produces the permanent impairment of a sense or organ."

Pursuant to paragraph 2 of Article 583 of the Criminal Code, on the other hand, the injury is considered to be very serious if it results from the act:

- *"a disease that is certainly or probably incurable;*
- *The loss of meaning;*
- *The loss of a limb, or a mutilation that renders the limb useless, or the loss of the use of an organ or the ability to procreate, or a permanent and severe difficulty of speech;*
- *Deformation, or permanent disfigurement of the face."*

If the crime in question is committed in violation of accident prevention regulations, a fine of not more than 250 quotas shall be imposed on the entity, and in the case of conviction for such a crime, a disqualification sanction shall be imposed for up to six months.

In any case, Article 5 of Legislative Decree 231/01 requires that the crimes be committed in the interest of the entity or to its advantage.

Legislative Decree 81/2008 also stipulates in Article 30 that, in order to avert the entity's administrative liability, the Organization, Management and Control Model pursuant to Legislative Decree 231/01 must be adopted and effectively implemented, ensuring that there is compliance with specific legal obligations, specifically relating to:

- To compliance with legal technical and structural standards relating to facilities, places and work equipment;
- To the activities of risk assessment and preparation of the resulting prevention and protection measures;
- to activities of an organizational nature (i.e., first aid, contract management, periodic safety meetings, consultation of workers' safety representatives);
- to workers' information and training activities, as well as health surveillance;
- to supervisory activities with reference to workers' compliance with safe work procedures and instructions;
- to the 'acquisition of documentation and certifications required by law;
- To periodic reviews of the application and effectiveness of the procedures adopted.

11. The offenses of receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-money laundering (Art. *25-octies* Legislative Decree 231/01 - Legislative Decree 231/2007)

Legislative Decree 231/2007, also known as the "Anti-Money Laundering Decree" (which implemented Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as well as Directive 2006/70/EC, which contains implementing measures), included in the body of the
D. Legislative Decree 231/01 the new Art. *25-octies*, which extends the liability of legal persons to crimes of receiving, laundering and using money, goods or utilities of illicit origin (Articles 648, 648-bis and 648-ter of the Criminal Code) even if committed domestically.

Already Law 146/2006 (paragraphs 5 and 6 of Article 10, now repealed by the Anti-Money Laundering Decree) had provided for the liability of entities for only the crimes of money laundering and the use of money, goods or utilities of illicit origin, and only if they were committed transnationally.

The crimes of receiving, laundering and using money, goods or utilities of illicit origin are considered as such even if the activities that generated the goods to be laundered took place in the territory of another EU state or a third country.

Thus, the purpose of Decree 231/2007 is to protect the financial system from being used for the purpose of money laundering or financing terrorism and is aimed at a group of subjects that includes, in addition to banks and financial intermediaries, all those operators who carry out activities such as custody and transportation of cash, securities, real estate brokerage firms, etc.,(the so-called "non-financial operators").

Article 25-octieswas amended by Law No. 186 of December 15, 2014, setting forth "Provisions on the emersion and return of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on self-laundering," which introduced the crime of self-laundering (Article 648-ter.1 of the Criminal Code).

- ***Receiving stolen goods (art. 648 Penal Code)***

This crime hypothesis occurs when, outside the cases of complicity in the crime, a person, in order to procure for himself or others a profit, purchases, receives or conceals money or things from any crime, or in any case meddles in having them purchased, received or concealed. This is punishable by imprisonment of two to eight years and a fine of 516 euros to 10,329 euros. The punishment is imprisonment of up to six years and a fine of up to 516 euros if the act is of particular tenuousness. The provisions of this article shall also apply when the perpetrator of the crime, from which the money or things originate, cannot be charged or is not punishable.

- ***Money laundering (Article 648-bis of the Criminal Code).***

This crime is committed when a person replaces or transfers money, goods or

other utilities from a nonnegligent crime, or performs other transactions in relation to them, so as to hinder the identification of their criminal origin. This hypothesis is punishable by imprisonment from four to twelve

years and with a fine of 5,000 to 25,000 euros. The penalty is increased when the act is committed in the exercise of a professional activity.

- ***Use of money, goods or utilities of illicit origin (Article 648-ter of the Criminal Code)***

This offense occurs in the case of using money, goods or other utilities from crime in economic or financial activities. In this case, the penalty is imprisonment from four to twelve years and a fine from 5,000 to 25,000 euros. The penalty is increased when the act is committed in the exercise of a professional activity.

- ***Self-laundering (art. 648-ter. 1, Criminal Code)***

The punishment of imprisonment from two to eight years and a fine from 5,000 euros to 25,000 euros shall be imposed on anyone who, having committed or conspired to commit a nonnegligent crime, employs, substitutes, transfers, in economic, financial, entrepreneurial or speculative activities, the money, goods or other utilities from the commission of such crime, in such a way as to concretely hinder the identification of their criminal origin.

A penalty of imprisonment from one to four years and a fine from 2,500 euros to 12,500 euros shall be imposed if the money, goods or other benefits come from the commission of a nonnegligent crime punishable by imprisonment of less than a maximum of five years.

In any case, the penalties provided for in the first paragraph shall be applied if the money, goods or other utilities come from a crime committed with the conditions or purposes set forth in Article 7 of Decree-Law No. 152 of May 13, 1991, converted, with amendments, by Law No. 203 of July 12, 1991, as amended.

Outside the cases referred to in the preceding paragraphs, conduct whereby the money, goods or other utilities are intended for mere personal use or enjoyment is not punishable.

The penalty is increased when the acts are committed in the exercise of a banking or financial business or other professional activity.

The punishment is reduced by up to half for those who have effectively taken steps to prevent the conduct from being carried to further consequences or to secure evidence of the crime and the identification of property, money and other utilities from the crime.

The last paragraph of Article 648 applies.

Pursuant to Article *25-octies*, pecuniary penalties up to a maximum of 1,500,000 euros and interdictory penalties not exceeding, in the maximum, two years may therefore be applied to the entity,in the case of the commission of one of the crimes referred to in this article, even if carried out in a purely domestic context, provided that an interest or advantage for the entity derives from it

The powers and functions of the Supervisory Board, whose task under Legislative Decree 231/01 is to supervise the implementation of the Organization, Management and Control Models, have been redesigned.

12. Copyright infringement offenses (Art. *25-novies* Legislative Decree 231/01)

Law No. 99, Art. 15, paragraph 7, of July 23, 2009, introduced copyright infringement offenses to Art. *25-novies* of Legislative Decree 231/01.

The individual cases covered by the standard are described below:

- ***Article 171, 1st paragraph, letter a-bis) and 3rd paragraph (L.633/1941)***

Except as provided in Article 171- *bis* and Article 171- *ter, a* fine from €51.00 to €2,065.00 shall be imposed on anyone who, without having the right to do so, for any purpose and in any form:

(*aa) makes* available to the public, by placing it in a system of telematic networks, through connections of any kind, a protected intellectual work, or part of it;

The penalty is imprisonment of up to one year or a fine of not less than €516.00 if the above offenses are committed over another person's work not intended for publication, or with usurpation of the authorship of the work, or with deformation, mutilation or other modification of the work, if the honor or reputation of the author is offended.

- ***Art. 171- bis (L.633/1941)***

Anyone who illegally duplicates, for profit, computer programs or for the same purposes imports, distributes, sells, holds for commercial or entrepreneurial purposes or leases programs contained in media not marked by the Italian Society of Authors and Publishers (SIAE), shall be subject to imprisonment from six months to three years and a fine from 2,582 euros to 2,582 euros
15.493. The same punishment shall apply if the act concerns any means intended solely to enable or facilitate the arbitrary removal or functional circumvention of devices applied to protect a computer program. The punishment shall be no less than a minimum of two years' imprisonment and a fine of 15,493 euros if the act is of significant gravity.

Whoever, for the purpose of making profit, on media not marked SIAE reproduces, transfers to another medium, distributes, communicates, presents or demonstrates in public the contents of a database in violation of the provisions of Articles 64-*quinquies* and *64-sexies*, or performs the extraction or reuse of the database in violation of the provisions of Articles *102-bis* and *102-ter*, or distributes, sells or leases a database, shall be subject to imprisonment from six months to three years and a fine from 2.582 to 15,493 euros. The punishment shall be no less than a minimum of two years' imprisonment and a fine of 15,493 euros if the act is of significant gravity.

