



- Management system
- Organisational Programme
- Ethical code
- Risk analysis
- Procedures
- Forms

GENERAL PART

MOGC-GEN

Organisation

Motor Power Company s.r.l.

Via Leonardo da Vinci, 4
42024, Castelnovo di sotto (RE)

MOGC 231 – GENERAL PART

in accordance with Legislative Decree No 231 of 8 June 2001 and amendments

Issued by DG	Date	06/09/2018	Signature	
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2.0 - Background

Company name:	MOTOR POWER COMPANY S.r.l.
Share capital:	€ 250,000.00
Registered office address:	42024 - CASTELNOVO DI SOTTO (RE) Via Leonardo Da Vinci, 4
Economic and Administrative Register (REA) Number:	175521
TIN:	01308390358
VAT No:	01308390358

MOTOR POWER COMPANY S.r.l. (or M.P.C. S.r.l.) was founded on 14 September 1987 in Reggio Emilia and has been registered in the ordinary section of the Reggio Emilia Companies' Register since 19 February 1996.

It was incorporated in 1989 as a manufacturer of DC servomotors in a heavily industrialised area with a long tradition in mechanical engineering ("Motor Valley") and automatic machines (focused in the area around Bologna, famous internationally mainly in the area of packaging), with a great number of power transmission manufacturers.

The company objects are as follows:

- building of electromechanical, electronic, electrical and mechanical devices in general, and of similar devices;
- representation in Italy and abroad of manufacturers and/or placing on the market of electromechanical, electronic, electrical and mechanical devices in general, and of similar devices.

MOTOR POWER COMPANY S.r.l. recorded sales of EUR 46,365,069 in 2021 and EUR 24,855,427 in 2020 (according to the financial statements for the year).

On 20/03/2023, MOTOR POWER COMPANY S.r.l. had a workforce of 162, divided as follows:

- Executives	0
- Office employees	58
- Workers	104 (of whom 23 contract workers)

MOTOR POWER COMPANY S.r.l. has adopted a traditional system of management with a Board of Directors, Statutory Auditor and an Accounts Auditor performing accounting control functions.

The Company has obtained the following certifications:

- UNI EN ISO 9001:2015, Quality management system;
- UNI EN ISO 14001:2015, Environmental management system;

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- UNI ISO 45001:2018, Occupational health and safety (OH&S) management system;
 - Silver level ECOVADIS 2022, Sustainability Rating.

2.1 - Content of Legislative Decree No 231/2001

Legislative Decree No. 231 (the “Decree”) was issued on 8 June 2001 and came into force on 4 July 2001, by powers granted under Article 11 of Law No 300/2000 of 29 of September, bringing Italian legislation into line with international conventions on the liability of legal persons. Specifically, these were the Brussels Convention of 26 July 1995 protecting the EU’s financial interests, the Convention drawn up on 26 May 1997 in Brussels on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 17 December 1997.

The Decree on “Standards Governing the Administrative Liability of Legal Entities, Companies, and Associations, including those without legal personality”, introduced a regime of administrative responsibility into the Italian legal system (essentially equivalent to criminal liability) on the part of entities (to be understood as companies, associations, consortiums, etc., in the following the “Entities”) for listed offences committed in their interest or benefit:

- by persons holding representative, administrative, or executive positions in those entities or by any of their organisational units with financial and operative autonomy, as well as by persons who effectively operate and control such entities, or
- by persons subordinate to or under the supervision of one of the parties specified above. This liability is in addition to the liability of the natural person who committed the offence. In combatting the criminal acts expressly provided for, under the Decree administrative liability also involves entities that have an interest in or have benefited from the commission of a criminal offence.

In accordance with Legislative Decree No 231/2001 and amendments, the administrative liability of the entity applies to the following types of criminal acts:

Offences committed in relations with the Public Administration	Article 24 – Leg. Dec. No 231/2001
Computer offences and unlawful data processing	Article 24-bis – Leg. Dec. No 231/2001
Organised crime offences	Article 24-ter – Leg. Dec. No 231/2001
Offences committed in relations with the Public Administration - Bribery and corruption	Article 25 – Leg. Dec. No 231/2001
Currency counterfeiting, putting forged currency into circulation and conspiracy to introduce forged currency into the state	Article 25-bis – Leg. Dec. No 231/2001
Offences against industry and commerce	Article 25-bis.1 – Leg. Dec. No 231/2001
Company offences	Article 25-ter – Leg. Dec. No 231/2001
Terrorist offences and offences aiming to subvert the democratic order	Article 25-quater – Leg. Dec. No 231/2001
Offences involving female genital mutilation	Article 25-quater.1 – Leg. Dec. No 231/2001
Offences against individual persons	Article 25-quinquies – Leg. Dec. No 231/2001
Market abuse	Article 25-sexies – Leg. Dec. No 231/2001
Manslaughter, serious personal injury or grievous bodily harm caused in breach of occupational health & safety regulations	Article 25-septies – Leg. Dec. No 231/2001
Receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin	Article 25-octies – Leg. Dec. No 231/2001
Copyright infringement offences	Article 25-novies – Leg. Dec. No 231/2001
Undue influence aimed at preventing statements or making of false statements to judicial authorities	Article 25-decies – Leg. Dec. No 231/2001
Environmental offences	Article 25-undecies – Leg. Dec. No 231/2001
Employment of illegally resident third state citizens	Article 25-duodecies – Leg. Dec. No 231/2001

