LEASYS S.P.A.

"COMPLIANCE PROGRAM PURSUANT TO LEGISLATIVE DECREE 231/2001"

Approved by the Board of Directors on 30 March 2023

LEASYS

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DEFINITIONS

- "Addressees": Parties to whom the provisions of the Compliance Program apply and listed in Section II, paragraph 1.4;

- "Board of Directors" (also BoD): The Board of Directors of Leasys Italia S.p.A.

- "Code of Conduct": A code of ethics containing the Company's own principles and standards of conduct which all Employees, Directors and Statutory Auditors, Consultants and Partners are required to comply with available on the website www.leasys.com;

- "Collaborators": Parties that collaborate with, but are not employed by, the Company including sales representatives and other parties providing professional services on an independent basis, both continuously and occasionally, as well as all the parties that, pursuant to specific proxies or powers of attorney, represent the Company before third parties, including collaborators of foreign branches;

- "Consultants": Parties that collaborate with, but are not employed by, the Company who are asked to provide a service in particularly complex matters, including collaborators of foreign branches;

- "Corporate Bodies": The Board of Directors and the Board of Statutory Auditors of Leasys;

- "Employees": Parties subject to the direction and coordination of the Company's directors and officers, that is all parties to an employment contract of any type with the Company, including temporary employees and collaborators of foreign branches;

- "Governance Body": Leasys Italia S.p.A.'s Board of Directors;

- "Group": Leasys Italia S.p.A., with a sole shareholder, and its direct and indirect subsidiaries as well as foreign branches;

- "Instrumental Processes": Activities of Leasys Italia S.p.A. that, although not directly at risk of commission of Offences (as defined below), are nevertheless instrumental and/or conducive to their commission

- "Internal Control System" or "ICS" means the internal control system suitable for detecting, measuring and verifying on an ongoing basis the risks of the activity carried out by Leasys Italia S.p.A. Such system is made up of internal rules that cover company procedures, documentation and instructions inherent to the company's

hierarchical-functional and organizational structure and operations control system;

- "Leasys": Leasys S.p.A. with a sole shareholder, with registered office in Turin, Corso Orbassano 367, which, in this document, will be referred to also as the "Company";

- "Legislative Decree 231/01": Legislative Decree no. 231 of 8 June 2001, regarding "Provisions on the administrative liability of legal entities, companies and association, including those without legal personality, in accordance with article 11 of law no. 300 of 29 September 2000", as amended and supplemented from time to time;

- "NCLA": National Collective Labour Agreements currently in force as applied by Leasys Italia;

- "Offences": The offences regulated by Legislative Decree 231/01 (including the possible future offences not currently provided for by this legislation);

- "Parent Company": Leasys S.A.S., sole shareholder of Leasys Italia S.p.A.;

- "Partners": Natural and legal persons (temporary business groupings, joint ventures, consortiums) that enter into any form of contractually regulated collaboration with Leasys or Leasys's contractual counterparty(ies), be them natural or legal persons (e.g. suppliers, customers, agents, etc.) that establish contractual relationships with the Company to cooperate on an ongoing basis in Sensitive and Instrumental Processes, including the partners of foreign branches;

- "Public Authorities": Public Authorities, including the relevant officials and persons responsible for public services;

- "Program": This Compliance Program adopted pursuant to articles 6 and 7 of Legislative Decree 231/2001;

- "Reference Guidelines": The Guidelines for the development of the Compliance Program pursuant to Legislative Decree 231/2001, approved by Confindustria on 7 March 2002 as amended and supplemented;

- "Sensitive and Instrumental Processes": Leasys Italia S.p.A.'s activities subject to the risk of perpetration of offences;

- "Service Companies": Companies that provide services other Group companies, including Leasys, through specific service agreements.

- "Shareholders": Stellantis N.V. e Crédit Agricole Consumer Finance S.A., each with a 50% equity interest in Leasys S.A.S."

- "Supervision Authorities": Public Authorities (under article 2638 of the Italian civil code) that supervise the Company's activities, such as the Privacy Authority, the Antitrust Authority, etc.);

- "Supervisory Board": The body vested with independent powers of initiative and control, responsible for overseeing the functioning of the Program and its upgrade:

- "Suppliers": Parties providing goods and services to FCA Bank, including suppliers of foreign branches;

- "Whistle-blowers": Parties who submit tips regarding unlawful conduct or breaches of the Compliance Program that came to their knowledge while discharging their duties.

INTRODUCTION

Leasys Italia S.p.A. with a sole shareholder (hereinafter "Leasys" or the "Company") is a company organized under the laws of Italy, with registered office in Corso Orbassano 367, which engages in long-term car rental, planning and providing services linked to the management of cars, commercial, fitted out and special vehicles, for both individuals and businesses.

Leasys is a wholly-owned subsidiary of Leasys S.A.S.

Leasys has undertaken an internationalization process with the expansion in european markets, with branches (Spain, Germany and Belgium, among others) and subsidiaries (France, the Netherlands, United Kingdom, Poland, Austria and Portugal).

The first adoption of the Compliance Program took place with resolution of the Board of Director of Leasys on 30 November 2005.

The version of the Compliance Program currently in force is that resulting from the upgrade approved by resolution of the Board of Directors on 30 March 2023.

1. Dealings with Service Companies

Leasys, in implementation of a binding agreement between the Shareholders, receives services that may involve activities and operations at risk referred to in the Sensitive and Instrumental Processes of this Program from external companies. These relationships are governed by specific Service contracts.

Specifically, Leasys has outsourced the following activities or parts thereof:

- Underwriting;
- Credit&Collection;

- Internal Audit
- RPC
- Compliance&Data Protection
- ICT.

In addition, Service Companies can provide support services to Leasys's foreign subsidiaries and branches.

These services are rendered in accordance with the Code of Conduct and the Compliance Program adopted by the Company and are governed by specific written arrangements.

2. Dealings with Foreign Subsidiaries and Branches

Leasys operates in foreign markets through either a number of wholly-owned subsidiaries or branches.

2.1. Dealings with Foreign Subsidiaries

Subsidiaries are veritable legal entities, organized and operating under local laws. They act autonomously and are managed by a corporate body, generally a Board of Directors,

Subsidiary companies are real legal entities, established and operating according to local laws. Subsidiary companies act autonomously and are managed by a corporate body, generally the Board of Directors, made up of between three and five members.

Each of these may have one or more Country Managers, appointed by Leasys S.A.S. and vested with authority to represent the Company, and to act in its name and on its behalf within the scope of the local entity's activities only

As a rule, the subsidiaries' Boards of Directors are made up of a representative of Leasys S.p.A. and members of the Parent Company or the subsidiary.

The Board of Directors of each subsidiary can appoint general managers that are not members of the Board of Directors and managing directors that are members of the Board of Directors, who may be also the subsidiary's employees, provided that such appointments comply with local laws and regulations.

Subsidiaries act in accordance with the instructions and guidelines received from Leasys S.A.S., provided that their autonomy is respected. In organizational terms, functional links can be created between the departments of Leasys S.A.S. and the departments of a given subsidiary.

Although they are not among the addressees of this Program, Leasys's foreign subsidiaries are required to comply with the "231 Guidelines". Such Guidelines contain rules of conduct that foreign subsidiaries undertake to adopt in carrying out their business activities, in order to mitigate the risk of adoption of conduct that may constitute predicate offences under Legislative Decree 231/01.

2.2. Dealings with Foreign Branches

Unlike a subsidiary, a foreign branch is part and parcel of Leasys S.p.A., even though in certain respect it has an autonomous identity.

Each branch is managed by a branch Manager, given with the authority and powers to represent the Company and to act on its behalf, as far as the branch business is concerned.

The provisions contained in this Compliance Program apply also to the foreign branches.

In particular, in order to ensure compliance with this Program by the foreign branches, Leasys, in coordination with and through the Parent Company, ensures continuous coordination between its activities and those of the foreign branches.

This coordination and liaison activity is also carried out through the establishment of continuous information flows between the Addressees operating in the Company and those operating in the foreign branches, with particular reference to the activities designated as part of the Sensitive and Instrumental Processes listed in this Program.

In addition, in order to enforce compliance with the Program by the foreign branches, the Company ensures:

- that the training activities referred to in Section III of the General Part of the Program are also provided to the parties concerned in the foreign branches;
- that information flows to the Supervisory Board are also received by the parties concerned in the foreign branches;
- that the supervisory activities carried out by the Supervisory Board also include the activities designated as part of the Sensitive and Instrumental Processes carried out by the foreign branches

3. Leasys's Corporate Governance

Leasys has a traditional corporate governance structure, with a Board of Directors and a Board of Statutory Auditors that acts in a control capacity.

The corporate governance system and the organizational structure adopted by Leasys are conducive to the sound and prudent management of the Company and its group, in keeping with existing laws and regulations, expected future developments and business growth objectives.

Responsibility for the Internal Control System rests with the Board of Directors, which sets the relevant guidelines and checks periodically its adequacy and effective functioning, ensuring that the main risks for the company are managed properly by the Chief Executive Officer and the management team.

The Company based its own Internal Control System on the following main elements:

- *Second- and third-level control functions*: Compliance, Risk and Permanent Control and Internal Audit;

- *Code of Conduct*, containing the rules of conduct and the general principles that all internal and external parties that have dealings with the Company and its subsidiaries are required to comply with;
- *System of delegation of powers and authority*, defined by the Board of Directors and the CEO, on the basis of the relevant of the different organizational positions, in keeping with the responsibilities attributed and updated periodically in view of changes in the organizational structure;
- *Procedural system*, made up of Company and Group procedures, operational instructions and internal communications intended to regulate clearly and effectively the relevant processes as well as to set operating procedures and control mechanisms for the performance of company operations.
- *Certifications.* Leasys is certified to the ISO 9001:2015 quality standard and to the ISO 27001 quality standard on information security management.

The Board of Statutory Auditors consists of three standing members and two alternates, with a three-year term of office that expires on the date of the general meeting of shareholders convened to approve the financial statements relating to the third year. The Board of Statutory Auditors is required to oversee the completeness, adequacy, functionality and reliability of the internal control system.

The financial statements are audited by an independent audit firm, duly entered in the specific register and compliant with all necessary legal requirements. The assignment to the independent audit firm is approved by the body of shareholders, on the basis of a reasoned proposal by the Board of Statutory Auditors.

LEASYS

SECTION I

INTRODUCTION

1. Legislative Decree 231/2001 and Other Relevant Legislation

Legislative Decree 231/01 was enacted on 8 June 2001, pursuant to the enabling provisions of article 11 of Law no. 300 of 29 September 2000. Legislative Decree 231, which came into force on 4 July 2001, aligned the Italian legislation regulating the liability of legal entities with certain international agreements previously entered into by Italy.

Legislative Decree no. 231 of 8 June 2001 (hereinafter the "Decree" or "Legislative Decree 231/2001") 231/01, introduced in the Italian legal system the concept of vicarious criminal liability of legal entities, companies and associations, including those without legal personality (hereinafter "Entities"), in case of perpetration or attempted perpetration of certain types of offences or administrative offences, on behalf or for the benefit of the Entity, by:

- persons acting in a representation, administrative or managerial capacity for the Entity, or for one of its financially and functionally autonomous Organizational Units, or by persons acting as the de facto managers and supervisors of the Entity ("Top Managers");
- persons under the supervision of one of the above individuals.

Even though the law calls it "administrative", this carries the connotations of a penal liability because:

- it results from the perpetration of offences;
- it is determined in a criminal court (during proceedings where the Entity is subjected, where compatible, the procedures related to the defendant).

Pursuant to the Decree, the Entity's liability is in addition to, not a replacement of, the (penal) liability of the perpetrator of the offence. Both the natural person and the legal person will be tried in a criminal court.

The Decree punishes the Entity with: i) monetary sanctions; ii) prohibitory sanctions, iii) confiscation of proceeds and profit of crime, iv) publication of the judgment of conviction.

Monetary sanctions are applied whenever the court finds the legal entity guilty and are set by the judge on a system based on "quotas". Specifically, in setting the monetary penalty the court determines the number of quotas by taking into account the gravity of the offence, the extent of the responsibility of the entity and the activities carried out to eliminate or mitigate the consequences of the offence and to prevent further offences. The amount of the quota is set by the Decree in an amount ranging from EUR 258.23 to EUR 1,549.37 and is actually determined on the basis of the financial and operating conditions of the entity.

Prohibitory sanctions may be applied for certain types of offence and for the most serious offences. These include:

- prohibition from conducting the company's business;

- suspension and termination of authorizations, licences and concessions conducive to the perpetration of the offence;
- prohibition from dealing with the Public Authorities (save for obtaining a public service);
- exclusion from incentives, loans, funding or subsidies and possible cancellation of those received;
- prohibition of advertising goods and services.

Prohibitory sanctions are not applied (or are cancelled if they are applied as a precautionary measure) if, before the start of first instance proceedings, the Entity:

- provided compensation for or repaired the damage;
- removed the damaging or harmful consequences of its offence (or at least has endeavoured to do just that);
- made available to the Authority, for confiscation, the proceeds of the offence;
- eliminated the organizational shortcomings that caused the offence, adopting organizational models that effectively prevent the perpetration of new offences.

Confiscation involves the seizure of the proceeds of crime by the State or the seizure of cash, assets and any other valuables equivalent to the proceeds of crime. The process does not concern that part of the proceeds of crime that can be returned to the aggrieved party. Confiscation is always ordered with a judgment of conviction.

The **publication of the judgment of conviction** may be ordered in connection with a prohibitory sanction inflicted to the Entity. This takes place through an affixion in the municipality where the Entity resides and by publication on the website of the Ministry of Justice.

The Decree provides for exemption from administrative liability that is effective whenever the company, prior to the commission of the illegal act, proves that it has adopted and implemented effectively a Compliance Program suited to prevent crimes of any type similar to those occurred.

The Decree specifies also that the Compliance Programs have to be able to:

- identify the activities where the offences outlined in the Decree might be committed;
- provide for specific protocols intended to plan the formation and implementation of the Entity's decisions in relation to the offences to be prevented;
- identify ways to manage the financial resources necessary to prevent the perpetration of such offences;
- contemplate reporting obligations to the Body overseeing the functioning of, and compliance with, the Compliance Programs;
- introduce a disciplinary system capable of sanctioning any breach of the Compliance Program.

If the offence is committed by persons acting in a representation, administrative or managerial capacity for the Entity, or for one of its financially and functionally autonomous organizational units, or by persons acting as the de facto managers and supervisors of the Entity, the Entity is not held responsible if it can prove that:

- the governance body has adopted and effectively implemented, before the perpetration of the offence, a Compliance Program suited to prevent the offences of the same type as that committed;
- oversight of the functioning of and adherence to the Compliance Program and the task to upgrade the Compliance Program have been assigned to a Body of the Entity with autonomous initiative and control powers;
- the persons have committed the offences by fraudulently skirting the Compliance Program;
- there has been no failed or insufficient oversight by Supervisory Board in relation to the Compliance Program.

On the other hand, in the event that the offence has been committed by a person subject to the supervision and direction of one of one of the persons indicated above, the legal entity is liable if the offence was made possible by the failure to exercise supervision and direction duties. At any rate, such failure is not considered if the Entity has adopted and effectively implemented, before the offence is perpetrated, a Compliance Program capable of preventing the type of offence committed.

Following the entry into force of Law no. 179 of 30 November 2017, containing "*Provisions for the protection of persons who report offences or irregularities of which they came to have knowledge within the context of private or public employment*", Compliance Programs must provide for:

- one or more channels to allow the persons indicated in article 5, paragraph 1, sub-paragraphs a) and b), to submit detailed reports, to protect the integrity of the entity, on illegal conducts falling within the scope of this decree and based on specific and consistent facts or on breaches of the entity's Compliance Program of which came to their knowledge in connection with their duties. These channels guarantee the anonymity of the reporting person in the activities to manage the report submitted;
- at least one alternative channel that might guarantee, in ICT processes, the anonymity of the reporting person;
- the prohibition of direct or indirect retaliatory or discriminatory acts against the reporting person for reasons related, directly or indirectly, to the report;
- in the disciplinary system adopted pursuant to paragraph 2, sub-paragraph e), sanctions against anybody who breaches the provisions on the protection of the reporting person as well as against anybody who submits, with malice or gross negligence, reports that turn out to be unfounded.

Annex A provides a more in-depth description of the single types of offence subject to the law under review.

2. The Function of the Program under Legislative Decree 231/01

The Program's adoption, which according to the law is optional and not mandatory, is considered by Leasys as a significant opportunity to implement an "active" prevention of offences, by strengthening its Corporate Governance and Internal Control System, as well as to disseminate suitable ethical/behavioural principles.

Thus, Leasys has adopted and eventually upgraded this Compliance Program, following a complex activity to identify the areas most exposed, directly or indirectly, to the risk of offences ("Sensitive and Instrumental Processes") and to introduce therein the relevant procedures, to:

- adapt its organizational structure to the provisions of Legislative Decree no. 231 of 8 June 2001;
- check existing controls within the Company, to verify their effectiveness for the purposes of Legislative Decree 231/2001;
- standardize and strengthen existing controls within Leasys so as to align them with the Italian law, especially with reference to the issues related to the administrative liability of entities;
- check the tools already used by the Company to deal with the breaches of company procedures and standards of conduct and to introduce the relevant sanctions;
- raise the awareness, in a clear manner, of all those who operate on behalf of Leasys of the risk of offences whose perpetration is stigmatized by the Company, as they are always contrary to the Company's interests and principles including when, apparently, it might derive an immediate economic benefit, including indirectly;
- act promptly to prevent or combat even just the attempt to commit such offences, thanks to constant monitoring of the Company's activity;
- improve corporate governance and the Company's image.

The Program identifies – in keeping with the Code of Conduct adopted by the Company, which forms an integral part thereof – the rules and procedures that shall be complied with by all Addressees, that is, by all those who operate on behalf or in the interest of the Company within the scope of the Sensitive and Instrumental Processes, including Employees, Corporate Bodies, providers of consulting services and Partners, with regard to the commission of offences that give rise to the liability under Legislative Decree 231/01.

All of Leasys's employees are subject to this Program, including those operating abroad, both temporarily and as a result of secondment.

The Supervisory Board guarantees constant supervision of the Program implementation, through monitoring activities and the application of disciplinary or contractual measures

intended to actively sanction all illegal conduct.

3. Reference Guidelines

The preparation of Leasys's Compliance Program was informed by the Confindustria Guidelines, whose principles are described in Annex B herewith.

Since the Program shall be prepared with reference to the Company's actual situation, the Company may deviate from the Guidelines of reference which, by their nature, are of a general character.

Section II

THE DEVELOPMENT OF THE PROGRAM

1. Principles and Assumptions Underlying the Leasys Program

In preparing the Program, account was taken of the provisions of Legislative Decree 231/01 and the procedures and control systems already in use within the company (on an "as-is" basis) and deemed suitable to prevent offences and to control Sensitive and Instrumental Processes. In particular, the following are currently in place at Leasys:

- A Code of Conduct to establish the "business ethics" principles with which the Company identifies and which all Employees, Corporate Bodies, Consultants and Partners are required to comply with;
- Principles of Corporate Governance, which reflect the applicable legislation and international best practices;
- An Internal Control System (ICS), (and consequently procedures, documentation and official arrangements concerning the hierarchical-functional and organizational structure of the Company and the management control system);
- Second-level controls performed by the Risk & Permanent Control & Compliance functions of the Company, and third-level controls carried out by Internal Audit;
- Rules governing the administrative, accounting, financial, and reporting system;
- Communications with personnel and personnel training;
- A disciplinary system under the National Collective Labour Agreements (NCLA);
- Applicable Italian and foreign legislation in general (including the laws concerning safety at work).

1.1 Characteristics of the Leasys Program

According to the provisions of Legislative Decree 231/01, this Program is characterised by effectiveness, specificity and relevance.

Effectiveness

The effectiveness of a compliance program depends on its actual ability to prevent or, at least, significantly reduce the risk of committing the offences provided for by Legislative Decree 231/01. This ability is based upon the existence of decision-making and ex ante and ex post control processes capable of identifying transactions of an unusual nature, reporting conduct relevant to the risk areas and implementing promptly any corrective action that might be required. The effectiveness of a compliance program also depends on the efficiency of the tools in identifying "signs of illegal activity."

Specificity

Specificity is one of the elements of the effectiveness of the Program, pursuant to Article 6, paragraph 2, sub-paragraphs a and b.

The Program's specificity is related to the areas at risk –requiring a survey of the activities within which the offences might be committed – and to the ways in which decisions relative to the "sensitive" areas are made and implemented.

Similarly, the Program must also identify suitable methods to manage the financial resources, to provide for disclosure obligations and an adequate disciplinary system, as well as to take into account the Company's characteristics and size, types of activities and history.

Current relevance

The ability of the Program to reduce the risk of perpetration of offences is closely related to its constant adaptation to the company's structure and activities.

Article 7 of Legislative Decree 231/01 states that the effective implementation of the Program entails regular reviews and the necessary modification to the Program whenever possible violations are discovered, or as a consequence of changes in the business or the organizational structure of the company/entity.

Article 6 of Legislative Decree 231/01 requires the Supervisory Board to upgrade the Program, based on its autonomous initiative and control powers.

1.2 Definition of Leasys's Compliance Program

The Compliance Program has been prepared taking into account the operational characteristics, the organizational structure, the procedures through which the Company carries out its business and taking into account the requirements of the Decree (article 6, paragraph 2).

The preparation of this Program has been preceded by a number of preliminary activities broken down in different phases and all designed to build a risk prevention and management system in line with the provisions of Legislative Decree 231/01 and informed by the provisions contained therein and the reference Guidelines.

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

To identify the areas where the risk of offences can materialize and the manners in which these can be committed, a review was undertaken of the corporate documentation (organizational charts, activities performed, main processes, organizational instructions, internal procedures, risk assessment reports, etc.) and interviews were conducted with key Company executives (e.g. *CFO, Head of Human Resources, Head of Security, etc*.) with well-pointed questions designed to explore the Sensitive and Instrumental Processes and controls over them (existing procedures, documentation of operations and controls, segregation of duties, etc.).

In keeping with the provisions of the Decree and the procedures outlined previously, Leasys's activities at risk have been identified, taking into account the Company's current operations and the existing organizational structure.

The Sensitive and Instrumental Processes that, at this time, might occasion or might be used for the perpetration of the offences provided for by the Decree are as follows:

- Management of commercial activities with rental customers;
- Negotiation/signing/performance of contracts/agreements with government and private entities in relation to tenders and/or negotiated procedures;
- Management of administrative obligations and non-commercial relationships with Public Authorities and related inspection activities;
- Management of disputes and relations with the Judicial Authority and management of out-of-court settlement agreements;
- Management of relations with certification entities;
- Management of purchases of goods and services (including consulting services);
- Selection and management of commercial partners and agents;
- Management of personnel and reward system;
- Cash management;
- Customer receivable management;
- Management of remarketing activities;
- Management of development activities;
- Management of expense reports and public relation expenses;
- Management of inter-company dealings;
- Management of gifts, donations, events and sponsorships;
- Management of internal and external (investors, advertising, etc.) communication;
- Management of relationships with corporate bodies;
- Management of the prevention and protection system in the area of health and safety at work;
- Management of accounting system, preparation of financial statements and tax management;
- Management of ICT security;
- Management of shareholder meeting activities, equity-related transactions and other corporate actions;
- Participation in tenders launched by private entities;
- Management of non-cash payment instruments;
- Management of environmentally impactful activities.

2) Creation of gap analysis

Based on the controls and procedures existing in relation to Sensitive and Instrumental Processes and the provisions and purposes of Legislative Decree 231/01, an analysis was performed to identify any action to improve the current Internal Control System (processes and procedures) and the organizational requirements necessary to define a "specific" compliance program pursuant to Legislative Decree 231/01.

3) Preparation of the Program

This Program is structured in sections containing principles and general rules of conduct, prepared to prevent the perpetration of the offences contemplated by Legislative Decree 231/01 and outlined in Annex A.

Regarding the prevention of offences not specifically addressed, the controls established by the Company's Code of Conduct and the provisions contained in the Compliance Program are considered sound and adequate.

In addition, Leasys:

- identified the internal rules and the existing protocols (whether formalized or not) with reference to the Sensitive and Instrumental Processes identified as exposed to offence risks;
- introduced specific protocols intended to plan the adoption and implementation of the entity's decisions in relation to the offences to be prevented;
- identified the manner through which financial resources should be managed to prevent the perpetration of offences;
- set out information obligations for the Body vested with the responsibility of overseeing the functioning of and adherence to the Program;
- introduced a disciplinary system to sanction the failure to abide by the provisions of the Compliance Program.

1.3 Adoption of the Program by Leasys and Subsequent Amendments

The first adoption of the Compliance Program took place with resolution of the Board of Directors of Leasys on 30 November 2005.

The current version of the Compliance Program was approved on 30 March 2023.

Each member of the Board of Directors and the Board of Statutory Auditors has undertaken to comply with this Program.