- ***Art. 171- ter (L.633/1941)***

It shall be punished, if the act is committed for non-personal use, with imprisonment from six months to three years and a fine from 2,582 to 15,493 euros for anyone for profit:

a) Unlawfully duplicates, reproduces, transmits or disseminates in public by any process, in whole or in part, an original work intended for the television, film, sale or rental circuit, discs, tapes or similar media or any other media containing phonograms or videograms of musical, cinematographic or audiovisual works assimilated or sequences of moving images;

b) Unlawfully reproduces, transmits or disseminates in public, by any process, works or parts of literary, dramatic, scientific or educational, musical or dramatic-musical, or multimedia works, even if included in collective or composite works or databases;

c) while not having taken part in the duplication or reproduction, introduces into the territory of the State, holds for sale or distribution, or distributes, places on the market, rents or otherwise disposes of for any reason, projects in public, broadcasts by television by any process, broadcasts by radio, plays in public the illegal duplications or reproductions referred to in subparagraphs (a) and (b);

d) holds for sale or distribution, places on the market, sells, rents, disposes of for any reason, projects in public, broadcasts by radio or television by any process, videotapes, music cassettes, any media containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of moving images, or other media for which the affixing of a mark by the Italian Society of Authors and Publishers (S.I.A.E.), lacking the said mark or bearing a counterfeit or altered mark;

e) in the absence of agreement with the lawful distributor, retransmits or disseminates by any means an encrypted service received by means of apparatus or parts of apparatus suitable for decoding conditional access transmissions;

f) introduces into the territory of the State, holds for sale or distribution, distributes, sells, leases, transfers for any reason, commercially promotes, installs special decoding devices or elements that allow access to an encrypted service without payment of the due fee.

(*f-bis)* manufactures, imports, distributes, sells, rents, assigns for any reason, advertises for sale or rent, or holds for commercial purposes, equipment, products or components or provides services that have the predominant purpose or commercial use of circumventing effective technological measures referred to in Article *102-quater* or are principally designed, produced, adapted or made for the purpose of enabling or facilitating the circumvention of said measures. Technological measures include those applied, or which remain, as a result of the removal of such measures as a result of the voluntary initiative of rights holders or agreements between them and beneficiaries of exceptions, or as a result of the enforcement of administrative or judicial authority orders;

(h) unlawfully removes or alters the electronic information referred to in Article *102--d*, or distributes, imports for distribution, broadcasts by radio or television, communicates or makes available to the public works or other

protected materials from which the electronic information itself has been removed or altered.

It is punishable by imprisonment from one to four years and a fine from 2,582 euros to 2,582 euros

2,582 euros

15,493 anyone:

a) Unlawfully reproduces, duplicates, transmits or disseminates, sells or otherwise places on the market, transfers for any reason or unlawfully imports more than fifty copies or specimens of works protected by copyright and related rights;

(*a-bis) in* violation of Article 16, for profit, communicates to the public by placing it in a system of telematic networks, through connections of any kind, an intellectual work protected by copyright, or part of it;

b) exercising in an entrepreneurial form activities of reproduction, distribution, sale or marketing, importation of works protected by copyright and related rights, is guilty of the acts provided for in paragraph 1;

c) promotes or organizes the illegal activities referred to in Paragraph 1.

The penalty is lessened if the act is of particular tenuousness.

Conviction for any of the offenses stipulated in Paragraph 1 entails:

a) The application of the ancillary penalties in Articles 30 and *32-bis* of the Criminal Code;

b) The publication of the judgment in one or more newspapers, at least one of which has a national circulation, and in one or more specialized periodicals;

c) The suspension for a period of one year of the radio and television broadcasting concession or authorization to engage in production or commercial activity.

The amounts resulting from the application of the fines provided for in the preceding paragraphs shall be paid to the National Welfare and Assistance Board for Painters and Sculptors, Musicians, Writers and Dramatic Authors.

- ***Article 171-septies (L.633/1941)***

The penalty in Article *171-ter*, paragraph 1, also applies:

a) to producers or importers of the media not subject to the marking referred to in Article *181-bis*, who fail to notify the SIAE within thirty days from the date of placing on the national market or importing the data necessary for the unambiguous identification of such media;

b) unless the act constitutes a more serious crime, to anyone who falsely declares that he has fulfilled the obligations set forth in Article *181-bis,* paragraph 2 of this law.

- ***Art. 171 -octies (L.633/1941)***

If the act does not constitute a more serious crime, a term of imprisonment from six months to three years and a fine from 2,582 euros to 25,822 euros shall be imposed on anyone who, for fraudulent purposes, manufactures, offers for sale, imports, promotes, installs, modifies, or uses for public and private use equipment or parts of equipment suitable for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analog and

digital form. Conditional access is understood to mean all audiovisual signals transmitted by Italian or foreign broadcasters in such a form as to make the same

visible only to closed groups of users selected by the signal issuer, regardless of the imposition of a fee for the use of this service.

The punishment is not less than two years' imprisonment and a fine of €15,493.00 if the act is of significant gravity.

13. Crime of Inducement not to make statements or to make false statements to judicial authorities (Article *25-decies* of Legislative Decree 231/01)

Law No. 116 of August 3, 2009, introduced the crime of "***Inducement not to make statements or to make false statements to the judicial authority***" to Article 25-*decies* of Legislative Decree 231/01.

This criminal hypothesis-already covered by Legislative Decree 231/01 among transactional crimes (Art.10, paragraph 9, Law 146/2006)-now assumes relevance in the national sphere as well.

- ***Inducement not to make statements or to make false statements to the Judicial Authority (Art. 377- bis c.p.)***

Unless the act constitutes a more serious crime, anyone who, by violence or threat, or by offering or promising money or other benefits induces a person called upon to make before the Judicial Authority statements usable in criminal proceedings not to make statements or to make false statements, when the person has the right not to answer, shall be punished by imprisonment of two to six years.

14. The cases of environmental crimes (Art. *25-undecies* of Legislative Decree No. 231/01)

Legislative Decree No. 121 of July 7, 2011, which implements Directive 2008/99/EC and Directive 2009/123/EC, following up on the European Union's obligation to incriminate behavior that is highly dangerous to the environment, introduced Article *25j* of Legislative Decree 231/01.

The offenses referred to in Article *25j* are as follows.

CRIMES INTRODUCED INTO THE CRIMINAL CODE

- ***Environmental pollution (Art. 452-bis.)***

It is punishable by imprisonment from two to six years and a fine from 10,000 euros to 10,000 euros
100,000 anyone who unlawfully causes significant impairment or deterioration e
measurable:
1) of water or air, or of large or significant portions of the soil or subsoil;
2) of an ecosystem, biodiversity, including agricultural biodiversity, flora or fauna.
When the pollution is produced in a protected natural area or one subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or to the detriment of protected animal or plant species, the

punishment is increased.

- ***Environmental Disaster (Art. 452-quater.)***

Outside the cases provided for in Article 434, anyone who illegally causes an environmental disaster shall be punished by imprisonment of five to 15 years. They constitute disaster environmental Alternatively:
1) The irreversible alteration of the balance of an ecosystem;
2) alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures;
3) the offense to public safety because of the significance of the act in terms of the extent of the impairment or its damaging effects or the number of persons offended o exposed a danger. When the disaster is produced in a protected natural area or one subject to landscape, environmental, historical, artistic, architectural or archaeological constraints, or to the detriment of protected animal or plant species, the punishment is increased.

- ***Culpable crimes against the environment (Art. 452-quinquies.)***

If any of the facts referred to in Articles 452-bis and 452-quater are committed by negligence, the punishments provided in the same articles shall be decreased by one-third to two-thirds. If the commission of the acts referred to in the preceding paragraph results in the danger of environmental pollution or environmental disaster, the penalties are further decreased by one-third.

- ***Trafficking and abandonment of highly radioactive material (Art. 452-sexies)***

Unless the act constitutes a more serious crime, a term of imprisonment from two to six years and a fine from 10,000 to 50,000 euros shall be imposed on anyone who unlawfully disposes of, purchases, receives, transports, imports, exports, procures for others, holds, transfers, abandons or disposes of high radioactive material. The punishment referred to in the first paragraph shall be increased if the act results in the danger of impairment o deterioration:
1) of water or air, or of large or significant portions of the soil or subsoil;
2) Of an ecosystem, biodiversity, including agricultural biodiversity, flora or fauna. If danger to life or limb of persons results from the act, the punishment shall be increased by up to half.

- ***Aggravating circumstances (Art. 452-octies.)***

When the association referred to in article 416 is directed, exclusively or concurrently, for the purpose of committing any of the crimes provided for in this title, the penalties provided for in the same article 416 are increased. When the association referred to in article 416-bis is aimed at committing any of the crimes provided for in this title or at acquiring the management or otherwise control of economic activities, concessions, authorizations, contracts or public services in the environmental field, the penalties provided for in the same article 416-bis are increased. The penalties referred to in the first and second paragraphs shall be increased by one-third to one-half if the association includes public officials or persons in charge of a public service who perform functions or carry out services in environmental matters.