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Attempted offences

Administrative liability of entities operating in the virgin olive oils supply chain

Transnational offences

Racist and xenophobic offences

Smuggling crimes

Article 26 – Leg. Dec. No 231/2001

Article 12 – Law No 9/2013

Law No 146/2006

Article 25-terdecies – Leg. Dec. No 231/2001

Art. 25 – sexiesdecies – D.Lgs.231/01

2.2 - Extenuating circumstances exempting the Entity from administrative liability

Having established the administrative liability of Entities, Article 6 of the Decree provides that the entity is not liable if it can demonstrate that it has adopted and effectively implemented, prior to the commission of the offence, “organisational, management and control programmes suitable for preventing offences of the type committed.”

The Decree also provides for the establishment of an internal control body within the entity charged with supervising the workings, effectiveness and observance of the such programmes, as well as their updating.

The said organisational, management and control programmes (the “Programmes”), under Articles 6(2) and (3) of Legislative Decree No 231/2001, must cover the following needs:

- to identify activities that might allow commission of the offences provided for under the Decree;
- to provide for specific protocols aimed at planning and application of the decisions of the entity regarding the offences to be prevented;
- to identify suitable methods for managing financial resources for preventing the commission of such offences;
- to provide for reporting obligations to the body appointed to supervise the working and observance of the programmes;
- to introduce a disciplinary system aimed at punishing noncompliance with the measures laid down in the Programme.

Where the criminal offence is committed by persons with representative, administrative or executive functions within the entity or one of its organisational divisions provided with financial and operational autonomy, or by persons exercising, possibly on a de facto basis, management and control functions over the entity, the entity is not liable if it can demonstrate that:

- the governing body has adopted and effectively implemented, prior to the commission of the offence, a Programme suitable for preventing offences of the type committed;
- the task of supervising the working and observance of the said Programme, as well as its updating, has been entrusted to a supervisory body equipped with independent powers of initiative and control;
- the parties involved have committed the offence by fraudulently circumventing the Programme;
- there is no evidence of absence of or insufficient supervision regarding the Programme by the control body.

However, should the offence be committed by parties subject to the direction and supervision of one of the parties indicated above, the entity will be liable if the commission of the offence was made possible by noncompliance with the direction and supervision obligations. Such noncompliance, in any case, does not apply if the entity has adopted and effectively applied, prior to the commission of the offence, a Programme suitable for preventing offences of the type committed

Finally, Article 6 of the Decree provides that organisational and management programmes may be adopted on the basis of codes of conduct drawn up by the sectoral representative organisations and notified to the Ministry of Justice, who acting together with the

competent Ministries may formulate observations on the suitability of such programmes aimed at preventing offences within 30 days.

2.3 - Confindustria guidelines

By express legislative provision (Article 6(3) of Legislative Decree No 231/2001), organisational and management programmes may be adopted on the basis of codes of conduct drawn up by the representative organisations of the entities and notified to the Ministry of Justice.

The company is a member of Confindustria (the Italian employers' federation), which on 31 March 2008 issued an updated version of its own "Guidelines for drafting Organisational, Management and Control Programmes under Legislative Decree No 231/2001".

On 9 April 2008, the Ministry of Justice approved the said Guidelines, judging that their updating rendered them "as a whole suitable and appropriate for achieving the objective established under Article 6 of the Decree".

The Confindustria Guidelines provide for a process that can be summarised as follows:

- identification of at-risk areas in order to highlight company departments where the damaging events provided for under the Decree might occur;
- establishment of a system of control capable of preventing risks by adopting suitable protocols.

The most important components of the control system designed by Confindustria are:

- the Ethical Code
- the organisational system
- manual and IT procedures
- powers of authorisation and signature
- control and management systems
- staff communication and training.

The components of the control system are grounded in the following principles:

- the verifiability, documentability, coherence and congruity of every operation;
- application of the principle of separation of duties;
- documentation of controls;
- provision of a suitable system of sanctions for breaches of the rules of the Ethical Code and of procedures.

Identification of the requirements of the Supervisory Body, which may be summarised as follows:

- autonomy and independence
- professionalism
- continuity of action
- suitable methods for managing financial resources
- reporting obligations.