As this Program has come into being by resolution of the Board of Directors (in accordance with the provisions of article 6, paragraph I, sub-paragraph a) of Legislative Decree 231/01, any amendments and supplementations thereto fall within the purview of the Board of Directors.

The Board of Directors may delegate specific amendments to the Managing Director, it being understood that any such amendment will require ratification.

1.4 Implementation of the Leasys Program

The principles and provisions outlined hereunder shall be observed by:

- the members of each of the Board of Directors and the Board of Statutory Auditors;
- attorneys in fact and parties authorized to act on behalf of the Company;
- Employees and Managers;
- Consultants, Collaborators and Suppliers, to the extent that they can be involved in the performance of activities where one of the predicate offences under the Decree can be committed and do not have their own Compliance Program with respect to the specific part in question;
- partners and all third parties acting on behalf of Leasys;
- those who act under the direction and supervision of the Company's management within the scope of their duties.

The parties so identified shall be referred to as "Addressees".

Leasys has sole responsibility for the implementation of this Program in relation to the Sensitive and Instrumental Processes identified, vesting the Supervisory Board with the authority to perform the relevant checks in accordance with the procedures set out in the Program.

2. The Supervisory Board

2.1 Creation of the Supervisory Board: Appointment and Termination

The Company assigned the oversight of the functioning of and adherence to the Compliance Program to the Supervisory Board, to ensure an efficient and effective implementation thereof.

The members of the Supervisory Board meet the requirements set out by the Guidelines of the trade associations, to wit:

- **Autonomy and independence**. The Supervisory Board shall be free of any interference and pressure by the Company's management and shall be not involved in any way in operational activities and operational decisions. The Supervisory Board shall not find itself in any conflict of interests. In addition, the Supervisory Board, and its individual members, shall not be given any operational task that might undermine their autonomy. Autonomy and independence are achieved also thanks to

the lack of family ties and hierarchical subordination to the Company's management or to individuals with operational powers within the Company. The Supervisory Board reports to the CEO but as "an equal" as both are "staff" of the Board of Directors.

- **Integrity**. This requirement is defined in relation to the cases of ineligibility, termination, suspension or lapse from the Supervisory Board, as specified below.

- **Proven Professionalism**. The Supervisory Board has specific skills in auditing and consulting activities, as well as technical and professional skills suited to perform system control, legal and penal analyses. The Company regards as particularly important the close scrutiny of the background of potential candidates and their previous experience, giving preference to professionals with specific expertise in the area of interest.
  As a rule, in performing its supervision and control tasks, the Supervisory Board is supported by the Company's Risk & Permanent Control, Compliance and Legal Affairs functions as well as Internal Audit departments.

- **Continuity of action**. The Supervisory Board supervises the functioning of the Program on an ongoing basis with an adequate effort and the necessary investigative authority, meeting at least on a quarterly basis. The definition of the aspects pertaining to the continuity of action of the Supervisory Board, such as the scheduling of activities and the reporting rules for the Company's departments, rests with the Supervisory Board itself, as it sets its own internal rules of functioning.
- **Availability of financial and organizational resources** necessary to perform its tasks. Moreover, the Supervisory Board's independence is guaranteed by the Board of Directors through and annual budget for the proper fulfilment of its duties (e.g. special consulting services, missions etc.). However, the Supervisory Board may autonomously commit to using resources that exceed its own spending powers, in the presence of exceptional and urgent situations. In these cases, the Supervisory Board shall inform the Board of Directors without delay.

The requirements described above must be verified by the Board of Directors at the time of appointment.

Members of the Supervisory Board may include candidates from within or without the Company, provided that each such candidate fulfils the foregoing autonomy and independence requirements. In case of mixed membership, as internal candidates cannot be regarded as fully independent of the Company, it is necessary to assess the overall independence of the Supervisory Board.

The Supervisory Board is appointed and terminated by the Board of Directors, which can also direct the Company's officers to make the necessary replacements in case of resignation of the Supervisory Board and/or organizational changes. The officers in turn will report to the Board of Directors which will ratify any such replacements and/or changes.

To ensure its independence, Leasys's Supervisory Board consists of three members, including an external professional who is an expert in the field of administrative liability of entities arising from criminal offenses and criminal law.

The internal members, who are appointed by resolution of the Board of Directors, are the Head of Compliance and the Head of the Legal Department of Leasys S.p.A.

The Supervisory Board has a term of office set by the Board of Directors and may be re-elected. The Supervisory Board's compensation is determined by the Board of Directors, upon nomination, for the entire term of office.

Causes for ineligibility, termination, suspension and lapse

In nominating the members of the Supervisory Board, the Company's Board of Directors took expressly into account the causes of ineligibility listed below.

Supervisory Board membership is precluded to:

- anybody who has been convicted - including with an interlocutory judgment, or who has entered into a plea bargain and on conditional discharge - save for effects of rehabilitation:
    1. to imprisonment for no less than one year for one of the offences under Royal Decree no. 267 of 16 March 1942;
    2. to imprisonment for no less than one year for one of the offences provided for by the laws governing banking, financial, securities, insurance activities and the laws on securities and financial markets, and payment instruments;
    3. to imprisonment for no less than one year for an offence against government, public trust, the public economy and for tax offences;
    4. to imprisonment for no less than two years for any offence committees with criminal intent;
    5. for one of the offences provided for by Title XI of book V of the Italian civil code as reformulated by Legislative Decree no. 61 of 11 April 2002;
    6. for an offence involving or having involved a conviction resulting in the loss or suspension of capacity to hold or to be appointed to public office or the suspension from management positions in legal entities and companies;
    7. for one or more offences from among those clearly indicated in the Decree, even though with lower penalties than those indicated in the previous sub-paragraphs;
- anybody who has been subjected finally to one of the prevention measures contemplated by article 10, paragraph 3, of law no. 575 of 31 May 1965, as replaced by article 3 of law no. 55 of 19 March 1990, as amended;
- anybody who has been subjected to the ancillary administrative penalties provided for by article 187-quarter Legislative Decree no. 58 of 24 February 1998.

The members of the Supervisory Board certify, with an affidavit, that they are in none of the conditions indicated above, undertaking expressly to notify any change in the content of their statement.

Termination of the members of the Supervisory Board shall be resolved by the Company's Board of Directors and may be due to reasons related to serious violations of the duties and obligation of office, including violations of the confidentiality obligations indicated below, as well as for any intervened causes of lapse indicated below.

Members of the Supervisory Board **lapse** from office whenever after their appointment they:

- are convicted with a final judgment or have entered into a plea bargain for one of the offences indicated under 1, 2, 3, 4, 5, 6 and 7 of the ineligibility conditions indicated above;
- breach the confidentiality obligations closely related to the performance of their duties;
- with reference only to internal members of the Supervisory Board, their employment relationship with Leasys has ceased (as a result of dismissal or resignation).

In addition, members of the Supervisory Board are **suspended** in case of:

- conviction with interlocutory judgment for one of the offences indicated from 1 to 7 of the ineligibility conditions indicated above;
- application upon request by the parties of one of the penalties referred to in numbers 1 to 7 of the ineligibility conditions indicated above;
- application of a personal provisional measure;
- provisional application of one of the prevention measures contemplated by article 10, paragraph 3, of law no. 575 of 31 May 1965, as replaced by article 3 of law no. 55 of 19 March 1990, as amended.

The Supervisory Board's compensation is determined by the Board of Directors, upon nomination, for the entire term of office.

2.2 Duties and Powers of the Supervisory Board

It is the duty of the Supervisory Board to oversee the:

- compliance with the Program by the Addressees, to ensure that the rules set and the controls implemented are followed as closely as possible and are in fact fit to prevent the perpetration of the offences in question;

- effectiveness and adequacy of the Program in regard to its effective ability to prevent the perpetration of the offences;

- compliance with the Code of Conduct and all the provisions contained therein by all the parties operating within the Company for any reason;

- the proper working of the control activity for each area at risk, reporting promptly any deficiencies and malfunctions of the Compliance Program, after consultation with the areas/functions concerned.

To this end, the Supervisory Board is guaranteed free access – to all the Company functions, with no requirement for preventive consent – to all information, data or Company documents deemed relevant to performing their respective duties and to be constantly informed by management regarding: a) aspects of corporate activity that could expose Leasys to the risk of perpetrating any criminal offence; b) relations with Service Companies, Consultants, and partners who operate on behalf of the Company in connection with Sensitive Transactions; c) any corporate action by the Company.

Accordingly, the Supervisory Board:

- verifies compliance with the methods and procedures required by the Program and identifies any behavioural deviations that might emerge from the analyses of the information flows and from the reports by the heads of the various functions;

- interprets relevant legislation (with the assistance of the Legal Affairs Department) and verifies the adequacy of the Program in regard to such provisions of law;

- submits proposals to the board of directors with regard to any changes and/or additions to rendered necessary as a result of significant violations of the Program's rules, of important changes to of the Company's organization and/or the manner in which the Company activity is conducted as well as a result of legislative changes;

- notifies the board of directors of the appropriate measures required regarding those violations of the Program that could result in a liability for the Company and liaises with the Company management to make decisions for the adoption of possible disciplinary sanctions, subject to management's prerogative to impose sanctions and relative disciplinary measures;

- liaises with the Head of Human Resources Department in order to define employee training programs and the content of periodic communications to be sent to the Employees and to the Corporate Bodies, also through the Company intranet site, to foster their awareness and basic knowledge of Legislative Decree 231/01;

- reports to the Board of Directors the need to upgrade the Compliance Program, in case it is necessary to adapt it to changed company, regulatory and case-law conditions;

The activity of the Supervisory Board may not be overridden by any other corporate body or department, subject, however, to the responsibility of the Board of Directors, which is nevertheless called upon to supervise the adequacy of such activity, as it bears the ultimate responsibility for the functioning of the Program.

2.3 Supervisory Board's Reports to the Board of Directors

To ensure its full autonomy and independence in performing its tasks, the Supervisory Board reports directly to the Board of Directors and the Board of Statutory Auditors of Leasys, following two reporting lines in relation to the implementation of the Compliance Program:

- one for events as they occur, on an **ongoing** basis;

- the other to submit written reports, at least once a year, describing precisely the activity for the period, indicating both checks effected and findings and on any need to upgrade the Program.

If the Supervisory Board detects criticalities related to one of the members of the Board of Directors or the Board of Statutory Auditors, the relevant report is submitted promptly to one of the parties that is not involved.

The minutes of the meetings with the bodies and officers to whom the Supervisory Board reports shall be kept by the Supervisory Board and by the bodies involved from time to time.

The Board of Statutory Auditors, the Board of Directors and the Chief Executive Officer can call at any time a meeting with the Supervisory Board to receive a report on particular events or situations regarding the functioning of and adherence to the Compliance Program.

The Supervisory Board, in turn, may be heard by the Board of Directors whenever appropriate or ask the Board for clarifications and information.

2.4 Flow of Information to the Supervisory Board

Any information, documentation and/or communication from third parties related to adherence to the Compliance Program shall be addressed to the Supervisory Board.

All the Addressees of this Program are required to report to the Supervisory Board following:

a) tips;

b) information.

Leasys's Supervisory Board guarantees **complete confidentiality** on any notification, information, tip, **on penalty of termination and application of the disciplinary measures outlined hereinbelow**, without prejudice to the need to carry out an investigation by resorting to external consultants of the Supervisory Board or other company departments.

The information, tips and reports provided for by this Compliance Program are kept by the Supervisory Board in computer and paper files, in keeping with the applicable laws on the processing of personal data. The Supervisory Board's records shall be kept on the Company's premises in separate and locked cabinets, accessible only to its members and only for reasons related to the above duties.

a) Tips

All Addressees are required to report promptly to the Supervisory Board any departure, breach or suspected breach that came to their knowledge of the Company's Code of Conduct, the standards of conduct and the procedures to perform activities defined "at risk" and governed by the Compliance Program.

Such tips and accurately described reports of illegal conducts that fall within the scope of Legislative Decree 231/2001, founded on precise and consistent facts, or of breaches

(including alleged breaches) of the Compliance Program of which Addressees come to have knowledge while performing their duties, take place in accordance with the provisions on whistleblowing under Law 179/2017, with special reference to the protection of the reporting party from against retaliation and/or discrimination.

Specifically, in accordance with article 6, paragraph 2-bis of Legislative Decree 231/2001, tips can be submitted through the following channels, which guarantee the confidentiality of the reporting party in the management of the case:

By regular mail to:

Organismo di Vigilanza di Leasys S.p.A.

Corso Orbassano, 367 – 10135 Torino

By electronic mail to:

whistleblowing-italy@leasys.com

as well as through the other channels provided for by the Company's whistleblowing procedure.

The Company and its executives and officers are prohibited from taking, directly or indirectly, retaliatory or discriminatory actions against the reporting party for reasons related, directly or indirectly, to the tip. To this end, it is clarified that disciplinary action is taken:

- in case of failure to adhere to the measures of the Compliance Program;
- against anybody who breaches the reporting party's protection measures;
- against anybody who, with malice or gross negligence, submits tips that turn out to be unfounded.

The adoption of discriminatory measures against the parties that submit such tips can be reported to the National Inspectorate of Labour, to trigger actions falling within the purview of this body, by the reporting party and by the trade unions.

It is clarified that, based on applicable legislation, retaliatory or discriminatory termination of the reporting party is null and void.

Changes of duties and responsibilities and any other retaliatory or discriminatory action taken against the reporting party are also null and void. In case of disputes related to the application of disciplinary measures, demotions, terminations, transfers or any organizational measure with direct or indirect negative effects on work conditions, after submission of the tip, the burden to prove that such measures are unrelated to the tip is borne by the employer.

The Supervisory Board considers all tips received and takes the ensuing actions, in its reasonable discretion an under its responsibility, which fall within its purview, interviewing the reporting party, if necessary, and the party allegedly responsible for the violation. Any consequent decision will be reasoned; any resulting measure will be applied in accordance with the provisions outlined in the section on the Sanctioning System.

The Supervisory Board acts in ways that protect reporting parties against any form of retaliation, discrimination, penalization or any consequence deriving from their tips,

ensuring confidentiality on their identity and the facts, save for any legal obligations and the protection of the rights of Leasys and the persons accused wrongfully or in bad faith.

Good faith reporting parties will be protected against any form of retaliation, discrimination or penalization and in any case the reporting party's identity will be kept strictly confidential, save for any legal obligations and the protection of the rights of FCA Bank and the persons accused wrongfully or in bad faith.

b) Information

Transmittal to the Supervisory Board of the following is mandatory:

- proceedings and/or notifications by judicial police departments, or any other authority, indicating investigations underway for offences, also in regard to unknown persons;
- requests for legal assistance submitted by Managers and/or Employees in regard to proceedings by Judicial Authorities relative to offences pursuant to Legislative Decree 231/2001;
- reports prepared by the heads of the other company functions as well as by the Control Functions/Bodies (including the independent audit firm), in connection with their inspection activities, which could cast light on facts, acts, events or omissions which might be critical in relation to compliance with the provisions of Legislative Decree 231/01;
- any findings and sanctions inflicted by Supervision Authorities and Public Entities (Revenue Agency, Labour Inspectorate, INPS, INAIL, ARPA, ASL, etc.) as a result of inspections performed outside of the ordinary monitoring activity;
- information relative to the disciplinary proceedings executed and any sanctions imposed pursuant to the Program (including measures toward the Employees) or archiving provisions for such proceedings with the relative reasons;
- summarised proposals for tenders won subsequent to biddings on a national and European level, or private agreements;
- information relative to contracts awarded by public entities or subjects that perform public service functions;
- periodic reports on health and safety at work;
- organizational modifications and changes in the activities related to the areas at risk;
- the power and authority delegation system adopted by the Company;
- transactions involving share capital;
- the main elements of started and completed corporate actions;
- the execution or renewal of inter-company service agreements;
- any significant variance from budget or any unusual expenses emerged from the authorization requests in the final phase of management control activities.

In addition to the foregoing information, further information flows to the Supervisory Board are provided for in the Special Part of the Program and shown in the summary table in Annex D hereto.

Information flows must be received by the Supervisory Board through the methods and addresses indicated above.

2.5 Collection and Storage of Information

The information, tips and reports contemplated by this Program shall be stored by the Supervisory Board in a specific archive (electronic or hardcopy) for a period of 10 years, pursuant to confidentiality and privacy laws.

Access to the archive is restricted to the members of the Board of Statutory Auditors, the Directors and to persons delegated by them.

3. Whistle-blower System

The Company also took into consideration the provisions of article 6, paragraph 2-bis, whereby the Compliance Program should contemplate

a) "*one or more channels to allow the persons indicated in article 5, paragraph 1, sub-paragraphs a) and b), to submit detailed reports, to protect the integrity of the entity, on illegal conducts falling within the scope of this decree and based on specific and consistent facts or on breaches of the entity's Compliance Program of which came to their knowledge in connection with their duties. These channels guarantee the anonymity of the reporting person in the activities to manage the report submitted*";

In light of the above, it is specified that the Leasys Group set up for all the Group companies' specific channels for submitting and receiving confidential tips such as:

- A dedicated e-mail address
- Oral or written reports to the Group Compliance Officer or the local Compliance Officer, who will in turn submit the report to the Group Compliance Officer
- Written reports to the Supervisory Board of the Parent Company or Leasys, if the report refers to the latter.

b) "*at least one alternative channel that might guarantee, in ICT processes, the anonymity of the reporting person*";

To this end, Leasys prepared an internet platform for all the Group companies which guarantees the anonymity of the reporting party.

c) "*prohibition from taking, directly or indirectly, retaliatory or discriminatory actions against the reporting party for reasons related, directly or indirectly, to the tip*";

Leasys prohibits discriminatory actions against reporting parties and in fact it does encourage the reporting of conduct that is harmful to its integrity. To this end, both the Compliance Program and the Code of Conduct call for this prohibition in a clear and unequivocal manner. In keeping with the provisions of the Code of Conduct, no one can be demoted, terminated, suspended, threatened, harassed of intimidated following a tip submitted in good faith.

d) "*in the disciplinary system adopted pursuant to paragraph 2, sub-paragraph e), sanctions against anybody who breaches the provisions on the protection of the reporting person as well as against anybody who submits, with malice or gross negligence, reports that turn out to be unfounded*". Regarding this provision, the Company introduced in its sanctioning system penalties for anybody who violates Law 179/2017 on whistleblowing, breaching the measures for the protection of the reporting party or by submitting, with malice or gross negligence, tips that turn out to be unfounded. Anybody who retaliates against a reporting party who submitted a tip in good faith or anybody who submits a false and unfounded tip will be subject to disciplinary measures that might lead to termination, in keeping with the provisions of the Code of Conduct and with section IV of this Compliance Program.

4. Program Adequacy Tests

The Supervisory Board tests from time to time the Program's ability to prevent the perpetration of offences, using, as a rule, Compliance function and the support of other internal functions that are necessary from time to time to that effect.

This activity involves testing, on a sample basis, the main corporate actions and transactions and the largest contracts entered into by Leasys in relation to the Sensitive and Instrumental Processes and their compliance with the rules under the Program, as well as knowledge of Company's Compliance Program and Legislative Decree 231/2001 by the employees and the corporate bodies.

SECTION III

DISSEMINATION OF THE PROGRAM

Knowledge of this Program is fundamental in developing awareness in all Addressees who operate on behalf, or in the interest, of the Company within the scope of Sensitive and Instrumental processes, regarding the possibility of perpetrating offences entailing penal consequences not only for the individuals but also for the Company, in the event of behaviours that are contrary to the provisions of Legislative Decree 231/01 and to the Program.

The Company guarantees a proper and complete knowledge of the Compliance Program, the content of the Decree and the obligations arising therefrom for anybody who operate on behalf of Leasys.

Training sessions will be held from time to time by the Company, in light of the compulsoriness and reiteration criteria as well as that of diversification, if any.

The Compliance function, following consultation with the Supervisory Board, prepares every year, with support from Human Resources, a specific communication and training plan.

1. Training and Information to Employees

Leasys must ensure that existing and new employees are properly informed/trained on the content of this Program and the rules of conduct contained therein, with the extent of such information/training varying in relation to the different involvements of such employees in Sensitive and Instrumental Processes.

The information and training system is overseen and supplemented by the activity carried out in this field by the Supervisory Board in cooperation with the head of Human Resources.

- ***The initial communication***

The adoption of this Program is communicated to all existing employees by the Human Resources Function.

On the other hand, new recruits are made available an information package (e.g. Code of Conduct, National Labour Agreement, Compliance Program, Legislative Decree 231/01, etc.), in electronic format, which allows them to acquire considerably important knowledge.

All subsequent changes and information concerning the Compliance Program will be communicated to all employees.

- ***Training***

Participation in training activities designed to disseminate knowledge of the provisions of the Decree, the Compliance Program and the Code of Conduct is **mandatory**. To that end, constant reminders will be sent until training sessions are attended.

The training activity intended to disseminate knowledge of the rules under Legislative Decree 231/01 varies, in terms of content and manner of dissemination, depending on the title of the Addressees, the level of risk of the area in which they operate, and whether they have representation powers.

Specifically, the Company features different levels of information and training through suitable dissemination tools.

The Supervisory Board is also responsible for overseeing the contents of the training programs as described above.

All training programs implemented by Leasys will have a common core involving the illustration, according to a modular approach, of the following elements:

- the regulatory context of reference;
- the characteristics and principles of the Compliance Program and the Code of Conduct;
- the Company's main specific risks, in light of Legislative Decree 231/2001
- the role and responsibilities of the Supervisory Board;
- the procedures to contact the Supervisory Board and whistleblowing.

In addition to this common core, every training program will be structured to provide its attendees the tools necessary to comply fully with Legislative Decree 231/01 in relation to the operations and tasks.

The Supervisory Board ensures that training programs are qualitatively adequate and implemented effectively.

2. Information to Service Companies, Consultants, Partners and Suppliers

The Company requires Service Companies, Collaborators and Suppliers to become familiar and abide by the Compliance Program, pursuant to specific contractual clauses. In fact, these Parties shall be informed of the Program contents and of Leasys's need for their conduct to comply with Legislative Decree 231/01.

3. Information to Directors and Statutory Auditors

This Program is delivered to each Director and Statutory Auditor, who undertake to comply with it.

SECTION IV

SANCTIONING SYSTEM

1. Purpose of the Disciplinary System

The adoption of a system of sanctions (proportionate to the violations and acting as a deterrent), to be applied in the event of violation of the rules set out in this Program, serves to ensure the effectiveness of the Program. In accordance with the provisions of Article 6, paragraph 2, sub-paragraph *e)* of Legislative Decree 231/01, the establishment of a sanction system of a disciplinary and/or contractual nature constitutes an essential requisite of the Program to shield the Company against corporate liability.

The system is intended to sanction the failure to abide by the standards of conduct and obligations of this Compliance Program; the violation of the measures introduced to protect those who report illegal conducts falling within the scope of Legislative Decree 231/2001, or breaches of the Compliance Program and the conduct of those who submit unfounded tips with malice or gross negligence.

Application of the disciplinary system and the relative sanctions is independent of the course and outcome of legal proceedings initiated by the judicial authorities, when the punishable conduct constitutes also one of the offences under Legislative Decree 231/01.

In the presence of any loss incurred by the Company, or any interim measures under Legislative Decree 23/01 ordered against it by a Court, as a result of the violation of the rules under this Program, the Company may sue to recover damages.

Following notification by the Supervisory Board of the presence of one of the above-mentioned cases, an inquiry is open in accordance with the NCLA applied by Leasys. This inquiry is conducted by the Supervisory Board, in agreement with the corporate bodies responsible for levying sanctions, considering the seriousness of the conduct, whether it is a first-time offence and the extent of the fault.

Leasys, acting through the competent bodies and functions, will mete out – in a consistent, impartial and uniform manner – sanctions proportioned to the respective violations or conducts, in keeping with the applicable labour laws. Below, the sanctions for the different professional figures are illustrated.

The sanctioning system is subject to constant review and assessment by the Supervisory Board and the Head of Human Resources, with the latter remaining responsible for the actual application of the disciplinary measures outlined hereinbelow, upon notification of the Supervisory Board and after consulting with the immediate superior of the perpetrator.

2. Disciplinary Measures against Non-Management Employees

2.1 Disciplinary System

Conducts in violation of this Program by non-management employees covered by the National Collective Labour Agreement as applied to the Company constitute serious misconduct.

Employees will be subject to the measures – in accordance with the procedures provided for by article 7 of law no. 300 of 20 May 1970 (Workers' Statute) and any special applicable rules – contemplated by the sanction system of the so-called first-level CCSL, that is:

- Verbal reprimand;
- Written reprimand;
- Fine;
- Suspension from work and salary for up to three days;
- Termination, with or without notice.

This without prejudice to all the provisions of the CCSL, which are referred in full herein, including:

- The obligation – in relation to any disciplinary measure – to illustrate the charges to the employee and to hear the employee's version of the events;
- The obligation – save for the verbal reprimand – to put the charges in writing and not to adopt the measure before the end of a five-day period from the illustration of the charges (during which the employees will be able to defend his or her conduct);
- The obligation to communicate in writing the adoption of the measure.

