



Organisation, Management, and Control Model pursuant to the Italian Legislative Decree D.Lgs. 8 June 2001, No. 231



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1 Italian Legislative Decree 8 June 2001, No. 231

With the Legislative Decree 8 June 2001, No. 231, the “administrative liability of legal entities, companies, and associations, including those without legal personality” as a result of the commission of an offense was introduced into the Italian legislation.

The crimes for which the decree is applicable are:

- Art. 24: “Misappropriation of funds, fraud against the State or a public body or to obtain public funds and computer fraud against the State or a public authority”, which correlates the administrative liability of an entity with the commission of crimes such as misappropriation of funds against the State (or other public authority, or the European Communities), fraud (against the State or other public authority), and computer fraud (if committed against the State or other public authority);
- Art. 24-bis: “Computer crimes and unlawful data processing”, which correlates the administrative liability of an entity with the commission of crimes such as the crime of illegal access to a computer or telecommunications system; the offense of possession and unauthorized disclosure of access codes to computer or telecommunications systems; the offense of disseminating equipment, devices, or programs aimed at damaging or interrupting a computer or telematic system; the offense of interception, impediment, or illegal interruption of computer or electronic communications; the offense of IT forgery; and the offense of damage to information, data and computer programmes, although used by the State or other public authority or anyway of public utility;
- Art. 24-ter: “Crimes of organized crime”, which correlates the responsibility in particular to cases of mafia facilitation;
- Art. 25: “Bribery, embezzlement, and corruption”, which correlates the administrative liability of an entity with the commission of crimes such as bribery, undue inducement to give or promise utility, and corruption to influence an official act or for an act against official duties;
- Art. 25-bis: “Forgery of money, public credit papers, and revenue stamps and identification instruments or signs”, which correlates the administrative liability of an entity with the commission of crimes of accounting fraud, use of counterfeited securities, forgery and use of trademarks and patents. as well as the introduction and trade of products with false signs;
- Art. 25-bis 1: “Crimes against industry and commerce”, specifically related to offenses committed in trade frauds;
- Art. 25-ter: “Corporate crimes”, which correlate the administrative liability of an entity with the commission of crimes such as publishing false company documents, false reports or communications of audit companies, stock manipulation, illegal distribution of profits and reserves, illegal transactions involving shares or shares

of the parent company, transactions in to the detriment of creditors, illegal influence on the Shareholders' Meeting, failure to disclose a conflict of interest, obstacle to the exercise of the functions of public surveillance authorities. Corruption between private individuals is added to this;

- Art. 25 quater: "Crimes related to terrorism or subversion of the democratic order", which correlates the administrative liability of an entity with the commission of crimes related to terrorism or subversion of the democratic order provided for in both the Penal Code and in the special laws;
- Art. 25-quater-1: "Mutilation of female genital organs";
- Art. 25 quinquies: "Crimes against individual personality", which correlates the administrative liability of an entity with the commission of crimes such as possession of pornographic material (produced through the sexual exploitation of children) and tourism aimed at the exploitation of child prostitution;
- Art. 25 sexies: "Market abuse offenses", which correlates the administrative liability of an entity with the commission of crimes of abuse of privileged information and market manipulation;
- Art. 25-septies: "Manslaughter and culpable serious or very serious harm committed in violation of safety regulations and the protection of health and safety at work";
- Art. 25-octies: "Receiving stolen goods, money laundering, self-laundering, and use of money, goods, or assets of illicit origin", which correlates the administrative liability of an entity with transfer, concealment, or use of illegally obtained assets;
- Art. 25-novies: "Offenses concerning the violation of copyright", or aimed to illegal use of copyrighted material;
- Art. 25-decies: "Inducement not to make statements or to make false statements to the courts";
- Art. 25-undecies: "Environmental crimes", such as illegal waste disposal, pollution caused by ships, and disposal of substances prohibited by law;
- Art. 25-duodecies: "Employment of third country nationals whose labour is illegal", aimed at labour exploitation in conditions of illegality;
- "Transnational crimes": introduced by the Law dated 16 March 2006, No. 146, they correlate the administrative liability of an entity with the commission of crimes such as money laundering and criminal association on an international scale.

Under Article 5, Legislative Decree D.Lgs. 231/2001, for the administrative responsibility of the Company, any of the above offenses must have been committed (or attempted) by an individual who is functionally connected with the entity, and that the offense was committed "in the person's own interest or advantage", since the entity is not liable if the offender "acted in his/her own interest or the interest of third parties."

Also, for the administrative responsibility of the entity, in parallel with the criminal liability of the offender (individual), the offense must have been committed by persons who hold a senior position within the organization or subjects in a subordinate position. More precisely, in accordance with art. 5, “the entity is liable for the offenses committed in its interest or to its advantage:

- a) by persons who are representatives, directors or managers of the entity or any of its organizational units with financial and functional independence, or by persons who exercise, even de facto, management and control thereof (i.e. senior managers);
- b) by persons who are subject to the direction or supervision of one of the persons referred to in subparagraph a) (so-called subordinates).

The administrative liability arising from a crime is also applicable in the presence of a group, as stated by established case law, although with some significant limitations and conditions, when one of the subsidiaries commit an assumption of offense of the liability (so-called ascent of liability) and in general, the extension of the discipline within the group involves also multinational corporations.

In the event of proven liability, the Company would incur in the following penalties: fines, disqualification sanctions, confiscation and publication of the judgment.

The disqualification penalties are: prohibition of performing the activity; suspension or revocation of permits, licenses, or concessions used to commit the offense; ban on contracting with public authorities, except for obtaining the provision of a public service; exclusion from benefits, loans, grants, or subsidies, and any revocation of those already granted; and prohibition on advertising goods or services.

However, the Legislative Decree D.Lgs. 231/01 provides for the exclusion of liability of the Company in the event that the Company has adopted and effectively implemented organizational and management models capable of preventing offenses of the same type as the one committed, among other conditions.

Article 6 of the Decree provides that when the crime was committed by persons in senior positions, the Legislative Decree provides that the institution does not respond administratively if it proves that:

- The governing body adopted and effectively implemented, before the offense was committed, organization and management models capable of preventing offenses of the type that occurred;
- The task of supervising the functioning and observance of the models and their updating was entrusted to a body of the entity with independent powers of initiative and control;
- The persons who committed the offense by fraudulently eluding the organization and management models;
- There was no omitted or insufficient supervision by the body referred to at item b).

- In this sense, the deeper purpose of the Decree is to encourage businesses to adopt an organizational, management, and control model, in accordance with the “culture of prevention”, aimed at the pursuit of a “new culture of doing business”.

To ensure its exempting effectiveness, the organization and management model must address the need to:

- Identify the activities where offenses may be committed;
- Provide for specific protocols aimed at planning the formation and implementation of decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable to prevent the commission of crimes;
- Provide for duties to provide information to the body responsible for supervising the functioning and compliance with the models;
- Introduce a proper disciplinary system for sanctioning any failure to respect the measures indicated in the model.

2 General Information about the Company

2.1 *COECLERICI Company and Group*

COECLERICI S.p.A. (hereinafter also “the Company” and/or “COECLERICI”) is the holding company of COECLERICI Group (hereinafter also “the Group”), founded in 1895 in Genoa, and now having the headquarters in Milan. The Group operates in Italy and abroad with more than 800 employees in the areas of port logistics, naval technical management, commodity trading, and mining.

The Group has come a long way, following trade routes across the world, determined to fulfil its current mission: the supply of energy to the electrical and steel industries in the five continents continuing to see coal as a valuable energy source for economic growth in increasingly large areas of our planet.

The Group operates in 13 countries and has developed an organizational system that allows managing and supervising every stage of the procurement process of raw materials, from mining to shipping and logistics, providing quality products and services in an increasingly efficient and sustainable way, through:

- Specialization: concentrating investment and expertise exclusively on our core business.
- Internationalization: having offices in the five continents and operating in the heart of traditional and emerging production centres around the world.
- Growth: achieved by establishing international partnerships and strategic acquisitions.
- Innovation: designing and implementing state-of-the-art logistics solutions adapted to the specific needs of our customers.
- Reliability: creating and developing a truly new business model, one that provides key integrated market solutions ‘turnkey’ from the mine to the customer, and establishing long-term contracts that prevent speculation and price fluctuations in the commodity market.
- Transparency: implementing an ethical governance and independent management in order to ensure maximum transparency of the business and the market.
- Responsibility: investing in technology and information, in order to comply with the environmental protection and safety standards at work, focusing, at the same time, on our international approach with different peoples and cultures with respect and promotion of local development through direct vocational training and strategic technical advice.

COECLERICI SpA summarizes the company's guidance, that is of each of its direct or indirect, central or peripheral components, at top management level or not, on the basis of exclusive reference values that summarize the prevention and combating of any behaviour, initiative, action, suggestion, or influence that, according to levels of fair ethical qualification, must be radically opposed.

2.2 Corporate governance

COECLERICI's governance structure coincides with the classical management system guided by the Shareholders' Meeting, with the Board of Directors, which measures the powers that are delegated to the Chairperson, among which the consultative and advisory powers should be highlighted, and among them the powers related to organization, administration, and accounting. The Board of Auditors shall ensure the control of the adequacy and fairness of activities, and clarity, accuracy, truth, and fidelity of the representation of the outcomes and results. The Board of Auditors can make use of internal checks, which refer to the relevant top management. Ultimately, the "care" of the organizational structure ultimately refers to the Board of Directors, to which the control and supervisory body refers.

It goes without saying that governance tools are constantly subjected to criticism, in particular for aspects relate to quality and assignment of the company and strategic and operational management.

The functions of the aforementioned corporate bodies are briefly described below:

- Shareholders' Meeting: deliberates on matters of exclusive competence; expresses addresses on every issue, theme, and program proposed by the Board of Directors.
- Board of Directors: the Board of Directors has all the functions that the law exclusively assigns to the body in charge of business management, the functions that comply with best practices reflecting the definition and maintenance of the strategic profile, the examination of Group plans and budget, check on the continuity of objectives in the light of market evolution, and any changes in the business. In any case, the Board of Directors takes care of the aspects of operating performance and forecast with the Group's operations (investments, divestments, structure of financial sources, intercompany adjustments); and it manages risk governance profiles; it is ultimately the guardian of each external disclosure of the Group's operations.