Failure to comply with the individual points of the said Guidelines will not affect the validity of the Programme as a whole. Indeed, the Programme adopted by the entity must necessarily be drawn up specifically with reference to the actual circumstances of the

company, and may therefore deviate from the Confindustria Guidelines which must be seen, by their very nature, as general. These guidelines, adopted as the natural point of reference for the individual companies' programmes, are in any case attached as an integral part of the present programme in their most recent available version.

In June 2021, Confindustria published the update of the Guidelines on the administrative liability of Entities.

The document, which does not change the structure of the previous updates, provides an overview of the regulatory changes that have occurred since 2014 and of the jurisprudential developments.

Among the subjects matter addressed by the 2021 Guidelines, the following can be noted in particular:

- with regard to the mandatory nature of the list of predicate crimes, the introduction of the case of self-laundering (art. 648-ter.1 c.p.) within the category of predicate crimes, would risk making the catalog of predicate crimes not anymore a "numerus clausus", but open. On this point, there are two approaches: the first limits liability for a crime only to cases in which the basic crime of self-laundering is also one of the predicate crimes expressly provided for by the Decree, the other according to which liability would also be extended to further incriminating cases;
- as regards the concepts of interest and advantage, the Guidelines refer to the most recent jurisprudence on the matter, according to which, in order to identify these criteria, reference should be made to the finalistic component of the conduct and to cost savings;
- with reference to disqualification sanctions, the Guidelines carry out a historical excursus of the same, placing the emphasis on the greater afflictiveness of the same in the light of the changes made with Law 3/2019 (also known as Spazzacorrotti).
- the Guidelines then encourage the idea of integrated compliance, in order to improve the efficiency and effectiveness of controls and procedures. In this regard, a paragraph is added on the so-called Tax Control Framework, with which the Model must coordinate;
- on the subject of compliance systems, the Guidelines introduce a new paragraph, entitled "Control systems for tax compliance purposes", which suggests the possible interaction between the Model and other control tools;
- the fifth chapter then deals with the liability of "Groups of companies", specifying when it is possible to extend the liability also to any affiliates companies. This can occur when it can be considered that the holding company has received a concrete advantage and an effective interest in committing the crime committed by the affiliate company and when the person acting on behalf of the holding company cooperates with the person who committed the crime on behalf of the controlled;
- in the latest version of the Guidelines, a paragraph was then introduced relating to the fulfilments aimed at increasing the transparency of information on the business activity, as required by Legislative Decree 254/2016.

Public interest entities that have certain characteristics will in fact have to draw up a declaration containing information of a non-financial nature which will then have to be compared with what was declared in the financial previous years.

This declaration, the correction and supervision of which is entrusted to the same person in charge of the statutory auditor of the financial statements, will be published in the register of companies together with the management report.

Any violations will be verified and sanctioned by Consob;

- with reference to the Supervisory Body, it is analyzed from two points of view. First of all, the importance of providing the same with an annual budget is noted and underlined, in order to allow a better performance of the tasks assigned to it. Then, focusing on the independence of the SB, the Guidelines stated that the internal subjects, must be without any operational roles within the company.

- finally, the references to whistleblowing are worthy of note. The Guidelines underline the need, for individual companies, to regulate the entire procedure: starting from the ways in which to make reports, passing through the procedures for managing them, up to an adequate division into phases and responsibilities. Furthermore, the introduction of a special procedure is recommended.

Finally, the use of IT platforms also managed by independent and specialized third parties and the activation of dedicated e-mail boxes is recommended. Nonetheless, the most suitable organizational option in order to promptly identify the recipient of the reports can only be sought through an analysis of the dimensional and organizational characteristics of the company, of the possibility of applying regulations concerning the specific sector of activity and on the basis of any relevant corporate groups.

The Guidelines also refer to the Guidelines adopted by the National Anti-Corruption Authority in the public sector in 2015.

3 - Adoption of the Organisational, Management and Control Programme

3.1 - Objectives and aims pursued by adopting the Programme

The company is aware of the need to ensure fairness and transparency in conduct of business and corporate activities. To this end, although the adoption of the Programme is provided for by law as optional and not mandatory, the company has launched a project analysing its own organisational, management and control instruments, checking compliance of existing principles of conduct and procedures with the purposes of the Decree.

This initiative was launched based on the conviction that adoption of the Programme might constitute a useful tool for raising the awareness of all those working in the name of and on behalf of the company, ensuring that they adopt fair and compliant conduct in performing their duties, so as to avoid any risk of committing the offences provided for under the Decree.

Specifically, by adopting the Programme, the company aims to fulfil the following objectives:

- to make all those working in the name of and on behalf of the company in at-risk areas aware that in case of the breach of the provisions of the Programme, they could commit offences punishable by criminal sanctions against them personally, as well as administrative sanctions against the company;
- to reiterate that these forms of unlawful conduct are strongly condemned by the company, since they are considered (even where they might be to the advantage of the company) contrary not just to the law but to the “Ethical Code” adopted by the company in conducting its business activities;
- to allow the company, through monitoring of at-risk areas, to take prompt action to prevent and combat the commission of the offences themselves.