- ***Organized activities for illegal waste trafficking(art. 452-quaterdecies, Criminal Code)***

Whoever, in order to achieve an unjust profit, by means of several operations and through the setting up of means and continuous organized activities, transfers, receives, transports, exports, imports, or otherwise illegally handles large quantities of waste shall be punished by imprisonment from one to six years. If the waste in question is highly radioactive waste, the punishment of imprisonment from three to eight years shall apply. Conviction is followed by the accessory penalties set forth in Articles 28, 30, 32-bis and 32-ter, with the limitation set forth in Article 33. The judge, in the conviction or in the sentence issued pursuant to Article 444 of the Code of Criminal Procedure, shall order the restoration of the state of the environment and may make the granting of suspended sentence conditional on the elimination of the damage or danger to the environment. The confiscation of the things that served to commit the crime or that constitute the product or profit of the crime is always ordered, unless they belong to persons unrelated to the crime. When this is not possible, the judge shall identify property of equivalent value that the convicted person has even indirectly or through an intermediary, and order its confiscation.

- ***Killing, destroying, capturing, taking or keeping specimens of protected wild animal or plant species (Article 727-bis of the Criminal Code)***

Unless the act constitutes a more serious crime, anyone who, outside the permitted cases, kills, captures or holds specimens belonging to a protected wild animal species shall be punished by arrest from one to six months or a fine of up to 4,000 euros, except in cases where the action affects a negligible quantity of such specimens and has a negligible impact on the conservation status of the species. Any person who, outside the permitted cases, destroys, takes or holds specimens belonging to a protected wild plant species shall be punished by a fine of up to 4. 000 euros, except in cases where the action affects a negligible quantity of such specimens and has a negligible impact on the conservation status of the species.

- ***Destruction or deterioration of habitat within a protected site (art. 733-bis, Criminal Code)***

Whoever, outside the permitted cases, destroys a habitat within a protected site or otherwise deteriorates it by compromising its conservation status, shall be punished by imprisonment of up to eighteen months and a fine of not less than 3,000 euros.

OFFENSES UNDER THE "T.U. OF THE ENVIRONMENT"

- ***Criminal penalties (Art. 137- paragraphs 2,3,5,11,13 - Legislative Decree No. 152 / 2006, - T.U. of the environment)***

(c. 2) Discharge without a permit or discharge of hazardous substances.

When the pipelines described in paragraph 1 involve discharges of industrial

wastewater containing the hazardous substances included in the families and groups of

substances listed in Tables 5 and 3/A of Annex 5 to Part Three of this Decree, the punishment shall be imprisonment from three months to three years.

(c. 3) Discharge in violation of requirements.

Anyone who, outside the cases referred to in Paragraph 5, discharges industrial wastewater containing the hazardous substances included in the families and groups of substances listed in Tables 5 and 3/A of Annex 5 to Part Three of this Decree without complying with the requirements of the permit, or other requirements of the competent authority in accordance with Articles 107, Paragraph 1, and 108, Paragraph 4, shall be punished by imprisonment of up to two years.

(c. 5) Discharge in violation of tabular limits.

Anyone who, , in the performance of a discharge of industrial wastewater, exceeds the limit values set in Table 3 or, in the case of discharge to the soil, in Table 4 of Annex 5 to Part Three of this Decree, or the more restrictive limits set by the regions or autonomous provinces or the competent authority pursuant to Article 107, paragraph 1, in relation to the substances set out in Table 5 of Annex 5 to Part Three of this Decree, shall be punished by imprisonment of up to two years and a fine of 3,000 euros to 30,000 euros. If the limit values set for the substances contained in Table 3/A of the same Annex 5 are also exceeded, a term of imprisonment of six months to three years and a fine of 6,000 euros to 120,000 euros shall apply.

(c. 11) Prohibition of discharge to subsoil soil and groundwater.

Any person who fails to observe the prohibitions on discharge stipulated in Articles 103 and 104 shall be punished by imprisonment of up to three years.

(c. 13) Discharge into the waters of the sea by ships or aircraft.

The punishment of imprisonment from two months to two years shall always be applied if the discharge into the waters of the sea by ships or aircraft contains substances or materials for which an absolute prohibition of spillage is imposed pursuant to the provisions contained in the relevant international conventions in force and ratified by Italy, unless they are in such quantities as to be rendered rapidly harmless by the physical, chemical and biological processes that occur naturally in the sea and provided that there is prior authorization from the competent authority.

- ***Unauthorized waste management activities (art. 256 - paragraphs 1a, 1b, 3 first and second period, 4 5, 6 first period - Legislative Decree No. 152 / 2006-.
T.U. of the environment)***

c. 1 a, b) Waste management without a permit.

Whoever carries out an activity of waste collection, transportation, recovery, disposal, trade and brokerage in the absence of the prescribed authorization, registration or notification referred to in Articles 208, 209, 210, 211, 212, 214, 215 and

216 is punished:

a) with a penalty of imprisonment from three months to one year or a fine from 2,600 euros to
26,000 euros if it is non-hazardous waste;

b) with a penalty of imprisonment of six months to two years and a fine of 2,600 euros to 26,000 euros if hazardous waste is involved.

(c. 3) Construction and operation of unauthorized landfill.

Anyone who establishes or operates an unauthorized landfill shall be punished by imprisonment of six months to two years and a fine of 2,600 euros to 26,000 euros. The punishment of imprisonment from one to three years and a fine from 5,200 euros to 52,000 euros shall apply if the landfill is intended, even in part, for the disposal of hazardous waste. A conviction or sentence issued pursuant to Article 444 of the Code of Criminal Procedure shall be followed by the confiscation of the area on which an illegal landfill is made if it is owned by the perpetrator or co-participant in the crime, without prejudice to the obligations to reclaim or restore the state of the place.

(c. 5) Prohibition of waste mixing.

Any person who, in violation of the prohibition set forth in Article 187, engages in impermissible waste mixing activities shall be punished in accordance with paragraph (1)(b).

(c. 6) Storage of medical waste.

Whoever carries out temporary storage at the place of production of hazardous medical waste with violation of the provisions of Article 227, Paragraph 1 (b), shall be punished by imprisonment from three months to one year or a fine from 2,600 euros to 26,000 euros. A fine of 2,600 to 15,500 shall be imposed for quantities not exceeding 200 liters or equivalent quantities.

- ***Remediation of sites (Art. 257 - paragraphs 1, 2 - Legislative Decree No. 152 / 2006- T.U. of the environment)***

(c. 1) Failure to clean up sites.

Unless the act constitutes a more serious crime, anyone who causes the pollution of soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations shall be punished by imprisonment from six months to one year or a fine from 2,600 euros to 26,000 euros, if he/she fails to carry out the remediation in accordance with the project approved by the competent authority within the framework of the procedure referred to in Article 242 et seq. In case of failure to carry out the notification referred to in Article 242, the offender shall be punished by imprisonment from three months to one year or a fine from 1,000 euros to 26,000 euros.

(c. 2) Hazardous substances.

A penalty of imprisonment from one year to two years and a fine from

5,200 euros to 52,000 euros if the pollution is caused by hazardous substances.

- ***Violation of reporting obligations, mandatory record keeping and forms (Article 258 - paragraph 4 second sentence - Legislative Decree No. 152 /2006- T.U. of the environment)***

(c. 4) Transportation of waste without a form.

The punishment set forth in Article 483 of the Criminal Code shall be applied to anyone who, in preparing a waste analysis certificate, gives false information on the nature, composition and chemical and physical characteristics of waste, and to anyone who makes use of a false certificate during transportation.

- ***Illegal trafficking of waste (Art. 259 - paragraph 1 - Legislative Decree No. 152 / 2006- T.U. of the environment)***

(c. 1) Transboundary shipment of waste, constituting illegal trafficking.

Whoever carries out a shipment of waste constituting illegal trafficking in accordance with Article 26 of Regulation (EEC) No. 259 of February 1, 1993, or carries out a shipment of waste listed in Annex II of the said Regulation in violation of Article 1, paragraph 3 (a), (b), (c) and (d) of the said Regulation shall be punished by a fine from 1,550 euros to 26,000 euros and imprisonment for up to two years. The penalty is increased in case of shipment of hazardous waste.

- ***Organized activities for the illegal trafficking of waste (Art. 260[9] - paragraphs 1 and 2 - Legislative Decree No. 152/ 2006- T.U. of the Environment)***

(c. 1) Abusive waste management.

Whoever, in order to achieve an unjust profit, by means of several operations and through the setting up of means and continuous organized activities, sells, receives, transports, exports, imports, or otherwise illegally handles large quantities of waste shall be punished by imprisonment from one to six years.

(c. 2) Highly radioactive waste.

If high-level radioactive waste is involved, the punishment of imprisonment from three to eight years shall apply.

- ***Computerized waste traceability control system Art. 260- bis [10] - paragraphs 6, 7 second and third sentences, 8 - Legislative Decree No. 152 / 2006- T.U. of the environment)***

(c. 6) False information in the waste traceability certificate.