In summary, the two main sectors of the Board of Directors can therefore be the management (governance) sector and supervisory sector mainly monitoring of top management and performance of executives, which are connected with the support / advice to executive directors.

- Board of Auditors: it consists of three regular members and two alternate members. All members of the Board of Auditors remain in office for three fiscal years and may be reappointed. The Board of Auditors is entrusted with the task of monitoring:
 - Compliance with the law and the bylaws;
 - Compliance with the principles of proper administration;

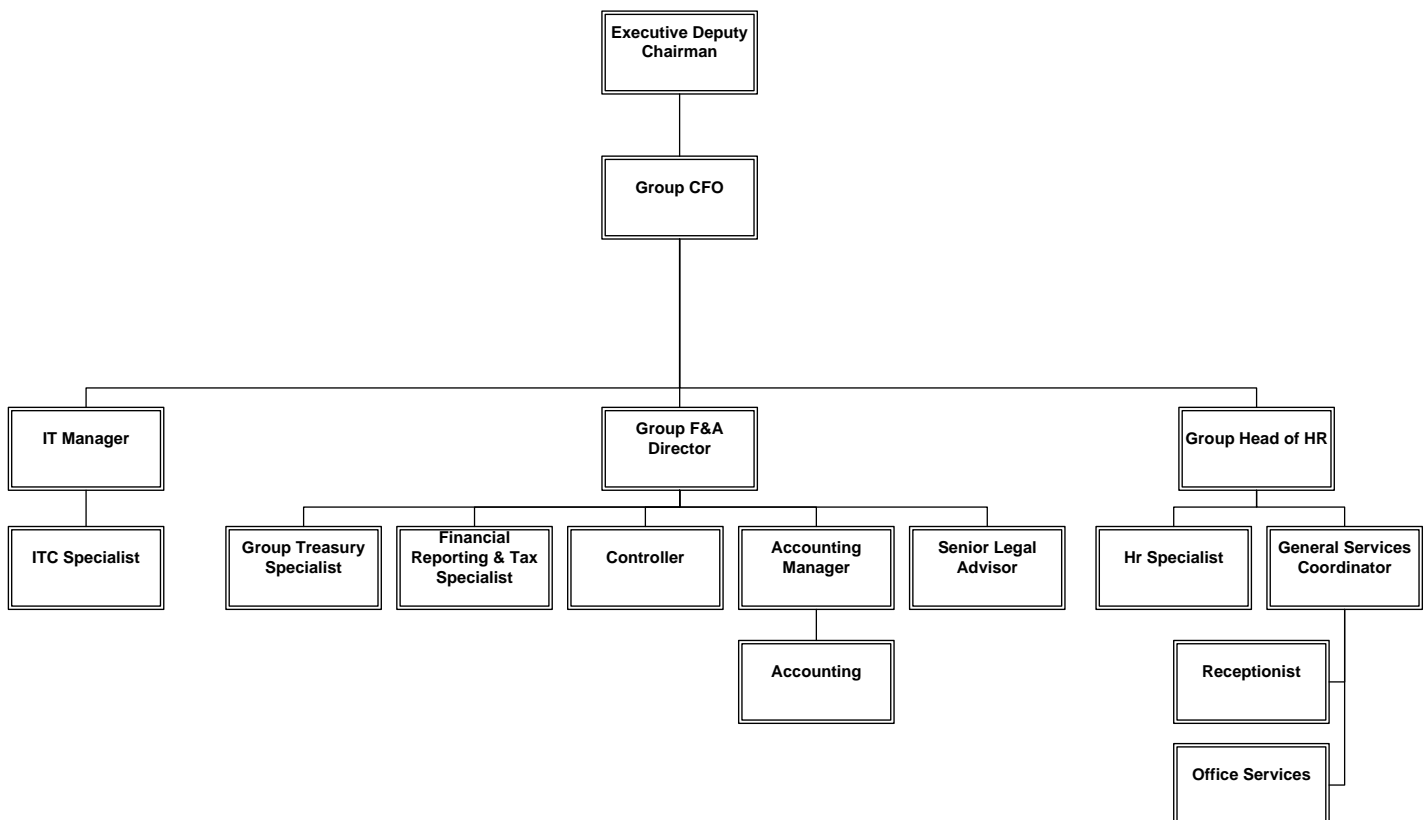
- The adequacy of the Company's organization, the internal monitoring system, and administrative accounting system, also with reference to the reliability of the administrative accounting system in correctly describing management activities.

In addition to the corporate bodies, COECLERICI has established the following operational committees in support of top management:

- Strategy Meeting, the main purpose of which is to share the key trading and strategic scenarios;
- Credit Committee, the purpose of which is to monitor the situation of trade receivables and the relevant expired amounts of COECLERICI.

2.3 The Organization

The Company's organization is as follows:



3 The Organisation, Management, and Control Model

3.1 Aims and objectives in the adoption of the Model

COECLERICI Spa is sensitive to the need to ensure fairness and transparency in the conduct of business and corporate activities, to protect its position and image, the expectations of its shareholders, and the work of its employees, and is aware of the importance to adopt an internal control system capable of preventing the commission of unlawful conduct by its directors, employees, contractors, and business partners.

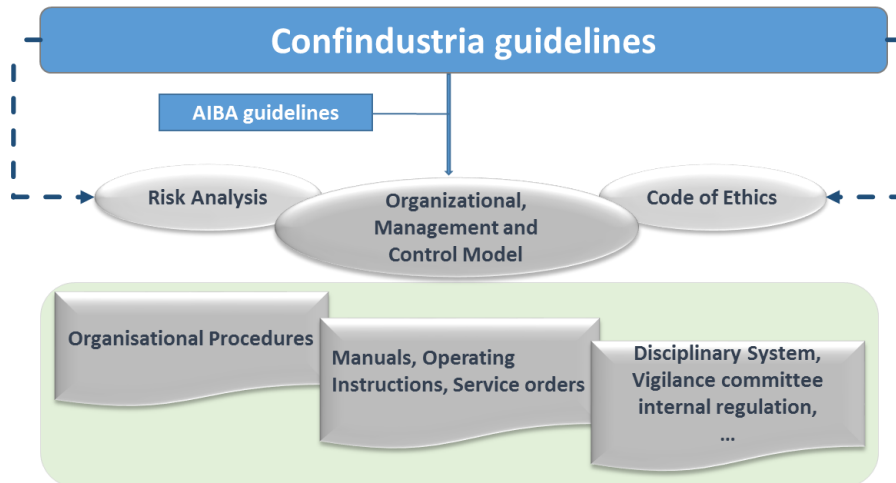
Through the adoption of the Model, COECLERICI Spa intends to pursue the following main objectives:

- Determine in all those who operate in the name and on behalf of the Company the awareness that they may run, in case of violation of the provisions contained therein, in the commission of offenses liable to criminal penalties to themselves and administrative penalties inflicted to the Company;
- Emphasize that any form of unlawful behaviour are strongly condemned by COECLERICI Spa, because they contravene (even in the event that the Company may appear to benefit from them) not only with the law but also with the ethical principles which COECLERICI Spa intends to follow in the implementation of its corporate mission;
- Allow the Company to take prompt action to prevent or oppose the commission of these offenses through monitoring on the areas of activity at risk.

The Model and the principles contained therein apply to corporate bodies (meaning the Board of Directors and the Statutory Auditors of the Company and their members), employees, collaborators, consultants, suppliers, partners, and, more generally, to all those who, for whatever reason, operate in sensitive activities on behalf or in the interest of COECLERICI Spa (referred to as the “Recipients” hereinafter).

3.2 Composition of the Model

COECLERICI Spa's organization and management model consists of the following documentation:



- Confindustria guidelines, updated to March 2014, document used as a methodological guideline, as well as a reference to some specific aspects relating to operational elements related to the decree;
- Risk analysis in September 2015, document that describes the activities within each process, the degree of exposure to risk (declined for a specific type of crime), and , suggested checks;
- Code of Ethics, a document that outlines the guiding values of the Company and the Group by recommending, promoting, or prohibiting certain behaviours, and if necessary dictating specific prohibitions and requirements in relation to the offenses;
- COECLERICI Spa's organization and management model, a document that describes the regulative principles, general and some specific aspects relating to operational elements related to the decree (e.g. Supervisory and Control Body, system of sanctions);
- The internal operational documentation, in particular the protocols 231 and the set of procedures set out therein, as well as the contractual documents defining the general reference principles in the management of business processes;
- The system of sanctions, which establishes the principles and case studies upon which the company shall regulate the measures arising from failure to comply with its regulatory system in particular and the model in general;
- The training and information processes, documenting the activity of sharing business rules and related requirements arising (sanction system);

- The information flows to the Supervisory Board, which report potential fault or blatant violation situations of company rules.

3.3 The Governing Principles of the Model

In the definition, building, and implementation of the model, the following regulative principles were observed:

- A clear and formal allocation of powers and responsibilities, consistently with the assigned tasks;
- Separation of functions (when possible), so that the permission to perform an operation must be under a responsibility that is different from those who are in charge of accounting, operations, or checks of the operation (if the check is conducted by a single entity). This principle will still allow efficient management of the business;
- The definition of rules of conduct aimed at ensuring performance of business activities in compliance with laws, regulations, and integrity of corporate assets;
- The availability of standard documentation for individual business activities, divided into powers of attorney, powers and delegations, and procedures;
- The traceability of operations (linked with both operational activities and monitoring activities) to ensure that every operation, transaction, and/or action is verifiable, documented, consistent, and appropriate.