So as to implement a programme of systemic and rational actions aimed at rendering the company’s organisational and control programmes compliant, the company has drawn up a map of company activities, identifying so-called “at-risk” activities among them, in other words those that by their very nature require analysis and monitoring in the light of the requirements of the Decree.

The company has decided that once such “at-risk” activities have been identified, it is advisable also to identify the reference principles of the Organisational Programme it intends to implement, both in accordance with the provisions of the Decree and the relevant guidelines laid down by the sectoral organisations.

The company undertakes to perform continuous monitoring of its activities both in the light of the above-mentioned offences and of any regulatory expansion of the Decree 231. Should one or more of the above-mentioned offences be detected, or new offences introduced by amendment of Decree 231, the company will decide whether to supplement the present Programme with new control measures and/or new Special Parts.

3.2 - Fundamental elements of the Programme

With regard to the “requirements” identified in the Decree, the essential points identified by the company in drafting the Programme may be summarised as follows:

- a map of “sensitive” company activities, or those within the scope of which, by their nature, the offences covered by Decree might be committed, and which should therefore be subject to analysis and monitoring;
- analysis of existing protocols and establishment of possible implementation rules aimed at ensuring application of control principles in the case of “sensitive” company activities (see point 4);
- suitable methods for managing financial resources for preventing the commission of offences;
- identification of the Supervisory Body (also the “Body” or “SB”), a role assigned by the company to external professional consultants, and assignment of specific duties for supervising the effectiveness and the proper working of the Programme;
- definition of information flows to and from the Body;
- actions aimed at information, awareness and dissemination at all levels of the company of the rules of conduct and procedures adopted;
- definition of responsibility for approving, transposing, supplementing and implementing the Programme, and for checking its proper working and monitoring company conduct, updated as necessary (ex-post control).

In any case, it should be noted that the organisational programme provided for under Legislative Decree No 231/2001 is nothing new for the company, since the activity to be performed essentially involves a rather strict system of internal control based on the adoption, implementation and application of Management Systems to deal with Quality, Environmental and Safety issues in accordance with standard:

- **UNI EN ISO 9001:2015**
- **UNI EN ISO 14001:2015**
- **UNI ISO 45001:2018**

Furthermore, the company has adopted a Code of self-regulation for personal data so as to ensure that processing of personal data is done in accordance with Legislative Decree No 196/2003, as amended by Decree No 176 of 25 September 2015.

An examination was then carried out of the existing working structures of the company to check whether they complied, also from a formal point of view, with the provisions of Legislative Decree No 231/2001 and to integrate the existing Management Systems into Organisational Programme 231

3.3 - Programme, Ethical Code and disciplinary system

The company decided to adopt a formal ethical code setting out the ethical principles applying to its everyday business activities, also in the light of the types of conduct that might lead to commission of the offences provided for under the Decree.

The aims of the company in establishing the ethical code may be summarised as follows:

- to ensure that dealings with third parties and in particular with the Public Administration are in accordance with the principles of fairness and transparency;
- to underline the importance for all employees, independent contractors, suppliers and in, general all those operating within the company, of complying with the regulations provided for under the Ethical Code, as well as with procedures governing company processes;
- to establish a suitable disciplinary system for punishing noncompliance with the measures provided for under the programme.

The reference principles of the Programme are to be supplemented by those of the Ethical Code adopted by the company, since the Programme's content differs from that of the Ethical Code insofar as it is aimed at implementing the specific provisions of the Decree.

In this regard it should be noted that:

- the Ethical Code has a general scope given that it contains a series of professional ethical principles that the company has recognised and adopted and wishes to apply to all employees and all those working to achieve the company's objectives;
- the Ethical Code refers back to the disciplinary system for punishing noncompliance with the measures provided for under the Programme in accordance with Article 6(2)(e) of the Decree;
- the Programme, on the other hand, deals with the specific provisions of the Decree aimed at preventing commission of particular types of offence (which, committed in the interest or advantage of the company, might involve administrative liability under the provisions of the Decree).

3.4 - Approval and transposition of the reference principles of the Programme and the Ethical Code

Since the Programme is "a formal document issued by the governing body" (in accordance with Article 6(1)(a) of the Decree), the Board of Directors has the duty to approve and adopt it by means of an appropriate resolution.

Likewise, the Ethical Code has also been approved by the Board of Directors, since it is an integral part of the Organisational Programme to which it is annexed.

4.0 - Potential at-risk areas and relevant processes

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The activities considered important for the purposes of drawing up the Programme are those which involve risk factors, as determined by specific risk analysis, relating to the commission of breaches as provided for by the rules on criminal offences contained in Legislative Decree No 231/2001 or, in general, by the company's Ethical Code.

The risk analysis was structured in such a way as to assess, for each phase of the processes, which phases might be considered at-risk for the purposes of the single articles of Legislative Decree No 231/2001.

The following table allows evaluation of these aspects and defines the priorities of the initiative.