Regarding the investigation of the violations, the disciplinary procedures and the adoption of the sanctions, the powers already granted to the Company's management team, within the limit of the respective responsibilities, remain unchanged.

In pursuance of the principle of proportionality, depending on the seriousness of the breach, the disciplinary measures detailed below are applied.

Verbal reprimand: this is applied in minor breaches or failures to comply with the principles and standards of conduct of the Compliance Program, as this conduct is equated to a minor deviation from contractual provisions or from orders or instructions provided by management or superiors.

Written reprimand: this is applied in case of failure to comply with the principles and standards of conduct of the Compliance Program. While this conduct is not considered serious, it is still regarded as unacceptable or inadequate and equated to a non-serious deviation from contractual provisions or from orders or instructions provided by management or superiors.

Fine for an amount not greater than three-hour pay calculated on basic salary: this is applied in case of failure to comply with the principles and standards of conduct of the Compliance Program, due to **conduct considered unacceptable or otherwise unsuited** to the provisions of the Compliance Program to such an extent as to be considered **quite serious**, also due to recidivism. These types of conduct include the violation of the obligations to report to the Supervisory Board the perpetration of actual or attempted offences and any violation of the Compliance Program. The same sanction will be applied in case of repeated failures to attend (physically or in any way requested by the Company), without justification, the training sessions held by the Companies in relation to Legislative Decree 231/2001, the Compliance Program and the Code of Conduct adopted by the

Company or related issues. This sanction applies also in case of violation of the measures to protect the anonymity of the reporting party or in case of tips on illegal conducts or violations of the Compliance Program or the Code of Conduct that turn out to be unfounded and submitted with malice or gross negligence.

Suspension from work and salary for up to three days: this applies in case of violations more serious than those discussed in the preceding sub-paragraph.

Termination with notice: this applies in case of serious and/or reiterated violation of the standards of conduct and the rules contained in the Compliance Program that are not against laws and contractual provisions.

Termination without notice: this applies to employees who cause considerable moral or material harm to the company or that engage in actions, in connection with the performance of company duties, that constitute an offence under the law.

2.2 Violations of the Program and Applicable Sanctions

The behaviours listed below are punishable as they constitute violations of this Program:

- Violations by an employee of the internal procedures under this Program or the adoption, in performing activities related to Sensitive and Instrumental Processes, of behaviours not compliant with the Program, regardless of whether they expose the Company to the risk of perpetrating one of the offences;
- The adoption of behaviours that do not comply with the provisions of this Program and designed unequivocally to perpetrate one or more offences;
- The adoption of behaviours in violation of the provisions of this Program that might result in the actual and/or potential application to the Company of sanctions under Legislative Decree 231/01.
- The violation of the measures intended to protect those who report illegal conducts falling within the scope of Legislative Decree 231/2001 or breaches of the Compliance Program;
- The submission of unfounded tips with malice or gross negligence.

Disciplinary or contractual sanctions, and any request for damages, will be proportionate to the level of responsibility and autonomy of the Employee, or the role and intensity of the fiduciary nature of the role of Directors, Statutory Auditors, Service Companies, Consultants, Partners and Suppliers.

The sanction system is subject to constant review and assessment by the Supervisory Board and the Head of Human Resources, with the latter being responsible for the actual application of the disciplinary measures outlined hereunder, based on reports by the Supervisory Board and consultation with the immediate supervisor of the perpetrator.

3. Disciplinary Measures for Managers

The breach of the principles and rules of conduct contained in this Compliance Program by Managers, or the adoption of a conduct not in keeping with said principles and rules of

conduct, as well as the breach of the measures to protect whistle-blowers or the submission of unfounded tips, with malice or gross negligence will entail the application of the most appropriate sanctions, in accordance with the provisions of article 2119 of the Italian Civil Code and the National Labour Agreement for Fiat and Fiat Industrial executives as applied by the Company.

The most serious cases will result in termination of employment, considering that the relationship between Manager and employer is based on trust.

Disciplinary measures are applied also in the presence of the following conducts:

- failure by Managers to oversee the proper application of the Compliance program by their subordinates;
- breach of the obligation to report to the Supervisory Board the perpetration or the attempted perpetration of the offences in question;
- breach of the measures to protect reporting parties as per Law no. 179/2017;
- submission of unfounded tips with malice or gross negligence;
- breach of the rules of conduct contained therein by the managers;
- adoption, in performing one's duties, of conducts inconsistent with conducts reasonably expected from a manager, with respect to the role played and the degree of autonomy granted.

4. Disciplinary Measures for Directors

In the event of behaviours in violation of this Program, by one or more Board members, the Supervisory Board must inform the Board of Directors and the Board of Statutory Auditors, which will take suitable action, including, among others, convening a shareholders' meeting to adopt the most appropriate measures permitted by law.

5. Disciplinary Measures for Statutory Auditors

In the event of conducts in violation of this Program, by one or more Statutory Auditors, the Supervisory Board shall submit a written report to the Chairman of the Board of Directors, without delay. In the presence of violations that can result in termination for cause, the Chairman of the Board convenes the shareholders for a general meeting, forwarding to them the Supervisory Board's report in advance. Responsibility for the adoption of measures associated with such violation rests with the body of shareholders.

6. Disciplinary Measures for Service Companies, Consultants, Partners and Suppliers

Behaviours in violation of this Program by Service Companies, Consultants, including those covered by fixed-term employment contracts, Collaborators, Partners and Suppliers and, in general, any "Addressees" are subject to sanctions in accordance with the specific clauses included in the relative agreements, including the application of conventional penalties that might entail also termination of the relevant agreement, without prejudice to the Company's ability to sue for further damages.

7. Disciplinary Measures for the Supervisory Board and Other Parties

The foregoing sanction system will apply also to the Supervisory Board and those parties, whether Employees or Directors, that did not identify and remove behaviours in violation of the Program due to negligence, imprudence and incompetence.

SECTION V

LEASYS'S COMPLIANCE PROGRAM

1. General Control Environment

1.1 The Company's Organizational System

The Company's organizational system is compliant with the basic requirements of formalization and clarity, communication, and segregation of duties, especially for the attribution of responsibilities and powers of representation as well as the definition of hierarchical lines and operating activities.

The Company is equipped with organizational instruments (organization charts, organizational communications, procedures, etc.) based upon the following general principles:

- awareness within the Company;
- clear and formal definition of roles and functions;
- clear description of the of reporting lines.

The Company has also a specific set of internal rules governing roles and responsibilities of the various corporate bodies and functions, including internal committees.

The internal procedures generally are characterised by the following:

- segregation, within each process, between the person who initiates the process (decision-making outcome), the person who carries out and completes the process, and the person who controls the process;
- documented traceability of each important step of the process;
- adequacy of the level of formalization.

To this end, Leasys has adopted the SOD Group Policy, whereby all Group companies must ensure compliance with the principle of "the segregation of duties". This principle implies the proper separation of roles and responsibilities at all stages of a process, in order to mitigate the risk of errors and/or fraud.

The Company set up a specific function called Risk & Permanent Control (R&PC), to ensure the constant application of the governance principles.

In particular, R&PC is responsible for permanent second-level controls and carries out the following activities:

- mapping of company risks;
- measurement of company risks;
- supervision of risk management processes.

Moreover, the Compliance function carries out the following activities:

- identification of the main laws and regulations applicable to the Company;

- mapping of risks to identify any non-compliance risk, considering also expected future changes and developments in the regulatory framework of reference;
- definition of the activity and control plan;
- definition and implementation of compliance audits, which can be ex ante and ex post.
- formalization of the results through the preparation of the Compliance Report and the relevant follow up.

1.2 Delegation of Authority and Powers

Delegation is the attribution of functions and duties, reflected in the system of organizational communications. In order to effectively prevent offences, the essential requisites of a delegation system are as follows:

- The Head of the Function/Department must ensure that all subordinates who represent the Company, including informally, are given a written delegation of authority;
- The delegation of authority shall indicate:
    - the name of the person delegating the authority (the person to whom the delegated party reports);
    - name and duties of the delegated party, consistent with the position held by the same;
    - scope of the delegation of authority (e.g. project, duration, product etc.)
    - date of issue;
    - signature of the person delegating the authority.

Power of attorney is a legal transaction whereby the Company grants representation powers vis-à-vis third parties. To effectively prevent offences, the key requirements of the system to attribute powers of attorney are as follows:

- a power of attorney can be granted to natural and legal persons (which will act through their own authorized representatives vested with adequate powers);
- general powers of attorney are granted solely parties with adequate internal authority or covered by an engagement agreement specifying the relevant powers and authorities; where necessary, general powers of attorney are accompanied by a specific notice that sets out the scope of the representation powers and the spending limits;
- a procedure governing manners and responsibilities for the prompt update of powers of attorney, defining the cases where these can be granted, amended or cancelled.

1.3 Relations with Customers, Service Companies, Suppliers/Consultants and Partners: General Principles of Conduct

Relations with Customers, Service Companies/Consultants/ Partners, within the scope of the Sensitive and Instrumental Processes, shall be informed by utmost fairness, transparency and

compliance with the law, the Code of Conduct, this Program, and the internal Company procedures, as well as the specific ethical principles that guide the approach of Company activities.

Service Companies, consultants, suppliers of products/services, and partners in general, (e.g., temporary business groupings), shall be selected according to the following principles, which take into consideration the elements specified here below:

- verify the **commercial and professional credibility** (e.g. Chamber of Commerce searches, to ensure that the activity performed is consistent with those required by the Company, self-certification in accordance with Presidential Decree 445/00 relative to any pending charges or court rulings against them);

- select based on the ability to deliver in terms of quality, innovation, costs and **standards of sustainability**, with particular reference to the respect for human and workers' rights, and the principles of legality, transparency, and fairness in business affairs (said review process must require high qualitative standards, which can be verified also by obtaining specific certifications relative to quality issued by said party);

- avoid any sort of commercial and/or financial transactions, directly or through third parties, with individuals or legal entities that are involved in judicial investigations for predicate offences under Legislative Decree 231/01 and/or brought to attention by European or international organizations/authorities combating terrorism, money laundering, and organized crime offences.

- avoid any contractual relations with individuals or legal entities that are based or resident in, or have any connection with, countries that are considered uncooperative as they do not conform to the standards of international laws and recommendations expressed by FATF-GAFI (Financial Action Group against Money Laundering) or appear on the debarment lists (so-called "Black Lists") of the World Bank and of the European Commission;

- make payments solely on the basis of suitable documentary evidence in the context of contractual transactions or in relation to the type of activity to be performed and local practices;

- as a general rule, no payments may be made in cash and in the event of a departure, such payments shall be appropriately authorized. In any case, the payments shall be made in accordance with the relative administrative procedures, which document the purpose and traceability of the expense;

- with reference to financial management, the company carries out specific procedural controls and pays particular attention to transactions occurring outside the normal company processes, which are consequently managed in an impromptu and discretional manner. Such controls are intended to prevent the creation of slush funds (e.g. frequent reconciliation of accounting data, supervision, segregation of duties, separation of functions, especially between finance and procurement, an effective

system to document the decision-making process, etc.).

1.4 Relations with Suppliers/Service Companies/Consultants/ Partners: Contract Clauses

Contracts with Service Companies, Suppliers, Consultants and Partners shall require the inclusion of specific clauses specifying:

- the commitment to comply with the Code of Conduct and the Program adopted by Leasys and the statement that the party has never been implicated in judicial proceedings relative to the offences laid down in the Company's Program and in Legislative Decree 231/2001 (or if they have been, they must state it anyway in order for the Company to pay greater attention, should consulting or partnership relations be established). Said commitment may be reciprocal, if the counterpart has adopted a similar Code of Conduct and Program;

- the consequences of the violation of the Program and/or the Code of Conduct (e.g. express termination clauses, penalties);

- the commitment for foreign suppliers, service companies/consultants/ partners to conduct their business activities in conformity with rules and principles similar to those pursuant to the laws of the country (or countries) in which the said companies operate, with particular reference to corruption, money laundering, and terrorism, and with the rules that involve liability for the legal entity (Corporate Liability), as well as with the principles contained in the Code of Conduct, designed to assure compliance with suitable levels of ethics in performing their respective activities.

- that - in the case of construction contracts, service contracts or supply contracts - the company concerned state that it only employs staff covered by a regular employment contract, in keeping with the applicable laws in the areas of social security, taxation, insurance and immigration;
- that the company concerned state that it has the required licences to carry out its activities;
- that the untruthfulness of the foregoing statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code.

1.5 Relations with Customers: General Rules of Conduct

Relations with Customers shall be established with utmost fairness and transparency, in accordance with the Code of Conduct, this Program, the law, and the internal Company procedures, which take into consideration the elements specified here below:

- accept payments in cash (and/or other non-traceable means of payment) only within the limits set by law;
- extend credit only after solvency has been determined;

- rejects sales that breach international laws/regulations that limit exports of products/services and/or protect free market competition;
- charge prices in line with market, save for commercial promotions.

1.6 Cash Management System

In keeping with the applicable Guidelines, the Company adopts a cash management system based on the principles of transparency, verifiability and consistency with its business, using introducing procedures for decisions in ways that allow the documentation and verification of the various phases of the decision-making process, so as to prevent the improper management of the entity's assets.

A proper management of the process, also in accordance with article 6, paragraph 2, sub-paragraph c) of Legislative Decree 231/01, helps the Company to prevent the risk of multiple offences.

Regarding cash management, the Company applies the following control principles:

- segregation of duties in key phases/activities of the process (e.g. authorization, reconciliation);
- authority delegation and power-of attorney systems constantly aligned with the authorization profiles existing in information systems;
- internal practice/procedure system governing the main processes impacted by cash flows;
- adequate traceability of information and document trails;

In particular, the Company adopted practices/procedures governing activities related to cash management, with specific reference to the rules and procedures pertaining to the annual Financial Statements as a whole, as well as on the authorization and evaluation of investment projects.

In addition, the Company relies on the Finance-Tax services provided by Service Companies to manage its tax obligations.

2. Leasys's Sensitive/Instrumental Processes

Leasys operates in the long-term car rental market to plan and provide services related to the management of cars, commercial, equipped and special vehicles.

The Company obtained the UNI EN ISO 9001:2015 certificate, as it completed all the activities necessary to implement an effective Quality Management System, which is paramount to manage and operate an organization that intends to improve progressively its long-term performance. The company has also obtained the UNI ISO 27001:2013 certification on information security management and has implemented an Information Security Management System.

The risk analysis performed by Leasys for the purposes of Legislative Decree 231/01 revealed that currently the Sensitive Processes mainly concern:

1) Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority;
2) Offences against the person;
3) Counterfeiting of currency, public securities, duty stamps and instruments or trademarks and offences against industry and commerce
4) Organized crime offences;
5) Corporate offences (including Private-to-private corruption);
6) Offences related to receiving of stolen goods, money laundering and use of money, assets or other benefits from illegal activities as well as self-laundering;
7) Crimes involving non-cash payment instruments;
8) Offences for purposes of terrorism and subversion of the democratic order;
9) Offences related to illegal immigration;
10) Offences regarding the violation of copyright laws;
11) ICT crimes and illegal data processing;
12) Manslaughter and serious personal injury and grievous bodily harm, committed in violation of the occupational safety and accident-prevention regulations;
13) Environmental offences;
14) Transnational crimes;
15) Tax offences.

The risks relative to other types of crimes envisaged by Legislative Decree 231/01 are considered to be of an abstract nature and not realistic.

Details of the foregoing offences are shown in Annex A.

The Company Functions/Departments involved in the Sensitive Processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the 231-relevant internal processes and related company procedures.

The purpose of this section is to:

- identify, for each family of Offences applicable to the Company, the Functions/ Departments involved and the internal processes of Leasys included in the Sensitive and Instrumental Processes identified in this Program;

- indicate the principles, obligations and procedures that Leasys's Addressees are called upon to observe for effectively preventing the risk of perpetration of the offences in performing the activities where the foregoing offences are assumed to be committed;

- provide the Supervisory Board and the heads of other corporate functions that cooperate with it the tools to exercise their control, monitoring and inspection activities through existing and future procedures established by the Company.

2.1 Sensitive Processes Relating to Offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under articles 24, 25 and 25-*ter* (but only with respect to private-to-private corruption) and 25- *decies* of Legislative Decree 231/01 are the following:

- Management of commercial activities with rental customers (Annex C, sheet n. 01);
- Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures (Annex C, sheet n. 02);
- Management of remarketing activities (Annex C, sheet n. 11);
- Management of administrative obligations and non-commercial relationships with Public Authorities and related inspection activities (Annex C, sheet n. 03);
- Management of disputes and relations with the Judicial Authority and management of out-of-court settlement agreements (Annex C, sheet n. 04);
- Management of development activities (Annex C, sheet n. 12);

In relation to the offences dealt with in this Section, the Company has, in addition, identified the following Instrumental Processes:

- Management of purchases of goods and services (including consulting services) (Annex C, sheet n. 06);
- Selection and management of commercial partners and agents (Annex C, sheet n. 07);
- Management of personnel and reward system (Annex C, sheet n. 08);
- Management of expense reports and public relation expenses (Annex C, sheet n. 13);
- Cash management (Annex C, sheet n. 09);
- Customer receivable management (Annex C, sheet n. 10);
- Management of inter-company dealings (Annex C, sheet n. 14);
- Management of gifts, donations, events and sponsorships (Annex C, sheet n. 15);

- Management of internal and external (investors, advertising, etc.) communication (Annex C, sheet n. 16).
-

The Company Entities/Departments involved in the Sensitive and Instrumental Processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the 231-relevant internal processes and related company procedures.

The general criteria for the definition of Government and, in particular, of Public official and Persons responsible for a public service are shown in Annex A.

Such definition includes a wide range of parties with whom the Company may choose to operate in performing its activities, provided that, in addition to public entities and those that perform a public legislative, judicial or administrative (public officials) function, they also include the parties/entities entrusted by the Government – e.g. through an agreement and/or concession and regardless of the legal nature of the party/entity, which may also be private parties – with the safeguarding of public interests or the fulfilment of general interest needs (persons responsible for a public service).

2.1.1 Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of articles 24, 25 and 25-*ter* (as specified previously) and 25- *decies* of Legislative Decree 231/01 **are prohibited**.

****

Below, examples are provided of possible offences related to the following Sensitive Processes:

- Management of commercial activities with rental customers*;*
- Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures;
- Management of remarketing activities;

The management of commercial activities with rental customers, the negotiation/signing/performance of contracts/agreements with government entities in

relation to tenders and/or negotiated procedures and the management of remarketing activities might be subject to the risk of offences against Government in the event that an employee or a manager of the Company:

- offers or promises money or other benefits to a public official, to a person in charge of public services or to individuals indicated by these parties
- misleads a public official through fraudulent conduct (such as counterfeiting or alteration of documents prepared for Public Authorities) so as to secure a contract from the Public Authority of reference.

The negotiation/signing/performance of contracts/agreements with government and private entities in the context of tenders and/or negotiated procedures could present risk profiles in relation to the offence of fraud in public procurement in the event that, for example, the Company delivers products or provides services to public authorities with characteristics wholly or partly different from those agreed upon.

The Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- ensure, where necessary, that customer relations are managed solely by duly authorized employees;
- ensure that relations with Public Authority officials, or persons in change of a public service, are managed solely by duly authorized employees, as identified and authorized in advance by the Company;
- ensure compliance with all Group policies, particularly those in the areas of antitrust and conflict of interests;
- ensure the adoption of a behaviour compliant with the duties of loyalty, fairness and good commercial faith, avoiding any conduct in bad faith aimed at misleading the counterparty;
- ensure the traceability of all the phases of the commercial process, including the setting of the price, any discounts applied and the length of the agreement, through use of the proper information systems;
- implement adequate segregations of duties and responsibilities in managing the customer, particularly with reference to setting prices, payment terms and discounts;
- the obligation to formally identify the functions (internal or external) involved in the management of public tenders (with the definition of roles and responsibilities in relation to the tender process);
- the obligation to check and authorise (consistently with the system of proxies and powers of attorney) the tender documents before sending them to the public body;
- ensure that the commercial offers/proposals (in terms of prices and discounts) are defined in accordance with corporate procedures;
- ensure that relations with customers are formalized in written agreements (e.g. commercial offers/proposals);

- ensure that all the commercial offers/proposals and terms and conditions of sale to customers are approved by duly authorized parties;
- ensure that any deviations from established prices, determined automatically through the use of a special system, are authorised in accordance with the system of delegation of powers and authority;
- ensure that a preliminary screening of the new customer is performed, in terms of compliance and creditworthiness. In particular, has to be met the obligation to: (i) identify the beneficial owner(s) of the legal person customer in accordance with the methods provided for by the legislation; (ii) verify the possible qualification of a potential customer as a Politically Exposed Person (PEPs); (iii) verify the possible presence of the name of the potential customer or existing customer on external or internal databases; (iv) ensure the use of computer control applications suitable to prevent operations in relation to countries or persons subject to financial and trade restrictions (so-called "international sanctions");
- ensure the segregation of duties in all the phases related to the management of the activities, including the creation of a master data set for customers.
- ensure the traceability of all the phases of the onboarding of garages;
- check the correctness of customer invoicing;
- check the completeness and accuracy of invoices issued with respect to the content of the sales agreements, and with respect to the goods/services provided;
- monitor compliance with sales agreements, by tracking and analysing reports received from customers;
- ensure the monitoring of the proper performance of the obligations undertaken with public bodies and that the supply (whether of goods or services) corresponds to the quality and quantity indicated in the contracts entered into with the P.A;
- in the event that services to customers are rendered – in whole or in part – with support from third parties (agents, distributors etc.), ensure that the selection of such third parties takes place in accordance with the section "Selection and management of commercial partners and agents" in this chapter;
- communicate, without delay, to their immediate superiors or to Company management and, simultaneously, to the Supervisory Board any conduct by those operating on behalf of the counterparty intended to obtain favours, the illegal transfer of money and other benefits, including to third parties, as well as any criticality and conflict of interest that arises in the context of the relationship.

In the context of the cited conducts, it **is prohibited to**:

- make or promise undue payments of money or other benefits (including but not limited to: employment, professional, commercial or technical assignments) to public officials, persons in charge of a public service, individuals or persons close to such individuals;
- provide services or payments to agents, distributors or other third parties that operate on behalf of the Company, in relation to the activities governed by this chapter, that are not adequately justified by the relevant contractual relationship;

- submit bids outside the Company's approval process;
- enter into agreements on terms and conditions set in accordance with standards that are not objective and/or are in breach of corporate procedures;
- submit untruthful statements, producing documents that do not reflect, in whole or in part, the reality and omitting the production of true documents;
- keep misleading conduct with Public Authorities;
- be represented in relations with Public Authorities by consultants or third parties that might create conflicts of interest;
- solicit and/or obtain confidential information that might undermine the integrity or the reputation of both parties;
- influence – during negotiations or in connection with a request or contacts with Public Authorities – the decisions of the officials who negotiate or make decisions on behalf of such Public Authorities.

***

Below, examples are provided of possible offences related to the following Sensitive Process:

- *Management of administrative obligations and non-commercial relationships with Public Authorities and related inspection activities.*

The management of non-commercial relations with Public Authorities with respect to the issue of certificates, licences or permits might expose the Company to risks of fraud against the State in the event that, for example, a Company authorized party misleads the Public Authority not just by submitting statements and documents that are false or attest circumstances that are not true but by engaging in other malicious conduct, such as producing invoices for non-existent transactions, to obtain unduly, for oneself or for others, a licence or a permit from the Public Authority.

The management of relations with Public Authorities could present risk profiles in relation to the offence of peddling unlawful influence in the event that, for example, a senior or subordinate person of the Company offers or promises money or other benefits to a third party who, having a relationship with a public official or a person in charge of a public service, may act as an intermediary in relations with the Public Authority in order to obtain favourable treatment or undue advantages for the Company, such as the issue of certifications, authorizations or permits or the successful outcome of an inspection.

The management of non-commercial relations with public officials in case of audits and inspections by Public Authorities (Finance Police, ASL, ARPA, etc.) might expose the Company to risks of corruption for actions contrary to official duties where, for example, a Company authorized party gives or promises money or other benefits to a public official to induce him to support the favourable outcome of the audit report.

The Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- ensure that relations with public officials are managed solely by duly authorized parties, identified in advance and authorized by the Company, in accordance with internal procedures;
- in case of audits, ensure that meetings are attended, at least by two Company employees;
- ensure the signing of final minutes/reports by a duly authorized Company representative or by those who were present during the audit;
- ensure the traceability of relations with Public Authorities;
- in the event that the documentation to be sent to the Public Authorities is produced – in whole or in part – with support from third parties (consultants, counsel, etc.), ensure that such third parties are selected in accordance with the provisions of section "Management of purchases of goods and services (including consulting services)" in this chapter;
- ensure that access to the informatic/telematic systems of the Public Administration is carried out only by authorised personnel and provided with a personal password;
- ensure that controls are in place to prevent the disclosure of passwords enabling access to the P.A.'s informatic/telematic systems to unauthorised persons;
- communicate, without delay, to their immediate superiors or to Company management and, simultaneously, to the Supervisory Board any conduct by those operating with the public counterparty intended to obtain favours, the illegal transfer of money and other benefits, including to third parties, as well as any criticality and conflict of interest that arises in the context of the relationship with Public Authorities;
- transmit every six months to the Supervisory Board a list of the proxies and powers of attorney issued to company representatives for the purpose of maintaining relations with the Public Administration;promptly report to the Supervisory Board any inspections received and/or in progress, specifying: (i) Public Administration proceeding; (ii) participating parties; (iii) subject of the inspection and (iv) period of performance.