The pillars of the Model are, in addition to the principles already specified:

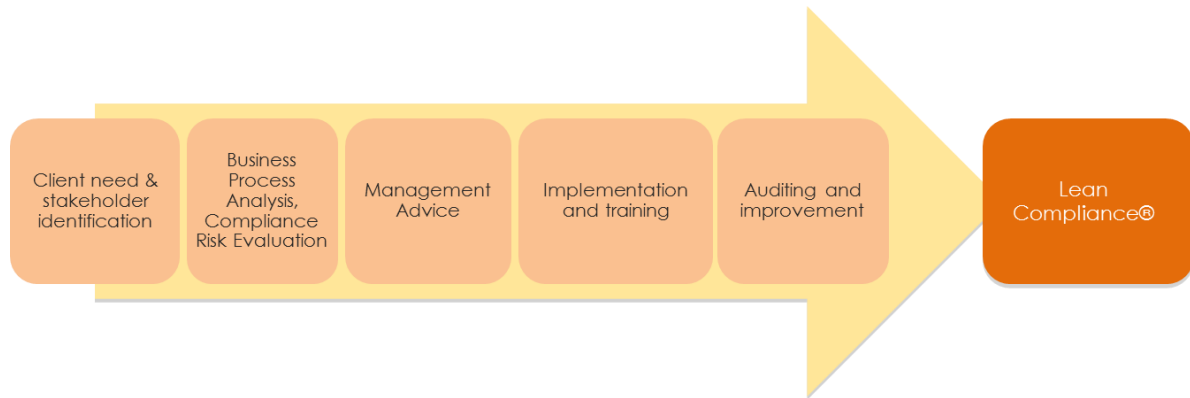
- The dissemination activity at all company levels of the behavioural rules and established procedures;
- Mapping of areas at risk of the company, i.e. the activities where there is a higher possibility that crimes are committed;
- The assignment to the Supervisory Board of specific monitoring tasks on the effective and proper functioning of the Model;
- The definition of a specific information flow by individual business functions to the Supervisory Body;
- Monitoring of corporate conduct, through regular audits in order to verify the implementation of the Model with consequent periodic updating (ex post check).

3.4 The Methodology Used for Updating the Model

In accordance with the provisions of the Italian Legislative Decree D. Lgs. 231/2001 (in particular art. 6) and illustrated in the Guidelines of trade associations used, as well as defined by established case law, the organization model is built as the end result of a series of complex tasks. This is to allow that the adoption of the

model can be an effective and efficient tool of prevention through the adoption of a general, comprehensive, and appropriate system of internal checks.

The activities for its implementation are organized in the following steps:



- Identification of processes and their interactions through process mapping using the self-assessment tool;
- Risk Assessment and Gap Analysis. By conducting interviews with various process managers on their management procedures, the activities at risk of abuse are identified. The areas related to the organization (e.g. proxies and delegated powers) are also analyzed. Based on the results obtained, a comparison between existing procedures, level of defined checks, degree of knowledge and their dissemination, and activities at-risk highlighted was made. At the end of the activity, the gap analysis of the Company is defined and formalized, i.e. the areas and/or activities not sufficiently manned, in order to ensure the effectiveness of the organization and management model. The gap analysis report is an integral part of this model that should be a reference for more detail;
- Definition of protocols. The following activities are included in this stage:
 - Formalization and/or integration of the existing documentation of the Company with the activities and checks specified and/or the production of new regulatory documentation;
 - Updating of the Organisation and Management Model as a summary document and fitting of the principles, rules of conduct, defined protocols, prevention and control measures, entities and individuals involved, and sanction system;
 - Preparation and updating of information flow system, highlighting in particular the scope of the information flow, the responsible entity, and sampling frequency;
- Planning of differentiated training activities and audits on the processes identified as exposed to the risk of offenses being committed.

4 Features and Structure of the Internal Control System (ICS)

4.1 General Principles of the ICS

The internal control system qualifies as the set of tools designed to provide reasonable assurance of achieving the goals of efficiency and operational effectiveness, reliability of information, compliance with laws and regulations, and safeguarding of assets against possible fraud or offenses.

The monitoring system extends with continuity to the various organizational levels, across all processes, taking into account the following general principles:

- Each protocol, formally adopted by the Company, is binding on all the parties involved, in various capacities, in the management of the process governed by the same protocol. They respond, among other things, to the need to document and make the various stages of decision making processes verifiable, in order to track them;
- The separation of tasks through proper distribution of responsibilities and the provision of appropriate levels of authorization (to the extent possible given the organizational dimension of the Company) allows to avoid overlapping of functions or operational allocations that concentrate critical activities on a single subject;
- Proper preparation of regulatory documentation for individual business activities, divided into powers of attorney, powers and delegations, and procedures. In particular, the system of proxies and powers of attorney provides that:
 - The powers of attorney are consistent with the organizational position and updated as a result of organizational changes;
 - In every power of attorney, the powers of the delegate and the person to whom the delegate reports should be specified;
 - The powers of attorney should describe the powers assigned and, where necessary, be accompanied by a communication setting out the limits of extension, notwithstanding budget constraints;
 - The objectivity of decision-making processes should be guaranteed, where possible (for example through the preparation of qualified suppliers registers, the definition of objective criteria for selection and evaluation of staff);
- Formalization of business activities in order to:
 - Define and regulate the manner and timing of the performance of the same activities;
 - Ensure traceability of actions, operations, and transactions through appropriate documentary supports that certify the characteristics and reasons for the operation and identify the persons who are variously involved in the transaction (authorization, performance, registration, checking);

- Ensure, where necessary, the “objectification” of decision making and limit business decisions based on subjective choices not linked to predefined objective criteria (e.g. existence of lists of approved suppliers, existence of objective evaluation criteria).
- Documentation of monitoring and supervision activities, carried out on business transactions;
- Provision of contractual clauses that oblige contractors, consultants, and business partners to comply with the principles contained in the Code of Ethics, as well as the protocols specifically related to the activity carried out, otherwise, in default, the power to withdraw from the contract or terminate it and, in any case, to claim compensation for the damage suffered.


4.2 Modular Structure of the Monitoring System

The Company is subject to a complex system of rules from different internal sources and modulated on different levels. The consequence is a regulatory system based on modularity consistent with the organizational logic, where different level documents have distinct roles:

- **Code of Ethics:** defined at Group level, is a tool to be taken autonomously, which can be generally applied by the Group companies in order to establish the principles of "business ethics" that COECLERICI Spa recognizes as its own and on which it recalls the observance by all Company's Bodies, Employees, Consultants, and Partners. The Code of Ethics contains the guidelines concerning the rights and duties of all those who, for various reasons, participate in the organization's life.
- **Organisation, Management, and Control Model:** defines the guidelines adopted by the Company in building its model, and describes the internal control system, with particular reference to:
 - Risk analysis methodology and for the construction of the organization, management, and control model;
 - The system of internal checks;
 - The principles of appointment, composition, and role and responsibilities of the Surveillance Body;
 - The disciplinary system;
 - Planning of information and training activities.
- **System of Powers of Attorney:** assigned consistently with the tasks and functions covered in the Company.
- **Protocols:** describe, with specific reference to the so-called “sensitive” processes, the set of organizational, preventive, and control measures carried out on the activities related to the reference processes. They also identify the scope and owner of specific information flows to the Supervisory Board.
- **Business Procedures:** identify the operating procedures for proper conduct of activities in the individual functions.
- **Audit System:** the Company may exercise internal audit activities to check for compliance with the Code of Ethics and the Model adopted by the Company.

- **Accounting Certification and Management Control** on the activities through methods of economic-financial planning and reporting.

The general structure of the preventive and control measures provided for by the model is shown in the following table.

 COECLERICI		Offenses against Public Authorities	IT Crimes	Crimes of Organized Crime	Crimes in the Field of Terrorism	Corporate Crimes	Crimes in the Field of SSL	Violation of Copyright	Inducement to Make False Statements	Environmental Offenses	R Offences of Handling Stolen Items and Money Laundering	Employment of Irregular Immigrants
General Structure of Prevention Checks and Measures	Code of Ethics											
	System of Powers of Attorney											
	Consulting Assignment Protocol											
	Procurement Protocol											
	Budgeting Protocol											
	Liability Cycle Protocol											
	Human Resources Protocol											
	Insurance Protocol											
	Intercompany Protocol											
	Gift Protocol											
	Protocol of Relations with Public Authorities											
	Sponsoring Protocol											
	Treasury Protocol											
	ICT Protocol											
	HSE Protocol											
	System of Flows to the Supervisory Board											

5 Exposure to Risk

5.1 Methodology

The processes defined within COECLERICI Spa for effective and efficient service delivery may be exposed to the risk of committing the crimes provided for by the Italian Legislative Decree D.Lgs. 231/2001 in three different ways:

- **Direct Exposure**, if the performance of activities within the process is itself at risk of committing illicit activities. For example, the request for funding from the European Union, resulting in a direct contact with Public Authorities, exposes the staff responsible directly to the crimes of fraud, corruption, or misappropriation of funds;
- **Instrumental Exposure**, if the process in itself is not exposed to risk of offense, but so is its result. For example:
 - Hiring of employees related to people working for Public Authorities can be "bestowal" through which the crime of corruption is confirmed for an action that is contrary to official duties;
 - Signing of consultancy contracts, if carried out without special care or caution, can be the way to create funds to be used for unlawful purposes;
- **No Exposure**, if the activity or process does not have a significant exposure to the risk of committing certain types of offenses.

5.2 Sensitive Processes

In the light of the risk analysis carried out, for the purpose of preparing this Model, the following offenses are considered as concretely relevant to the Company, because of the objective possibility of committing them in the reference processes.

Offenses pursuant to the Italian Legislative Decree D.Lgs. 231/2001	Reference Processes
Crimes against Public Authorities (articles 24 and 25)	<ul style="list-style-type: none"> ▪ Management of Funding/Other Payments ▪ Management of Inspections ▪ Management of Disputes ▪ Management of Institutional Relations with Public Authorities ▪ Management of Asset Cycle ▪ Management of Liability Cycle ▪ Management of Budget

	<ul style="list-style-type: none"> ▪ Management of Cash Flows ▪ Management of Intercompany Services ▪ Management of Supplies ▪ Management of Professional Assignments ▪ Management of Human Resources ▪ Management of Gifts and Donations ▪ Sponsorship Management ▪ Management of Accidents
Computer crimes and illegal data processing (art. 24-bis)	<ul style="list-style-type: none"> ▪ Management of Networks
Crimes of organized crime (art. 24-ter)	<ul style="list-style-type: none"> ▪ Management of Asset Cycle ▪ Management of Liability Cycle ▪ Management of Budget ▪ Management of Cash Flows ▪ Management of Intercompany Services ▪ Management of Supplies ▪ Management of Professional Assignments ▪ Management of Human Resources ▪ Management of Gifts and Donations ▪ Sponsorship Management
Corporate offenses (art. 25-ter)	<ul style="list-style-type: none"> ▪ Administrative/Accounting Management ▪ Preparation of Accounting ▪ Management of Accounting Audits ▪ Management of Tax Disputes ▪ Management of Contributions and Salaries ▪ Communications with Supervisory Bodies ▪ Management of Asset Cycle ▪ Management of Liability Cycle ▪ Management of Intercompany Services ▪ Management of Supplies ▪ Management of Professional Assignments ▪ Management of Contracts ▪ Management of Disputes
Offences related to SSL (art. 25-septies)	<ul style="list-style-type: none"> ▪ Management of SSL
Crimes involving breach of copyright (art. 25-novies)	<ul style="list-style-type: none"> ▪ Management of Networks ▪ Management of HW and SW