The punishment set forth in Article 483 of the Criminal Code shall apply to a person who, in preparing a waste analysis certificate used within the framework of the waste traceability control system (SISTRI), provides false information on the nature, composition and chemical and physical characteristics of waste, and to a person who enters a false certificate in the data to be provided for waste traceability purposes.

c. 7) Transportation of hazardous waste without a copy of the Sistri card or using a card with false information.

The penalty set forth in Article 483 of the Criminal Code shall apply in the case of transportation of hazardous waste. The latter penalty also applies to a person who, during transportation makes use of a waste analysis certificate containing false information on the nature, composition and chemical and physical characteristics of the transported waste.

[9] Article repealed by Legislative Decree 21/2018 and replaced by Article 452-quaterdecies
[11] Article repealed by Legislative Decree 21/2018 and replaced by Article 604-bis of the Criminal Code.

(c. 8) Transportation of waste with fraudulently altered Sistri card.

A transporter who accompanies the transport of waste with a fraudulently altered hard copy of the SISTRI - MOVEMENT AREA form shall be punished by the penalty provided for in the combined provisions of Articles 477 and 482 of the Criminal Code. The penalty is increased by up to one third in the case of hazardous waste.

- ***Penalties (Art. 279 - paragraph 5 - Legislative Decree No. 152 / 2006- T.U. of the environment)***

(c. 5) Exceeding emission limits and exceeding air quality limit values.

In the cases provided for in paragraph 2, the penalty of imprisonment of up to one year shall always be applied if the exceeding of the emission limit values also results in exceeding the air quality limit values provided for in the current regulations.

CRIMES RELATED TO THE PROTECTION OF ANIMAL AND PLANT SPECIES

- ***Art. 1 - paragraphs 1, 2 - Law No. 150/1992***

1. Unless the act constitutes a more serious crime, a term of imprisonment from six months to two years and a fine from fifteen thousand euros to one hundred and fifty thousand euros shall be imposed on anyone who, in violation of the provisions of Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended, for specimens belonging to species listed in Annex A of said Regulation, as amended:

a) imports, exports or re-exports specimens, under any customs procedure, without the required certificate or permit, or with an invalid certificate or permit pursuant to Article 11, paragraph 2a of Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended;

b) fails to observe requirements aimed at the safety of specimens specified in a permit or certificate issued in accordance with Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended;

c) uses the said specimens in a manner that differs from the requirements contained in the authorization or certification orders issued along with the import permit or certified subsequently;

d) transports or transits, including on behalf of third parties, specimens without the prescribed permit or certificate issued in accordance with Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended, and, in the case of export or re-export from a third country party to the Washington Convention, issued in accordance therewith, or without sufficient proof of their existence;

e) trades artificially propagated plants contrary to the requirements established under Article 7(1)(b) of Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended and the

Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended;

f) holds, uses for profit, purchases, sells, exhibits or holds for sale or commercial purposes, offers for sale or otherwise disposes of specimens without the prescribed documentation.

2. In case of recidivism, the punishment of imprisonment from one to three years and a fine from thirty thousand to three hundred thousand euros shall apply. If the above offense is committed in the course of business activities, the conviction is followed by suspension of the license from a minimum of six months to a maximum of two years;

- ***Art. 2 - paragraphs 1, 2 - Law No. 150/1992***

1. Unless the act constitutes a more serious offense, a fine of twenty thousand to two hundred thousand euros or imprisonment from six months to one year shall be imposed on any person who, in violation of the provisions of Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended, for specimens belonging to species listed in Annexes B and C of said Regulation:

a) imports, exports or re-exports specimens, under any customs procedure, without the required certificate or permit, or with an invalid certificate or permit pursuant to Article 11, paragraph 2a of Council Regulation (EC) 338/97 of December 9, 1996, as implemented and amended;

b) fails to observe requirements aimed at the safety of specimens specified in a permit or certificate issued in accordance with Council Regulation(EC) 338/97 of December 9, 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended;

c) uses the said specimens in a manner that differs from the requirements contained in the authorization or certification orders issued along with the import permit or certified subsequently;

d) transports or transits, including for third parties, specimens without the prescribed permit or certificate issued in accordance with Council Regulation(EC) 338/97 of December 9, 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended, and, in the case of export or re-export from a third country party to the Washington Convention, issued in accordance therewith, or without sufficient proof of their existence;

e) trades artificially propagated plants contrary to the requirements established under Article 7(1)(b) of Council Regulation(EC) 338/97 of December 9, 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of May 26, 1997, as amended;

f) holds, uses for profit, buys, sells, exhibits or holds for sale or commercial purposes, offers for sale or otherwise disposes of specimens without the prescribed documentation, limited to the species listed in Annex B of the Regulations.

2. In case of recidivism, the penalty of imprisonment from six months to eighteen months and a fine from twenty thousand euros to two hundred thousand euros shall apply. If the above offense is committed in the course of business activities, the conviction shall be followed by suspension of the license from a minimum of six months to a maximum of eighteen months.

- ***Article 3a - paragraph 1 - Law No. 150/1992***

1. The punishments provided for in Article 16 (1) (a), (c), (d), (e), and (l) of Council Regulation (EC) No. 338/97 of December 9, 1996, as amended, regarding the falsification or alteration of certificates, licenses, import notifications, declarations, communications of information for the purpose of acquiring a license or certificate, and the use of false or altered certificates or licenses shall be subject to the penalties set forth in Book II, Title VII, Chapter III of the Penal Code.

- ***Article 6 - paragraph 4 - Law No. 150/1992***

4. Anyone who contravenes the provisions of paragraph 1 shall be punished by arrest for up to six months or a fine of fifteen thousand to three hundred thousand euros.

CRIMES RELATED TO PROTECTION OF THE STATE OF OZONE AND THE ENVIRONMENT

- ***Cessation and reduction of the use of injurious substances (Article 3 - paragraph 6 - Law No. 549/ 1993)***

6. Anyone who violates the provisions of this Article shall be punished by imprisonment of up to two years and a fine of up to three times the value of the substances used for production purposes, imported or marketed. In the most serious cases, conviction shall be followed by revocation of the authorization or license under which the offending activity is carried out.

CRIMES RELATED TO SHIP-SOURCE POLLUTION

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

1. Unless the act constitutes a more serious crime, the Master of a ship, flying any flag, as well as the crew members, the owner and the owner of the ship, in case the violation occurred with their complicity, who maliciously violate the provisions of Article 4 shall be punished by imprisonment from six months to two years and a fine from 10,000 to 50,000 euros.

2. If the violation referred to in Paragraph 1 causes permanent or, in any case, particularly serious damage to the quality of water, animal or plant species or parts thereof, a term of imprisonment of one to three years and a fine of 10,000 to 80,000 euros shall be imposed.

3. The damage is considered to be of particular gravity when the elimination of its consequences is of particular technical complexity, or particularly onerous or achievable only by exceptional measures.

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

1. Unless the act constitutes a more serious crime, the Master of a ship, flying any flag, as well as the crew members, owner and owner of the ship, in case the violation occurred with their complicity, who maliciously violate the provisions of Article 4 shall be punished by imprisonment from six months to two years and a fine from 10,000 euros to 30,000 euros.

2. If the violation referred to in Paragraph 1 causes permanent or, in any case, particularly serious damage to the quality of water, animal or plant species or parts thereof, imprisonment from six months to two years and a fine from 10,000 euros to 30,000 euros shall be applied.

3. The damage is considered to be of particular gravity when the elimination of its consequences is of particular technical complexity, or particularly onerous or achievable only by exceptional measures.

Penalties to be paid by the Entity pursuant to Legislative Decree No. 121/2011

The financial penalty is provided for in relation to all hypotheses for which the entity is liable. The delegated legislature has provided for three classes of severity as detailed below:

- Fine of 150 to 250 quotas for crimes punishable by imprisonment of up to two years or imprisonment of up to two years;
- Fine of up to 250 quotas for crimes punishable by a fine or imprisonment of up to one year or imprisonment of up to two years (combined with the fine);
- Fine of 200 to 300 quotas for crimes punishable by imprisonment of up to three years or imprisonment of up to three years.

This scheme makes an exception for the crime referred to in Article 260 paragraph 1 l. 152/06 (T.U. of the Environment) for which the most severe penalty regime is reserved, as described below, for activities organized for the illegal trafficking of waste:

- Monetary penalties of 300 to 500 quotas.

The application of prohibitory sanctions - ex art. 9 c. 2 Legislative Decree 231/01 - against the legal person is provided for exclusively in the following cases:

1) Article 137, paragraphs 2, 5 second sentence, and 11 of Legislative Decree No. 152/2006;

2) Article 256, paragraph 3 - second sentence -legislative decree no. 152/2006;

3) Article 260 c. 1 and 2 of Legislative Decree No. 152/2006.

Only in such cases, therefore, will it be possible to apply the same sanctions to the legal person as a precautionary measure under Articles 45 et seq. of Legislative Decree No. 231/01.