	Probability "P"	Damage "D"	Value
Inevitable	≥ 30%	Very high	5
High	5% ≤ P < 30%	High	4
Medium	1% ≤ P < 5%	Medium	3
Low	0.01% ≤ P < 1%	Low	2
Remote	< 0.01%	Irrelevant	1

P x D	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

If P x D	0 – 5	No action
If P x D	6 – 10	Action required within 1 year
If P x D	11 – 16	Action required within 1 month
If P x D	17 - 25	Action required within 2 days

The main areas of potentially at-risk activities are those listed in the special parts of present programme.

It should be noted that offences under Article 25-septies of the Decree (Manslaughter, serious personal injury or grievous bodily harm caused in breach of occupational health & safety regulations) apply to all areas of the company given their nature.

The company has adopted policies in the area of occupational health & safety and the prevention and protection structures provided for under the applicable regulations (Law No 123/2007 and Legislative Decree No 81/08 and amendments) and the principles dictated by the ISO 45001:2018 certified management system.

5.0 - Principles of control in potential at-risk areas

When drawing up the protocols required for preventing risks and offences, the main processes, subprocesses and activities were identified, based on the company's internal structure and documentation practices, within the scope of which offences might potentially be committed or which might offer the opportunity or the means for commission of such offences.

The existing management and control system for these processes, subprocesses and activities was identified, with analysis focussing on the presence/absence within it of the following elements of control:

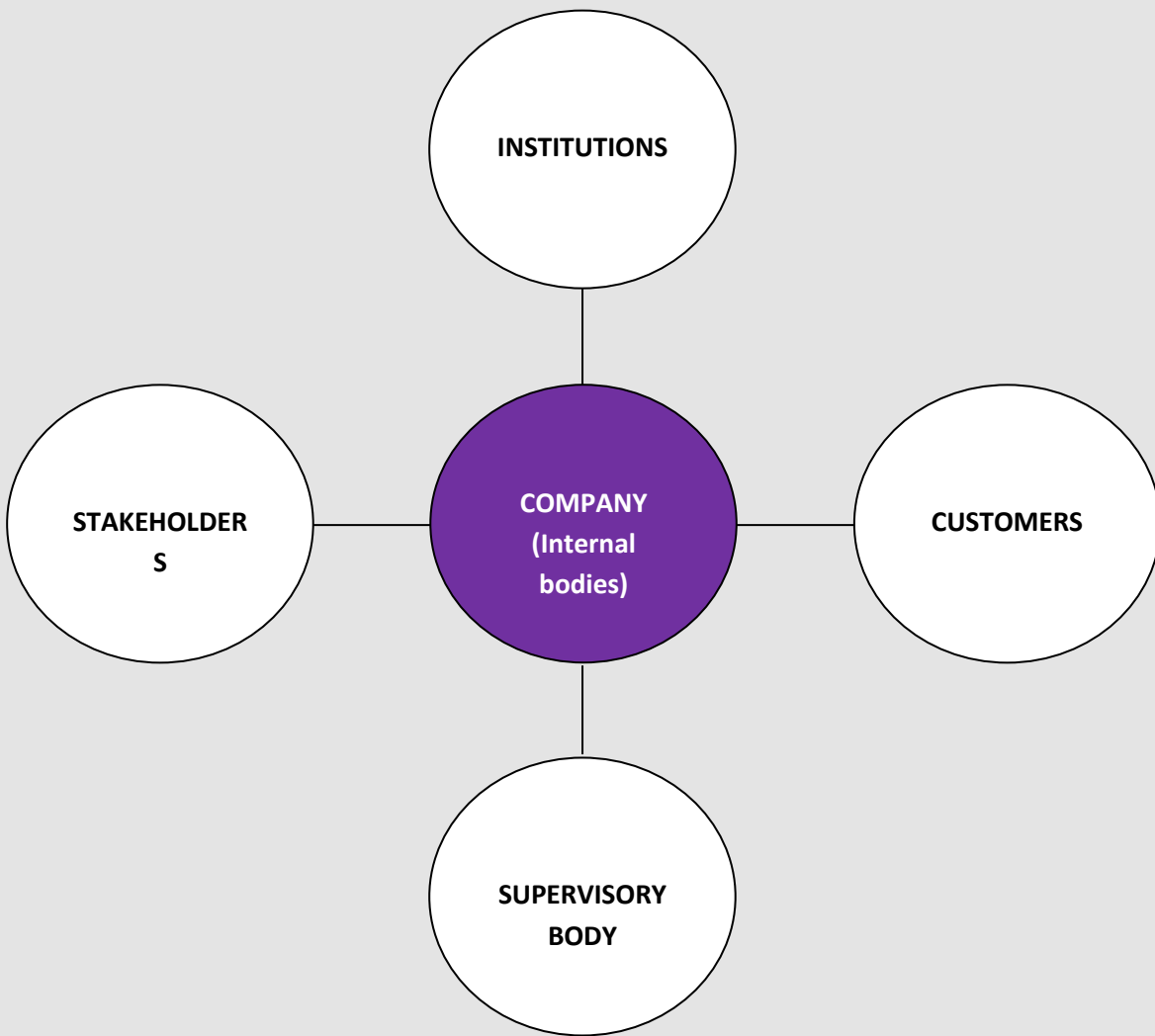
- **Rules of conduct:** the existence of rules of conduct suitable for ensuring the performance of company activities in accordance with the law and the applicable regulations, while protecting the company's financial situation.
- **Procedures:** the existence of internal procedures aimed at protecting processes within the scope of which the offences provided for under Legislative Decree No 231/2001 might be committed or the conditions, opportunities or means might arise for their commission. The minimum requirements examined were:
 - definition and regulation of the methods and schedule for performance of the activities;
 - traceability of acts, operations and transactions by means of suitable supporting documentation recording the characteristics of and reasons for the operation, and identifying the persons involved in their various roles in the operation (authorisation, performance, recording and checking of the operation);
 - clear definition of responsibility for the activities;
 - the existence of objective criteria underlying company decisions;
 - proper drafting and circulation of the relevant company procedures.
- **Separation of duties:** a proper distribution of responsibilities and provision for suitable authorisation levels, so as to avoid overlapping of functions or assignment of operational duties concentrating critical activities in a single person.
- **Authorisation levels:** clear and formal assignment of powers and responsibilities, with explicit specification of relevant limits in accordance with the duties assigned and the positions occupied within the organisational structure.
- **Control activities:** existence and documentation of control activities and supervision performed on company transactions.
- **Monitoring activities:** existence of security mechanisms to ensure adequate protection/access to company data and property.