Induction not to make statements or to make false statements to judicial authorities (art. 25-Decies)	<ul style="list-style-type: none"> ▪ All Processes
Environmental offenses (art 25-undecies)	<ul style="list-style-type: none"> ▪ Management of Hazardous and Non-Hazardous Waste
Crimes of receiving, laundering, self-laundering and use of money, goods or benefits of illicit origin (art. 25-octies)	<ul style="list-style-type: none"> ▪ Management of Cash Flows ▪ Management of Intercompany Services ▪ Management of Supplies
Crimes of terrorism or subversion of democratic order (art. 25-quater)	<ul style="list-style-type: none"> ▪ Management of Asset Cycle ▪ Management of Liability Cycle ▪ Budget Management ▪ Management of Cash Flow ▪ Management of Intercompany Services ▪ Management of Supplies ▪ Management of Professional Assignments ▪ Management of Human Resources ▪ Management of Gifts and Donations ▪ Sponsorship Management
Employment of third country nationals whose labour is illegal (art. 25-duodecies. Law dated 6 November 2012, No. 190)	<ul style="list-style-type: none"> ▪ Management of Human Resources

The results of mapping allowed to:

- Identify the organizational units of the Company which, in view of the tasks and responsibilities assigned, could potentially be involved in crime risk activities;
- Identify the main types of risk/offense;
- Outline possible ways of committing misconduct.

5.3 Offenses against Public Authorities

Definition of Public Authorities

Public Authorities refer to all public local and national institutions, and members and internal bodies of institutions, including public officials.

For the purposes of the criminal law, an “Entity of Public Authorities” is commonly considered as any person in charge of public interest and carrying out legislative, judicial, or legal activities under the rules of public law and authorizations. Art. 1, paragraph 2 of the Italian Legislative Decree 165/2001 on the subject of labour law in the employment for Public Authorities defines all State administrations as Public Authorities. Not all individuals acting

in the context and in relation to above-mentioned entities are subjects against whom (or through whom) the criminal cases under the Italian Legislative Decree 231/2001 occur.

In particular, the functions that are important for this purpose are only those of “Public Officials” and “Public Service Providers”. Additionally, public service providers may or may not be public employees.

Risk Exposure

The results of risk analysis lead to identify, in the context of business processes, the following activities as those in which COECLERICI Spa is more exposed (both directly and instrumentally) to the risk of the listed offenses:

- Management of obligations and relations with public authorities (management of funding and other payments, management of inspections, management of litigations, management of institutional relations);
- Management of the administrative/accounting activities (asset cycle, liability cycle, budget etc.);
- Management of cash flows (cash pooling, current accounts and funds, hedging, etc.);
- Management of intercompany activities, in particular intercompany services and loans;
- Management of procurement activities;
- Management of professional appointments and consultations;
- Management of human resources (personnel selection and recruitment and system of rewards);
- Management of gifts, donations, and sponsorships;
- Management of accidents.

Beyond the cases of direct contact with Public Authorities, the sector of procurement and supplies (orders/contracts with suppliers, professionals, and consultants) and associated administrative processes may also involve a risk of committing corruption offenses (instrumental exposure). For example, entering into a contract for a non-existent service may be a way to make a Public Official or Public Service Provider obtain, directly or indirectly, the price of the service, or the “money” functional to the corruption case may also appear through the establishment of “off-book” funds. These operations are aimed at creating hidden assets through the issuance of invoices for non-existent operations, unjustified money flows, payments of consulting services that are never actually provided, or the value of which is much lower than the value declared by the Company.

Similarly, the selection of unsuitable personnel to the company's established parameters may be the corruptive element of exchange in the face of measures favourable to the Company.

The offense categories for which there is a risk of committing a crime against COECLERICI Spa appear to be crimes of corruption for an action that is conforming or contrary to official duties, attempted bribery, fraud against the State or other public body, or European Communities.

It should be considered that, in general, the opportunity to benefit from grants, contributions or public funds, for example for training or to some development plans, expose the Company to the crimes of embezzlement, misappropriation of funds and fraud to obtain public funds to the detriment of the State or other public body or the European Communities.

On the other hand, the crimes of extortion and computer fraud against the State or other public body are not concretely applicable to the company. In the first case, the offense is related to the status of Public Official or Public Service Provider, i.e. a qualification unrelated to the Company for both individuals in top positions and for individuals subject to their direction and supervision. In the second case, the Company does not have access to computer or electronic systems to be able to commit such malfeasance – also considering the existing monitoring measures in the field of management of the IT infrastructure of the Company.

Prevention Measures

With regard to the activities and checks implemented in order to prevent offenses against or to the detriment of Public Authorities, the Company adopted the following preventive and monitoring measures:

- Code of Ethics that expressly prohibits all corruption practices, illegitimate favours, collusion, direct and/or indirect requests of personal career benefits for oneself or others.
- System of powers of attorney that assign consistently the authorization and monitoring powers.
- “Protocol of Relations with Public Authorities” that defines roles and responsibilities in the management of activities that involve contact with representatives of Public Authorities and ensures traceability of transactions carried out in sensitive activities.
- “Protocol of intercompany services” that regulates the activities of providing services and intercompany loans and guarantees the traceability of operations carried out with particular reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of the contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.
- “Protocol of liability cycle” that defines roles and responsibilities in managing the assets and guarantees the traceability of checks on the regularity of payable invoices.
- “Protocol of treasury” that defines roles and responsibilities in managing cash flows and guarantees the traceability of checks in particular on the following activities:
 - ✓ Management of payments and collections;
 - ✓ Management of financial flows on current accounts and cash pooling;

- ✓ Management of funding;
- ✓ Management of financial instruments;
- ✓ Management of cash.
- “Protocol of procurement of goods and services” and “Protocol of assignment of consulting services and professional assignments” which provide, in relation to the different kinds of purchase, the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ Clauses 231 (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- “Protocol of human resources” providing for the following monitoring measures:
 - ✓ Verification of the need for recruitment;
 - ✓ Criteria for assessment and selection of candidates;
 - ✓ Check of specific documentation prior to employment, even in the form of self-declaration, such as certificate of pending charges/ongoing investigations and criminal records;
 - ✓ Check for the presence of a name in international black lists;
 - ✓ Tracking of award System.
- “Protocol of corporate gifts and donations” that defines roles and responsibilities, and guarantees the traceability of checks on the provision and receipt of gifts or donations.
- “Protocol of sponsorships that includes the following monitoring measures:
 - ✓ Activity of due diligence on partner;
 - ✓ Completeness of contract;
 - ✓ Verification of actual service provision.
- “Insurance Protocol” that includes specific monitoring measures on the management of accidents.
- “Budgeting Protocol” that includes specific monitoring measures on anomalies regarding the use of set budget.
- System of flows to the Surveillance Body.
- Reference procedures governing the integration activities as provided in the “Protocols 231”:
 - ✓ Procedure of Relations with Public Authorities;

- ✓ Procedure for Gifts
- ✓ Procedure for Human Resources
- ✓ Procedure for Insurance
- ✓ Procedure for Treasury
- ✓ Procedure for Consulting
- ✓ Procedure for Purchases
- ✓ Procedure for Hedging.

5.4 The crime of induction to make false statements to the Judicial Authority

The crime in question is included, in the Criminal Code, among the offenses “against the administration of justice”, i.e. those crimes the specific character of which causes that they are not generally included in the offenses against Public Authorities. It is precisely this character of specialties compared to the offenses analyzed in the previous section that makes its analysis separate from offenses against Public Authorities.

Risk Exposure

The results of risk analysis lead to identify risk exposure to the offense in question whenever the Company is called as a “Party” in a criminal case or has an interest in it.

Prevention measures

Code of Ethics that expressly prohibits providing false statements to judicial authorities.

5.5 Computer crimes and offenses committed in violation of the Law on copyright

Subclasses of computer crimes are included in all the activities aimed at the manipulation, interception, or corruption of data and IT systems, regardless of the fact that their nature or function is private (e.g. market competitors) or public. In fact, the crimes include unauthorized access to a computer or telecommunications system; unauthorized possession and dissemination of access codes to computer or telematic systems; distribution of equipment, devices, or IT programmes aimed at damaging or interrupting a computer or telematic system; illegal interception, prevention, or interruption of computer or telematic communications; and damage to computer or telematic systems of public utility.

In relation to offenses in violation of copyright, it is possible to state that these articles punish reproduction and duplication of intellectual property. Under the legislation, it is possible to state that, in general, the management of advertising, educational, information activities of commercial type, achieved through the use of photographic or literary material, economic and scientific articles, or through the use of databases is at risk.

In addition, under Article 2 paragraph 8 of the Italian Law 633/41 intellectual property also include “computer programmes, expressed in any form as long as they are original as the result of intellectual creation by their authors”. This legislative provision is the origin of the inclusion of the crime of illegal duplication, distribution, importation, sale, and possession for commercial or business purposes of computer programmes.

Risk exposure

For the type of activities carried out and organization of the company, COECLERICI Spa’s IT area is the mostly exposed to this class of crimes. In fact, even if they may be directly committed in theory by the staff of each area of the company, the IT function defines the safety features of the entire physical and logic infrastructure of the Company and can create the vulnerability conditions likely to take the form of an offense.

The circumstances described above together with the nature of the activity performed by the Company lead us to believe that the following offenses may be assumed only theoretically as committed by the Company: interception, prevention, or interruption of computer or telematic communications (art. 617 quater, of the Italian Criminal Code); damage of information, data and computer programmes, although used by the State or other public body or a public utility entity (articles 635 bis and 635 ter, of the Italian Criminal Code); as well as damage to computer or telecommunications systems and damage to computer or telecommunications systems of public utility (articles 635 quater and 635 quinquies); computer fraud by an entity providing electronic signature certification services (art. 640 quinquies, of the Italian Criminal Code); and false declaration or statement to the electronic signature certifier (art. 495 bis) and computer forgery (art. 491 bis).