In the context of the cited conduct, it **is prohibited to**:

- interact with Public Authority officials or with public officials without the presence of at least another person, where possible, and without ensuring traceability, as specified previously;
- make or promise undue payments of money or other benefits (including but not limited to: gifts of significant value, employment, professional, commercial or technical assignments) to public officials, persons in charge of a public service, individuals or persons close to such individuals, to further or foster Company interests;
- keep a conduct intended to influence improperly the decisions of the officials who deal or make decisions on behalf of the Public Authority;
- yield to recommendations or pressures coming from public officials or persons in charge of a public service;
- submit untruthful statements by showing documents that do not reflect reality, in whole or in part, or omitting the exhibition of truthful documents;

- keep such deceitful conduct as to mislead the Public Authority in its evaluation of applications for licences and the like;
- be represented in relations with Public Authorities by consultants or third parties that might create conflicts of interest.

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Below, examples are provided of possible offences related to the following Sensitive Process:

- *Management of disputes and relations with the Judicial Authority and management of out-of-court settlement agreements.*

Managing disputes and relations with the Judicial Authority might expose the Company to risks of judicial corruption (both directly and through counsel) in the event that, to steer the course of civil, penal and administrative proceedings in favour of the Company, a Company authorized party offers money to the presiding judge.

Managing disputes and relations with the Judicial Authority might expose the Company to risks of inducement not to testify or to bear false testimony to the Judicial Authority in the event that a Company authorized party is the defendant or is investigated in penal proceedings is induced to make false statements (or to refrain from making statements) to prevent the Company from being held liable.

With reference to the above activity, the relevant principles of conduct are outlined below.

The Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- ensure, in their interaction with public counterparties, compliance with the internal procedures;
- identify a person in charge, in keeping with the matter at hand, with the powers necessary to represent the company o to coordinate the activities of any external professionals;
- ensure that relations with Public Authorities are held by parties previously identified and authorized by the Company;
- in the event that the activity is managed – in whole or in part – with support from third parties (consultants, counsel, etc.), ensure that such third parties are selected in accordance with the provisions of section "Management of purchases of goods and services (including consulting services)" in this chapter;
- retain external professionals through specific written contracts, indicating the agreed-upon fee and details of the service, and authorized by duly authorized employees;
- ensure the clear identification of the roles and responsibilities of the persons in charge of managing the conclusion of out-of-court settlement agreements;
- ensure the transparency and traceability of the negotiation processes aimed at the conclusion of out-of-court settlement agreements;

- observe rules governing the evaluation criteria and the authorisation process of out-of-court settlement agreements.

In performing all the activities relating to the management of relations with the Judicial Authority, in addition to the set of rules under the Compliance Program, the Addresses **are required to** be familiar and comply with the following:

- in relations with the Judicial Authority, the Addressees shall cooperate proactively and make truthful, transparent and exhaustively descriptive statements;
- in relations with the Judicial Authority, the Addressees and especially those who should be investigated or accused in penal proceedings, or also connected, relating to duties performed on behalf of the Company, are required to express freely their description of the facts or to exercise their right to remain silent in accordance with the law;
- all the Addressees shall promptly report – through the communication tools existing within the Company (or with any communication tool, provided that the traceability principles is observed) – to the Supervision Authority any act, summoning of witness and judicial proceeding (civil, penal or administrative) involving them, for any reason, with respect to the duties performed or otherwise in relation to such duties;
- the Supervisory Board shall be fully knowledgeable of the proceedings under way, including through participation in meetings related to such proceedings or otherwise preliminary to the defence of the Addressee, also when the meetings are expected to be attended by external consultants.

The Addressees that, due to their position and their function, are involved in managing disputes and relations with the Judicial Authority and in managing the out-of-court settlement agreements, **are prohibited** from:

- providing services or payments to external counsel, consultants, experts or other independent parties who operate on behalf of the Company that are not warranted under the relevant contractual arrangements:
- adopting conduct contrary to laws or the Code of Conduct at formal and informal meetings, including through external counsel and consultants, to induce Judges of Members of Arbitration Panels (including auxiliaries and court-appointed experts) to further unduly the Company's interests;
- adopting conduct contrary to laws or the Code of Conduct in case of inspections/reviews/audits by Public Authorities or court-appointed experts, to influence their views/opinion in the Company's interest, including through external counsel and consultants;
- forcing or inducing - in any way and form, in accordance with a misplaced sense of interest of the Company - the Addressees to reply to the Judicial Authority or to exercise the right to remain silent;
- accepting, in relations with the Judicial Authority, money or other benefits, including through Company consultants;
- inducing the Addressee, in relations with the Judicial Authority, not to make untruthful statements.

***

Below, examples are provided of possible offences related to the following Sensitive Process:

- *Management of development activities.*

Managing the development of new services might give rise to risks in relation to offences against Government and its assets in the event that, for example, the Company prepares a new contract form for public customers containing misleading information with the intent to have the counterparty sign.

Addressees involved in the above activities, due to their duties or function, **are required** to:

- ensure compliance of local and Group operational procedures;
- ensure respect of the rules of segregation of duties between the party that prepares the New Product and Activities (NPA) Concept, and the party that performs evaluations and the relevant controls;
- carry out a specific analysis of the risks associated with new products and new activities, in accordance with the law and regulatory developments;
- ensure that the documentation is filed with the functions involved in the process;
- ensure that all the new services developed are approved by duly authorized parties;
- ensure traceability for all the phases of the process.

In the context of the cited conducts, it **is prohibited to**:

- act in ways that might affect improperly the decisions of the officials that deal or make decisions on behalf of Government;
- submit untruthful statements showing documents that do not reflect reality, in whole or in part, or omitting to produce true documents;
- act in ways that are misleading with Government, to create the conditions for the latter to err in its evaluation of the characteristics of the services provided.

***

Below, examples are provided of possible offences related to the following Instrumental Process:

- *Management of purchases of goods and services (including consulting services)*

Managing purchases of goods and services (including consulting services) might expose the Company to risks of offences against Government in the event that a Company authorized party enters into fictitious contracts or contracts with specifically inconsistent amounts to create reserves to be used in corruption activities.

With reference to the above activity, the relevant principles of conduct are outlined below.

The management of the purchase of goods and services (including consultancy services) could present risk profiles in relation to the offence of peddling unlawful influence if, for example, a senior manager or a subordinate of the Company offers or promises money or

other benefits to a consultant who, by virtue of his existing relations with a public official or a person in charge of a public service, can act as an intermediary in dealings with the Public Authorities in order to obtain favourable treatment or undue advantages for the Company, such as, for example, the issue of certifications, authorisations or permits or the successful outcome of an inspection.

In managing relations with suppliers of goods and services (including consulting services), the Company shall introduce in purchase orders/contracts specific clauses in accordance with the provisions of the paragraph "*Relationships with Suppliers/Service Companies/Consultants/Partners: Contractual Clauses*".

The Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- create a specific master data set for suppliers to collect and record all their significant and critical information;
- avoid conflicts of interest, with special reference to personal, financial or family-related interests (e.g. the existence of equity or commercial interests in suppliers, customers or competitors, improper benefits deriving from the role played within the Company), which might affect one's independent with respect to suppliers;
- review suppliers in such a way as to verify their financial strength, and their commercial, technical, professional and ethical reliability;
- ensure compliance of the approval process for suppliers and contracts with corporate procedures;
- ensure an adequate segregation between functions within the process of selection of a supplier/consultant;
- proceed, in accordance with corporate procedures, to the selection of suppliers by comparing several bids, save for special cases that should be properly reasoned (such as low-value contracts, inter-company agreements, agreements with specific companies, trust-based relationship established with the consultant or supplier);
- check the existence of specific licences for suppliers that perform activities that require them;
- check, during the qualification phase and from time to time, whether the supplier has been included on internal and external databases;
- ensure the traceability, also though specific information systems, of the selection and qualification of the supplier, through the formalization and filing of the relevant supporting documentation, in the manner provided for by corporate procedures and the ICT tools supporting he process;
- ensure that all payments to suppliers are made only if adequately supported by a contract or an order and only after validation, in accordance with the pre-defined internal authorization process, and only after verifying that the products delivered are consistent with the order;
- check the regularity of payments to suppliers, with reference to the full coincidence between recipients/ordering parties and counterparties actually involved in the transactions;

- ensure that all relations with suppliers or consultants are formalized in specific written agreements approved in accordance with the power delegation system and where the price of the goods or service is clearly defined;
- ensure that contracts entered into with suppliers/consultants specifically provide for: the scope of the contract, the agreed consideration, the method of payment, ethical and compliance clauses, and termination clauses or, alternatively, check that the terms and conditions proposed by third parties provide for compliance with the principles set out in Legislative Decree 231/01, as well as ethical principles;
- ensure the traceability of, and the ability to reconstruct ex post, commercial transactions through the formalization and archiving, also by means of specific information systems, of the relevant supporting documentation;
- ensure the periodic monitoring, through the use of appropriate tools, of the services provided by suppliers, and use the results of such assessments for the purposes of rating them;
- in case of sub-contracted services involving the use of non-EU nationals, check the validity of the relevant residence permits;
- investigate closely and report to the Supervisory Board:
    - requests for unusually high commissions;
    - requests for expense reimbursements not adequately documented or unusual for the transaction in question.

In the context of the cited conducts, it **is prohibited to**:

- make payments in cash, in numbered accounts or accounts not in the supplier's name or different from that provided for by the contract;
- make payments in countries other than that where the supplier resides;
- make payments not adequately documented;
- create funds in connection with unjustified payments (in whole or in part);
- bind the Company with oral orders/contracts with consultants;
- enter into any commercial or financial transaction, both directly and through third parties, with parties (natural or legal persons) whose names are in the Lists in possession of the Competent Authorities or of entities controlled by such parties, when this controlling relationship is known;
- perform services for consultants and suppliers that are not adequately justified in the contractual relationship with them and pay them fees that are not justified by the type of engagement and by local practices.

***

Below, examples are provided of possible offences related to the following Instrumental Process:

- *Selection and management of commercial partners and agents.*

The selection and management of commercial partners and agents might expose the Company to risk of corruption offences in relation to Government officials in the event that a Company authorized party enters into fictitious contracts or contracts with specifically inconsistent amounts with agents or partners to create slush funds to be used in corruption activities.

With reference to the above activity, the relevant principles of conduct are outlined below.

The Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- avoid conflicts of interest, with special reference to personal, financial or family-related interests (e.g. the existence of equity or commercial interests in suppliers, customers or competitors, improper benefits deriving from the role played within the Company), which might affect one's independence with respect to partners and agents;
- ensure that the selection and qualification process for commercial partners and agents takes place in accordance with corporate procedures;
- carry out an adequate due diligence process for any commercial partner and agent involving, among others, verification the commercial and professional reliability as well as the integrity of the counterparties;
- check, during qualification and from time to time, the presence of any partner on internal or external databases;
- ascertain the counterparty's identity;
- ensure the traceability of the selection process;
- comply with the principles of transparency, professionalism, reliability, purpose and non-discrimination in choosing counterparties;
- ensure that the agreed-upon fees are in line with market conditions and are otherwise set out contractually on the basis of objective calculation criteria;
- ensure that the contract used contains specific disclosure regarding the rules of conduct adopted by the Company with reference to Legislative Decree 231/2001 and the consequences that conducts contrary to the Code of Conduct and the applicable laws and regulation may have for contractual relationships;
- ensure that the engagement of the counterparty is in writing;
- pay fees in a transparent manner, with supporting documentation and a paper trail that can be followed ex post. In particular, it should be verified that the beneficiary of the payment and the service provider are the same;
- communicate, without delay, to their immediate superiors or to Company management and, simultaneously, to the Supervisory Board, including through communication tools existing within the company, any suspicious conduct or activity by those who operate on behalf of the counterparty.

In the context of the cited conducts, it **is prohibited to**:

- bind the Company with oral orders/contracts with the counterparty;
- issue or accept invoices for non-existent transactions;

- make payments or reimburse expenses to counterparties without any adequate justification in relation to the type of activity performed or any receipt acceptable to tax authorities or that are not shown in the invoice;
- attest receipt of non-existent commercial services;
- create slush funds by entering into transactions entailing above-market rates or fictitious invoices, in whole or in part.

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Below, examples are provided of possible offences related to the following Instrumental Process:

- *Management of personnel and reward system.*

Personnel management activities might give rise to risks in relation to corruption-related offences where, for example, the Company recruits a candidate close to or indicated by a public official, to gain an undue benefit for the Company.

Management of the reward system might give rise to risks in relation to corruption-related offences in the event that the Bank disburses wilfully cash bonuses/incentives out of proportion with the role/responsibilities of an employee so as to provide such employee with the funds necessary to engage in bribery.

With reference to the above activity, the relevant principles of conduct are outlined below.

Addressees involved in personnel selection and management, due to their duties or function, **are required** to:

- ensure that the foregoing processes take always place in accordance with corporate procedures;
- operate bearing in mind the criteria of:
  a) meritocracy, by evaluating the professional background of a candidate;
  b) compliance with the Company's actual requirements;
- personal dignity and equal opportunities;
- carry out selection activities intended to ensure that candidates are chosen on the basis of objective considerations on the personal and professional characteristics necessary to do the work, avoiding any favouritism of sorts;
- segregate the selection process by ensuring that interviews are carried out by the Head of HR, the heads of the requiring departments and by the Chief Executive Officer, where required;
- interview candidates and, to ensure full traceability for the process, write a report on each interview and file with the relevant documentation;
- ensure that the hiring request and the successive contract are authorized, verified, and signed by the heads of function in keeping with the existing power and authority delegation system;

- operate in accordance with the criteria of meritocracy and equal opportunities, without any discrimination based on sex, race or ethnic origin, nationality, age, political opinions, religious beliefs, health, sexual orientation, socio-economic conditions, in relation to the Company's real requirements;
- ensure that the candidate is asked in advance to report any family connection with members of Government, so as to evaluate the existence of any conflict of interests;
- check the existence of possible conflicts of interests and whether the candidate was a former public employee, to comply with article 53, paragraph 16-ter of Legislative Decree 165/2001 (introduced by Law 190/2012 on "Anticorruption");
- hire staff solely with a regular employment contract and pay consistent with the applicable Collective Labour Agreement;
- ensure that newly-hired employees receive a copy of the Code of Conduct and this Compliance Program and that such employees undertake to comply with the principles contained therein;
- establish an adequate induction process for newly-hired employees which would include, among others, adequate information on the Company's Compliance Program and Code of Conduct;
- ensure the proper filing of the documentation related to company cars assigned to employees for their personal and business use;
- ensure the existence of documentation attesting the proper performance of selection and hiring procedures;
- check that work hours are applied in accordance with the laws in force;
- ensure that the Company provides working conditions respectful of personal dignity, equal opportunities and an adequate work environment, in accordance with the national labour agreement for the sector and social security, tax and insurance rules;
- ensure that pay is consistent with the position filled by the candidate and the assigned responsibilities/duties;
- file the salary surveys conducted by the Company from time to time;
- for non-EU nationals employed by the Company, check the validity of the residence permit and monitor such permit during the employment period;
- in case third parties are used to select personnel, ensure that such arrangements are governed by formal agreements containing clauses that specify:
    - that the third parties shall state that they are compliant with the principles under Legislative Decree 231/2001 and with the principles of the Code of Conduct;
    - that the third parties shall state that they fulfil all the necessary obligations and taken all the necessary precautions to prevent the foregoing offences, with the implementation – where possible – within the company of all the procedures necessary to that effect;
    - the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code;

- ensure that the agreements are signed by duly authorized parties;
- ensure that the incentive system is consistent with Group guidelines;
- ensure the segregation of the incentive system, with the involvement of HR and the other departments;
- set maximum limits to variable pay, consistent with the responsibilities and tasks assigned;
- ensure that any incentive system reflects objectives that are both realistic and consistent with assigned tasks, activities and responsibilities;
- introduce limits to the incentive system in case of inadequate conduct, through formal acts by the Company (e.g. application of disciplinary sanctions);
- ensure the traceability of the incentive process, through the formalization of objective and related final reports.

In the context of the cited conducts, it **is prohibited to**:

- operate by playing favourites;
- tolerate irregular or child labour or exploit of workers;
- hire employees, including temporary employees, without complying with the applicable laws and regulations (for example, in terms of social security contributions and other benefits, residence permits, etc.);
- hire or promise to hire Public Authorities' employees (or their relatives, affines, friends, etc.) who participated in authorization processes and audits in relation with the Company;
- promise or grant promises of recruitment/career advancement to employees close to or liked by public officials when this is not in keeping with the Company's real needs and with the principle of meritocracy.

***

Below, examples are provided of possible offences related to the following Instrumental Process:

- *Management of expense reports and public relation expenses.*

Expense reports management might give rise to risks in relation to offences against Government in the event that the Company reimburses fictitious expenses or expenses unrelated to the employee's activities to create slush funds to be used for corruption purposes.

Public relations expense management might give rise to risks in relation to corruption offences, in the event that, for example, a Company authorized party bribes a public official by using sums accounted for as public relations expenses.

With reference to the above activity, the relevant principles of conduct are outlined below.

Addressees involved in expense reimbursements, due to their duties or function, **are required** to:

- prepare the list of expenses in accordance with company procedures, using the dedicated ICT tools;
- ensure that expenses are reimbursed only after they are approved by authorized parties, on the basis of a segregated process, and only in the presence of adequate receipts;
- ensure compliance with the rules adopted by the Company on company credit cards and the type of eligible expenses;
- ensure that company credit cards are assigned to employees with suitable powers;
- ensure that receipts related to expenses incurred with the company credit card are produced;
- carry out specific reviews and monitoring activities on the use of company credit cards and, more generally, on the employee's expense reports
- ensure compliance with the internal limits defined by company procedures on expense reports and use of company credit cards as well as on public relation expenses;
- check that the expenses incurred are related to the work activity, consistent and adequately supported by tax receipts;
- ensure that public relation expenses are not incurred repeatedly with the same beneficiary and that participants are fully traceable;
- undertake a periodic review of personnel's expense reports;
- ensure that abnormal expenses are not reimbursed;
- report, without delay, to immediate superior or to the Company's management, as well as to the Supervisory Board, any conduct aimed at obtaining an unlawful advantage for the Company.

In the context of the cited conducts, it **is prohibited to**:

- incur expenses for meals, entertainment or other forms of hospitality outside company procedures/ reimburse expenses that:
    - have not been duly authorized;
    - are not adequately justified in relation to the type of activity performed;
    - are not supported by tax receipts or are not shown on the list of expenses.

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Below, examples are provided of possible offences related to the following Instrumental Processes:

- *Cash flow management;*
- *Customer receivable management;*
- *Management of inter-company dealings.*

Non-transparent cash management activities might give rise to risks of offences against Government in the event that, for example, the Company creates slush funds for to be used for bribery.

Customer receivable management might give rise to corruption risks in the event that, for example, a Company authorized party authorizes the write-off of loans, also in the absence of the relevant requirements, so as to give a benefit to the borrower and to create slush funds to be used for bribery.

The management of inter-company dealings might give rise to risks of offences against Government and its assets in the event that the Company uses cash in inter-company transactions to create slush funds to be used for bribery.

With reference to the above activities, the relevant principles of conduct are outlined below.

Addressees involved in the above activities, due to their duties or function, **are required** to:

- ensure that cash is managed on the basis of the Company's rules;
- authorize only duly identified and authorized parties to manage and move cash;
- ensure a payment approval process, in accordance with the Company's power and authority delegation system;
- review cash management procedures, paying special attention to cash flows that are not usually associated with the company's operations and that, as such, are managed on the spot and in discretional manner, to prevent the formation of slush funds;
- ensure that all instructions on current accounts held in the Company's name, and payments made in a different manner (e.g. company credit cards) are adequately documented and authorized in keeping with the applicable authority and power delegation system;
- in case of use petty cash, comply with internal rules and the limits set for the use of cash as per the laws in force;
- set limits for the autonomous use of cash by introducing quantitative thresholds consistent with the organizational roles and responsibilities attributed to the individual persons;
- move cash with tools that guarantee its traceability;
- ensure adequate segregation between those who can upload payment slips and whose who manage sensitive data within supplier data sets;
- ensure that banking transactions, such as opening and closing of Company accounts and other transactions, are authorized only by duly authorized parties;
- ensure that inter-company transactions are governed by specific contracts/agreements providing for, among others, roles, responsibilities and agree-upon fees;
- ensure the correct and complete preparation, in line with the provisions of the applicable legislation, of the transfer pricing documentation, suitable for certifying the compliance with the "fair value" of the transfer prices applied in inter-company transactions;
- ensure that the above documentation contains, inter alia, the following information;
  - the map of inter-company transactions;
  - the definition of cost allocation agreements;
  - the formulation of a transfer pricing policy;
- ensure that the documentation is signed by persons with appropriate authority;

- ensure that receivable write-offs take place only on the basis of internal policies and procedures, documentation certain and reliable attesting the actual uncollectibility of the loan, in keeping with accounting standards and tax rules;
- should use be made of third parties in credit management, ensure that relationships with such parties are governed by written agreements containing clauses specifying that:
    - that the third parties state that they are compliant with the principles under Legislative Decree 231/2001 and with the principles of the Code of Conduct
    - that the third parties state that they have fulfilled all the necessary obligations and taken all the necessary precautions to prevent the foregoing offences, with the implementation – where possible – within the company of all the procedures necessary to that effect;
    - the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code;
- ensure that the selection of any third parties takes place in accordance with the section on "management of purchases of goods and services (including consulting services") of this chapter;
- ensure that the documentation is kept on file by the functions involved in the process;
- report every six months to the Supervisory Board the results of the checks carried out on incoming and outgoing financial flows, with an indication of any anomalies found (e.g. lack of supporting documentation, flows relating to purposes not related to the company's business, etc.).

In the context of the cited conducts, it **is prohibited to**:

- make payments in cash for amounts exceeding legal limits or with non-traceable mediums of payment;
- make payments to in numbered accounts or accounts not in the supplier's name;
- make payments to current accounts that provided for by the contract;
- make payments not adequately documented;
- receive payments from parties that have non-commercial/contractual relationship with the Company, save for the specific cases governed by corporate procedures;
- create funds in connection with unjustified payments (in whole or in part), including through transactions with Group Companies;
- create or let other parties create illegal or concealed funds or funds not duly accounted for, through any illegal, simulated, fictitious and/or unrecorded transaction or cash transfer;
- transfer cash or to bearer bank or post office passbooks or to bearer securities in euros or foreign currency, when the value of the transaction, as a whole or in fractions, is equal to or exceeds the limit set by Anti-Money-Laundering laws;
- submit requests to issue and use bank or postal cheques without the non-transferable clause;

- issue bank or postal cheques without the name or the company name of the beneficiary and the non-transferable clause;
- open current accounts or passbooks in anonymous form or under a fictitious name and use any account opened in foreign countries;
- make bank transfers without indicating the recipient;
- make payments when there is no full coincidence between recipients/ordering parties and counterparties actually involved in the transactions;
- make payments or provide compensation to third parties who operate on behalf of the Company that are not adequately justified within the context of the relevant contractual arrangements;
- make payments from/to an account other than that indicate din the master data set or to banks located in tax havens or that do not have physical establishments in any country;
- make payments from/to counterparties located in tax havens, countries at risk of terrorism etc.;
- authorize receivable write-offs in the absence of the relevant requirements.

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Below, examples are provided of possible offences related to the following Instrumental Processes:

- *Management of gifts, donations, events and sponsorships;*
- *Management of internal and external (investors, advertising, etc.) communication.*

Managing gifts, donations, events and sponsorships might give rise to risks in relation to corruption in the event that a Company authorized party makes significant donations to public counterparties, for bribing purposes and to obtain illegal benefits.

The management of internal and external communication (investors, advertising, etc.) might give rise to risks in relation to corruption in the event that a Company authorized party uses funds allocated for the management of communication and marketing events for bribing purposes and to obtain illegal benefits for the Company from public counterparties.

With reference to the above activities, the relevant principles of conduct are outlined below.