The application of the most serious sanction among those provided for by Legislative Decree no. 231/01. i.e. that of permanent disqualification from carrying out the activity referred to in Art. 16 c. 3, was provided for in cases where the legal person or one of its organizational activities is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of crimes of association aimed at the illegal trafficking of waste (Art. 260 Legislative Decree no. 152/2006 paragraphs 1 and 2).

15. Crime of employment of third-country nationals whose stay is irregular (Article *25-duodecies* of Legislative Decree No. 231/01)

Legislative Decree No. 109, Art. 2, July 16, 2012, introduced the crime of "***Employment of citizens of foreign countries whose stay is irregular "***to Art. *25-duodecies* of Legislative Decree 231/01, which provides for the application to the entity of a fine of 100 to 200 quotas for this crime, within the limit of 150,000 euros.

This criminal hypothesis is governed by Article 22, paragraph 12 bis, of Legislative Decree No. 286 of July 25, 1998 (Consolidated Act of provisions concerning the regulation of immigration and rules on the status of foreigners):

- "***Employment of nationals of foreign countries whose stay is irregular.***

The penalties for the act stipulated in Paragraph 12 of Article 22 of Legislative Decree No. 286 of July 25, 1998 - according to which "*An employer who employs foreign workers without a residence permit provided for in this article, or whose permit has expired and whose renewal, revocation or cancellation has not been applied for within the statutory time limit, shall be punished by imprisonment of six months to three years and with the fine of 5,000 euros for each worker employed*"-are increased from one-third to one-half:

a) If there are more than three workers employed;

b) Whether the employed workers are minors of non-working age;

c) whether the workers employed are subjected to the other labor conditions of particular exploitation referred to in the third paragraph of Article 603-bis of the Criminal Code.

Law No. 161, Art.30, Paragraph 4, October 17, 2017, introduced to Art. *25-duodecies* of Legislative Decree 231/01 the crimes referred to in Art. 12, Paragraphs 3, 3 bis, 3 ter, and 5, Legislative Decree.
No. 286/1998 ("**Provisions against illegal immigration"**)which provide for the application to the entity of a fine of 400 to 1,000 quotas for such crimes.

3. Unless the act constitutes a more serious crime, anyone who, in violation of the provisions of this Unified Text, promotes, directs, organizes, finances or carries out the transportation of foreigners into the territory of the State or performs other acts aimed at illegally procuring their entry into the territory of the State, or of another State of which the person is not a citizen or does not have the right of permanent residence, shall be punished by imprisonment of five to fifteen years and a fine of 15.000 euros for each person in the case where: (a) the act relates to the illegal entry or stay in the territory of the State of five or more persons; (b) the transported person has been exposed to danger to his life or safety to procure his illegal entry or stay; (c) the transported person has been subjected to inhuman or degrading treatment to procure his illegal entry or stay (d) the act is committed by three or more persons in complicity with each other or by using international transportation services or documents that are forged or altered or otherwise illegally obtained; (e) the perpetrators have the availability of weapons or explosive materials.

3-bis. If the acts referred to in Paragraph 3 are committed by recurring in two or more of the cases referred to in subparagraphs (a), (b), (c), (d) and (e) of the same

Paragraph, the punishment therein shall be increased.

3-ter. The term of imprisonment shall be increased by one-third to one-half and a fine of 25,000 euros for each person if the acts referred to in paragraphs 1 and 3: a) are committed for the purpose of recruiting persons to be destined for prostitution or otherwise for sexual or labor exploitation or concern the entry of minors to be employed in illegal activities in order to facilitate their exploitation; b) are committed for the purpose of plme profit, even indirectly.

5. Outside the cases provided for in the preceding paragraphs, and unless the act constitutes a more serious crime, anyone who, in order to gain an unfair profit from the illegal condition of the foreigner or within the scope of the activities punishable under this article, facilitates the permanence of the foreigner in the territory of the State in violation of the norms of this Consolidated Act, shall be punished by imprisonment of up to four years and a fine of up to thirty million lire. When the act is committed in complicity by two or more persons, or concerns the permanence of five or more persons, the punishment shall be increased from one third to one half.

16. Crimes of racism and xenophobia (Article *25-terdecies* of Legislative Decree No. 231/01)

Law No. 167, Art. 2, Nov. 20, 2017, introduced the crimes of racism and xenophobia to Art. *25-terdecies* of Legislative Decree 231/01 (subsequently amended by Legislative Decree No. 21/2018), which provide for the application to the entity of a fine of 200 to 800 quotas for such crimes.

These offenses are regulated by Article [311], Paragraph 3-bis of Law 654/1975 (International Convention on the Elimination of All Forms of Racial Discrimination):

The punishment of imprisonment from two to six years shall be imposed if the propaganda or incitement and incitement, committed in such a way that a real danger of dissemination arises, is based in whole or in part on the denial, gross minimization or apologia of the Shoah or crimes of genocide, crimes against humanity and war crimes, as defined in Articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to Law No. 232 of July 12, 1999.

Propaganda and incitement to commit racial ethnic and religious discrimination (Article 604-bis of the Criminal Code)

Unless the act constitutes a more serious crime, it shall be punished: a) with imprisonment of up to one year and six months or with a fine of up to 6.000 euros who propagates ideas based on racial or ethnic superiority or hatred, or incites to commit or commits acts of discrimination on racial, ethnic, national or religious grounds; b) with imprisonment from six months to four years who, in any way, incites to commit or commits violence or acts of provocation to violence on racial, ethnic, national or religious grounds. Any organization, association, movement or group whose purposes include incitement to discrimination or violence on racial, ethnic, national or religious grounds is prohibited. Those who participate in such organizations,

[11]Article repealed by Legislative Decree 21/2018 and replaced by Article 604-bis of the Criminal Code.

associations, movements or groups, or assists in their activities, shall be punished, for the sole fact of participation or assistance, by imprisonment from six months to four years. Those who promote or direct such organizations, associations, movements or groups shall be punished, for that alone, by imprisonment from one to six years. The punishment of imprisonment for a term of two to six years shall apply if the propaganda or incitement or incitement, committed in such a manner as to give rise to a real danger of dissemination, is based in whole or in part on the denial, gross minimization or apologia of the Shoah or crimes of genocide, crimes against humanity and war crimes, as defined in Articles 6, 7 and 8 of the Statute of the International Criminal Court.

17. Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices (Art. 25- quaterdecies of Legislative Decree 231/01)

Article 5 of Law No. 39 of May 3, 2019, introduced Article 25 - quater into Legislative Decree 231/2001, which reads:

1. In connection with the commission of the crimes referred to in Articles 1 and 4 of Law No. 401 of December 13, 1989, the following financial penalties are applied to the entity:

a) For crimes, a fine of up to five hundred quotas;

b) for contraventions, a fine of up to two hundred and sixty quotas.

2. In cases of conviction for one of the crimes specified in paragraph 1 (a) of this Article, the disqualification sanctions provided for in Article 9 (2) shall be applied for a period of not less than one year.

Fraud in sports competitions (Art. 1, L. No. 401/1989)

Anyone who offers or promises money or other benefit or advantage to any of the participants in a sports competition organized by the federations recognized by the Italian National Olympic Committee (CONI), the Italian Union for the Increase of Horse Breeds (UNIRE) or other state-recognized sports bodies and their member associations in order to achieve a result other than that consequent to the proper and fair conduct of the competition, or commits other fraudulent acts aimed at the same purpose, shall be punished by imprisonment from one month to one year and a fine from five hundred thousand to two million lire. In minor cases, only the penalty of a fine shall apply. 2. The same penalties shall apply to the participant in the competition who accepts the money or other benefit or advantage, or accepts the promise thereof. 3. If the result of the competition is influential for the purpose of the conduct of regularly exercised betting and wagering contests, the acts referred to in paragraphs 1 and 2 shall be punished by imprisonment from three months to two years and a fine from five million lire to fifty million lire.