Therefore, the activities that may be exposed to threat are:

- Assignment and management of login and password to access and use business information systems;
- Management of the hardware and software configurations of all Company’s personal computers;
- Defining and maintaining adequate safety profiles (e.g. firewall, antivirus) required for maintaining the efficiency of the IT infrastructure.

Prevention measures

- The Code of Ethics outlines the guiding values of the Company recommending, promoting, or prohibiting certain behaviours relating to the use of IT tools.
- System of powers of attorney and proxies that assign consistently the powers of authorization and control.
- “ICT Protocol” that provides for the following monitoring measures:
 - ✓ Proper management of profiles and authorization for access to the network, use of firewalls and other security systems, verification on the configuration, and software maintenance;

- ✓ Assignment and formalization of the roles and responsibilities of system administrators;
 - ✓ Formalization of the management procedures of IT inventories;
 - ✓ Provision of specific control measures on the machines and periodic review of access profiles;
 - ✓ The adoption of authorization/inhibition tools for the use of programmes or access to the network.
- System of flows to the Supervisory Board.

5.6 The crimes of organized crime and crimes of terrorism or subversion of democratic order

The extension of the liability of legal entities also to offenses arising from crimes of organized crime committed in the territory of the State is intended to deal with the commission of any type of crime, as long as it is committed in association, or through stable, continuous, and organized contribution at least three entities. This logic means that also illegal actions formally not included in the classes of crimes of the Legislative Decree D.Lgs. 231/2001, such as tax offenses, can determine the administrative liability of COECLERICI Spa, if committed with associative logic.

The crimes¹ related to terrorism involve a number of offenses including: Associations for purposes of terrorism including international terrorism or subversion of democratic order (art. 270-bis of the Italian Criminal Code); Assistance to members (art. 270-ter of the Italian Criminal Code); Recruitment for the purpose of terrorism including international terrorism (art. 270-quater of the Italian Criminal Code); and Training in activities for the purpose of terrorism including international terrorism (art. 270-quinquies of the Italian Criminal Code).

The activities in the context of which the offenses mentioned in Article 25-quater of the Legislative Decree D.Lgs. No. 231/2001 could theoretically be committed are essentially related to the management of relations with natural or legal persons established or operating in countries considered at risk, the management of financial operations or transactions to countries considered at risk. In addition, the failure to provide the checks and monitoring regarding the presence of the name in the international black lists can increase the risk of hiring persons linked to criminal or terrorist organizations.

Risk exposure

For the activities carried out by the Company, it is possible to consider the management processes of financial, administrative and accounting flows, and in general the supply of goods and services including intercompany transactions as being at risk and as activities used to commit the crimes in question aimed, for example, at forming funds to be allocated for illicit purposes.

Prevention measures

¹ See the Annex attached to this Organization and Management Model

With regard to the activities and checks implemented to prevent the crimes of organized crime and financing of terrorism, the Company adopted the following preventive and monitoring measures:

- Code of Ethics that expressly prohibits any form of facilitation, cooperation, or flanking to criminal or terrorist organizations.
- Powers of attorney and proxies that assign consistently the powers of authorization and monitoring.
- “Protocol of intercompany services” that regulates the activities for provision of services and intercompany loans and guarantees the traceability of operations carried out with a special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.
- “Protocol of liability cycle” that defines roles and responsibilities in managing the assets and guarantees the traceability of checks on the regularity of payable invoices.
- “Protocol of treasury” that defines roles and responsibilities in managing the cash flows and ensures traceability of checks, in particular on the following activities:
 - ✓ Management of payments and receipts;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- “Protocol of procurement of goods and services” and “Protocol of assignment of consultancies and professional appointments” which provide, with reference to different types of purchase, the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ Clauses 231 (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- “Protocol of human resources” providing for the following monitoring measures:
 - ✓ Verification of the need for recruitment;

- ✓ Criteria for assessment and selection of candidates;
- ✓ Check of specific documentation prior to employment, even in the form of self-declaration, such as certificate of pending charges/ongoing investigations and criminal records;
- ✓ Check for the presence of a name in international black lists;
- ✓ Tracking of award System.
- “Protocol of corporate gifts and donations” that defines roles and responsibilities, and guarantees the traceability of checks on the provision and receipt of gifts or donations.
- “Budgeting Protocol” that includes specific monitoring measures on anomalies regarding the use of set budget.
- “Protocol of sponsorships providing for the following monitoring measures:
 - ✓ Activity of due diligence on partner;
 - ✓ Completeness of contract;
 - ✓ Verification of actual service provision
- System of flows to the Surveillance Body.
- Reference procedures governing the integration activities as provided in the “Protocols 231”:
 - ✓ Procedure for Gifts
 - ✓ Procedure for Human Resources
 - ✓ Procedure for Treasury
 - ✓ Procedure for Consulting
 - ✓ Procedure for Purchases.

5.7 Corporate crimes

The type of crimes in question is of particular relevance to both the frequency of activities that expose the Company to risk and the multiplicity of interests to be protected, i.e. protection of the integrity of corporate assets, protection of shareholders and creditors, fair competition, transparency of financial markets, protection of non-institutional investors and the whole market, and so on.

The case of private corruption is different, as this offense occurs when “the directors, general managers, managers responsible for preparing corporate accounting documents, auditors and liquidators who, as a result of bestowal or promise of money or other utilities, for themselves or others, commit or omit actions in violation of the obligations inherent to their office or duties of loyalty, causing harm to the company.”

Risk exposure

The processes exposed to the risk of committing the crimes in question are:

- Administrative and accounting management of suppliers and customers.
- Preparation of draft financial statements as well as any financial situations for extraordinary operations for approval by the Board of Directors and/or the Shareholders' Meeting.
- Management of relations with Shareholders and the Board of Auditors regarding the auditing of administrative and accounting management and financial statements.
- Management of tax compliance and tax litigation and the related relationships with tax offices having jurisdiction.
- Management of the requirements regarding wages and withholding taxes, social security and welfare contributions.
- Management of communication to the supervisory bodies and their requests during checks and inspections.
- Management of supply of goods, services, and professional assignments.
- Management of asset and liability cycle.
- Management of intercompany services.
- Management of disputes.
- Management of contracts.

The above listed activities might include the following offenses for the Company (so far made in its interest): false corporate communications; false corporate communications to the detriment of shareholders or creditors; obstruction of inspection; obstruction to the exercise of the functions of public surveillance authorities; illegal influence on the Shareholders' Meeting; fictitious formation of capital; operations prejudicial to creditors; and private corruption.

With specific reference to corruption between individuals, the company in the interest of which anybody has paid/pledged money/utility to the above qualified persons, as well as the representative of the company that bribes a representative of the same in order to guarantee an interest or advantage to the entity may be punished. As an example for COECLERICI Spa, the administrator who bribes a member of the board of auditors so that he/she does not detect abnormalities that would affect the operations and management of the company for which both have their mandate. In this case, in an abstract way, but still theoretically possible although difficult to prove, undue pressure is made on a supplier in order to get a discount which creates an advantage for the briber (e.g. the representative of COECLERICI Spa) to be shared with corrupted entity - whose company would instead receive the damage.

It is to be considered, finally, that the offense of failure to disclose a conflict of interest can be committed only by those who hold special positions within the company and, in particular, by an administrator or a member of the Board of Directors. The offense is realized with the breach of the obligations under Article 2391 of the Italian Civil Code, according to which the director of a company which, in a certain operation, has for him/herself or for third parties a conflict of interest with the Company, must inform the board of auditors and the Board of Directors and shall refrain from participating in decisions that affect the operation. From the above considerations, it can be understood that a large part of prevention of this crime must be based on the ability of the organization to train and select its directors, also in consideration of the requirements relating to ethics, integrity, and loyalty.

With reference to private corruption, the crime occurs when directors, general managers, managers responsible for preparing corporate accounting documents, auditors and liquidators who, as a result of bestowal or promise of money or other benefits, to themselves or others, commit or omit actions in violation of the obligations inherent to their office or duties of loyalty, causing harm to the company.

The Strasbourg Convention required from the signatory States to punish as a crime active and passive corruption in the private sector, understood in behaviours of promising, offering or giving, requesting and receiving an undue advantage, for themselves or for third parties, for people who manage or work in a private entity, so that they perform or refrain from performing an action in breach of their duties. Instead, the Italian legislature – in the Law 190/2012 – provided that the offense occurs only when the person performs or refrains from performing concretely actions in violation of his/her obligations, and this results in a harm for the company. Therefore, it is not actual corruption between private entities, but a “corporate crime”, being only a breach in the relations between a person and the entity the person works for.

While the Strasbourg Convention intends to punish the behaviour of those who give or promise any undue advantage and who receives the giving or promise of benefit in order to perform any action contrary to his/her duty, now in the art. 2635 of the Italian Civil Code, as amended, the crime exists only if the recipient of the undue advantage is not meeting its obligations to his/her own company and causes any harm to the company, otherwise the bribery is not prosecuted.

Prevention measures

COECLERICI adopts an internal monitoring system that acts both on its activities and on the interrelations between the company's and control bodies already required by current legislation and, more generally, by the company's documentation:

- Code of Ethics outlining the guiding values of the Company recommending the accuracy, completeness, correctness, and precision of accounting data and information.
- Periodic joint or individual meetings between the Supervisory Board, the Board of Directors, the external auditors and the Board of Auditors, and the obligation to provide sufficiently in advance the Supervisory

Board and the Board of Auditors with all documentation relating to subjects in the agenda of the Shareholders' Meeting, or in any case to be submitted to them.

- Powers of attorney and proxies that assign the powers of authorization and monitoring consistently.
- "Protocol of intercompany services" that regulates the activities of providing services and intercompany loans and guarantees the traceability of operations carried out with special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.
- "Protocol of liability cycle" that defines roles and responsibilities in managing the assets and guarantees the traceability of checks on the regularity of payable invoices.
- "Protocol of treasury" that defines roles and responsibilities in the management of cash flows and ensures traceability of checks, in particular on the following activities:
 - ✓ Management of payments and receipts;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- "Protocol of procurement of goods and services" and "Protocol of assignment of consultancies and professional appointments" which provide, based on the different types of purchase, for the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ Clauses 231 (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- "Protocol of insurance" that includes specific monitoring measures on the management of accidents.
- "Protocol of corporate gifts and donations" that defines roles and responsibilities, and guarantees the traceability of checks on the provision and receipt of gifts or donations.