Addressees involved in the above activities, due to their duties or function, **are required** to:

- ensure observance of corporate and group rules governing the foregoing processes;
- ensure that corporate procedures call for specific limitations in relation to the characteristics of hospitality, duration of events, their programs and contents;
- check that the sponsorship of an event is covered by the budget approved in accordance with corporate procedures;
- ensure that all events are approved in accordance with the authority delegation system in place;

- in case of events organized by the Company with support from third parties (agencies, riggers, etc.), ensure that such third parties are selected in keeping with the provisions in section "*Management of purchases of goods and services (including consulting services)*" in this chapter;
- ensure that gifts are of reasonable value, linked to a pre-defined commercial purpose and purchased and given in accordance with corporate procedures;
- ensure the existence of a catalogue of goods/services that can be given as gifts;
- ensure the transparency and traceability of the process to approve and provide the gifts;
- ensure the proper and complete filing and recording, including through dedicated registers, of the gifts provided with indication, among others, of the characteristics of the single gadget and the related beneficiary;
- ensure that donations and other contributions are approved by duly authorized parties;
- arrange for a prior screening of the expected beneficiaries of the donation, to verify their peculiarities and integrity;
- ensure the transparency and traceability of donations and other contributions;
- ensure the complete filing, by the functions involved, of the documentation attesting to the contribution provided;
- arrange for relationships with counterparties to be formalized through adequate agreements;
- arrange for a periodic report on gifts provided to be submitted to the Supervisory Board on gifts, events, sponsorships and free loans.

In the context of the cited conducts, it **is prohibited to**:

- distribute gifts and gratuities other than those contemplated by company practices. Allowed gifts are always characterized by their small value or because they are intended to promote charitable initiatives or the Company's brand image. Gifts – except for those with a small value – shall be documented adequately, to allow the Supervisory Board to verify. In particular, it is prohibited to give any gift or gratuity to Italian or foreign public officials and their families that might affect their independent judgment or result in a benefit for the company;
- make charitable donations or sponsorships without the prior authorization or not contemplated by corporate practices; these contributions shall be provided solely to promote charitable or cultural initiatives or the Group's brand image;
- promise or grant benefits to Public/private Entities or other parties indicated by any such Entity, to secure undue benefits for the Company;
- promise or provide benefits to Italian or foreign public officials, including sponsorships, for purposes other than institutional or company-related business;
- provide or promise Public Officials or their families, directly or indirectly, any gift or free service that might appear in any way related to business dealings with the Company, or intended to affect their independent judgment or otherwise to secure a benefit for the Company;

- promise or grant contributions to parties whose names are included in the Lists in possession of the competent Authorities, or to parties under their control, when this control relationship is known.

2.2 Sensitive Processes Relating to Computer Crimes, Illegal Processing of Data and Copyright Infringement Offences

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under article 24-bis and 25-novies of Legislative Decree 231/01 are the following:

- Management of ICT security (Annex C, Sheet 20);
- Management of internal and external (investors, advertising, etc.) communication (Annex C, Sheet 16).

The Company Functions / Departments involved in the Sensitive Processes listed above and falling within the specific Crime Family are identified in Annex C to this Model. Annex C also includes the internal processes and related company procedures.

2.2.1 Specific Principles of Conduct

The Principles reported below are applicable in general to all Recipients, and in particular, to the Company Functions / Managements involved in the Sensitive Processes and reported in Annex C.

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of articles 24-*bis*) and 25- *novies* of Legislative Decree 231/01 **are prohibited**.

***

Below, examples are provided of possible offences related to the following activities:

- *Management of ICT security.*

The Management of ICT security might give rise to risks in relation to ICT crimes in the event that, for example, a Company authorized party uses ICT tools made available by the Company to commit one of the offences referred to in article 24-ter of Legislative Decree 231/2001.

The Management of ICT security might give rise to risks in relation to violations of copyright in the event that, for example, a Company authorized party, to save money, installs software without buying the relevant licences.

Addressees involved in the above activities, due to their duties or function, **are required** to:

- ensure compliance with local and Group ICT operational procedures which form an integral part of the organizational Model;
- for activities involving access management, accounts and profiles arrange for:
    - the formal definition of authentication requirements to allow users to access data and to assign remote access to data to such third parties as consultants and suppliers;
    - user IDs to access applications and the internet to be individual and unique or the assignment of the Super User- *ID* (SUID) to be renewed periodically;
    - passwords to be managed properly, in accordance with guidelines communicated to all users for the selection and use of passwords;
    - the users of ICT systems to be adequately informed of the importance of keeping their access credentials confidential and not to divulge them to third parties;
    - the definition of criteria and procedures for the creation of passwords to access the internet, applications, the Company's databases and critical or sensitive processes (e.g. minimum length of the password, complexity rules, expiration);
    - user accesses, in any way, to systems, data and the internet to be checked from time to time;
    - applications to keep track of the changes to data introduced by users;
    - the definition of criteria and procedures for the assignment, change and cancellation of user profiles;
    - administrator profiles to be managed solely by duly authorized parties;
    - the preparation of an authorization matrix – applications/profiles/requesting party – aligned with existing organizational roles;
    - periodic reviews of user profiles to ensure that they are consistent with the responsibilities assigned;
    - periodic reviews to be carried out to verify the actual use of accounts and, in case of inactive users, cancel the account;
- for activities regarding the management of telecommunication networks, arrange for:
    - the definition of responsibilities for managing the networks;
    - the implementation of security checks, to ensure the confidentiality of internal data and data streaming through public networks;
    - the adoption of mechanisms to segregate networks and to monitor network traffic;
    - the implementation of mechanisms to track security events on networks (e.g. unusual accesses in terms of frequency, manner and timing);

- the implementation and maintenance of ICT network to be governed through the definition of responsibilities and operational procedures, periodic reviews of the working of the networks and the anomalies detected;
- periodic checks to be performed on the Company's ICT network, to identify unusual conducts, such as the download of large files or exceptional server activities outside business hours;
- the definition of criteria and procedures for backup activities which include, for every telecommunication network, the frequency of the activities, the procedures, the number of copies, the data storage period;
- the implementation of a business continuity plan and a disaster recovery plan, to be updated and tested from time to time;

- for activities regarding the management of hardware systems, which include also the management of backups and the continuity of information systems and processes considered critical, arrange for:
  - the definition of criteria and procedures to manage hardware systems, including the preparation and maintenance of an inventory list of hardware used by the Company, and to govern responsibilities and operational procedures in case of hardware implementation and/or maintenance;
  - the definition of criteria and procedures for backup activities including, for every hardware application, the frequency of the activity, the procedures, the number of copies and the data storage period;
- for activities regarding the management of software systems, which include also the management of backups and the continuity of information systems and processes considered critical, arrange for:
  - the definition of criteria and procedures to manage software systems, including the preparation and maintenance of an inventory list of software used by the Company, the use of software formally authorized and certified and the performance of periodic audits of installed software and mass memories in use to check the presence of prohibited and/or potentially harmful software;
  - the definition of criteria and procedures for change management (i.e. the upgrade and implementation of new technological systems/services);
  - the users of information systems to be made aware of the fact that the software assigned to them is protected by copyright and, as such, its duplication, distribution, sale or use for commercial/business purposes is prohibited;
  - the prohibition to download copyrighted software;
  - the installation and use of software not approved by the Company and not related to the professional activity performed by recipients and users to be prohibited;
  - the installation and utilization of unauthorized software (so-called "*P2P*", file sharing or instant messaging) on the Company's information systems, by means of which all types of files can be exchanged with other persons via the Internet (such as films, documents, music, viruses, etc.) without any possibility for the Company to control such activity, be prohibited;

- for activities regarding physical accesses to the sites where the ICT infrastructures are located, arrange for:
    - the definition of security measures, oversight procedures and the relevant frequency, responsibilities, the reporting process for break-ins into the technical areas or breaches of security measures, the counter-measures to be activated;
    - the definition of physical access credentials to the sites where the information systems and the ICT infrastructures are located, such as passwords, token authenticators, PINs, badges, biometric values and their traceability;
- for activities concerning the management of digital documentation, arrange for:
    - the definition of criteria and procedures for the generation, distribution and cancellation of the keys (smart cards);
    - the introduction of procedures for the management of smart cards by any third party;
    - the implementation of controls for the protection of keys from possible modifications, destructions or unauthorized uses;
- in the event that the management of ICT security is carried out - in whole or in part - with support from third parties, ensure that such third parties are selected in keeping with the provisions in section "*Management of purchases of goods and services (including consulting services)*" of this Program and that such third parties are monitored periodically by the ICT function;
- ensure compliance with the standards laid down in the UNI ISO 27001:2013 certification and in the procedures adopted by the Company within the Information Security Management System.

Within the context of such conducts, **it is prohibited to**:

- use IT (e.g. personal computers or laptops) and network resources assigned by the Company for personal purposes or for purposes unrelated to the Company's business;
- alter public and private electronic documents serving as evidence;
- access, without authorization, an ICT system or dwell in it against the express or tacit intention of the party who has the right to prevent such access (the prohibition includes access to internal information systems and access to information systems of public or private competitors, to obtain information on commercial or business developments);
- obtain, reproduce, disseminate, communicate or bring to the knowledge of third parties codes, passwords or other means suited to access ICT systems of other parties protected by security measures, or in providing indications or instructions that would allow a third party to access ICT systems of other parties protected by security measures;
- obtain, produce, reproduce, import, disseminate, communicate, provide or otherwise make available of third parties equipment, devices or software programs to damage illegally an ICT system, the information, data or software contained therein or pertaining to it, or to foster the total or partial interruption or the alteration of its working (the prohibition includes the transmission of viruses to harm the IT systems of competitors);
- intercept, prevent or interrupt illegally communications by computer of by telephone;

- destroy, deteriorate, cancel, alter or suppress information, data or software applications (the prohibition includes the unauthorized intrusion into the information system of a competitor, to alter its information and data);
- destroy, deteriorate, cancel, alter or suppress information, data or software applications used by the State or any other public entity or pertaining to it or otherwise of public utility;
- destroy, damage, disable, in whole or in part, third parties' ICT systems or seriously hinder their functioning;
- destroy, damage, disable, in whole or in part, public ICT systems or seriously hinder their functioning;
- install software/applications in addition to the existing and/or authorized ones or without the proper licences.

In addition to prepare and communicate the procedures related to the different ICT activities, the Company makes available in its intranets the rules for the use and security of ICT systems, which form an integral part of this Compliance Program.

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Below, examples are provided of possible offences related to the following activities:

- *Management of internal and external (investors, advertising, etc.) communication.*

The management of internal and external communication, particularly the marketing activity might give rise to risks in relation to copyright infringements when, for example, a Company authorized party uses without proper authorization, for advertising purposes, other parties' intellectual property.

Addressees involved in the above activities, due to their duties or function, **are required** to:

- ensure compliance with domestic, EU and international copyright laws;
- use copyrighted material on the basis of written agreements with the lawful owner for the relevant use and otherwise within the limits of such agreements;
- fulfil diligently the administrative obligations related to the use of copyrighted material.

In the context of the cited conduct **it is prohibited to**:

- disseminate and/or transmit, through websites, copyrighted material in the absence of an agreement with the relevant owner, or in breach of the terms and conditions laid down in such agreements.

2.3 Sensitive Processes Relating to Receiving Stolen Goods, Money Laundering and Use of Money, Assets or Benefits of Illicit Origin, and Self-Laundering, Organized Crime Offences and Offences Related to Terrorist Financing and Subversion of the Democratic Order

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under articles 25-ter and 25-quater and 25-octies of Legislative Decree 231/01 are as follows:

- Management of commercial activities with rental customers; (annex C, sheet n. 01)
- Negotiation/signing/performance of contracts/agreements with government entities in relation to tenders and/or negotiated procedures; (annex C, sheet n. 02)
- Management of purchases of goods and services (including consulting services); (annex C, sheet n. 06)
- Cash management; (annex C, sheet n. 09)
- Management of inter-company dealings; (annex C, sheet n. 14)
- Management of accounting system, preparation of financial statements and tax management; (annex C, sheet n. 19)
- Management of shareholder meeting activities, equity-related transactions and other corporate actions; (annex C, sheet n. 21)
- Management of gifts, donations, events and sponsorships; (annex C, sheet n. 15)
- Management of remarketing activities; (annex C, sheet n. 11)
- Selection and management of commercial partners and agents; (annex C, sheet n. 07)
- Management of personnel and reward system; (annex C, sheet n. 08)

The Company Functions/Departments involved in the sensitive processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

2.3.1 Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of articles 25-ter and 25-quater and 25-octies of Legislative Decree 231/01**are prohibited**.

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Below, examples are provided of possible offences related to the following activities:

- *Management of commercial activities with rental customers;*
- *Negotiation/signing/performance of contracts/agreements with government entities in relation to tenders and/or negotiated procedures;*
- *Management of remarketing activities;*
- *Management of purchases of goods and services (including consulting services);*
- *Selection and management of commercial partners and agents;*
- *Management of personnel and reward system;*
- *Cash management;*
- *Management of gifts, donations, events and sponsorships;*
- *Management of inter-company dealings.*

The management of commercial activities with rental customers might give rise to risks in relation to the perpetration of anti-money-laundering offences in the event that a Company authorized party supports a customer in reintroducing in the legal circuit money or other assets of illicit origin.

The management of commercial activities with rental customers might give rise to risks in relation to offences linked to terrorist financing in the event that, for example, a Company authorized party provides to terrorist organizations or parties related to such organizations products that can be used also in terrorist attacks.

The management of commercial activities with rental customers might give rise to risks in relation to organized crime offences in the event that, for example, a Company authorized party provides to criminal organizations or parties related to such organizations products that can be used also in criminal activities.

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to organized crime offences in the event that in the event that the Company enters into fictitious contracts or contracts with inconsistent amounts with suppliers close to criminal organizations, to obtain financial and/or tax benefits.

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to the offence resulting from receiving stolen goods in the event that, to obtain an undue benefit, the Company purchases goods of illicit origin.

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to money laundering in the event that, for example, invoices or other documents are recorded for non-existent transactions to evade income taxes and value added tax, thus allowing the Company to build an illicit reserve to be used, replaced and transferred to economic, financial, business or speculative activities, so as to obstruct the identification of its illegal origin.

Little transparency in the management of purchases of goods and services might give rise to risks related to terrorism-related offences in the event that, for example, by transferring sums

of money, the Company provides financial support to organizations involved in terroristic or subversive activities.

The selection and management of commercial partners and agents might give rise to risks related to organized crime offences in the event that the Company selects third parties that are affiliated or close to a mafia-like organization.

The selection and management of commercial partners and agents might give rise to risks related to organized crime offences in the event that, for example, a Company authorized party:

- enters into fictitious contracts or contracts with inconsistent amounts with criminal organizations, to obtain financial and/or tax benefits;

- selects counterparties “close” to criminal organizations to obtain financial benefits;

- selects and hires personnel “close” to criminal organizations to obtain financial benefits.

The selection and management of commercial partners and agents might give rise to risks related to terrorism-related offences in the event that, for example, by transferring sums of money, the Company provides financial support to organizations involved in terroristic or subversive activities.

Personnel management might give rise to risks related to organized crime offences in the event that, to receive an undue benefit, the Company recruits an employee recommended by or close to a criminal organization.

Little transparency in cash management might give rise to risks related to self-laundering in the event that, for example, it is possible to build an illicit reserve to be used, replaced and transferred to economic, financial, business or speculative activities, so as to obstruct the identification of its illegal origin.

Cash management, particularly the receipt of payments, might give rise to risks in relation to receiving of stolen goods, money laundering and use of money in the event that, for example, the Company accepts money of illicit origin.

Cash management might give rise to risks in relation to organized crime and terrorism-related offences in the event that, for example, the Company makes undue payments for services that are partly or entirely fictitious to criminal, mafia-line and terrorist organizations to aid them in their illegal activity.

The management of inter-company dealings might give rise to risks in relation to receiving of stolen goods, money laundering and self-laundering in the event that Company authorized parties, or their delegated parties, use cash in transaction with Group companies to introduce in the legal circuit money of illicit origin.

The management of activities involving negotiation/signing/performance of contracts/agreements with government and private entities in relation to tenders and/or negotiated procedures as well as remarketing activities might give rise to risks in relation to self-laundering in the event that, for example, a Company authorized party - having committed, or helped to commit, bid rigging – uses, replaces, transfers to economic, financial, business or speculative activities the proceeds from such offence, so as to actually obstruct the identification of their illicit origin

The management of activities involving negotiation/signing/performance of contracts/agreements with government and private entities in relation to tenders and/or negotiated procedures as well as remarketing activities might give rise to risks in relation to terrorism-related activities in the event that, for example, a Company authorized party provides to terrorist organizations or parties related to such organizations products that can be used also in terrorist activities.

The management of activities involving negotiation/signing/performance of contracts/agreements with government and private entities in relation to tenders and/or negotiated procedures as well as remarketing activities might give rise to risks in relation to organized crime offences in the event that, for example, a Company authorized party enters into fictitious contracts or contracts with inconsistent amounts with parties close to criminal organizations, to obtain financial and/or tax benefits.

The management of gifts, donations, events and sponsorships might give rise to risks in relation to organized crime offences in the event that a Company authorized party relies on agencies/third parties related to criminal organizations.

The management of gifts, donations, events and sponsorships might give rise to risks in relation to terrorism-related offences in the event that a Company authorized party sponsors and promotes charitable activities for the benefit of member of terrorist organizations.

For specific principles of conduct in relation to:

- *Management of commercial activities with rental customers;*
- *Negotiation/signing/performance of contracts/agreements with government entities in relation to tenders and/or negotiated procedures;*
- *Management of purchases of goods and services (including consulting services);*
- *Selection and management of commercial partners and agents;*
- *Management of personnel and reward system;*
- *Cash management;*
- *Management of inter-company dealings;*
- *Management of remarketing activities;*
- *Management of gifts, donations, events and sponsorships*

reference is made to *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"" in this Compliance Program.*

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Below, examples are provided of possible offences related to the following activities:

- *Management of accounting system, preparation of financial statements and tax management;*
- *Management of shareholder meeting activities, equity-related transactions and other corporate actions.*

Tax management might give rise to risks in relation to self-laundering in the event that, for example, thanks to invoices or other documents for non-existent transactions used to evade income taxes and value added tax, a Company authorized party reported fictitious tax-deductible expenses in the annual income tax return, thereby allowing the Company to build an illicit reserve to be used, replaced and transferred by the same party to economic, financial, business or speculative activities, so as to obstruct the identification of its illegal origin

The management of equity-related transactions and other corporate actions might give rise to risks in relation to money laundering and self-laundering offences, in the event that the members of the Board of Directors, the Statutory Auditors or the Shareholders carry out transactions with the use of money from illicit origin.

For specific principles of conduct in relation to:

- *Management of accounting system, preparation of financial statements and tax management;*
- *Management of shareholder meeting activities, equity-related transactions and other corporate actions.*

reference is made to the section on "*Sensitive Processes Relating to Corporate Offences*" (including private-to-private corruption practices).

2.4 Sensitive Processes in the Area of Offences Involving Non-Cash Payment Instruments

The main Sensitive Processes that the Company has identified internally in relation to the crimes set forth in Articles 25-octies.1 of Legislative Decree 231/01 are as follows:

- Management of non-cash payment instruments; (Annex C, Sheet 23)
- IT security management. (Annex 3, Sheet 20)

The Functions/Company Departments involved in the Sensitive Processes listed above and falling within the specific Offence Family are set out in Annex C to this Program. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

The following Principles apply in a general context to all Addressees and specifically to the Company Functions/Departments involved in Sensitive Processes, as listed in Annex C.

In addition to the content stated in the "General Control Environment" paragraph at the beginning of this section, **it is imperative** to ensure that the execution of the aforementioned activities complies rigorously with the following:

- applicable laws and regulations;

- corporate and Group policies and procedures;
- principles of loyalty, fairness and clarity;
- Code of Conduct.

In general, engaging in or contributing to conduct that could align with the cases mentioned in Article 25-octies.1 of Legislative Decree 231/2001 **is strictly prohibited.**

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Below, examples are provided of possible offences related to the following activities:

• *Management of non-cash payment instruments.*

The management of non-cash payment instruments could present risk profiles in relation to the offence of undue use and falsification of non-cash payment instruments if, for example, a Company representative were to use inappropriately third-party credit cards, without being the rightful holder, in the interest of the Company.

In addition, the management of non-cash payment instruments could present risk profiles in relation to the offence of information fraud if, for example, a Company representative were to alter the operation of a computer system, in a way that leads to a transfer of funds at the expense of third parties and for the benefit of the Company.

Addressees as defined above who, by reason of their office or function or specific mandate, are involved in the management of the aforementioned activity, **are obliged** to:

- ensure a clear identification of the persons in whose names the payment instruments are registered and how payment authorizations are granted;
- ensure that, in the case of corporate non-cash payment instrument use by non-owners, there is a delegation of authority with precise instructions and a defined scope of operation for the users;
- Ensure constant monitoring and traceability of non-cash payment instruments issued by the Company to customers or employees.

Additionally, the Company ensures that employees are trained on the risks associated with the use of non-cash payment instruments and the control procedures implemented.

Regarding the above conduct, it is **expressly prohibited to**:

- forge, alter, misuse - without being the holder and in order to obtain a profit for oneself or others (in particular, for the Company) - credit or payment cards, any document enabling the withdrawal of cash or the purchase of goods or services and any other non-cash payment instrument;
- alter in any way the functioning of computer or electronic systems or interfere with the contents of such systems in order to carry out a transfer of money, monetary value or virtual currency.

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Below, examples are provided of possible offences related to the following activity:

• *IT security management.*

IT security management could present risk profiles in relation to the offence of information fraud if, for example, a company representative were to alter the operation of an IT system,

leading to a transfer of money at the expense of third parties and for the benefit of the Company.

Addressees, as defined above, who, by reason of their office or function or specific mandate, are involved in the management of the aforementioned activity, in addition to the provisions of the "*Sensitive Processes in relation to computer crimes and unlawful data processing and copyright infringement offences*" of this Program, **are obliged to**

- ensure the monitoring and traceability of the physical equipment and hardware in use at the Company;
- implement blocking systems in relation to the installation and use of unauthorized hardware and software unrelated to the professional activity performed by individual employees;
- carry out periodic checks in order to detect any unauthorized program installations, with the authority to forcibly delete any unauthorized content.

As part of the above conduct, **it is prohibited to**:

- alter in any way the operation of computer or electronic systems or interfere with the contents of said systems in order to carry out a transfer of money, monetary value or virtual currency;
- illegally enter, directly or through an intermediary, a computer or electronic system protected by security measures against the will of the owner of the right of access, including for the purpose of misusing, falsifying or altering non-cash payment instruments.

2.5 Sensitive Processes Relating to Offences for Counterfeiting Money or Falsifying Government Securities, duty stamps or Identifying Marks and Offences against Industry and Commerce

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under articles 25-bis and 25-bis 1 of Legislative Decree 231/01 are as follows:

- Management of commercial activities with rental customers; (annex C, sheet n. 01)
- Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures; (annex C, sheet n. 02)
- Management of remarketing activities; (annex C, sheet n. 11)
- Management of development activities; (annex C, sheet n. 12)
- Management of internal and external (investors, advertising, etc.) communication. (annex C, sheet n. 16)

The Company Functions/Departments involved in the sensitive processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related Company procedures.

2.5.1 Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of articles 25-bis and 25-bis I of Legislative Decree 231/01 **are prohibited**.

Below, examples are provided of possible offences related to the following activities:

- *Management of commercial activities with rental customers;*
- *Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures;*
- *Management of remarketing activities.*

The management of commercial activities with rental customers, remarketing activities and the negotiation/signing/performance of contracts/agreements with government and private entities in relation to tenders and/or negotiated procedures might give rise to risks related to the perpetration of fraud in performing commercial activities in the event that, for example, a Company authorized party provides a customer with a product of quality other than that stated or agreed upon.

For specific principles of conduct in relation to:

- *Management of commercial activities with rental customers;*
- *Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures;*
- *Management of remarketing activities.*

Reference is made to *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*"*"* in this Compliance Program.

Moreover, the Addressees who, by reason of their position or mandate, are involved in the management of these activities, are obliged to:

- ensure that the products and services supplied to customers conform to the quality and quantity indicated in the contracts concluded with them;

- ensure that contractual clauses are included in contracts with Partners, obliging them to guarantee that the products and services supplied to customers conform to the quantities and qualities agreed between them and the Company;

- comply with company procedures on the management of non-conformities of products supplied to customers and the handling of complaints.

Below, examples are provided of possible offences related to the following activities:

- *Management of development activities;*
- *Management of internal and external (investors, advertising, etc.) communication.*

The management of activities for the development of new services might give rise to risks in relation to the counterfeiting of instruments or trademarks in the event that, for example, a Company authorized party, aware of the existence of intellectual property rights, counterfeits or alters domestic or foreign trademarks of distinctive signs of industrial products or, without taking part in their counterfeiting or alteration, uses such counterfeited or altered trademarks or signs.

The management of internal and external communication, especially the marketing activity, and the development of new services might give rise to risks in relation to the perpetration of offences against industry and commerce in the event that, for example, the Company uses fraudulent means – such as deception, contrivances and lies – to misguide a customer in the context of the promotion of new products and services, including the use of third parties' trademarks, the dissemination of false and tendentious news and misleading advertising.

The management of internal and external communication, especially the marketing activity, might give rise to risks in relation to the counterfeiting of instruments or trademarks in the event that, for example, a Company authorized party uses illegally, for advertising purposes, a pre-existing trademark or distinctive sign owned by a third party.

Below the specific principles of conduct for the above activities are indicated.