Specifically, the control systems existing for each company area/process highlighted are listed in the special parts of the present Programme.

6.0 - Persons Covered by the Programme

Persons covered by the Programme (the "Persons Covered") are all those who work for the achievement of the company aims and objectives.

These include the members of the company's governing bodies, those involved in the functions of the Supervisory Body, company employees, external consultants and business and/or financial partners.



7.0 - Supervisory Body

7.1 - Requirements

Article 6(1)(b) of Legislative Decree No 231/2001 requires the establishment of a Supervisory Body in order for the entity to be exempted from “administrative” liability arising from the commission of the offences specified in the Decree.

The requirements to be satisfied by the control body for effective performance of the above-mentioned functions are:

- **Autonomy and independence:** The Supervisory Body must not have business functions and must limit its contact with staff – as better described in the following – to the CEO of the company and the Board of Directors.
- **Professionalism in performing its institutional duties:** The members of the body must therefore have the necessary knowledge of the full range of methods used to avoid commission of offences, detect offences committed and identify their root causes, as well as to check for compliance with the programmes by those working within the company.
- **Continuity of action,** in order to ensure constant monitoring and updating of the Programme, modifying it to bring it into line with changes in company circumstances.

7.2 - Identification

Given the characteristics of the Supervisory Body as described above, the specific nature of its duties and the current organisational structure adopted by the company, the body should be identified and governed as follows:

- The Supervisory Body has a one-person structure and is composed of a single external member
- The Board of Directors, in order to ensure compliance with the above-mentioned requirements, will periodically assess whether the Supervisory Body is suitable in terms of organisational structure and the powers vested in it, making the changes and/or additions it deems necessary.
- The Supervisory Body is established as a staff unit on a par with top management, reporting directly to the Board of Directors.
- The workings of the Supervisory Body are governed by dedicated Regulations, established by the body itself. These regulations provide, among other things, for the functions, powers, and duties of the body, as well as for the flows of information to the Board of Directors. In this regard, it should be ensured that all activities of the Supervisory Body and all meetings or inspections in which it is involved are recorded in writing.

7.3 - Appointment

The Board of Directors of the company will appoint the members of the Supervisory Body,

The term in office of the members of the Supervisory Body is established by the Board of Directors of the company.

The Supervisory Body will define and perform its activities in accordance with the principle of collegiate responsibility and is vested, in

accordance with Article 6(1)(b) of Legislative Decree No 231/2001 with "autonomous powers of initiative and control".

7.4 - Functions and powers of the Supervisory Body

Based on the text of Legislative Decree No 231/2001, the functions of the Supervisory Body may be summarised as follows:

- supervision of the effectiveness of the Programme, by checking that actual operations correspond with planned functions;
- assessment of whether the Programme is sufficient, in other words if it is suitable, given the business activities and characteristics of the company, for reducing risk of commission of offences to an acceptable level. This requires updating of programmes both in the light of changing company circumstances and changes in the applicable laws. Such updating may be proposed by the Supervisory Body but must be adopted – as stated above – by the governing body.