- System of flows to the Surveillance Body.
- Reference procedures governing the integration activities as provided in the “Protocols 231”:
 - ✓ Procedure for Insurance
 - ✓ Procedure for Treasury
 - ✓ Procedure for Consulting
 - ✓ Procedure for Purchases
 - ✓ Procedure for Hedging

5.8 The crimes of manslaughter and culpable serious or very serious harm, committed in violation of safety regulations and protection of health and safety at work

On 1st April 2008, the Italian Council of Ministers approved the Decree implementing the Law 123 dated 3 August 2007 referring to safety in the workplace. Article 30 of this Decree refers to the Organization and Management Models, stating that:

- The organization and management model suitable to produce effects and exempting from administrative liability of legal entities, companies, and associations even without legal personality pursuant to the Italian Legislative Decree dated 8 June 2001, No. 231, shall be adopted and effectively implemented, thus ensuring a business system for the fulfilment of all legal obligations relating to:
 - Observance of the technical and structural standards regarding equipment, facilities, workplaces, chemicals, and physical and biological substances;
 - Activities of assessment of risks and preparation of related prevention and protection measures;
 - Organizational activities, such as emergencies, first aid, contract management, periodic safety meetings, consultations with workers' representatives for safety;
 - Health surveillance activities;
 - Activities of information and training of workers;
 - Supervisory activities with regard to the observance of procedures and work instructions safely by workers;
 - Acquisition of documentation and certificates required by law;
 - Periodic checks of the implementation and effectiveness of the procedures adopted.
- The organizational and management model pursuant to the first point must provide suitable registration systems of the actual implementation of the activities reported above.

- The organizational model should in any case ensure, as required by the nature and size of the organization and the type of activity, an organization of functions that provides the technical skills and powers required for verification, evaluation, management, and monitoring of risk as well as a disciplinary system to punish non-compliance with the measures mentioned in the model.
- The organizational model shall also provide an appropriate monitoring system on the implementation of the model and maintenance over time of the eligibility conditions of the measures taken. The review and possible amendment of the organizational model must be adopted when significant violations of the rules relating to accident prevention and health and safety at work are found, or in the case of changes in the organization and activity in relation to scientific and technological progress.
- In the first implementation, the business organization models defined in accordance with UNI-INAIL guidelines for a health and safety management system at work (SGSL) dated 28 September 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements set out in the preceding paragraphs for the corresponding parts. For the same purposes, more organizational and management models may be indicated by the Commission under Article 6.

Risk exposure

The definition of sensitive activities under the Decree was made considering the activities within which there may be injuries and those within which the Company may commit the offense of culpable violation of prevention rules and measures. In view of this dichotomy, the following can be distinguished:

- The activities with risk of accident and occupational disease shown in the Risk Assessment Document and understood as activities where harmful events may potentially occur;
- The activities at risk of offense, considered as activities that may potentially cause the crimes recalled by Art. 25-septies of the Decree, as their omission or ineffective implementation could complement the Company's liability under the Management Liability, as part of resource management and service implementation.

This model is not intended to replace the prerogatives and responsibilities of the law pertaining to the parties identified by the Italian Legislative Decree D.Lgs. 81/08. It is, instead, an additional check and verification of the existence, effectiveness, and adequacy of the structure of the management system for the protection of health and safety in the workplace.

Prevention measures

- The Code of Ethics defines the principles and behaviours that must be observed by the Company's employees, as well as all external parties who are lawfully on the premises of the Company, in particular:

- ✓ Comply with the regulations and internal corporate procedures for individual and collective protection;
- ✓ Avoid any imprudent behaviour as to safeguard individual health and safety;
- ✓ Use appropriately and correctly the safety and protection devices made available;
- ✓ Report, without delay, on account of the responsibilities assigned, any anomalies, as well as any other hazard of which people become aware;
- ✓ Undergo the required health checks;
- ✓ Undergo the required training programmes.
- System of powers of attorney and proxies that assign the powers of authorization and monitoring consistently.
- “Protocol of Health Safety and Environment” defines the roles and responsibilities in the management of the obligations arising from the legislation on Health and Safety in the workplace, in particular:
 - ✓ Identification of risks;
 - ✓ Management of emergencies, accidents, and near misses;
 - ✓ Health surveillance;
 - ✓ Information and training of personnel.
- System of flows to the Surveillance Body
- Reference Procedures
 - ✓ DVR / Emergency Management Procedure / Injury Management Procedure.

5.9 The crimes of handling stolen goods, money laundering, self-laundering, and use of assets of illicit origin

The administrative responsibility of the Company according to the Italian Legislative Decree D.Lgs. 231/01 can arise not only for the activities arising from financial laundering, self-laundering, but also in the event that the Company provides illegal goods or services. This type of offense then leads to carefully inspect the area of customer-supplier relations of COECLERICI Spa.

Risk exposure

The processes exposed to the risk of offenses in questions are the management of procurement of goods and services and the management of financial flows and the management of intercompany services.

Prevention measures

- The Code of Ethics outlines the guiding values of the Company recommending, promoting, or prohibiting certain behaviours with reference to the crimes in question.
- System of powers of attorney and proxies that assign the powers of authorization and monitoring consistently.
- “Protocol of intercompany services” that regulates the activities of providing services and intercompany loans and guarantees the traceability of operations carried out with special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.
- “Protocol of liability cycle” that defines roles and responsibilities in managing the assets and guarantees the traceability of checks on the regularity of payable invoices.
- “Protocol of treasury” that defines roles and responsibilities in managing cash flows and guarantees the traceability of checks in particular on the following activities:
 - ✓ Management of payments and collections;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- “Protocol of procurement of goods and services” and “Protocol of assignment of consulting services and professional assignments” which provide, in relation to the different kinds of purchase, the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ Clauses 231 (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- “Protocol of sponsorships” providing for the following monitoring measures:

- ✓ Activity of due diligence on partner;
- ✓ Completeness of contract;
- ✓ Verification of actual service provision.
- System of flows to the Surveillance Body.
- Reference procedures governing the integration activities as provided in the “Protocols 231”:
 - ✓ Procedure for Treasury
 - ✓ Procedure for Consulting
 - ✓ Procedure for Purchases
 - ✓ Procedure for Hedging

5.10 Environmental Offences

Environmental crimes involve both offenses aimed at damaging and exploiting wildlife, flora and fauna (killing, destruction, catching, taking, or possession of specimens of protected wild plant or animal species, destruction or deterioration of habitats within a protected site), and environmental damage (unauthorized discharge of industrial waste water, exceeding of air quality limit values, intentional and negligent pollution), as well as explicit violation of applicable rules (unauthorized management of waste, illegal waste trafficking, organized activities for illegal waste trafficking).

Risk Exposure

The activities at risk of committing environmental crimes are essentially related only to management of hazardous and non-hazardous waste produced by the offices of the corporate headquarters.

Prevention measures

- The Code of Ethics outlines the guiding values of the Company towards the protection of the environment also through the use of the best available technologies, constant monitoring of business processes, as well as the identification of more environmentally friendly industrial solutions in terms of choice of resources, distribution, use and management of its resources.
- “Protocol of Health Safety and Environment” defines roles and responsibilities in managing the waste produced, in particular by adopting specific monitoring measures on suppliers during their qualification and verification of the required authorizations.

5.11 Employment of third country nationals whose labour is illegal

The issue of the residence permit creates a real constitutive effect of the alien's eligibility to work, the time before

which is not at all possible to enter into lawful relations (under penalty of committing the crime in question). The legal interest protected by the rule is therefore identified in the immediate verification of the regularity of the stay.

The active subject of the crime is the employer. However, the law assimilates the concept of employer as any person who “employs, temporarily or permanently, under the provision of compensation, one or more persons, whose task is to perform employed work of any nature.”

The prerequisite of the offense is the employment of a foreign national.

Risk exposure

The activities in which theoretically the type of offense under article 25-duodecies of the Italian Legislative Decree D.Lgs. 231/2001 may occur are the management of the hiring process and administrative management of employees and non-EU citizens employed.

Prevention measures

- “Protocol of human resources” providing for the following monitoring measures:
 - ✓ Verification of the need for recruitment;
 - ✓ Criteria for assessment and selection of candidates;
 - ✓ Check of specific documentation prior to employment, even in the form of self-declaration, such as certificate of pending charges/ongoing investigations and criminal records;
 - ✓ Check for the presence of a name in international black lists;

5.12 The other crimes

From the analysis carried out it can be stated that the Company is not significantly exposed to the following cases: “Counterfeiting of money, public credit papers, revenue stamps, and identification instruments or signs” (art. 25-bis), “Crimes against industry and trade” (art. 25 bis 1), “Crimes against the person” (art. 25- quater 1 and quinquies), “Crimes of market abuse” (art. 25-sexies).

As the Company is not significantly exposed to the offenses listed above, no additional checks are implemented beyond what may be required by the Code of Ethics adopted, the internal documents, procedures, and protocols adopted.

6 The Supervisory and Monitoring Body

6.1 General

Article 6, paragraph 1, letter b), among others, of the legislative decree provides that the organization is not responsible for any crimes committed within it, if the task of supervising the functioning and compliance of the organization and management model as well as its updating was entrusted to a Supervisory Board of the entity with autonomous action and monitoring powers².

In accordance with this requirement, the Company has a joint Supervisory Board appointed directly by the Board of Directors.

The accomplished performance of its tasks by the Supervisory Board is an essential element for the exemption provided for in the Decree.

6.2 Appointment and composition

The Supervisory Board is a joint body and is composed of two regular members, one of them is the chairman.

The Supervisory Board members are chosen among qualified persons and with outstanding professionalism who meet the requirements of integrity to be interpreted as recalled by Art. 4, Decree 30 December 1998, No. 516.

The criteria on which the Company is based for the formation of the Supervisory Board are:

- Composition with several members,
- Internal and external professional resources,
- Lack of a potential conflict of interest,
- Powers of individual members.

The members of the Supervisory Board are appointed by the Board of Directors with resolution in which the duties and the powers of the Supervisory Board, term in office and remuneration for each member, and the budget allocated to the Body appointed are specified.

The appointment decision shall be immediately reported through appropriate means of communication.