Abusive exercise of gambling or betting activities (Art. 4, L. 401/1989)

Anyone who abusively engages in the organization of lottery or betting or wagering contests which the law reserves to the state or other concessionary entity shall be punished by imprisonment of six months to three years. The same punishment

shall be imposed on anyone who otherwise organizes betting or betting contests on activities

sports managed by the Italian National Olympic Committee (CONI), organizations dependent on it or the Italian Union for the Increase of Horse Breeds (UNIRE). Anyone who illegally exercises the organization of public betting on other competitions of persons or animals and games of skill shall be punished by arrest from three months to one year and a fine of not less than one million lire. The same penalties shall apply to any person who sells on the national territory, without authorization from the Autonomous Administration of State Monopolies, tickets for lotteries or similar shows of fortune of foreign states, as well as to any person who participates in such operations by collecting reservation of bets and crediting the related winnings and promotion and advertising carried out by any means of dissemination 2. When it comes to contests, games or bets operated in the manner referred to in paragraph 1, and outside the cases of complicity in one of the offenses provided for therein, anyone who in any way gives publicity to their operation shall be punished by imprisonment of up to three months and a fine of from one hundred thousand to one million lire. 3. Anyone who participates in contests, games, bets operated in the manner set forth in Paragraph 1, other than in cases of participation in one of the offenses provided for therein, shall be punished by imprisonment of up to three months or a fine of from one hundred thousand to one million lire. 4. The provisions of paragraphs 1 and 2 shall also apply to games of chance exercised by means of the devices prohibited by Article 110 of Royal Decree No. 773 of June 18, 1931, as amended by Law No. 507 of May 20, 1965, and as most recently amended by Article 1 of Law No. 9043 of December 17, 1986. 4-bis. The sanctions referred to in this article shall be applied to anyone who, lacking a concession, authorization or license pursuant to Article 88 of the Consolidated Law on Public Security, approved by Royal Decree No. 773 of June 18, 1931, as amended, carries out in Italy any organized activity for the purpose of accepting or collecting or in any way facilitating the acceptance or in any way the collection, including by telephone or telematic means, of bets of any kind by anyone accepted in Italy or abroad 4-ter. Without prejudice to the powers vested in the Ministry of Finance by Article 11 of Decree-Law No. 557 of December 30, 1993, converted, with amendments, by Law No. 133 of February 26, 1994, and in application of Article 3, Paragraph 228 of Law No. 549, the sanctions referred to in this article shall be applied to any person who carries out the collection or reservation of lotto bets, betting contests or wagers by telephone or telematic means, where he/she is not in possession of the appropriate authorization for the use of such means for the said collection or reservation

18. Tax crimes (Art. 25 - *quinquiesdecies* of Legislative Decree 231/01)

On December 25, 2019, Law No. 157 of December 19, 2019, came into force, which converted, with amendments, Decree Law No. 124 of October 26, 2019, and introduced Article 25-quinquiesdecies into Legislative Decree 231/01, subsequently amended by Legislative Decree No. 75 of July 14, 2020, which reads:

1. In connection with the commission of the crimes stipulated in Legislative Decree No. 74 of March 10, 2000, the following financial penalties shall be applied to the entity:

(a) for the crime of fraudulent statement by use of invoices or other documents for non-existent transactions provided for in Article 2, Paragraph 1, a fine of up to five hundred quotas;

(b) for the crime of fraudulent misrepresentation through the use of invoices or other documents for non-existent transactions, provided for in Article 2, paragraph 2-bis, a fine of up to four hundred quotas;

(c) for the crime of fraudulent misrepresentation by means of other artifices, provided for in Article 3, a fine of up to five hundred quotas;

(d) for the crime of issuing invoices or other documents for non-existent transactions, provided for in Article 8, Paragraph 1, a fine of up to five hundred quotas;

(e) for the crime of issuing invoices or other documents for non-existent transactions, provided for in Article 8, paragraph 2-bis, a fine of up to four hundred quotas;

(f) for the crime of concealment or destruction of accounting documents, provided for in Article 10, a fine of up to four hundred quotas;

(g) for the crime of fraudulent evasion of tax, provided for in Article 11, a fine of up to four hundred quotas.

1-bis. In relation to the commission of the crimes provided for in Legislative Decree No. 74 of March 10, 2000, if committed as part of cross-border fraudulent schemes and for the purpose of evading value-added tax for a total amount of not less than ten million euros, the following financial penalties shall be applied to the entity:

(a) for the crime of misrepresentation stipulated in Article 4, a fine of up to three hundred quotas;

(b) for the crime of failure to report provided for in Article 5, a fine of up to four hundred quotas;

(c) for the crime of undue compensation stipulated in Article 10-quater, a fine of up to four hundred quotas.

2. as a result of the commission of the crimes specified in paragraphs 1 and *1-bis*, the entity has made a significant profit, the monetary penalty is increased by one-third.

3. the cases provided for in paragraphs 1, *1-bis* and 2, the disqualification sanctions set forth in Article 9, paragraph 2 (c), (d) and (e) shall apply.

Fraudulent declaration through the use of invoices or other documents for nonexistent transactions (Article 2 of Legislative Decree No. 74/2000)

1. A term of imprisonment of four to eight years shall be imposed on anyone who, for the purpose of evading income or value-added taxes, using invoices or other documents for non-existent transactions, indicates fictitious taxable items in one of the declarations relating to such taxes. 2. The act shall be deemed committed by availing oneself of invoices or other documents for nonexistent transactions when such invoices or documents are recorded in compulsory accounting records, or are

held for evidence against the tax authorities. 2-bis. If the amount of the fictitious passive elements

is less than one hundred thousand euros, imprisonment from one year and six months to six years shall apply.

Fraudulent declaration by means of other artifices (Art. 3 Legislative Decree No. 74/2000)

1. Apart from the cases provided for in Article 2, a term of imprisonment of three to eight years shall be punished by imprisonment for anyone who, in order to evade income tax or value-added tax, by carrying out simulated transactions objectively or subjectively or by making use of false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities, indicates in one of the declarations relating to said taxes assets in an amount lower than the actual amount or fictitious liabilities or fictitious credits and deductions, when, jointly

a) the tax evaded exceeds, with reference to any of the individual taxes, thirty thousand euros;

b) the total amount of assets deducted from taxation, including through the indication of fictitious passive elements, is more than five percent of the total amount of the assets indicated in the declaration, or in any case, is more than one million five hundred thousand euros, or if the total amount of fictitious credits and deductions from tax, is more than five percent of the amount of the tax itself or in any case, is more than thirty thousand euros.

2. The act shall be considered committed by using false documents when such documents are recorded in mandatory accounting records or are held for evidence against the tax authorities.

3. For the purpose of the application of the provision of Paragraph 1, mere violation of the obligations to invoice and record assets in accounting records or mere indication in invoices or records of less than actual assets do not constitute fraudulent means.

Issuance of invoices or other documents for nonexistent transactions (Article 8 of Legislative Decree No. 74/2000)

1. A term of imprisonment of four to eight years shall be imposed on anyone who, in order to enable third parties to evade income tax or value-added tax, issues or issues invoices or other documents for nonexistent transactions.

2. For the purpose of the application of the provision under Paragraph 1, the issuance or issuance of multiple invoices or documents for nonexistent transactions during the same tax period shall be considered as one offense.

2-bis. If the untrue amount stated in the invoices or documents, per tax period, is less than one hundred thousand euros, imprisonment from one year and six months to six years shall apply.

Concealment or destruction of accounting documents (Art. 10 Legislative Decree No. 74/2000)

1. Unless the act constitutes a more serious crime, a term of imprisonment from three to seven years shall be punished by imprisonment for anyone who, in order to evade income tax or value-added tax, or to allow third parties to evade, conceals or destroys all or part of the accounting records or documents required to be kept, so that income or turnover cannot be reconstructed.

Fraudulent evasion of tax payment (Art. 11 Legislative Decree No. 74/2000)

1. Punishment shall be imprisonment from six months to four years for anyone who, in order to evade the payment of income or value-added taxes or interest or administrative penalties relating to said taxes in the total amount exceeding fifty thousand euros, simulously alienates or performs other fraudulent acts on his own or others' property suitable for making the compulsory collection procedure ineffective in whole or in part. If the amount of taxes, penalties and interest exceeds two hundred thousand euros, imprisonment from one year to six years shall be applied. A punishment of imprisonment from six months to four years shall be imposed on anyone who, in order to obtain for himself or others a partial payment of taxes and related accessories, indicates in the documentation submitted for the purposes of the tax settlement procedure assets in an amount lower than the actual amount or fictitious liabilities in an amount exceeding fifty thousand euros. If the amount referred to in the preceding period exceeds two hundred thousand euros, imprisonment from one year to six years shall apply.

Misrepresentation (Art. 4 Legislative Decree No. 74/2000)

1. Outside the cases provided for in Articles 2 and 3, a term of imprisonment from two years to four years and six months shall be punished by imprisonment for anyone who, in order to evade income tax or value added tax, indicates in one of the annual returns relating to said taxes assets for an amount lower than the actual amount or non-existent passive elements, when, jointly: (a) the tax evaded is greater, with reference to any of the individual taxes, than one hundred thousand euros; (b) the total amount of the assets evaded from taxation, including by indicating non-existent passive elements, is greater than ten percent of the total amount of the assets indicated in the declaration, or, in any case, is greater than two million euros.

1-bis. For the purpose of the application of the provision of paragraph 1, incorrect classification, valuation of objectively existing assets or liabilities, with respect to which the criteria concretely applied were nevertheless indicated in the financial statements or other documentation relevant for tax purposes, violation of the criteria for determining the accrual year, non-inherence, non-deductibility of real passive elements shall not be taken into account.