Specifically, the duties of the Supervisory Body are as follows:

- to supervise the effectiveness of the Programme, implementing the control procedures provided for;
- to verify its effectiveness in preventing unlawful conduct;
- to verify the continued presence, over time, of the specified requirements, promoting updating whenever necessary;
- to promote and contribute, in cooperation with the other units involved, to continuous updating and adjustment of the Programme and the system for supervising the application of the Programme;
- to ensure the adequacy of the relevant information flows;
- to ensure the application of scheduled and unscheduled control actions;
- to report to the competent departments any information regarding breaches of the Programme and to monitor the application of disciplinary sanctions.

In performing its functions, the Supervisory Body has powers to:

- issue ordinary measures and orders governing its activity;
- access any company document relevant for the performance of its functions under Legislative Decree No 231/2001;
- use external consultants of proven professionalism whenever necessary for the performance of verification and control activities or updating of the Programme;
- require that the heads of company departments provide the information, data and/or reports required of them promptly in order to identify matters relating to the various company activities deemed important for the purposes of the Programme.

The Supervisory Body may be summoned at any time by the Board of Directors and may also on its own initiative request to be heard at any time in order to report on the functioning of the Programme or on specific situations.

7.5 - Supervisory Body information flows with top management

Authorisation system

All documents relating to the system of current company powers and authorisations must be kept updated and forwarded to the SB.

Reports by company employees or third parties

At the same time, the SB must be made aware of any information, of any nature, considered relevant to the implementation of the Programme in at-risk areas of activity as identified under the Programme.

This obligation relates mainly to company activities, as well as to any unusual or anomalous issues discovered.

The following provisions apply to this end:

- Reports must be gathered of possible cases of commission of the offences provided for under the Decree or, in any case, behaviour that does not comply with the rules of conduct adopted by the company
- The SB will assess any report received and adopt suitable measures, having heard, where appropriate, the person reporting and the person responsible for the alleged breach.
- Reports may be made in writing and relate to any breach or suspected breach of the Programme and the company procedures adopted. The SB will act in such a way as to protect persons reporting from any form of retaliation, discrimination or penalty, further ensuring that their identity is kept absolutely confidential.

Furthermore, any information containing elements considered important for supervisory activity must necessarily be forwarded to the SB, including:

- measures or notices sent by the police or any authority conducting investigations into the offences covered by the Decree;
- all requests for legal assistance issued from within the company;
- any requests for granting of managed public funds or for obtaining forms of financing for funds already under management;
- information on application, at all levels of the company, of the Organisational Programme, highlighting disciplinary procedures launched and any sanctions imposed, or measures closing such procedures.

The following provisions apply to the reporting obligation:

- all reports of commission of the offences provided for under the Decree and behaviour that does not comply with the rules of conduct adopted must be collected;
- the flow of reports must be directed towards the company SB;
- once the SB has assessed reports received and heard the parties involved (person reporting and alleged person responsible for the breach), it will decide on suitable measures;
- reports must be made in writing;
- reports must be made on all breaches or suspected breaches of the Programme.

The SB has the duty to protect persons reporting from any form of retaliation, discrimination or penalty, further ensuring that their identity remains absolutely confidential, while also protecting the rights of the company or of persons wrongly accused and/or accused in bad faith.

8.0 - Information, training and updating

In order to promote a corporate culture based on respect for the law and transparency, the company will ensure that the Programme is widely circulated and that those required to observe it have fully familiarised themselves with its contents.

A copy of the Programme – as well as a copy of any amendments or updates introduced – will be delivered to the Board of Directors and all members of the Supervisory Body, as well as to all employees and to any others covered by the Programme.

A copy of the Programme, in electronic format, must also be made available on the company server, in order to allow employees to consult it on a daily basis, and be published on the company website for consultation by all stakeholders.

Prior to commencing work, all new employee will receive a copy of the Programme.

The adoption of the Programme and its subsequent amendments must be notified to all those with whom the company has significant business relations.

The company will draw up an annual plan for training actions aimed at employees and top management so as to ensure that they are fully familiar with the management programme.

9.0 - Judicial and regulatory sanctions system

Article 6(2)(e) and Article 7(4)(b) of Legislative Decree No 231/2001 provide that top management and those subordinate to management by others must be covered by “a suitable disciplinary system for punishing breaches of the measures specified in the Programme”.

Effective implementation of the Programme and the Code of Conduct requires proper disciplinary arrangements, which play an essential role in the system set up under Legislative Decree No 231/2001 to oversee internal procedures.

In other words, the establishment of a suitable system for punishing breaches of the measures and organisational procedures required under the Programme is one of its essential elements and an absolute prerequisite for ensuring its proper working and application, as well compliance with it by all Persons Covered.

In this regard it should be noted that the application of sanctions need not be linked to the actual commission of a criminal offence and possible launch of criminal proceedings. The aim of the present sanctions is to discourage any breach of the provisions of the Programme that are aimed at prevention of such offences, promoting among company employees and external contractors of any nature awareness of the firm intention on the part of the company to pursue and punish any type of breach of the rules laid down to ensure proper performance of assigned duties and/or tasks.