² From 1st January 2012, the task of supervising the operation and observance of the models and updating them (functions previously entrusted to the Supervisory Board) can be carried out, in corporations, by the Board of Auditors, the Supervisory Board, or committee for management monitoring. This is established by the art. 14, paragraph 12 of the Law 183/2011 (Stability Law 2012), which introduces the paragraph 4-bis of art. 6 of the Italian Legislative Decree D.Lgs. 231/01.

6.3 Term of office, replacement and removal of members of the Supervisory Board

The members of the Supervisory Board remain in office for the time specified in the renewed mandate for any similar period. In any case, each member remains in office until the appointment of his/her successor.

In the event that a member of the Supervisory Board incurs a cause of incompatibility referred to in the following paragraphs, the Board of Directors prior collecting items as proof of the fact and hearing the person, sets a deadline of not less than 30 days within which the situation of incompatibility must be ceased. After that time, if the incompatibility has not ceased, the Board of Directors shall withdraw the mandate.

The mandate will also be revoked:

- If there are circumstances due to which the requirements of autonomy and independence required by law are not met;
- If any of the members is subject to a sentence, even if not final, for any of the offenses listed in the Decree, namely that involves the disqualification, even temporary, from public offices or inability to exercise management positions;
- If the integrity requirements set forth in the following paragraphs are not met.

The members of the Supervisory Board are entitled to give up the assignment at any time. In that case, they must notify the Board of Directors in writing giving the reasons for the resignation.

In case of resignation by all the members of the Supervisory Board, it shall have no effect until the appointment of the new members by the Board. In other cases, the resignation will take effect immediately.

To protect the Supervisory Board from the risk of an unjustified withdrawal of the mandate given to any of its members by the Board of Directors, it is determined that the Board of Directors can decide about the revocation only for a just cause.

In this respect, just cause for revocation refers to the following:

- Interdiction or disqualification, or a serious illness due to which any of the members of the Supervisory Board is not fit to carry out the supervisory functions, or an illness which, however, leads to the inability to do the job for a period of more than six months;
- A serious breach of the person's obligations as defined in this model;
- Gross negligence in the performance of the tasks related to the assignment;
- A conviction of the Company pursuant to the Decree in res judicata, or criminal proceedings concluded by the so-called "Plea bargaining", whose records show "the omitted or insufficient supervision by the Supervisory Board", in accordance with art. 6, paragraph 1, lett. D) of the Decree;

- A conviction, even if not final, for any of the offenses listed in the Decree, namely that causes disqualification, even temporarily, from public offices or inability to carry out managerial offices.

In the above cases, the Board of Directors will appoint the new member of the Supervisory Board to replace the member whose mandate was revoked. If, instead, the withdrawal is always exercised for a good cause, in the terms described above, in respect of all the members of the Supervisory Board, the Board will appoint without delay a new Supervisory Board.

6.4 The requirements of the Supervisory and Control Body

Autonomy and Independence

COECLERICI Spa is committed to ensuring complete autonomy of initiative of the Supervisory Board and to protect it from any form of interference or conditioning. To this end it is provided that:

- Its members are free, if possible, from directly operational tasks, taking into account the degree of exposure to the risk of crime in the function in which they operate and they have no possibility of interference in the operation of the Company;
- In carrying out its function, the Board is not subject to hierarchical and disciplinary power of any corporate body or function;
- Reports directly to the Board of Directors;
- The adoption of its decisions and the determination of its activities are not subject to appeal.

Professionalism

To ensure the proper performance of its duties, it is essential for the Board to ensure adequate professionalism. In this respect, the following is relevant:

- Knowledge of legal matters (in particular the structure and mode of commission of offenses as well as the Decree as a whole);
- An in-depth knowledge of the Company's organizational structure;
- Adequate expertise in auditing and control (analysis techniques and risk assessment).

Integrity and absence of conflict of interest

This requirement should be understood as follows:

- The Supervisory Board members are chosen from among qualified persons and with outstanding professionalism and meeting the requirements of integrity to be interpreted as recalled by art. 4, Decree 30 December 1998, No. 516.

- The members of the Supervisory Board must not have family ties with top management. They must also be free from any situation which could lead to actual conflict of interest.

Continuity of action

The continuity of action of the Supervisory Board is ensured through the term of more than one year in office, notwithstanding the possibility of subsequent renewal, and the possibility of revocation only for just cause under the terms described above.

6.5 The resources of the Supervisory Board

The Board of Directors assigns to the Supervisory Board the human and financial resources deemed necessary for the purpose of the assignments, however appropriate to the size of the Company and the duties of the Supervisory Board according to the degree of risk exposure.

With regard to financial resources, the Board may have the allocated budget also annually upon the proposal of the Board itself.

With regard to human resources, the Supervisory Board may use the assigned personnel, external consultants, and aid of all the Company's organizations.

In case of need, the Supervisory Board may require the Board of Directors, by written and reasoned statement, the allocation of additional human or financial resources.

With specific reference to issues related to the protection of health and safety at work (Legislative Decree D.Lgs. 81/08), the Supervisory Board must make use of all resources available for the management of such aspects.

6.6 Call of meeting

The Supervisory Board shall meet whenever it is deemed appropriate by the Chairman, or as requested by at least one member to the Chairman. The Board holds a minimum of three meetings a year. After each meeting, a specific report shall be established, signed by the attendees.

6.7 Confidentiality

The members of the Supervisory Board are bound to secrecy regarding facts and information acquired in the exercise of their functions.

The members of the Supervisory Board shall ensure the confidentiality of any information they receive, particularly if related to reports that they receive concerning alleged violations of the Model. In addition, the

members of the Supervisory Board shall refrain from seeking and using confidential information for purposes other than art. 6, or in any case for purposes not consistent with the Supervisory Board's functions, except as expressly authorized.

In any case, all information held by the Supervisory Board members is treated in accordance with current legislation and, in particular, in accordance with the Italian Legislative Decree No. 196 dated 30 June 2003 (Code concerning the protection of personal data).

Failure to comply with these obligations implies the automatic removal from office of a member of the Supervisory Board.

6.8 Duties and powers of the Supervisory Board

In accordance with Art. 6, paragraph 1 of the Decree, which entrusts it with the task of supervising the functioning and observance of the Model and its updating, the Supervisory Board of the Company has the following tasks:

- Check for the adequacy of the model, i.e. its capacity to prevent the occurrence of illegal behaviour, and to highlight any commission or attempt;
- Check the effectiveness of the model monitoring:
 - Planning the audit activities, and reviewing the results of previous audits,
 - Carrying out checks on the activities or transactions identified in the risk areas (e.g. updating of procedures, delegation system in terms of consistency between the powers granted and activities carried out, knowledge of the Model),
 - Carrying out regular meetings with the management of COECLERICI Spa and with the external auditors in order to discuss, verify, and report on the progress of the organization and management model,
 - Promoting meetings with the Board of Directors, whenever it deems appropriate to make an assessment or take an action to discuss matters relating to the functioning and effectiveness of the organization and management model;
- Check the effectiveness of the model, i.e. the correspondence between the actual behaviours and those formally provided by the Model;
- Establish an effective and efficient system of internal communication in order to receive information under the Decree (reporting of possible violations and/or non-observance of the model);

- Perform complete, timely, accurate, accessible, and continuous training and information activities for employees and consultants of the Company, in particular by promoting and defining initiatives for the dissemination of knowledge about the decree and the consequences resulting from its implementation (organization and management model, risk analysis, etc.);
- Ensure the model update:
 - Evaluating, with the cooperation of the competent functions, the actions to be taken, including operational actions, required to update the model,
 - Evaluating the organizational/managerial changes and legislative adjustments to mandatory standards, in terms of their impact on the organization and management model,
 - Organizing suitable measures in order to keep the mapping of areas at risk updated,
 - Proposing to the Board of Directors any changes to the model, as required by significant violations of the provisions, changes in the organization, legislative changes that require adaptation or the actual commission of crimes,
 - Arranging to perform risk analysis in the event of new information or objective needs for risk redefinition;
- Ensure a flow of information to the Company's top management.

It is noted that, concerning the update of the model, the adoption of any amendment is decided by the Board of Directors, which has direct responsibility for the adoption and effective implementation of the model.

The supervisory function is also extended to the Code of Ethics on which the Supervisory Board performs the monitoring activities.

In carrying out its duties, the Supervisory Board shall always:

- Document, including through the completion and keeping of specific registers, all the activities carried out and measures taken;
- Document the reports and information received in order to ensure traceability of the actions;
- Record and store all documentation.

To carry out the tasks assigned to it, the Board has all the powers required to ensure timely and efficient supervision, in particular:

- Make, without notice, all inspections deemed appropriate;
- Have free access to the areas of all the functions, archives, and documents of the Company;

- Take advantage, under his direct supervision and responsibility, of the help of all the Company's organization or external consultants;
- Have directly the financial resources specifically allocated.

6.9 Management of the verifications of the internal monitoring system

The Supervisory Board provides that each process of the Company at risk of offense is subject to verification of the internal control system on an annual basis, in order to verify the level of implementation and effectiveness of the management system for the prevention of crimes.

Any change in the frequency of checks is determined by the Supervisory Board based on the results shown by the verification report. In addition, the Supervisory Board may decide to conduct extraordinary audits of the internal monitoring system in relation to specific reports, or if reasons of organizational changes or to identify deficiencies make it appropriate.

The checks may also be conducted by persons not belonging to the Supervisory Board, provided they have similar skills to those required for Supervisory Board members. The evaluators other than the Supervisory Board, are qualified and appointed by the Supervisory Board itself.

The audits of the internal control system are conducted on the basis of a programme drawn up by the Supervisory Board, approved by the Management. The programme is drawn up according to the state of importance of the activities to be audited.

The Supervisory Board shall inform in due time (about ten days before) the functions involved about the check to be performed, and possibly agrees on a date different from that assumed. The communication is in writing and contains:

- Date of the check,
- Composition of the verification team,
- Scope of the check.

The check consists essentially in detecting the implementation of the ICS procedures, the effectiveness of the model, and possible emergence of new risks related to the crimes.

The audits of the internal control system are conducted using tools such as:

- Interviews,
- Documentation checks,
- Direct observation of activities,

- Checklists (if process specifications are needed).

After the audit, the Supervisory Board draws up a report which will be sent to the Management, containing:

- The result of the audit,
- The anomalies identified,
- Possible improvement actions.

6.10 Information flow to the Supervisory Board

Under Article 6, paragraph 2, letter d) of the Decree, the obligation to provide information to the Supervisory Board is established about situations of potential risk of abuse, or actions that constitute violations of the system.