1-ter. Outside the cases referred to in paragraph 1-bis, assessments that taken together, differ by less than 10 percent from the correct assessments do not give rise to punishable acts. Amounts included in this percentage shall not be taken into account when verifying that the punishability thresholds provided for in subsection 1(a) and (b) are exceeded.

Failure to declare (Art. 5 Legislative Decree No. 74/2000)

1. Punishable by imprisonment from two to five years shall be anyone who, for the purpose of evading income or value-added taxes, fails to file, being obligated to do so, one of the returns relating to said taxes, when the tax evaded is more, with reference to any of the individual taxes than fifty thousand euros. 1-bis. Any person who fails to file, being obligated to do so, a withholding tax return, when the amount of unpaid withholding taxes exceeds fifty thousand euros, shall be punished by imprisonment of two to five years. For the purposes of the provision stipulated in paragraphs 1 and 1-bis, a declaration submitted within ninety days of the deadline or not signed or not made on a printout conforming to the prescribed model shall not be considered omitted.

Undue compensation (Art. 10-quater Legislative Decree No. 74/2000)

1. A penalty of imprisonment from six months to two years shall be imposed on anyone who fails to pay the amounts due by using offsetting, pursuant to Article 17 of Legislative Decree
July 9, 1997, No. 241, credits that are not due, in an annual amount exceeding fifty thousand euros.

2. It shall be punishable by imprisonment from one year and six months to six years for anyone who fails to pay the amounts due by using non-existent credits in compensation, pursuant to Article 17 of Legislative Decree No. 241 of July 9, 1997, for an annual amount exceeding fifty thousand euros.

19. Offenses of smuggling (Art. 25 - *sexiesdecies* of Legislative Decree 231/01)

Legislative Decree No. 75 of July 14, 2020, introduced Article 25-sexiesdecies, which states:

1. In connection with the commission of the crimes stipulated in Presidential Decree No. 43 of January 23, 1973, a fine of up to two hundred quotas shall be imposed on the entity.

2. When the border fees due exceed one hundred thousand euros, a fine of up to four hundred shares shall be imposed on the entity.

3. In the cases provided for in paragraphs 1 and 2, the disqualification penalties provided for in Article 9, paragraph 2, letters c), d) and e) are applied to the entity.

Contraband in the movement of goods across land borders and customs spaces (Article 282 Presidential Decree No. 43/1973)

It shall be punishable by a fine of not less than two and not more than ten times

the border fees due whoever: a) introduces foreign goods across the land border in violation of the requirements, prohibitions and limitations established pursuant to Article 16; b) unloads or stores foreign goods in the intermediate space between the border and the nearest

customs; c) is caught with foreign goods concealed on his person or in luggage or in packages or furnishings or among goods of other kinds or in any means of transport, in order to evade customs inspection; d) removes goods from the customs spaces without having paid the duties due or without having guaranteed their payment, except as provided in Art. 90; e) takes out of the customs territory, under the conditions provided for in the preceding paragraphs, domestic or nationalized goods subject to border duties; f) holds foreign goods, when the circumstances provided for in the second paragraph of Article 25 for the crime of smuggling are met.

Contraband in the movement of goods in border lakes (Article 283 Presidential Decree No. 43/1973)

It shall be punished by a fine of not less than two and not more than ten times the border fees due to the captain: a) who introduces through Lake Maggiore or Lake Lugano in the basins of Porlezza, foreign goods without presenting them to one of the national customs nearest to the border, without prejudice to the exception provided for in the third paragraph of Art. 102; b) who, without the permission of the customs, transporting foreign goods with vessels in the stretches of Lake Lugano where there are no customs, skirts the national shores opposite to the foreign shores or casts anchor or stands at the stern or otherwise puts himself in communication with the customs territory of the State, so that it is easy to disembark or embark the same goods, except in cases of force majeure. The same punishment shall be imposed on anyone who conceals foreign goods in the vessel for the purpose of evading customs inspection.

Contraband in the maritime movement of goods (Article 284 Presidential Decree No. 43/1973)

It shall be punished by a fine of not less than two and not more than ten times the border fees due to the captain: a) who, without the permission of the customs, while transporting foreign goods with vessels, skirts the seashore or drops anchor or stands at the stern near the seashore itself, except in cases of force majeure; b) who, while transporting foreign goods, lands in places where there are no customs, or disembarks or transships the same goods in violation of the requirements, prohibitions and limitations established in accordance with Art. 16, except in cases of force majeure; c) who transports foreign goods without a manifest with a vessel of net tonnage not exceeding two hundred tons, in cases where the manifest is prescribed; d) who at the time of the vessel's departure does not have on board the foreign goods or domestic goods being exported with refund of duties that should be found there according to the manifest and other customs documents; e) who transports foreign goods from one customs to another, with a vessel of net tonnage not exceeding fifty tons, without the relevant bond note (f) who has embarked foreign goods leaving the customs territory on a vessel with a net tonnage not exceeding fifty tons, except as provided in Art. 254 for the

embarkation of ship's stores. The same punishment shall be imposed on anyone who conceals foreign goods in the ship for the purpose of evading customs inspection.

Smuggling in the movement of air cargo (Article 285 Presidential Decree No. 43/1973)

It shall be punished by a fine of not less than two and not more than ten times the border fees due to the commander of an aircraft: a) who transports foreign goods into the territory of the State without carrying a manifest, when the manifest is prescribed;
(b) that at the time of departure the aircraft does not have on board the foreign goods, which should be found there according to the manifest and other customs documents;
(c) who removes goods from the landing places of the aircraft without the completion of the prescribed customs operations; (d) who, landing outside a customs airport, fails to report, within the shortest time, the landing to the Authorities specified in Article 114. In such cases, not only the cargo but also the aircraft shall be considered to have been smuggled into the customs territory. With the same punishment shall be punished anyone who from an aircraft in flight throws into the customs territory foreign goods, or hides them in the aircraft for the purpose of evading customs inspection. The above punishments shall be applied irrespective of that imposed for the same act by the special laws on air navigation, insofar as they do not relate to customs matters.

Smuggling in non-customs zones (Article 286 Presidential Decree No. 43/1973)

It shall be punishable by a fine of not less than two and not more than ten times the border fees due whoever in the non-customs territories specified in Article 2, constitutes unpermitted warehouses of foreign goods subject to border fees, or constitutes them to a greater extent than permitted.

Smuggling by wrongful use of goods imported with customs facilities (Article 287 Presidential Decree No. 43/1973)

It shall be punishable by a fine of not less than two and not more than ten times the border duty due whoever gives, in whole or in part, to foreign goods imported free and reduced duty a destination or use other than that for which the relief or reduction was granted, except as provided in Article 140.

Contraband in customs warehouses (Article 288 Presidential Decree No. 43/1973)

The licensee of a privately owned bonded warehouse, who holds therein foreign goods for which there has been no prescribed declaration of introduction or which are not entered in the warehouse records, shall be punished by a fine of not less than two and not more than ten times the border duty due.

Smuggling in cabotage and traffic (Article 289 Presidential Decree No. 43/1973)

A fine of not less than two and not more than ten times the border duty due shall be imposed on any person who brings into the state foreign goods in substitution for domestic or nationalized goods shipped in cabotage or in circulation.

Contraband in the export of goods eligible for duty drawback (Article 290 Presidential Decree No. 43/1973)

Any person who uses fraudulent means for the purpose of obtaining undue restitution of duties established for the import of raw materials used in the manufacture of domestic goods being exported shall be punished by a fine of not less than two times the amount of the duties wrongfully levied or attempted to be levied, and not more than ten times the amount of the duties.

Contraband in temporary import or export (Article 291 Presidential Decree No. 43/1973)

Whoever in import or temporary export transactions or in re-export and re-import transactions, for the purpose of evading goods from the payment of duties that would be due, subjects such goods to artificial manipulation or uses other fraudulent means, shall be punished by a fine of not less than two and not more than ten times the amount of duties evaded or attempted to evade.

Smuggling of foreign manufactured tobacco products (Article 291-bis Presidential Decree No. 43/1973)

Whoever introduces, sells, transports, purchases or holds in the territory of the State a quantity of smuggled foreign processed tobacco in excess of ten conventional kilograms shall be punished by a fine of 5 euros (ten thousand lire) for each conventional gram of product, as defined by Article 9 of Law No. 76 of March 7, 1985, and by imprisonment from two to five years. The acts provided for in Paragraph 1, when they have as their object a quantity of foreign processed tobacco up to ten conventional kilograms, shall be punished by a fine of 5 euros (ten thousand lire) for each conventional gram of product, and in any case not less than 516 euros (1 million lire).