The disciplinary system to be applied in case of breaches of the provisions of the Programme is therefore aimed at rendering both adoption of the Programme and the actions of the SB efficient and effective, also in accordance with Article 6 of the Decree.

A fundamental requirement of the sanctions is that they be proportionate to the breach confirmed, based on three criteria:

- the seriousness of the breach;
- the nature of the work relationship (employee, independent contractor, executive, etc.), in the light the specific regulatory and contractual disciplinary provisions applying to the case;
- whether the person in question is a repeat offender.

9.1 - Breach of the Programme

For the purposes of Legislative Decree No 231/2001, breaches of the Programme include, by way of example:

- actions or conduct not in accordance with the provisions of the Programme, or omission of actions or conduct required under Programme, during the course of at-risk activities (i.e. so-called “sensitive” processes) or related activities;
- actions or conduct not in accordance with the provisions of the Ethical Code, or omission of actions or conduct required under the Ethical Code, during the course of sensitive processes or related activities.

The sanctions for the various types of Persons Covered are described below.

9.1.1 - Reporting of breaches of the Programme – Worker protection

In order to protect employees reporting criminal offences or breaches of the Programme, the company has adopted internal control procedure **P-INT-24 “Reporting of suspicions-Wistleblowing”**, with relevant forms and instructions to be circulated to all new employees.

9.2 - Measures regarding the Governing Body

The company takes a very serious approach to any breaches of the present Programme by those representing the company at the highest levels before employees, shareholders, creditors and the general public. The creation and strengthening of company ethics based on principles such as fairness and transparency requires, above all, that such values are shared and observed by those guiding company decisions, in such a way as to provide an example to and encourage company workers at all levels.

In case of breach of the Programme by the Board of Directors, the SB must take suitable measures, including calling the shareholders’ meeting so as to adopt the most suitable measures available under the law and/or for the revocation of any powers conferred on the director.

The foregoing is without prejudice, in any case, to the right of the company to take legal action based on relevant liability or to seek compensation.

9.3 - Measures and sanctions regarding employees

Failure to comply with the procedures described in the Programme adopted by the company under Legislative Decree No 231/2001 will result in application of disciplinary sanctions against the relevant Persons Covered in accordance with Article 7 of Law No 300/1970.

Where one or more of the breaches specified in the previous section is confirmed, the following disciplinary measures will be enforced based on the seriousness of the offence and whether it is a repeat offence, in accordance with relevant sectoral agreement (CCNL):

- a verbal caution
- a written reprimand
- a fine amounting to no more than three-hours’ remuneration

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- suspension from work and pay for a maximum of three days
- dismissal without notice.

Imposition of disciplinary sanctions must be in accordance with procedural rules under Article 7 of Law No 300/1970 and the applicable sectoral rules (CCNL), as well as the proportionality principle (based on the seriousness of the offence and whether it is a repeat offence).

In particular, the type and severity of each of the sanctions described above should be applied based on:

- the intentionality of the conduct or degree of negligence, carelessness or incompetence, also in view of the foreseeability of the event;
- the overall conduct of the worker in question, particularly with regard to any prior disciplinary breaches, within the limits of the law;
- the tasks assigned to the worker;
- the position, in terms of functions, of the persons involved in the breach;
- breach of regulations, laws or internal company rules;
- the particular circumstances of the breach in question.

The SB must in any case always be informed of sanctions imposed and/or breaches committed.

9.4 - Measures and sanctions regarding persons or entities with contractual/business relations with the company

Noncompliance with the regulations contained in the Programme adopted by the company under Legislative Decree No 231/2001 by suppliers, independent contractors, external consultants and partners with contractual/business relations with the company may result in termination of the individual contracts in accordance with their provisions, without prejudice to the right to compensation for the loss or damage caused by the said conduct, including loss or damage caused by application by a court of the measures provided for under Legislative Decree No 231/2001.

10.0 - Amendment, implementation and functional assessment of the Programme

10.1 - Amendments and additions to the reference principles of the Programme

The Board of Directors will make any subsequent amendments or additions to the reference principles of the Programme, so as to ensure that the Programme continues to reflect the requirements of the Decree and any changes in the structure of the entity.

10.2 - Implementation of the Programme and performance of controls on at-risk areas

The Board of Directors will provide for the application of the Programme by assessing and approving the necessary actions for implementing its essential elements. The Supervisory Body will support the board in identifying such actions.



- Management system**
- Organisational Programme*
- Ethical code*
- Risk analysis*
- Procedures**
- Forms**

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The Board of Directors of the company must furthermore ensure updating of the Programme to bring it into line with any future needs, where appropriate with the involvement of the Supervisory Body.

The effectiveness and tangible application of the programme adopted by the Board of Directors must be verified by the Supervisory Body, which will exercise its powers of control over the activities performed by the individual company departments in at-risk areas.