Addressees involved in the research and development activities, due to their duties or function, **are required** to:

- ensure compliance with internal, EU and international rules on the protection of intellectual property rights, patents, drawings or models;
- ensure an adequate segregation of duties with respect to development activities;
- check the lack of possible infringements of third-party rights in the development of new services and in the communication activity;
- monitor systematically the applicable laws and regulations.

Within the context of such conducts, **it is prohibited to**:

- utilize or market products and services covered by third parties' intellectual property rights in the absence of specific agreements with the relevant owners or in breach of the terms and conditions provided for by such agreements;
- undertake any conduct intended, in general, to produce and sell products protected by third parties' intellectual property rights.

2.6 Sensitive Processes Relating to Corporate Offences (including private-to-private corruption offences)

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under article 25-ter of Legislative Decree 231/01 are the following:

- Management of administrative obligations, non-commercial relations with Public Authorities and related inspection activities; (annex C, sheet n. 03)
- Management of accounting system, preparation of financial statements and tax management; (annex C, sheet n. 19)
- Management of shareholder meeting activities, equity-related transactions and other corporate actions; (annex C, sheet n. 21)
- Management of relationships with corporate bodies; (annex C, sheet n. 17)
- Management of internal and external (investors, advertising, etc.) communication. (annex C, sheet n. 16)

With specific reference to crimes of private-to-private corruption, the Company has, in addition, identified the following Sensitive and Instrumental Processes:

Sensitive Processes

- Management of commercial activities with rental customers; (Annex C, sheet 01)
- Negotiation/signing/performance of contracts/agreements in the context of tenders and/or in negotiated procedures (Annex C, sheet 02)
- Management of remarketing activities; (Annex C, sheet11)
- Participation in tenders launched by private entities; (Annex C, sheet 22);
- Litigation management and relations with judicial authorities and management of out-of-court settlements; (Annex C, sheet 04);
- Management of relations with certification entities. (Annex C, sheet 05)

Instrumental Processes

- Management of purchases of goods and services (including consulting services); (Annex C, sheet 06)
- Selection and management of business partners and agents; (Annex C, sheet 07)
- Personnel management and reward system; (Annex C, sheet 08)
- Management of expense reports and public relations expenses; (Annex C, sheet 13)
- Cash flow management; (Annex C, sheet 09)
- Management of customer receivables; (Annex C, sheet 10)
- Management of inter-company dealings; (Annex C, sheet 14)
- Management of gifts, donations, events and sponsorships; (Annex C, sheet 15)
- Management of internal and external communication (investors, advertising, etc.). (Annex C, sheet 16)

The Company Entities/Departments involved in the Sensitive and Instrumental Processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

2.6.1 Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of article 25-ter of Legislative Decree 231/2001 **are prohibited**.

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Specific principles of conduct in relation to corporate offences

Below, examples are provided of possible offences related to the following Sensitive Processes:

- *Management of accounting system, preparation of financial statements and tax management;*
- *Management of internal and external (investors, advertising, etc.) communication.*

The activities related to the management of the accounting system and the preparation of the financial statements might give rise to risks of false corporate communications, for example through the approval of untruthful financial statements also due to the incorrect management, recording, aggregation and evaluation of accounting data.

The management of the accounting system might give rise to risks in relation to corporate offences in the event that the Company changed the accounting data on company systems to provide a false view of the financial condition, operating results and cash flow by entering fictitious accounting items or amounts different from the actual ones.

The activities related to the management of the internal and external communication (investors, advertising, etc.) might give rise to risks in relation to false corporate communications in the event that, for example, the Director or the Manager responsible for preparing the financial reports intentionally report untruthful material facts or omit material

facts, which are required to be reported by law, on the financial condition, operating results and cash flow of the company or the group, so as to mislead financial report users.

Addressees involved in the management of accounting activities and the preparation of financial statements and annexes thereto, due to their duties or function, **are required** to:

- ensure the most rigorous accounting transparency at all times and under any circumstances;
- carry out all communications in accordance with the principles of good faith, truthfulness, fairness and transparency;
- identify clearly and completely the functions interested in the communications, as well as the data and news that such functions need to provide;
- provide the necessary training on the main legal and accounting concepts and issues related to the preparation of financial statements, for the heads of the functions involved in the preparation of the financial statements and related documents, ensuring in particular the organization of classes for new employees and the upgrading of the skills of existing employees;
- observe strictly with all laws to protect the integrity and effectiveness of the share capital, so as not to undermine the guarantees of creditors and third parties in general;
- comply with the rules of clear, fair and full accounting of the Company's transactions;
- ensure compliance with company rules on the preparation of the separate and consolidated financial statements;
- ensure compliance with the rules on the segregation of duties between the party that executes the transaction, the party that records the transaction and the party that exercises the relevant control;
- ensure compliance with payment and filing obligations and the deadlines set by tax laws;
- ensure that the draft financial statements are reviewed by all the company functions provided for by the corporate procedures;
- ensure that relations with the Supervision Authorities, including Tax Authorities, are characterized by utmost transparency, collaboration, availability and full respect for their institutional role and the applicable laws in force, the general principles and rules of conduct referred to in the Code of Conduct and in this part of the Compliance Program;
- fulfil promptly the instructions of the Authorities and the required obligations;
- ensure that the documentation to be submitted to the Supervision Authorities is produced by parties competent on the subject as identified previously;
- use accounting systems that ensure the traceability of the single transactions and the identification of the users that enter data in the system or change its contents;
- fulfil the obligations set out by the laws on direct and indirect taxes, ensuring that all inter-company transactions are formalized by specific agreements;
- ensure the regular functioning of the Company and the Corporate Bodies, guaranteeing and facilitating the adoption of any internal control procedure provided for by the law, and the unfettered and correct decision-making processes by the shareholders;

- comply with the procedure governing the process to evaluate and select the independent auditing firm;
- assign consulting projects in relation to activities other than auditing to the independent auditing firm or to companies or professional organizations belonging to the same network solely in accordance with the applicable laws;
- where use is made of third parties (Companies, consultants, professionals etc.), ensure that such arrangements are governed by formal agreements containing clauses that specify:
    - that the third parties state that they are compliant with the principles under Legislative Decree 231/2001 and with the principles of the Code of Conduct;
    - that the third parties state that they have fulfilled all the necessary obligations and taken all the necessary precautions to prevent the foregoing offences, with the implementation – where possible – within the company of all the procedures necessary to that effect;
    - the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code.

Within the context of such conducts, **it is prohibited to**:

- act in ways intended to covey misleading information regarding the true conditions of the Company, by not providing a true and fair view of the Company's financial situation, operating results and cash flows;
- omit data and information required by law on the Company's financial condition, operating results and cash flows;
- return capital contributions to shareholders or release shareholders from their obligation to contribute capital, save for cases of lawful share capital reductions;
- carry out share capital reductions, mergers or spin offs in breach of laws on the protection of creditors;
- proceed in any way to form or increase share capital fictitiously;
- carry out transactions, including with Group companies, to avoid tax obligations;
- alter or destroy financial and accounting documents or information available on the internet through unauthorized access or other actions undertaken to that effect;
- file untruthful statements to the Supervision Authority, submitting documents that do not reflect reality, in whole or in part;

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Below, examples are provided of possible offences related to the following Sensitive Processes:

- *Management of shareholder meeting activities, equity-related transactions and other corporate actions;*
- *Management of relationships with corporate bodies.*

The management of shareholder-meeting activities might give rise to risks in relation to the perpetration of offences related to illicit influence of the body of shareholders, in the event that the majority of shareholders is reached through simulated of fraudulent acts, for example by submitting false and misleading documents and information.

The management of shareholder-meeting activities, equity-related transactions and other corporate actions might give rise to risks in relation to corporate offences in the event that, for example, the company's Directors or Statutory Auditors act in ways that is detrimental to the Company's shareholders, through equity-related transactions and/or other corporate actions or the improper management of shareholder-meeting activities.

The management of shareholder-meeting activities, equity-related transactions and other corporate actions might give rise to risks in relation to obstruction of supervision authorities' activities in the event that, for example, the directors provide, in communications to the supervision authorities required by law, untruthful information so as to obstruct their activity.

Equity-related transactions and other corporate actions might give rise to risks in relation to the illegal return of capital contributions, illegal distribution of profits and reserves, illegal share/unit transactions and fictitious share capital formation in the event that Directors, Statutory Auditors or Shareholders act in ways that undermine the value of Company assets.

The activities related to the management of relationships with corporate bodies might give rise to risks in relation to obstruction of audit in the event that, for example, a Company authorized party conceals documents or engages in trickery to prevent or otherwise obstruct the audit activities of shareholders and other corporate bodies.

All corporate obligations (meeting calls, corporate record keeping, administrative filings, etc.) are managed by Corporate Affairs, in accordance with the procedures and timing required by law. The Corporate Affairs department shall record the proceedings of shareholder meetings and keep corporate books.

All documentation shall be filed by the functions involved in the process, on the basis of company rules and the applicable regulations.

Equity-related transactions and/or other corporate actions are discussed and approved by the Board of Directors and/or the Body of Shareholders

Regarding the management of shareholder-meeting activities, equity-related transactions and other corporate actions, the parties involved shall guarantee the proper functioning of the Company and the corporate bodies, ensuring and fostering the free and correct formation of the shareholders' will.

Addressees involved in the management of shareholder-meeting activities, equity-related transactions and other corporate actions, due to their duties or function, **are required** to:

- guarantee the proper functioning of the Company, ensuring and fostering the free and correct formation of the shareholders' will;
- adopt specific measures intended to ensure that the organization of the Shareholder Meeting, the proceedings of the meeting and the post-shareholder-meeting obligations are implemented in accordance with the applicable regulations on shareholder-meeting obligations;

- prepare the documents related to the resolutions to be adopted and to convene the corporate bodies in a clear and precise manner;
- ensure that administrative and accounting obligations relating to equity-related transactions and/or other corporate actions are managed with utmost diligence and professionalism, avoiding conflicts of interests;
- observe all the laws enacted to protect the integrity and effectiveness of the company's share capital, so as not to undermine the guarantees of creditors and third parties in general;
- ensure that the power to approve such transactions as acquisitions, sales, mergers, investments, divestments or the assumption of commitments in general by the Bank and the strategic subsidiaries, directly or indirectly, rests – within the limits set by the Articles of Association – with the Board of Directors;
- ensure the proper functioning of corporate bodies allowing performance of all internal controls;
- in relationships with the Board of Statutory Auditors and the independent audit firm, ensure utmost diligence, professionalism, transparency, collaboration, availability and full respect for the role of such parties;
- make available data and documents requested by the control bodies in a precise manner and in a clear, objective and exhaustive language, so as to provide accurate, complete, true and fair information.

With reference to corporate actions (related typically to borrowings and financing, share capital subscription and increases, provision of guarantees and sureties, provision of loans and subscription of bonds, acquisition of businesses or equity interests, as well as such activities as mergers, spin offs, capital contributions), the parties involved shall ensure that the competent party – be it the Board of Directors or other authorized party – has such support as to make an informed decision.

The authorized function is required, for every corporate action to be approved, to prepare the documentation necessary to evaluate the feasibility and the cost-benefit analysis, including where applicable:

- a qualitative and quantitative discussion of the target (feasibility study, financial analyses, research and statistics on the reference market, presentation of alternative scenarios);
- characteristics and parties involved in the transaction, including through a compliance analysis of such parties;
- technical structure, main guarantees, side agreements and funding of transaction;
- manners to determine the terms and conditions of the transaction and indication of any external consultant/intermediary/advisor involved;
- impact on prospective financial condition, operating results and cash flows;
- considerations regarding the fairness and the benefits in terms of Company interests of the transaction;

Within the context of such conducts, **it is prohibited**, during shareholder meetings, to take simulated or fraudulent actions intended to alter the regular formation of the shareholders' will. In addition, **it is prohibited** to:

- return capital contributions to the shareholders or release the shareholders from the obligation to make such capital contributions, except for cases of lawful reduction of share capital;
- pay dividends or interim dividends out of unrealized profits or profits to be allocated to reserves by law, or distribute reserves, including reserves not made of profits, that cannot be distributed by law;
- purchase or subscribe – save as otherwise provided for by law – own shares, shares of subsidiaries by reducing share capital or reserves that cannot be distributed by law;
- reduce share capital, merge or carry out spin offs with another company, in breach of the laws on the protection of creditors, to the detriment of creditors;
- act in such a way as to form or increase fictitiously share capital through: (i) assignment of shares or units for a total amount in excess of share capital; (ii) mutual subscription of shares or units; (iii) significant overestimation of contributions in kind or receivables or the assets of the Bank in case of transformation;
- transferring assets to shareholders in the Bank' liquidation before paying off creditors or setting aside the sums necessary to repay them, thereby causing harm to such creditors;
- hold such a deceitful conduct as to mislead the Board of Statutory Auditors and the independent audit firm in the analysis of the documentation submitted;
- exhibit incomplete documents and false or altered data.

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Below, examples are provided of possible offences related to the following Sensitive Process:

- *Management of administrative obligations, non-commercial relations with Public Authorities and related inspection activities.*

The management of administrative obligations, non-commercial relations with Public Authorities and related inspection activities might give rise to risks in relation to obstruction of supervision authorities' activities in the event that, for example, the Company's directors provide, in communications to the supervision authorities required by law, untruthful information so as to obstruct their activity.

For specific principles of conduct in relation to the foregoing sensitive area, reference is made to the section on *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"* in this Compliance Program.

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Specific principles of conduct relating to private-to-private corruption offences

Below, examples are provided of possible offences related to the following Sensitive Processes:

- *Management of commercial activities with rental customers*
- *Negotiation/signing/performance of contracts/agreements in the context of tenders and/or in negotiated procedures*
- *Management of remarketing activities*

Managing commercial activities with rental customers, the negotiation/signing/performance of contracts/agreements with private parties in the context of tenders and/or negotiated procedures and the management of remarketing activities could present risk profiles in relation to private-to-private corruption offences in the event that a subordinate or senior person of the Company offers or promises money or other benefits to the head of the purchasing office of a Client company to secure the stipulation of a contract for the supply of a product or service at a price higher than the market price or at particularly unfavourable terms compared to the going rates.
Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program

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Below, examples are provided of possible offences related to the following activities:

- *Participation in tenders launched by private entities*

Participation in tenders launched by private contracting parties could present risk profiles in relation to private-to-private corruption offences in the event that, for example, a Company representative bribes a representative of a company that has launched a tender in order to be awarded the contract.
With reference to the above-mentioned activity, the specific principles of conduct are set out below.
Addressees, as defined above, who, due to their position or function, are involved in the management of tenders called by private contracting parties, **are required to**:

- ensure the formal identification of the internal or external functions involved in the management of private tenders (with the definition of roles and responsibilities in relation to the tender process);
- ensure compliance with the obligation to involve several persons (internal or external) in the preparation and review of the documentation before sending it to the contracting party;
- ensure the existence of authorisation levels (consistent with the company's power delegation system) for entering into agreements and committing financial resources.

Addressees who, by reason of their position or function, are involved in the management of tenders launched by private contracting parties **are prohibited from**:

- performing services or making payments to private contracting parties launching tenders that are not appropriate;
- making promises or undue gifts of money or other gratuities (by way of example: gifts of significant value, employment contracts, assignment of professional, commercial or technical engagements) to persons launching private tenders, with the aim of promoting or furthering the interests of the Company;
- acting in any case with the intention of improperly influencing the decisions of the persons launching private tenders;
- giving in to requests or pressure from persons launching private tenders.

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Below, examples are provided of possible offences related to the following Sensitive Process:

• *Litigation management and relations with judicial authorities and management of out-of-court settlements.*

The management of out-of-court settlements could present risk profiles in relation to private-to-private corruption offences if a Company representative (or even a consultant, such as a lawyer) were to bribe the authorized representative or lawyer of the counterparty (e.g. a corporation) in order to obtain a favourable settlement of the dispute (e.g. through the waiver of the dispute by the counterparty or an out-of-court settlement on better terms). Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

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Below, examples are provided of possible offences related to the following Instrumental Process:

• *Management of purchases of goods and services (including consulting services).*

The management of purchases of goods and services (including consulting services) could present risk profiles in relation to private-to-private corruption offences in the event that, for example, a senior manager or a subordinate hands over money or other gratuities (e.g., gifts, hires, etc.) o the head of the purchasing department of a supplier company in order to obtain the supply of a good or service at a price lower than the market price or at particularly favourable terms compared to the going rates.

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

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Below, examples are provided of possible offences related to the following Instrumental Process:

- *Selection and management of commercial partners.*

The selection and management of commercial partners may pose risks related to corruption offenses in the event, for example, that a subordinate or a senior individual within the Company engages in creating fictitious contracts or intentionally undervalues contracts with partners to establish slush funds for corrupt activities.

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

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Below, examples are provided of possible offences related to the following Instrumental Process:

- *Management of personnel and reward system.*

Personnel management could present risk profiles in relation to private-to-private corruption offenses in the event that, for example, a senior manager or subordinate of the Company hires an employee of a competing company in exchange for information useful to the Company itself (trade secrets, etc.).

The management of the reward system could present risk profiles in relation to the crime of bribery, in the event that the Company disburses cash rewards/incentives to an employee that are intentionally not proportionate to his or her role/competencies, in order to provide the employee with funds to engage in corrupt practices.

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

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Below, examples are provided of possible offences related to the following activity:

- *Management of expense reports and public relations expenses.*

The management of expense reports could present risk profiles in relation to private-to-private corruption offenses, in the event that the Company, in order to provide employees with funds to be used for corruption activities, were to reimburse fictitious expenses or expenses that are not justified by the employee's normal activity.

The management of public relations expenses could present risk profiles in relation to corruption offenses, in the event that, for example, a senior person or subordinate of the Company, employs sums then accounted for as public relations expenses to bribe a private counterpart

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration*

and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities" of this Program.

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Below, examples are provided of possible offences related to the following Instrumental Processes:

- *Cash flow management;*
- *Management and measurement of customer receivables;*
- *Management of inter-company dealings.*

Non-transparent cash management could present risk profiles in relation to private-to-private corruption offenses in the event that, for example, the Company were allowed to set aside funds for corruption activities.

The management and measurement of customer receivables could present risk profiles in relation to private-to-private corruption offenses in the event that, for example, a subordinate or a senior manager of the Company were to authorize the derecognition of receivables, even though the relevant requirements are not met, in order to benefit the counterparty and create slush funds to be used for corruption activities.

The management of inter-company dealings could present risk profiles in relation to the private-to-private corruption offenses in the event that the Company were to use employees in transactions with Group companies in order to create slush funds to be used for corruption activities.

Non-transparent cash management could present risk profiles in relation to private-to-private corruption offenses in the event that, for example, the Company were allowed to create slush funds for corruption activities.

The management and measurement of customer receivables could present risk profiles in relation to private-to-private corruption offenses in the event that, for example, a subordinate or a senior manager of the Company were to authorize the write-off of receivables, even though the relevant requirements are not met, in order to benefit the counterparty and create slush funds to be used for corruption activities.

The management of inter-company dealings could present risk profiles in relation to the private-to-private corruption offenses in the event that the Company were to use employees in transactions with Group companies in order to create slush funds to be used for corruption activities.

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

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Below, examples are provided of possible offences related to the following activities:

- *Management of gifts, donations, events and sponsorships;*
- *Management of internal and external communication (investors, advertising, etc.).*

The management of gifts, donations, events and sponsorships could present risk profiles in relation to corruption offenses in the event that a senior manager or subordinate of the Company donates significant amounts to private parties to engage in corrupt practices and obtain illegal benefits.

The management of internal and external communication (investors, advertising, etc.) could present risk profiles in relation to the crime of corruption in the event that a senior manager or subordinate of the Company were to use the funds allocated for the management of communication and marketing activities for corrupt purposes, to obtain illegal benefits for the Company from public or private counterparts

Reference is made, insofar as applicable, to the principles of conduct set out in the "*Sensitive/Instrumental Processes related to offences against the Public Administration and offences of Inducement to refrain from making statements or to make false statements to the Judicial Authorities*" of this Program.

2.7 Sensitive Processes Relating to Manslaughter and Serious Personal Injury or Grievous Bodily Harm, Committed in Violation of the Rules on Accident Prevention and Hygiene and Health at Work

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under article 25-septies of Legislative Decree 231/01 are the following:

- Management of purchases of goods and services (including consulting services); (annex C, sheet n. 06)
- Selection and management of commercial partners and agents; (annex C, sheet n. 07)
- Management of the prevention and protection system in the area of health and safety at work; (annex C, sheet n. 18)

The Company Functions/Departments involved in the sensitive processes listed above that fall within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of article 25-*septies* of Legislative Decree 231/01 **are prohibited**.

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Below, examples are provided of possible offences related to the following activities:

- *Management of the prevention and protection system in the area of health and safety at work.*

The management of the prevention and protection system might give rise to risks in relation to manslaughter and serious personal injuries and grievous bodily harm committed in breach of the rules on health and safety at work in the event that, for example, the Company – to save on costs – fails to comply with the laws on the protection on workers' health and safety, causing a worker to suffer personal injuries.

Regarding the offences committed in violation of the laws on the protection of health and safety at work, the Company has implemented an internal control system for workplace safety, which is designed to prevent possible violations of the applicable regulations, and to ensure the technical capabilities and powers necessary to check, assess and manage risk through the set-up of a suitable organizational structure, rules and internal procedures and constant process monitoring.

In particular, the Company set up an organizational unit with specific duties and responsibilities on health and safety, which are defined formally in keeping with the company's organizational and functional system, starting from the Employer to the single worker, with special emphasis on the specific figures operating in this context (RSPP – Head of the prevention and protection service; MC – Competent physician; RLS – Representative for workers' safety; ASPP – Personnel of the prevention and protection service, Emergency, first aid and firefighting team, Persons in charge).

In this way, the Company has set up a group responsible for protecting the areas in question thanks to the cooperation among several parties that perform the work necessary by combining their separate competences.

With reference to the above activity, below the specific principles of conduct are indicated.

Procedures/Instructions

- The Company must issue procedures/instructions that formally define duties and responsibilities on safety;

- The Company must monitor accidents on the workplace and organize the communication to INAIL (National Insurance Institute for Occupational Accidents), in accordance with the law;

- The Company must monitor occupational illnesses and organize the communication of the relevant data to the National Register of occupational illnesses established in the INAIL database;

- The Company must adopt a procedure/make internal arrangements for the organization of preventive and periodic health-related inspections;

- The Company must adopt a procedure/ make internal arrangements for the management of first aid, emergency, evacuation and fire prevention activities;

- The Company must adopt a procedure/make internal arrangements for the administrative management of injury and occupational illness cases.

Requisites and Skills

The person in charge of the Prevention and Protection Service, the competent physician, the personnel responsible for the first aid, and the staff assigned to the Prevention and Protection Service and the Persons in charge shall be formally appointed;

- The persons responsible for controlling the implementation of maintenance/improvement measures shall be identified;

- The competent physician must possess one of the professional qualifications provided for by Article 38 of Legislative Decree 81/2008, that is:

- specialization in occupational medicine or in preventive medicine for workers and applied psychology or

- a teaching position in in occupational medicine or in workers' preventive medicine and applied psychology or in occupational toxicology, industrial hygiene, physiology and workplace hygiene, or work clinics; or

- authorization pursuant to article 55 of Legislative Decree No. 277 of 15 August 1991;

- specialization in hygiene and preventive medicine or in forensic medicine and verifiable attendance of specific university courses or proven experience, for those acting as competent physicians as of 20 August 2009 or those who acted as competent physicians for at least one year over the previous three years.

- The Head of the Prevention and Protection Service must possess the necessary skills and professional requisites in regard to prevention and safety matters, that is:

- a secondary school diploma;

- attendance of training courses suited to the nature of the risks existing at the workplace;

- a certificate of attendance at specific risk prevention and protection training courses;

- attendance of refresher courses.

- The competent physician must participate in the organization of the environmental monitoring and must receive copies of the results of such inspections.

Information

- The Company shall provide employees and newly hired staff (including temporary staff, interns and consultants or freelance operators providing ongoing services) with adequate information regarding the specific risks at the Company location, the consequences of such risks and the preventive and protective measures in force;

- Evidence shall be provided of the information given with regard to the management of the first aid, emergencies, evacuation and fire prevention and minutes should be kept of any meetings;

- Employees and newly hired staff (including the temporary staff, interns and the consultants or freelance operators providing ongoing services) should receive information concerning the appointment of the person in charge of the Prevention and Protection Service, of the competent physician and of the persons assigned to the specific duties of first aid, rescue operations, evacuation and fire prevention;

- The information and instructions, concerning the use of the work equipment made available to the employees, shall be formally documented;

- The person in charge of the Prevention and Protection Service and/or competent physician shall be involved in the definition of the information programs;

- The Company shall organize periodic meetings between the various functions responsible for safety in the workplace;

- The Company shall involve the Representative for workers' safety in the organization of the risk identification and assessment activity, and in the appointment of the persons responsible for the fire prevention, first aid and evacuation activity.