Reporting

The employees (or external job providers) of the Company who wish to report a violation (or suspected violation) of the model are required to contact the Supervisory Board through a special dedicated e-mail box (Organismodivigilanza@coeclerici.com), or through written communication. In the case of anonymous reports and not in writing, the Supervisory Board will assess at its discretion, depending on the seriousness of the alleged infringement.

The Board acts to ensure submitters against any form of retaliation, discrimination, or penalisation or any consequence arising from them, assuring them of the confidentiality of their identity, notwithstanding the legal obligations and protection of the rights of COECLERICI Spa or persons accused wrongly and/or in bad faith.

Activation of the Supervisory Board

The Supervisory Board examines all the reports received to its attention, evaluates them, and, if it deems it necessary, it is activated by starting all necessary investigations, such as:

- Calling the person who committed the violation (or presumed violation);
- Involvement of the functions affected by the report;
- Access to any source of information of the Company, document, or data considered as relevant to the investigation.

Further information

It is mandatory for the whole Organisation (corporate bodies, executives, managers, and employees) to report to the Supervisory Board the information in the following table; in particular, the reporting frequency is divided into:

- Per event: whenever the episode occurs, without undue delay;

- Supervisory Board Meeting: the Board communicates in due time to the business functions of the proximity of its meeting, so as to enable them to prepare the specified information flow;
- Specific frequency, assessed on the basis of potential criticality and volumes related to the information.

6.11 Reporting and Document Management

In order to guarantee its full autonomy and independence, the Supervisory Board reports directly to the Board of Directors.

When approving the budget, the Supervisory Board refers in a written report about the status of implementation of the model, about the following elements:

- The supervisory activities performed by the Board in the reporting period;
- Any criticalities both in terms of internal behaviour and in terms of effectiveness of the Model;
- Corrective action and improvements planned and their status of implementation;

The Supervisory Board may be called at any time by the Board of Directors to report on particular events or situations relating to the effectiveness and efficiency of the Model. It can also at any time ask to be heard if an assessment or an action by the Board about the adequacy of the Model is required.

The Supervisory Board must immediately inform the Board of Auditors should the violation concern the Company's top management and the Board of Directors. The Supervisory Board can also receive requests for information or clarification from the Board of Auditors and independent auditors.

The meetings with the persons and bodies mentioned above should be formally recorded and copies of the minutes shall be kept by the Board.

7 The Disciplinary System

7.1 *Purpose of the Disciplinary System*

COECLERICI considers the compliance with the Model as essential and, therefore, in accordance with Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of the Decree 231/01, it adopted an adequate system of sanctions to be implemented in case of non-compliance with the rules provided by the Model, since the violation of these standards and measures imposed by COECLERICI for the prevention of offenses covered by the Decree 231 damages the relationship of trust established with the Company.

For the purpose of the implementation by COECLERICI of the disciplinary sanctions provided for therein, the establishment of any criminal proceedings and their outcome are not necessary, because the rules and measures provided for in the Model are adopted by COECLERICI independently, regardless of the offense that any conduct could determine.

In no event, unlawful conduct or otherwise any conduct being in violation of the Model can be justified or considered as less serious, even if it is committed in the interest or for the benefit of COECLERICI. Any attempts and, in particular, the actions or omissions in a non-equivocal way aimed at infringing the rules and regulations established by COECLERICI are also sanctioned, even if the action is not completed or the event does not occur for any reason.

7.2 *Sanctions for employees*

In accordance with applicable laws, COECLERICI must inform its employees of the provisions, principles, and rules contained in the Organisation, Management, and Monitoring Model, through the information and training activities described in the following chapter.

The violation by the employee of the provisions, principles, and rules contained in the Model prepared by COECLERICI in order to prevent the commission of offenses under Decree 231 is a disciplinary offense, punishable according to the procedures for sanctioning violations and the imposition of consequential sanctions provided for by the National Collective Labour Agreement in the specific “Tertiary Confcommercio” sector, as reported and described in the “Disciplinary Standards” section, and in accordance with the provisions of art. 7 of the Statute of Workers, as transcribed below.

The disciplinary system for the Model was configured in the observance of all the legal provisions relating to employment. There were no detailed arrangements and penalties other than those already coded and reported in the collective labour contracts and agreements with labour unions. In fact, the National Collective Labour Agreement in the specific “Tertiary Confcommercio” sector includes a variety of sanctions capable of modulating,

based on the seriousness of the offense, the penalty to be imposed. By way of example and not exhaustively, the following is a disciplinary offense for the activities identified in the risk of crime:

- Failure to observe the principles contained in the Code of Ethics and Conduct or the adoption of behaviours which do not comply with the rules of the Code of Ethics and Conduct;
- Failure to comply with standards, rules, and procedures contained in the Model;
- Missing, incomplete, or untrue documentation or incorrect storage of it needed to ensure the transparency and verifiability of the activity in accordance with the rules and procedures contained in the Model;
- Infringement and circumvention of the control system through the removal, destruction, or alteration of the documentation provided by the above procedures;
- Obstacle to checks and/or unwarranted impediment to access to information and documentation to those responsible for the checks, including the Supervisory Board.

The above disciplinary offenses may be punished, depending on the severity of the deficiencies, with the following measures:

- Verbal warning;
- Written warning;
- Fine;
- Suspension;
- Dismissal.

Sanctions must be imposed in consideration of the seriousness of the offense. In view of the extreme importance of the principles of transparency and traceability, as well as the importance of monitoring and control activities, the Company will be brought to apply the most impactful measures against those infringements which by their very nature violate the very principles on which the Model is based. Likewise, by way of example, the management in total autonomy of a whole process that includes not only the authorizations, but also accounting, by which a risk arises (or may arise) among the risks referred to in the special part of this Model, will lead, following the end of the disciplinary proceedings, to dismissal of the functions involved.

The type and extent of each of the sanctions must be applied taking into account:

- The intentionality of the behaviour or the degree of negligence, imprudence, or inexperience also with regard to the predictability of the event;
- The overall conduct of the worker, particularly with respect to the existence or otherwise of previous disciplinary measures, within the legal limits;

- The worker's tasks;
- The functional position and level of responsibility and autonomy of people involved in the facts constituting the violation;
- Any other particular circumstances relating to the disciplinary offense.

The Supervisory Board has the task of verifying and assessing the suitability of the disciplinary system in the light of the Decree 231. The Supervisory Board must also regularly indicate, in its regular annual report, the possible areas for improvement and development of this disciplinary system, especially in light of regulatory developments in the field.

7.3 Sanctions against senior staff

In case of violation of the Model by executives, the Supervisory Board must inform the Board of Directors and the Statutory Auditors of COECLERICI.

The Company shall impose the most appropriate disciplinary measures. Moreover, in the light of the deepest bond of trust that, by its very nature, binds the Company to management staff, as well as in view of the greater experience of the management, any violations of the provisions of the Model incurred by managers mainly involve expulsion, as they are considered as most appropriate.

7.4 Measures against the Directors

The notice of violation of the principles, provisions, and rules referred to in this Model by the members of the Board of Directors, the Supervisory Board is required to promptly inform the entire Board of Directors and the Board of Auditors, for the adoption of appropriate measures including, for example, the calling of the Shareholders' Meeting in order to adopt the most appropriate measures.

The Supervisory Board, in its information activities, shall not only report about the details relating to the infringement, but also indicate and suggest appropriate further investigations to be carried out, if the violation proves ascertained, and the most appropriate measures to be taken.

7.5 Measures against the Auditors

When informed about the violation of the provisions and rules of the Model by the Statutory Auditors, the Supervisory Board is required to promptly inform the entire Board of Statutory Auditors and the Board of Directors, for the adoption of appropriate measures including, for example, the calling of the Shareholders' Meeting in order to adopt the most appropriate measures.

The Supervisory Board, in its information activities, shall not only report about the details relating to the infringement, but also summarily indicate the appropriate further investigations be carried out and, if the breach proves ascertained, the most appropriate measures to be taken (for example, the revocation of the auditor involved).

7.6 *Measures against other recipients*

Compliance by those who, for whatever reason, act in the name and on behalf of COECLERICI and by other recipients of the Code of Ethics and Conduct and the Model (the latter limited to the applicable aspects, from time to time) is guaranteed through the provision of specific contractual provisions relating to the penalties applicable for breaches of the Code of Ethics and Conduct and the Model.

Any violation, or the possible commission by such persons of offenses under the Decree 231 will not only be sanctioned according to the contracts entered into with them, but also through the appropriate legal actions to protect the Company. By way of example, these clauses will provide for the possibility of terminating the contract by COECLERICI, in most serious cases, or the application of penalties for minor violations.

7.7 *Additional measures*

COECLERICI retains the right to make use of all other remedies permitted by law, including the possibility to claim compensation for damage resulting from breach of Decree 231 by all the subjects listed above.

8 Training and Information

8.1 Staff training

For the purposes of the effectiveness of this Model, COECLERICI Spa aims at ensuring proper dissemination and knowledge of the rules of conduct contained therein in respect of the resources already present within the company and those to be included, with different levels of detail in relation to the different level of involvement of the resources in the activities at risk.

The information and training system is supervised and integrated by the activity carried out in this field by the Supervisory Board, in collaboration with Functions Managers or Business Areas from time to time involved in implementing the Model.

The initial notice

This Model is communicated to all the resources within the company at the time of its adoption by means of appropriate forms of communication. New employees are given a set of information, which includes the knowledge considered to be of primary importance.

Training

The training activity aimed at raising awareness of the legislation referred to in the Italian Legislative Decree D.Lgs. 231/2001 is differentiated in content and modes of delivery depending on the qualification of recipients, the risk level of the area in which they operate, and whether or not they have Company's representation functions. In particular, COECLERICI Spa provides different levels of information and training through dissemination tools such as, for example, periodic targeted seminars, occasional updates by e-mail, and internal briefing notes.

The initial communication activities and periodic training to company personnel is documented by the Supervisory Board.

8.2 Information to employees and other third parties

Employees and third parties that operate, in any capacity, for the account or benefit of COECLERICI Spa and who are involved in the performance of "sensitive" activities under the Decree, shall be informed, for the parts of respective interest, of the contents of the Model and the need of COECLERICI Spa that their behaviour is in accordance with the provisions of the Italian Legislative Decree D.Lgs. 231/2001.