Aggravating circumstances of the crime of smuggling foreign processed tobacco products (Article 291-ter Presidential Decree No. 43/1973)

If the acts provided for in Article 291-bis are committed by using means of transport belonging to persons unrelated to the crime, the punishment shall be increased. In the cases provided for in Article 291-bis, a fine of 25 euros (fifty thousand lire) per conventional gram of product and imprisonment from three to

seven years shall be applied when:

(a) in committing the crime or conduct aimed at securing the price, the

product, profit or impunity of the crime, the perpetrator makes use of weapons or is found to have possessed them in the execution of the crime; b) in committing the crime or immediately thereafter the perpetrator is caught together with two or more persons in such a condition as to obstruct the police organs; c) the act is connected with another crime against the public faith or public administration (d) in committing the crime the perpetrator has used means of transportation, which, compared to the approved characteristics, have alterations or modifications that are likely to obstruct the intervention of police organs or cause danger to public safety; (e) in committing the crime, the perpetrator used partnerships or corporations or made use of financial assets in any way established in states that have not ratified the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, done at Strasbourg on November 8, 1990, ratified and made enforceable pursuant to Law No. 328, and which in any case have not entered into and ratified judicial assistance conventions with Italy concerning the crime of smuggling. The mitigating circumstance provided for in Article 62-bis of the Penal Code, if it concurs with the aggravating circumstances referred to in letters a) and d) of paragraph 2 of this article, may not be considered equivalent to or prevailing over them, and the decrease in punishment shall be operated on the amount of punishment resulting from the increase consequent to the aforementioned aggravating circumstances.

Conspiracy to smuggle foreign manufactured tobacco (Article 291-quater Presidential Decree No. 43/1973)

When three or more persons associate for the purpose of committing more crimes among those specified in Article 291-bis, those who promote, constitute, direct, organize or finance the association shall be punished, for that alone, by imprisonment of three to eight years. Those who participate in the association shall be punished by imprisonment from one year to six years. The punishment is increased if the number of associates is ten or more. If the association is armed or if the circumstances provided for in subparagraphs
(d) or (e) of Paragraph 2 of Article 291-ter, the punishment of imprisonment from five to fifteen years shall apply in the cases provided for in Paragraph 1 of this Article, and from four to ten years in the cases provided for in Paragraph 2. The association is considered armed when the participants have the availability, for the achievement of the purposes of the association, of weapons or explosive materials, even if concealed or kept in a storage place. The punishments provided for in Articles 291-bis, 291-ter and this article shall be decreased by one third to one half with respect to the defendant who, disassociating himself from the others, works to prevent the criminal activity from being carried to further consequences also by concretely helping the police or judicial authority in the collection of decisive elements for the reconstruction of the facts and for the identification or capture of the perpetrators of the crime or for the identification of relevant resources for the commission of the crimes.

Other cases of smuggling (Article 292 Presidential Decree No. 43/1973)

Whoever, outside the cases provided for in the preceding articles, removes goods from the payment of border fees due, shall be punished by a fine of not less than two and not more than ten times the said fees.

Aggravating circumstances of smuggling (Art. 295 Presidential Decree No. 43/1973)

For the offenses provided for in the preceding articles, a fine of not less than five and not more than ten times the border fees due shall be imposed on anyone who, in order to commit smuggling, uses means of transportation belonging to a person unrelated to the offense. For the same crimes, imprisonment of three to five years shall be added to the fine: (a) when in committing the crime, or immediately thereafter in the surveillance zone, the offender is caught with an armed hand; (b) when in committing the crime, or immediately thereafter in the surveillance zone, three or more persons guilty of smuggling are caught together united and in such a condition as to obstruct law enforcement agencies; (c) when the act is connected with another crime against public faith or public administration; (d) when the offender is an associate to commit smuggling crimes and the crime committed is among those for which the association was formed;

(d-bis) when the amount of border fees due is more than one hundred thousand euros. For the same crimes, imprisonment of up to three years shall be added to the fine when the amount of border fees due is more than fifty thousand euros and not more than one hundred thousand euros.

ANNEX B:Confindustria Guidelines

In preparing this Model, the Company has been guided by the Confindustria Guidelines, which are briefly summarized below.

The key points that the Guidelines identify in the construction of the Models can be outlined as follows:

- Identification of **risk areas**, aimed at verifying in which area/company sector it is possible for crimes to be committed.
- Establishment of a control system capable of preventing risks through the adoption of appropriate procedures.

  The most relevant components of the control system devised by Confindustria are:

  - code of ethics;
  - organizational system;
  - Manual and computer procedures;
  - Authorizing and signing powers;
  - control and management systems;
  - Communication to and training of staff.

  The components of the control system should be guided by the following principles:

  - verifiable, documentable, consistency and congruence of each operation;
  - Application of the principle of separation of functions (no one can independently manage an entire process);
  - documentation of controls;
  - Provision of an adequate system of sanctions for violation of the rules of the Code of Ethics and the procedures set forth in the Model.
- Identification of the requirements of the supervisory body, which can be summarized as follows:
  - autonomy and independence;
  - professionalism;
  - continuity of action;
  - Honorability and absence of conflicts of interest.
- Characteristics of the Supervisory Board, (composition, function, powers,...) and related reporting requirements.

In order to ensure the necessary autonomy of initiative and independence, it is essential that the Supervisory Board not be assigned operational tasks that, by making it a participant in operational decisions and activities, would undermine its objectivity of judgment at the time of conduct and Model audits.

The Guidelines allow for the option of either single- or multi-subjective composition. The choice between one or the other solution must take into account the purposes pursued by the law and, therefore, must ensure the profile of

effectiveness of controls in relation to the size and organizational complexity of the entity.

In the multi-subjective composition, members from inside and outside the entity may be called upon to be members of the Supervisory Board, provided that each of them meets the above requirements of autonomy and independence. On the contrary, in the case of mixed composition, since total independence from the entity cannot be demanded of the internal components, the Confindustria Guidelines require that the degree of independence of the body must be assessed in its entirety.

With reference to legal competencies, considering that the subject discipline is in essence a criminal discipline and the activity of the Supervisory Board is aimed at preventing the realization of crimes, knowledge of the structure and methods of realization of crimes is essential, which can also be ensured to the Supervisory Board through the use of company resources, or external consulting.

In this regard, with regard to issues of occupational health and safety protection, the Supervisory Board must make use of all the resources activated for the management of the related aspects (as mentioned, RSPP - Head of the Prevention and Protection Service, ASPP - Prevention and Protection Service Officers, RLS - Workers' Safety Officer, MC - Physician in Charge, first aid officers, fire emergency officer).

Possibility, within corporate groups, of organizational solutions that centralize at the parent company the functions required by Legislative Decree 231/01, provided that:

- in each subsidiary is established its own Supervisory Board (without prejudice to the possibility of assigning this function directly to the subsidiary's management body if small in size);
- it is possible for the Supervisory Board established at the subsidiary to make use of the resources allocated to the similar body at the Parent Company;
- employees of the Parent Company's Supervisory Board, when carrying out audits at other Group companies, take on the role of external professionals performing their activities in the interest of the subsidiary, reporting directly to the subsidiary's Supervisory Board.

It is understood that the decision not to adapt the Model to some of the indications set forth in the Guidelines does not invalidate its validity. The individual Model, in fact, having to be drafted with reference to the concrete reality of the company, may well deviate from the Guidelines which, by their nature, are general in nature.

ANNEX C:Information flows to the Supervisory Board on environmental and health and safety issues

Listed below is the information to be mandatorily transmitted to the Company's Supervisory Board by the SPP Manager, either at the regular meetings of the Supervisory Board itself or in the case of particular events.

Listed below are the environmental and health and safety documents to be presented at the periodic meetings of the Supervisory Board.

With regard to **occupational health and safety**, the Company's Supervisory Board must be informed in relation to:

- Occupational injury and illness statistics;
- Information about injuries that have occurred;
- health surveillance situation;
- Inspection visits by Public Bodies (INAIL, ASL, etc.) (number of visits, reasons and any measures given);
- ISO 45001 certification: situations Annual/triennial audits;
- Any updates to the risk assessment document (revisions and/or updates) and emergency plan;
- Planning/execution of evacuation tests;
- Update related to mandatory training;
- Analysis of the findings of any audits performed and status of corrective actions;
- Update of criminal and civil proceedings;
- Any disciplinary measures.

With regard to environmental protection, the Company's Supervisory Board must be informed in relation to:

- ISO 14001:2004 certification : situations Annual/triennial audits (where applicable);
- Inspection visits by Public Bodies (ARPA, Provinces/Metropolitan Cities/Regions, etc.) (number of visits, reasons and any measures given);
- Update of criminal and civil proceedings in the field;
- Any disciplinary measures;
- Progress status of remediation/securing activities (where applicable).

Following special events, the Supervisory Board must be promptly notified:

- measures and/or news from judicial police organs, or any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the alleged crimes that may involve the Company;
- Severe or very severe injury (injury that resulted in an initial prognosis of 40 days or more, hospitalization, permanent impairment of a sense or organ).

ANNEX D: Code of Conduct