Training

- The Company shall provide all employees with adequate training in regard to work safety matters;

- The person in charge of the Prevention and Protection Service and/or competent physician shall be involved in the preparation of the training program;

- The training courses provided must include an evaluation questionnaire;

- The training shall be commensurate with the risks of the tasks that the worker has effectively been assigned;

- A specific training program shall be developed for those workers who are exposed to serious and direct risks;

- The workers who change tasks or are transferred shall be provided with preventive, additional and specific training for their new duties;

- The employer, the executives and managers in charge shall receive adequate and specific training and periodical updating, in relation to their duties concerning health and workplace safety;

- The persons assigned to specific prevention and protection duties (fire prevention, evacuation, first aid) shall be provided with appropriate training;

- The Company must perform periodic evacuation drills which shall be recorded (documented report on the evacuation drill carried out with reference to the participants, performance and results).

Registers and Other Documents

- The register of injuries shall be kept up to date and be fully completed;

- If there is a risk of persons being exposed to carcinogenic or mutagenic agents, the exposed persons shall be entered in a specific register;

- Documentary evidence shall be maintained of the joint inspections of the workplaces performed by the person in charge of the Prevention and Protection Service and the competent physician;

- The Company shall maintain an archive of the documentation demonstrating compliance with regulations on health and safety at work;

- The risk evaluation document may be maintained also in electronic form and its date shall be certain and attested by the employer's signature as well as – solely for purposes of proof of date – by the signature of the head of the Prevention and Protection Service, the RSL (Representative for workers' safety) or the workers' representative for territorial safety and the competent physician;

- The risk evaluation document must indicate the tools and methods with which risk has been evaluated. The choice of the documentation report criteria is entrusted to the Employer, who will outline simple, brief, and comprehensible criteria in order to guarantee its completeness and appropriateness as a tool used to plan company actions and prevention activities;

- The risk evaluation document must contain the plan for maintenance and improvement measures.

Meetings

The Company shall organize periodic meetings between the responsible functions, which may be attended by the Supervisory Board; such meetings should be formally convened and

the relative minutes should be taken and signed by the participants.

Duties of the Employer and the Executive

- Organize the prevention and protection service – the R.S.P.P. (Protection and Prevention Service Manager) and the employees – and appoint the competent physician;

- Evaluate – also in the selection of work equipment, the chemical substances or preparations utilized, as well as in the works performed in the workplace - all the risks to the health and safety of workers, including those pertaining to groups of workers exposed to particular risks, such as those connected to work-related stress and differences in gender, age, national origin, and to the specific agreement governing the work performed;

- Adapt the work process to the human being, in particular with regard to the concept of the workstation as well as the choice of equipment and work methodology, especially in order to attenuate the monotony and repetitiveness of the work and reduce the effects of such work on the health;

- Prepare, at the end of the assessment, a document (to be kept at the company or productive unit) containing:

  - A report on the risks to health and safety during the work process, specifying the criteria adopted for the assessment;

  - The identification of the preventive and protective measures as well as the devices for the individual protection, as resulting from the evaluation referred to in the first point;

  - The program for the implementation of measures considered necessary to progressively ensure the improvement of the level of safety.

The assessment activity and the drafting of the document shall be carried out in cooperation with the person in charge of the Prevention and Protection Service as well as the competent physician, subject to prior consultation with the Workers' Safety Representative, and shall be re-performed in the event of changes to the productive process which may impact the safety and health of the workers, in relation to the level of technical progress or after significant accidents or when the results of health inspections deem it necessary. In such cases, the risk assessment document shall be re-drafted within thirty days of the respective occurrence;

- Adopt the necessary measures for the safety and health of the workers, in particular by:

  - Designating the workers responsible for the implementation of the measures for fire prevention and fire-fighting, evacuation of the workers in the event of serious or direct danger, rescue, first aid and emergency management in general;

- Identifying the person or persons in charge of carrying out the supervisory activities referred to in article 19 of Legislative Decree 81/2008

- Updating the preventive measures in the light of organizational and production changes with an impact on occupational health and safety, or which are required to keep pace with prevention and protection techniques;

- Assigning duties and tasks in light of the workers' capability and conditions in relation to their health and safety;

- Providing the workers, in agreement with the person in charge of the Prevention and Protection Service, with the necessary and suitable individual protective devices;

- Introducing appropriate controls to ensure that only the workers who have received adequate training can access those areas that expose them to serious or specific risks;

- Requiring compliance by the individual workers with the applicable legislation and the company policy on safety and hygiene at work in regard to the use of the collective means of protection as well as the individual protective devices made available to them;

- Sending the workers for a medical check-up in keeping with the schedule of the health supervision plan and requiring the competent physician to comply with the obligations provided for by the laws on safety at work, informing such physician of the processes and risks related to the production activity;

- Establishing the procedures to control the risk situations in the event of emergencies and issuing instructions so that the workers, in the presence of direct and inevitable hazard, leave the work station or the hazardous area;

- Informing workers who are exposed to serious and direct risks of such risks and the applicable specific safety measures;

- Refraining from, except in duly reasoned circumstances, requesting the workers to resume their activity in working conditions subject to persisting serious and direct hazard;

- Allowing the workers to verify, through their safety representative, the application of the health safety and protection measures and by permitting the safety representative to access the information and company documentation concerning the assessment of risks, and the relative preventive measures, and those on dangerous substances and compounds, plant and machinery, work organization and premises and occupational injuries and illnesses;

- Taking appropriate steps to ensure that the technical measures introduced do not cause risks to the health of the population or a deterioration of the external environment;

- Monitoring occupational injuries that cause absence from the workplace for at least one day and keeping evidence of the data gathered so as to submit the relevant information to the protection and prevention service and the competent physician;

- Consulting the work safety representative in regard to: the assessment of risks, the identification, planning, implementation and review of risk prevention within the Company; the designation of the persons assigned to the prevention service, fire prevention activities, first aid and the evacuation of workers; the organization and training of the workers assigned to the management of emergencies;

- Introducing the necessary fire prevention and evacuation procedures, also in the event of serious and direct danger. Such procedures shall be adequate, bearing in mind the nature of the activity, the size of the company or the productive unit and the number of persons present.

- In agreement with the competent doctor, at the time of his/her appointment, indicate the location where the workers' medical and risk records are kept, safeguarding the confidentiality of such information; a copy of the medical and risk records shall be turned over to the worker upon termination of employment, providing such worker all the necessary information relative to the storage of the original records. Each interested worker shall be informed of the results of the health supervision activity and, upon request, must receive a copy of the health documentation.

Duties of Workers

- Comply with the orders and instructions issued by the employer, the executives and the managers, to ensure the collective and individual protection;
- Utilize properly machinery, equipment tools, dangerous substances and compounds, means of transport and other work equipment, as well as safety devices;
- Utilize properly the protection devices provided;
- Notify immediately the employer, the executive or the manager of any deficiencies of the foregoing equipment and devices as well as the other possible dangerous circumstances that come to be known, acting directly, in the event of urgency, within the limits of their responsibilities and possibilities, to eliminate or reduce such deficiencies or dangers, informing the workers' safety representative;
- Do not remove or modify safety, warning or control devices without authorization;
- Do not undertake on own initiative operations or manoeuvres not falling within own responsibilities or which could compromise own safety;
- Undergo scheduled medical check-ups planned;
- Contribute, together with the employer, the executives and the managers to the fulfilment of the duties imposed by the competent authorities or otherwise essential to ensure the safety and health of employees at work.

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Below, examples are provided of possible offences related to the following activities:

- *Management of purchases of goods and services (including consulting services);*

The management of purchases of goods and services (including consulting services) might give rise to risks for offences related to injury caused by negligence committed in breach of the rules on health and safety at work in the event that, for example, failure to comply with legal obligations related to activities of an organizational nature (such as, in fact, contract management) results in a worker's injury.

With reference to the foregoing activities, the specific principles of conduct are indicated below.

Relations with Contractors

The Company shall keep and maintain updated a list of the firms operating on its premises/sites under contractor agreements.

The manners of management and coordination of contract works shall be included in written agreements which make express reference to the obligations provided for by Article 26 of Legislative Decree no. 81/2008, including the obligation of the employer to:

- check the technical and professional qualifications of contractors in regard to the works to be contracted, also through registration with the Chamber of Commerce for Industry, Handicrafts and Agriculture;

- provide information to the contractors concerning the specific risks existing at the location where the works are to be carried out and in regard to the preventive and emergency measures to be adopted during the performance of their activity;

- cooperate to implement the necessary preventive and protective measures against the occupational risks and the occurrence of accidents during the performance of the works covered by the contractor agreement and coordinate the activity for protection from, and prevention of, the risks to which the workers are exposed;

- adopt the necessary measures in order to eliminate the risks caused by the interference of the activities of the various external operators involved in the execution of the overall project.

With the exception of cases for services of an intellectual nature, the mere supplying of materials or equipment, as well as work or services that do not extend beyond two days – and as long as they do not bring about the risks indicated in Article 26 paragraph 3-*bis* of Legislative Decree 81/08 - the employer must arrange/organize the assessment of the risks jointly with the contracting firms. The employer commissioning the works and the contractor must develop a single document of the assessment of the risks, indicating the measures to be adopted to eliminate the interferences. This document shall be attached to the contractor's agreement or contract for work and labour and must adapted to in light of the progress of the works, services, and supplies.

Agreements for supplies, contract or subcontract work, must specifically indicate the costs

relative to occupational safety (which are non-negotiable). The worker's safety representative and the worker's unions may have access to such information, upon request.

Contractor agreements must clearly define the obligations in regard to occupational safety matters in the event of works being subcontracted.

The business enterprise commissioning the works and contractor and any possible additional subcontractors, are liable, jointly and severally, for all injuries for which the worker, employed by the contractor or subcontractor, is not compensated by the *Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro* (National Institute for Insurance against Occupational Injuries).

As part of the performance of contracting or subcontracting activities, the contracting employer shall require contracting or subcontracting employers to expressly designate personnel to serve as persons in charge)

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Below, examples are provided of possible offences related to the following activities:

- *Selection and management of commercial partners and agents.*

The selection and management of commercial partners and agents might give rise to risks in relation to safety and health at work in the event that, for example, to achieve savings, the Company selects commercial partners and/or agents that are not compliant with the applicable laws and regulations.

For the principles of conduct related to the "Selection and management of commercial partners and agents", reference is made to the section on *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"* in this Compliance Program.

2.8 Sensitive Processes Relating to Environmental Offences

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under article 25-undecies of Legislative Decree 231/01 are the following:

- *Selection and management of commercial partners and agents; (annex C, sheet n. 07)*
- *Management of purchases of goods and services (including consulting services); (annex C, sheet n. 06)*
- *Management of environmental-impact activities*; *(annex C, sheet n. 24)*

The Company Functions/Departments involved in the Sensitive Processes listed above that fall within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of article 25-*undecies* of Legislative Decree 231/01 **are prohibited**.

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Below, examples are provided of possible offences related to the following activities:

- *Management of environmental-impact activities.*

The management of environmental-impact activities might give rise to risks in relation to environmental offences, in the event that, for example, to obtain economic benefits the Company is ill-equipped to deal with environmental risks.

Addressees involved in the management of the above activities, due to their duties or function, **are required** to:

- be constantly up-to-date on the applicable regulations and to comply with them;
- identify the nature and characteristics of the waste and attribute it the proper classification so as to define the proper way to dispose of it, in accordance with the law;
- enter into agreements with properly licenced suppliers engaging in waste collection and disposal, selected in accordance with the section "*Management of purchases of goods and services (including consulting services)"* of the "*Sensitive Processes Related to Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"*. More specifically, such agreements shall contain clauses specifying:
  - that the supplier concerned state that it is compliant with the principles under Legislative Decree 231/2001 and with the principles of the Company's Code of Conduct;
  - that the supplier concerned state that it has all the licences required by law to carry out its activities;

- the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code.

- Fill the required mandatory documentation, if any (logs, forms);

In the context of the cited conducts, it **is prohibited** to:

- send the waste to unauthorized landfills or landfills without the licence for the specific type of waste;
- use for waste collection, transportation and disposal suppliers without the specific licences;
- dispose of hazardous substances in open spaces, sewers etc., generating ground/underground pollution;
- store or discard waste;
- set on fire stored or discarded waste in a non-controlled manner.

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Below, examples are provided of possible offences related to the following activities:

- *Management of purchases of goods and services (including consulting services);*
- *Selection and management of commercial partners and agents;*

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to the perpetration of environmental offences in the event that, for example, a Company authorized party enters into an agreement with waste carriers, disposal operators or intermediaries that are not qualified and/or licenced, to achieve savings for the Company.

The selection and management of commercial partners and agents might give rise to risks in relation to the perpetration of environmental offences in the event that, for example, a Company authorized party enters into an agreement with waste carriers, disposal operators or intermediaries that are not qualified and/or licenced, to achieve savings for the Company.

For the principles of conduct related to the "*Management of purchases of goods and services (including consulting services)" and the* "*Selection and management of commercial partners and agents*", reference is made to the section on *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"* in this Compliance Program.

2.9 Sensitive Processes Related to Offences against the Person and Offences Related to Illegal Immigration

The main Sensitive Processes that the Company has identified within its organization in relation to the offences under articles 25-quinquies and 25-duodecies of Legislative Decree 231/01 are the following:

- *Management of purchases of goods and services (including consulting services)*; (annex C, sheet n. 06)

- *Selection and management of commercial partners and agents; (annex C, sheet n. 07)*
- *Management of personnel and reward system. (annex C, sheet n. 08)*

The Company Functions/Departments involved in the sensitive processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of articles 25-quinquies and 25-duodecies of Legislative Decree 231/01 **are prohibited.**

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Below, examples are provided of possible offences related to the following activities:

- *Management of personnel and reward system.*

Personnel management might give rise to risks relating to the perpetration of offences associated with the employment of foreign nationals without a residence permit in the event that, for example, the Company employs illegal immigrants.

Personnel management might give rise to risks in relation to the illegal intermediation and exploitation of labour in the event that, for example, the Company underpays its employees disproportionately, compared to the quantity and quality of labour provided or breaches constantly the laws on working hours, rest periods, weekly rest, mandatory leave, holidays.

In addition to complying with the "*Sensitive Processes Related to Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"* in this Compliance Program, Addressees involved in the management of the above activities, due to their duties or function, **are required to:**

- comply with laws and regulations on working hours, rest periods, weekly rest, mandatory leave and holidays;
- ensure that, in the recruitment phase, the HR department obtains from candidates a copy of their residence permit, checking the relevant expiration date so as to monitor its validity while the individual is employed;

- equip the Company with ICT tools that prevent access and/or receipt of child pornography material;
- warn periodically and unequivocally employees to use properly the ICT tools in their possession;

In the context of the cited conducts, it **is prohibited** to:

- hire non-EU nationals that do not comply with the necessary legal requirements to live and work in Italy.

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Below, examples are provided of possible offences related to the following activities:

- *Management of purchases of goods and services (including consulting services).*
- *Selection and management of commercial partners and agents;*

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to the employment of illegal immigrants in the event that, for example, the Company, in connection with a contract, uses contractors that employ foreign nationals without a residence permit.

The management of purchases of goods and services (including consulting services) might give rise to risks in relation to the employment of illegal immigrants in the event that, for example, the Company, in connection with a contract, uses contractors that are non-compliant with labour laws.

The selection and management of commercial partners and agents might give rise to risks in relation to the employment of illegal immigrants in the event that, for example, the Company, in connection with a contract, uses contractors that employ foreign nationals without a residence permit or that are non-compliant with labour laws.

The selection and management of commercial partners and agents might give rise to risks in relation to offences against the individual person in the event that, for example, the Company uses commercial partners that are non-compliant with labour laws.

In addition to comply with the "*Sensitive and Instrumental Processes Related to Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority"* in this Compliance Program, addressees involved in the management of the above activities, due to their duties or function, **are required to**:

- ensure the existence of the documentation attesting the proper performance of the selection and recruitment procedures;
- ensure that the counterparty meets all legal requirements by obtaining the documentation required by law (e.g. the Single Insurance Contribution Payment Certificate – DURC).

For additional principles of conduct relating to the "*Management of purchases of goods and services (including consulting services)*" and the "*Selection and management of commercial partners and agents*", reference is made to the "*Sensitive and Instrumental Processes Related to Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" of this Compliance Program.

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2.10 Sensitive Processes in Relation to Transnational Offences

The main Sensitive Processes that the Company has identified within its organization in relation to certain transnational offences under article 10 of Law 146/06 are as follows:

- Management of commercial activities with rental customers; (annex C, sheet n. 01)
- Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures; (annex C, sheet n. 02)
- Management of purchases of goods and services (including consulting services); (annex C, sheet n. 06)
- Selection and management of commercial partners and agents; (annex C, sheet n. 07)
- Cash management; (annex C, sheet n. 09)
- Management of inter-company dealings*;* (annex C, sheet n. 14)
- Management of gifts, donations, events and sponsorships; (annex C, sheet n. 15)
- Management of remarketing activities; (annex C, sheet n. 11)
- Management of disputes and relations with the Judicial Authority and management of out of-court settlements; (annex C, sheet n. 04)
- Management of personnel and reward system. (annex C, sheet n. 08)

The Company Functions/Departments involved in the sensitive processes listed above that fall within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In general, conducts or participation in conducts that might fall within the scope of article 10 of Law 146/06 **are prohibited.**

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For specific principles of conduct in relation to:

- *Management of commercial activities with rental customers;*
- *Management of purchases of goods and services (including consulting services);*
- *Selection and management of commercial partners and agents;*

- *Cash management;*
- *Management of inter-company dealings;*
- *Management of gifts, donations, events and sponsorships;*
- *Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures;*
- *Management of remarketing activities;*
- *Management of disputes and relations with the Judicial Authority;*
- *Management of personnel and reward system.*

Reference is made to *"Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*"*"* in this Compliance Program.

2.11 Sensitive Processes in the Area of Tax Offences

The main Sensitive Processes that the Company has identified internally in relation to the tax offences referred to in Article 25- quinquiesdecies of Legislative Decree 231/01 are the following:

- Management of commercial activities with rental customers; (annex C, sheet n. 01)
- Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures; (annex C, sheet n. 02)
- Management of purchases of goods and services (including consulting services); (annex C, sheet n. 06)
- Selection and management of commercial partners and agents; (annex C, sheet n. 07)
- Management of personnel and reward system; (annex C, sheet n. 08)
- Customer receivable management; (annex C, sheet n. 10)
- Management of remarketing activities; (annex C, sheet n. 11)
- Management of expense reports and public relation expenses; (annex C, sheet n. 13)
- Management of inter-company dealings; (annex C, sheet n. 14)
- Management of accounting system, preparation of financial statements and tax management; (annex C, sheet n. 19)
- Management of shareholder meeting activities, equity-related transactions and other corporate actions; (annex C, sheet n. 21)
- Management of gifts, donations, events and sponsorships. (annex C, sheet n. 15)
-

The Company Functions/Departments involved in the Sensitive Processes listed above and falling within the specific Crime Family are listed in Annex C herewith. Annex C also indicates the internal processes and related company procedures.

Specific Principles of Conduct

In addition to what has been stated in the paragraph "General Control Environment", at the beginning of this section, the performance of the foregoing activities **shall be fully compliant with**:

- applicable laws and regulations;
- corporate and Group policies;
- the principles of loyalty, fairness and clarity;
- the Code of Conduct.

In order to manage tax compliance risks and ensure compliance with tax regulations, the Company has adopted a specific procedure for managing tax compliance that, considering its nature, are applicable to Leasys. The cited document:

- defines the guidelines of the Compliance Program for managing tax compliance;
- indicates the roles and responsibilities of the organizational units involved in operational activities;
- identifies the first-level controls to be carried out, as well as the relevant timeframes and the supporting documentation to be filed by each process owner.

In general, conducts or participation in conducts that might fall within the scope of article 25 *quinquiesdecies* of Legislative Decree 231/01 referred to above **are prohibited**.

***

Below, examples are provided of possible offences related to the following activities:

- *Management of commercial activities with rental customers;*
- *Negotiation/signing/performance of contracts/agreements in relation to tenders and/or negotiated procedures;*
- *Management of remarketing activities;*
- *Customer receivable management*

The management of commercial activities with rental customers could present risk profiles in relation to the offence of issuing invoices or other documents for bogus transactions in the event that, for example, a senior manager or a subordinate of the Company issues invoices for vehicles not delivered or delivered to parties other than those shown in the accounting records in order to allow a third party to evade income tax and value added tax.

The management of commercial activities with rental customers could present risk profiles in relation to the offence of issuing invoices or other documents for bogus transactions if, for example, invoices were issued or provided for sales that actually took place, but between parties other than those indicated in the accounting records.

The performance of contracts with public authorities in the context of tenders and/or negotiated procedures could present risk profiles in relation to the commission of tax offences in the event that, for example, the Company issues fictitious credit notes in order to evade income and value added taxes.

The performance of contracts with public authorities in the context of tenders and/or negotiated procedures could present risk profiles in relation to the commission of tax offences if, for example, the Company issues invoices for bogus transactions in order to enable a third party to evade income and value added taxes.

The management of remarketing activities could present risk profiles in relation to the offence of issuing invoices or other documents for bogus transactions in the event that, for example, invoices were issued or issued to third parties to enable them to evade income tax or value added tax, for sales that were in fact fictitious or not executed in whole or in part.

The management of remarketing activities could present risk profiles in relation to the offence of issuing invoices or other documents for bogus transactions in the event that, for example, invoices were issued or issued for sales that actually took place, but between persons other than those indicated in the accounting records.

The management of trade receivables could present risk profiles in relation to the offence of fraudulent tax return by means of other artifices in the event that, for example, a subordinate or senior manager of the Company, on the basis of documents representing false accounting data, impairs receivables or recognizes credit losses even though the requirements laid down by law are not met.

In order **to identify the principles of conduct in the management of commercial activities with rental customers, negotiation / signing / performance of contracts / agreements in the context of tenders and/or negotiated procedures, management of remarketing activities and management of trade receivables**, reference is made to "*Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:

- ensure, where necessary, that customer relationships are managed exclusively by persons with appropriate powers;
- ensure the traceability of all stages of the commercial process, including the setting of prices, any discounts applied and the duration of agreements, through the use of the information systems provided;
- provide for adequate segregation of duties and responsibilities in customer management, with particular reference to the definition of price, payment terms and discounts;

- ensure that commercial offers/proposals (in terms of prices and discounts) are defined on the basis of the provisions of corporate procedures;
- ensure that dealings with customers are formalized in specific written agreements (commercial offers/proposals);
- ensure that all commercial offers/proposals and terns of sale of supply to customers are approved by duly authorized persons;
- ensure that any exceptions to pricing, set automatically through the use of a specific system, are authorized in compliance with the system of delegated authority and powers;
- ensure that a preliminary screening of the new customer is carried out, in terms of both compliance and creditworthiness;
- ensure the segregation of duties in all phases relating to the management of the activities, including the creation of the customer database;
- ensure the traceability of all stages of the workshop onboarding process
- verify that customer invoices are prepared properly;
- check the completeness and accuracy of the invoices issued against the content of the sales agreements and against the goods/services supplied;
- monitor compliance with sales agreements by tracking and analysing reports received from customers;
- in the event that the services provided to customers are carried out - in whole or in part - with the support of third parties (agents, distributors, etc.), ensure that the selection of such third parties always takes place in compliance with the provisions set out in the section "*Selection and management of commercial partners and agents*" in this chapter;
- ensure that the impairment of receivables is carried out only on the basis of internal policies and procedures, of certain and reliable documentation attesting to the actual inability to recover the receivable, in accordance with accounting principles and tax regulations;
- should use be made of third parties in credit management, ensure that relationships with such parties are governed by written agreements containing clauses specifying that:
    - the third parties state that they are compliant with the principles under Legislative Decree 231/2001 and with the principles of the Code of Conduct;
    - the third parties state that they have fulfilled all the necessary obligations and taken all the necessary precautions to prevent the foregoing offences, with the implementation – where possible – within the company of all the procedures necessary to that effect;
    - the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code.

Addressees involved in the management of the above processes, due to their duties or function, **are required** to:

- ensure that the recipient of the invoice coincides with the contractual counterparty identified when the master data was created;
- ensure adequate segregation of duties and responsibilities in all the phases relating to the sales cycle (management of administrative and accounting procedures relating to invoicing to customers, registration of invoices, management of collections, etc.);
- in the provision of services to rental customers ensure:
    - that quotes prepared by third parties are subject to an internal approval process;
    - the filing of proof of effectiveness containing a clear description of the services provided and the work carried out;
- perform a consistency check between the party to whom the invoice is addressed, identified on the basis of the contractual provisions recorded in the system, and the party who made the payment;
- ensure that collections are received by bank transfer, and that they are always traceable and can be documented;
- ensure that the impairment of receivables ids authorized by previously identified persons, in line with the system of powers and authority adopted by the Company;
- refrain from carrying out transactions that are, in whole or in part, simulated or otherwise fraudulent.

In the context of the aforementioned conduct, **it is prohibited to**:

- enter into contracts with prices and conditions established according to non-objective parameters and/or in breach of the provisions of corporate procedures and reference legislation;
- issue invoices or other documents relating to transactions that are wholly or partly non-existent;
- accept requests for payments in cash and/or from persons other than those indicated in the accounting documents; and
- authorize the impairment of receivables without the requirements being met.

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Below, examples are provided of possible offences related to the following activity:

- *Management of purchases of goods and services (including consulting services).*

The management of the purchase of goods and services (including consulting services) could present risk profiles for the perpetration of the offence of false return through the use of invoices or other documents in the event that, for example, invoices or other documents are recorded in the books - and subsequently indicated in the IRES/IRPEF or VAT returns, in order to evade value added tax and income tax - for objectively bogus transactions which either never took place or are recorded for amounts higher than price of the goods or services purchased (i.e. over-invoicing).

The management of the purchase of goods and services (including consulting services) could present risk profiles for the perpetration of the offence of false return through the use of invoices or other documents in the event that, for example, invoices or other documents are recorded in the books and subsequently indicated in the tax returns - in order to evade taxes - for transactions that actually took place, but between persons other than those indicated in the accounting documents and who actually provided the service (i.e. subjectively bogus transactions).

The management of purchases of goods and services (including consulting services) could present risk profiles for the commission of the offence of fraudulent return by means of other artifices in the event that, for example, a senior manager or a subordinate of the Company, using a simulated contract for the purchase of goods or services, indicates in the return costs higher than those actually incurred.

For specific **principles of conduct in relation to the purchase of goods and services (including consulting services)**, reference is made to "*Sensitive Processes* in *Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:

- create a specific database of suppliers in order to collect and survey all critical and significant information on them;
- have suppliers undergo an assessment process to verify their financial strength and their commercial, technical, professional and ethical reliability;
- ensure compliance with the approval process for suppliers and contracts, as provided for by corporate procedures;
- ensure adequate segregation between functions within the supplier/consultant selection process;
- proceed, in accordance with company procedures, to select the supplier through the comparison of multiple bids, except in special cases that must be duly justified (such as contracts of low value, inter-company agreements, contracts with specific companies, fiduciary relationship established with the consultant or supplier, etc.);
- check the existence of the specific authorizations for suppliers that perform activities for which such authorizations are required;
- verify, during the rating phase and periodically, the possible presence of Suppliers on external and internal databases;
- ensure the traceability, also by means of specific information systems, of the process of selection, rating and evaluation of the supplier, through the formalization and archiving of the relevant supporting documentation, in the manner provided for by corporate procedures and the IT tools supporting the process;

- ensure that all payments to suppliers are made if adequately supported by a contract or order, only after validation according to the predefined internal authorization process and after verifying the compliance of the products with what was ordered;
- check the regularity of payments to suppliers, with reference to the full coincidence between recipients/ordering parties and counterparties actually involved in the transactions;
- ensure that all relations with suppliers or consultants are formalized within specific written agreements approved in accordance with the system of delegated powers and authorities where the price of the goods or the consideration for the service is clearly defined;
- ensure that contracts entered into with suppliers/consultants specifically provide for: the scope of the contract, the agreed consideration, the method of payment, ethical and compliance clauses, and termination clauses or, alternatively, check that the terms and conditions proposed by third parties provide for compliance with the principles set out in Legislative Decree 231/01, as well as ethical principles;
- ensure the traceability of, and the ability to reconstruct ex post, commercial transactions through the formalization and archiving, also by means of specific information systems, of the relevant supporting documentation;
- ensure the periodic monitoring, through the use of appropriate tools, of the services provided by suppliers, and use the results of such assessments for the purposes of rating them;
- in case of sub-contracted services involving the use of non-EU nationals, check the validity of the relevant residence permits;
- investigate closely and report to the Supervisory Board:
    - requests for unusually high commissions;
    - requests for expense reimbursements not adequately documented or unusual for the transaction in question.

Addressees involved in the management of the above activities, due to their duties or function, **are also required** to:

- ensure that the suppliers' records can only be modified following a predefined procedure, by persons identified in advance and vested with the necessary powers to authorize the purchase of goods and services;
- ensure specific checks on the supplier's history, as well as on the adequacy of its financial, personnel and inventory structure with respect to the supply activity;
- verify the regularity of payments with reference to the full coincidence of the recipients/ordering party and the counterparties actually involved in the transaction; in particular, the coincidence between the party to whom the order is addressed and the party that collects the relevant sums must be precisely verified;

- carry out specific checks on the title of the suppliers' current accounts and duly justify the situations in which the payments are not made:
    - in the country of residence of the supplier and/or the Company;
    - in the country where the delivery takes place.
- Monitor the consistency between the order submitted and the final delivery as well as the consistency between the services provided by consultants and suppliers with the applicable terms and conditions.

In the context of the cited conducts, it **is prohibited to**:
- enter in the accounts and subsequently report in the tax return invoices or other documents received in the context of bogus transactions (in whole or in part);
- make payments in cash, to numbered current accounts or accounts not in the supplier's name, or other than that provided for in the contract;
- make payments in countries other than the supplier's country of residence;
- make payments that are not adequately documented and/or not authorized in accordance with the provisions of the power delegation system;
- bind the Company with verbal orders/contracts or without a clear definition of the good/service to be received and of the price of the good or the consideration for the service;
- perform services for the benefit of consultants and suppliers that are not adequately justified in the context of the contractual relationship established with them and pay them fees that are not adequately justified in relation to the type of task to be performed and the practices prevailing at local level;
- make payments to an account other than the one indicated in the database or relating to credit institutions based in tax havens or which do not have physical establishments in any country.

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Below, examples are provided of possible offences related to the following activity:

- *Selection and management of commercial partners.*

The management of relations with commercial partners could present risk profiles in relation to the commission of tax offences in the event that, for example, a senior or subordinate person, in order to obtain an unlawful tax advantage for the Company, enters in the books invoices for wholly or partly bogus transactions.

For specific **principles of conduct in relation to the selection and management of commercial partners**, reference is made to "*Sensitive Processes* in *Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:
- ensure that the process of selection and evaluation of commercial partners always takes place in full compliance with the provisions of corporate procedures*;*

- perform an adequate due diligence process for any commercial partners including, among other things, verification of the commercial and professional reliability and integrity requirements of the counterparties;
- verify, during the evaluation phase and periodically, the possible presence of partners on external and internal databases;
- ascertain the identity of the counterparty;
- ensure the traceability of the selection process;
- comply with the principles of transparency, professionalism, reliability, motivation and non-discrimination in the choice of the counterparty;
- ensure that the agreed fees are in line with fair market rates and in any case are contractually defined on the basis of objective calculation criteria;
- ensure that the contract used contains specific information on the rules of conduct adopted by the Company with reference to Legislative Decree no. 231/2001 and on the consequences that conduct contrary to the provisions of the Code of Conduct and to the legislation in force may have, with regard to contractual relations;
- ensure that the assignment of the task to the counterparty is in writing;
- settle fees in a transparent manner, and in such a way as it can always be documented and reconstructed ex post. In particular, verify the correspondence between the party receiving the payment and the party that provided the service;
- communicate, without delay, to their immediate superiors or to Company management and, simultaneously, to the Supervisory Board, including through communication tools existing within the company, any suspicious conduct or activity by those who operate on behalf of the counterparty.

In the context of the cited conducts, it **is prohibited to**:
- bind the Company by means of oral agreements with the counterparty;
- issue or accept invoices for bogus transactions;
- make payments and reimburse expenses to counterparties that are not adequately justified in relation to the type of activity carried out, that are not supported by official tax receipts and that are not shown on the invoice;
- certify the receipt of non-existent commercial services;
- create slush funds out of transactions entered into at a price higher than market or in connection with invoices for bogus transactions in whole or in part.

***

Below, examples are provided of possible offences related to the following activity:

- *Management of personnel and reward system.*

Personnel management activities could present risk profiles in relation to the offence of false tax return by means of other artifices in the event that, in order to evade income taxes,

an employee of the Company is paid a lower salary than that indicated in the certification entered in the records and used for the deduction of the relevant cost and, consequently, the legal representative indicates fictitious costs in the income tax return.

Personnel management could present risk profiles in relation to the perpetration of the offence of false tax return through the use of invoices or other documents for bogus transactions in the event that, for example, pay-slips and expense reports are used which refer to non-existent persons or which indicate higher amounts than the real ones and, consequently, the legal representative indicates fictitious costs in the tax return.

For specific **principles of conduct in relation to management of personnel and rewarding system**, reference is made to "*Sensitive Processes* in *Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:

- hire staff solely with a regular employment contract and remuneration consistent with the Collective Agreement applied;
- ensure that working conditions within the Company are respectful of personal dignity, and that equal opportunities and a suitable working environment are provided, in compliance with the collective labour agreement of the sector and with social security, tax and insurance regulations;
- ensure that any incentive systems reflect realistic objectives and are consistent with the tasks, activities carried out and responsibilities entrusted;
- ensure that the salary surveys carried out periodically by the Company are filed;
- ensure that contracts are signed by persons with appropriate powers;
- ensure the segregation of the incentive system, with the involvement of the HR function and company departments;
- ensure the traceability of the incentive process, through the formalization of the objectives and the related final reports on the results achieved.

***

Below, examples are provided of possible offences related to the following activity:

- *Management of expense reports and public relation expenses;*

Expense management could present risk profiles for the offence of false return through the use of documents for bogus transactions in the event that, in order to evade taxes, expense reports are submitted in respect of expenses not incurred (in whole or in part) and, consequently, the legal representative indicates fictitious costs in the relevant return.

For specific **principles of conduct in relation to the selection and management of commercial partners**, reference is made to "*Sensitive Processes* in *Offences against*

Government and Inducement not to testify or to bear false testimony to the Judicial Authority" in this Compliance Program and the main principles of conduct are outlined below:

- prepare the expense report in compliance with the provisions of corporate procedures, using the dedicated corporate IT tools;
- ensure that the reimbursement of expenses takes place only after they have been approved by persons with appropriate powers, on the basis of a segregated process, and only in the presence of regular receipts;
- carry out specific checks and monitoring on the use of company credit cards and, more generally, on the employee's expense reports;
- ensure compliance with the internal limits defined by company procedures on expense reports and the use of company credit cards, as well as on public relation expenses;
- check that the expenses incurred are inherent to the performance of the work activity, consistent and adequately documented through the attachment of official tax receipts;
- ensure that public relation expenses are not incurred repeatedly with the same beneficiary and that the persons involved can be fully traced;
- ensure a process of periodic audit of staff expense reports;
- ensure that abnormal expenses are not reimbursed;
- report, without delay, to immediate superior or to the Company's management, as well as to the Supervisory Board, any conduct aimed at obtaining an unlawful advantage for the Company.

In the context of the cited conducts, it **is prohibited to**:

- incur expenses for meals, entertainment or other forms of hospitality outside the scope of company procedures;
- reimburse expenses that:
  - have not been duly authorized;
  - are not adequately justified in relation to the type of activity carried out;
  - are not supported by official tax receipts or are not disclosed in the expense report.

***

Below, examples are provided of possible offences related to the following process:

- *Management of inter-company dealings*

The management of inter-company dealings could present risk profiles for the offence of false return through the use of invoices for bogus transactions in the event that, in order to evade taxes, group companies issue invoices for services that have not been rendered (in whole or in part) or if invoices are used for services rendered between persons other than those shown in the accounting documents and, consequently, the legal representative indicates fictitious costs in the return relating to such taxes.

For specific **principles of conduct in relation to the selection and management of commercial partners**, reference is made to "*Sensitive and Instrumental Processes* in *Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:

- ensure that inter-company transactions are governed by specific contracts/agreements providing for, among others, roles, responsibilities and agree-upon fees;
- ensure the correct and complete preparation, in line with the provisions of the applicable legislation, of the transfer pricing documentation, suitable for certifying the compliance with the "fair value" of the transfer prices applied in inter-company transactions;
- ensure that the above documentation contains, inter alia, the following information:
  - the map of inter-company transactions;
  - the definition of cost allocation agreements;
  - the formulation of a transfer pricing policy;
- ensure that the documentation is signed by persons with appropriate authority;
- ensure that the documentation is kept on file by the functions involved in the process.

Addressees involved in the management of inter-company dealings, due to their duties or function, **are also required** to**:**

- refrain from carrying out transactions that are, in whole or in part, simulated or otherwise fraudulent;
- keep evidence that the services have actually been rendered;
- check the actual performance of the service, the consistency of the methods of performance adopted with the regulatory requirements applicable from time to time and the compatibility of the price applied with the generally accepted criteria for determining the fair value of transactions;
- report, without delay, to the company management and, as well as to the Supervisory Board, any criticalities that may arise in the context of the activity under review.

In the context of the cited conducts, it **is prohibited to**:

- record invoices or retain documentation in respect of services which are wholly or partly non-existent;
- destroy or conceal accounting records or other relevant documentation in order to obtain a tax benefit;
- carrying out transactions with Group companies in order to skirt tax regulations.

***

Below, examples are provided of possible offences related to the following activity:

- *Management of accounting system, preparation of financial statements and tax management;*

The management of the accounting system, preparation of financial statements and tax management could present potential risk profiles in relation to the offence of false statement through the use of invoices or other documents for bogus transactions in the event that the Company records invoices in its accounts for transactions that do not exist (in whole or in part), in order to evade taxes on income or on value added.
The management of the accounting system, preparation of financial statements and tax management could present potential risk profiles in relation to the offence of false statement means of other artifices in the event that the Company indicates simulated items in the financial statements supported by false documentation, in order to be able to indicate in the tax return fictitious liabilities or undervalued assets.

The management of the accounting system, preparation of financial statements and tax management could present risk profiles in relation to the offence of concealment or destruction of accounting records in the event that, for example, the legal representative of the Company, in order to evade income tax and value added tax, conceals or destroys records that must be kept, so as not to allow the tax authorities to reconstruct the Company's income and revenues.

Tax management, thus the management of tax returns, could present potential risk profiles in relation to the offence of false returns through the use of invoices or other documents for bogus transactions and false return by means of other artifices in the event that, for example, the Company indicates, in its income tax/VAT returns, fictitious elements on the basis of invoices or other false documents issued in respect of bogus transactions, recorded in the mandatory accounting records or otherwise held as evidence vis-à-vis the tax authorities.

For specific **principles of conduct in relation to the management of the accounting system, preparation of financial statements and tax management** reference is made to "*Sensitive Processes Relating to Corporate Offences"* in this Compliance Program and the main principles of conduct are outlined below:

- ensure the strictest accounting transparency at all times and in all circumstances;
- carry out all communications in accordance with the principles of good faith, truthfulness, fairness and transparency;
- identify clearly and completely the functions interested in the communications, as well as the data and news that such functions need to provide;
- provide the necessary training on the main legal and accounting concepts and issues related to the preparation of financial statements, for the heads of the functions involved in the preparation of the financial statements and related documents, ensuring in

particular the organization of classes for new employees and the upgrading of the skills of existing employees;

- comply with the rules of clear, fair and full accounting of the Company's transactions;
- ensure compliance with company rules on the preparation of the separate and consolidated financial statements;
- ensure compliance with the rules on the segregation of duties between the party that executes the transaction, the party that records the transaction and the party that exercises the relevant control;
- ensure compliance with payment and filing obligations and the deadlines set by tax laws;
- ensure that the draft financial statements are reviewed by all the company functions provided for by the corporate procedures;
- ensure that relations with the Supervision Authorities, including Tax Authorities, are characterized by utmost transparency, collaboration, availability and full respect for their institutional role and the applicable laws in force, the general principles and rules of conduct referred to in the Code of Conduct and in this part of the Compliance Program;
- use accounting systems that ensure the traceability of the single transactions and the identification of the users that enter data in the system or change its contents;
- fulfil the obligations set out by the laws on direct and indirect taxes, ensuring that all inter-company transactions are formalized by specific agreements;
- ensure the regular functioning of the Company and the Corporate Bodies, guaranteeing and facilitating the adoption of any internal control procedure provided for by the law, and the unfettered and correct decision-making processes by the shareholders;
- comply with the procedure governing the process to evaluate and select the independent auditing firm;
- assign consulting projects in relation to activities other than auditing to the independent auditing firm or to companies or professional organizations belonging to the same network solely in accordance with the applicable laws;
- where use is made of third parties (Companies, consultants, professionals etc.), ensure that such arrangements are governed by formal agreements containing clauses specifying that:
    - the third parties state that they are compliant with the principles under Legislative Decree 231/2001 and with the principles of the Code of Conduct;
    - the third parties state that they have fulfilled all the necessary obligations and taken all the necessary precautions to prevent the foregoing offences, with the implementation – where possible – within the company of all the procedures necessary to that effect;
    - the untruthfulness of such statements might be cause for termination of the agreement pursuant to article 1456 of the Italian civil code.

Addressees involved in the above process, due to their duties or function, **are also required** to**:**

- act in a correct, transparent and collaborative manner, in compliance with the law, the applicable accounting principles and the internal rules, in all activities aimed at preparing the financial statements and the proper fulfilment of tax obligations;
- provide for the use of systems that guarantee the integrity of accounting records and the traceability of the activities carried out on them;
- ensure the correct application of the accounting standards to determine the value of assets, liabilities, costs and revenues and a proper process to account for them;
- ensure the preservation of supporting documentation for transactions and accounting entries in order to be able to trace back, with a reasonable level of detail, the accounting entries to the transactions occurred;
- to perform all duties promptly, correctly and in good faith, including the transmittal of returns and filings, as well as the calculation and payment of taxes and duties, in accordance with the deadlines defined by the tax legislation in force from time to time;
- record properly each transaction, checking that it is duly authorized, verifiable, legitimate, consistent and appropriate;
- ensure adequate segregation of duties and responsibilities in all phases of the management of the obligations required by tax legislation in the area of direct taxes and VAT;
- provide for the analysis of tax risks, in relation to the evolution of the activities carried out by the Company, changes in the regulatory framework or particularly significant jurisprudential rulings;
- ensure that appropriate periodic checks are carried out concerning:
    - the punctual and correct observance of the deadlines within which obligations to submit tax returns and filings, as well as to pay taxes, duties, contributions and withholding taxes, must be fulfilled;
    - the truthfulness of the returns in relation to the accounting records;
    - the correctness of the taxes calculated;
    - the correspondence between the amounts of taxes calculated and the amounts actually paid;
- ensure that all documents supporting tax records, returns and filings are correct, verified, authorized and kept, for the periods required by the legislation in force, in an orderly manner and in such a way that they can be checked at any time;
- keep accounting records and other documents required to be retained for tax purposes in a proper and orderly manner, including by establishing physical and/or computer safeguards to prevent acts of destruction or concealment;
- ensure that the main new tax regulations are promptly disseminated to the staff involved in tax management;

- report to the immediate superior or to the company management, as well as to the Supervisory Board, both the existence of errors or omissions in accounting for transactions and conduct not in line with the above provisions.

In the context of the cited conducts, it **is prohibited to**:

- act in ways intended to convey misleading information regarding the true conditions of the Company, by not providing a true and fair view of the Company's financial situation, operating results and cash flows;
- create, or allow the creation, of illicit, hidden or in any case not properly accounted for funds, through any illicit, simulated, fictitious and/or not properly accounted for financial transaction or movement;
- omit data and information required by law on the Company's financial condition, operating results and cash flows;
- carry out transactions, including with Group companies, to avoid tax obligations;
- alter or destroy financial and accounting documents or information available on the internet through unauthorized access or other actions undertaken to that effect;
- record invoices or keep documentation in respect of services that are wholly or partly non-existent;
- destroy or conceal accounting records or other relevant documentation in order to obtain a tax benefit;
- prepare or help to prepare documents that are wholly or partly untrue in order to obtain undue benefits, for example to justify accounting entries aimed at obtaining undue tax benefits;
- act in a misleading manner that may lead the Board of Statutory Auditors or the external auditing firm to make an error in the technical and financial assessment of the documentation submitted;
- behave in such a way as to materially impede - through the concealment of documents or the use of other fraudulent means - or otherwise hinder the performance of the auditing activity of the independent audit firm;
- file untruthful statements to the Supervision Authority, submitting documents that do not reflect reality, in whole or in part.

***

Below, examples are provided of possible offences related to the following activity:

- *Management of shareholder meeting activities, equity-related transactions, and other corporate actions*

The management of shareholder-meeting activities, equity-related transactions and other corporate actions might give rise to risks in relation to tax offences where, for example, the sale of shareholdings or the impairment of shareholdings is simulated.

The management of shareholder-meeting activities, equity-related transactions and other corporate actions might give rise to risks in relation to tax offences where, for example, the Company enters into sham transactions or transactions at fictitious prices, thereby stripping the Company's assets of their value.

For specific **principles of conduct in relation to the management of the accounting system, preparation of financial statements and tax management** reference is made to "*Sensitive Processes Relating to Corporate Offences*". The main principles of conduct are outlined below:

- Equity-related transactions and/or other corporate actions are resolved and approved by the Board of Director and/or the Shareholders at their General Meeting.

- All documentation shall be filed by the functions involved in the process, on the basis of company rules and the applicable regulations.

- Regarding the management of shareholder-meeting activities, equity-related transactions and other corporate actions, the parties involved shall guarantee the proper functioning of the Company and the corporate bodies, ensuring and fostering the free and correct formation of the shareholders' will.

Addressees involved in the management of shareholder-meeting activities, equity-related transactions and other corporate actions as well as in the Management of relations with corporate bodies and in the Management of relationships with Corporate Bodies **are required** to:

- ensure that administrative and accounting obligations relating to equity-related transactions and/or other corporate actions are managed with utmost diligence and professionalism, avoiding conflicts of interests;
- ensure that the power to approve such transactions as acquisitions, sales, mergers, investments, divestments or the assumption of commitments in general by the Bank and the strategic subsidiaries, directly or indirectly, rests – within the limits set by the Articles of Association – with the Board of Directors;
- ensure the proper functioning of corporate bodies by allowing performance of all internal controls;
- in relationships with the Board of Statutory Auditors and the independent audit firm, ensure utmost diligence, professionalism, transparency, collaboration, availability and full respect for the role of such parties;

- make available data and documents requested by the control bodies in a precise manner and in a clear, objective and exhaustive language, so as to provide accurate, complete, true and fair information;

With reference to corporate actions (related typically to obtaining loans and financing, share capital subscription and increases, provision of guarantees and sureties, provision of loans and subscription of bonds, acquisition of businesses or equity interests, as well as such activities as mergers, spin offs, capital contributions), the parties involved shall ensure that the competent party – be it the Board of Directors or other authorized party – has such support as to make an informed decision.

The authorized function is required, for every corporate action to be approved, to prepare the documentation necessary to evaluate the feasibility and the cost-benefit analysis, including where applicable:

- a qualitative and quantitative description of the target (feasibility study, financial analyses, research and statistics on the reference market, presentation of alternative scenarios);
- characteristics and parties involved in the transaction, including through a compliance analysis of such parties;
- technical structure, main guarantees, side agreements and funding of transaction;
- manners to determine the terms and conditions of the transaction and indication of any external consultant/intermediary/advisor involved;
- impact on prospective financial condition, operating results and cash flows;
- considerations regarding the fairness and the benefits in terms of Company interests of the transaction.

Addressees involved in the management of shareholder-meeting activities, equity-related transactions and other corporate actions, due to their duties or function, **are also required** to**:**

- ensure adequate segregation of the process at all stages of the Company's equity-related transactions and/or corporate actions, with the involvement of internal functions, as well as, where necessary, an expert consultant specialized in tax matters;
- ensure the prior assessment of any tax risks and compliance with tax legislation;
- ensure the adequacy of all supporting documentation, so that the Board of Directors can assess the feasibility and strategic and financial benefits, as well as the tax risks, of each transaction; in this respect, the information support may also include one or more tax opinions.

Within the context of such conducts, during shareholder meetings, **it is prohibited**:

- to take simulated or fraudulent actions intended to alter the regular formation of the shareholders' will;

- act in ways intended to covey misleading information regarding the true conditions of the Company, by not providing a true and fair view of the Company's financial situation, operating results and cash flows;
- hold such a deceitful conduct as to mislead the Board of Statutory Auditors and the independent audit firm in the analysis of the documentation submitted;
- exhibit incomplete documents and false or altered data.

Below, examples are provided of possible offences related to the following activity:

- *Management of gifts, donations, events and sponsorships*

The management of gifts, donations, events and sponsorships might give rise to risks in relation to the perpetration of the offence of false declaration through the use of invoices or other documents in the event that, for example, invoices or other documents are recorded in the books - and subsequently indicated in the IRES/IRPEF or VAT returns, in order to evade value added tax and income tax - for sponsorships that were not carried out in whole or in part or whose value is clearly greater than market value.

For specific **principles of conduct in relation to the management of gifts, donations, events and sponsorships**, reference is made to "*Sensitive Processes* in *Offences against Government and Inducement not to testify or to bear false testimony to the Judicial Authority*" in this Compliance Program and the main principles of conduct are outlined below:

- ensure observance of corporate and group rules governing the foregoing processes;
- ensure that all events are approved in accordance with the authority delegation system in place;
- in case of events organized by the Company with support from third parties (agencies, riggers, etc.), ensure that such third parties are selected in keeping with the provisions in section "*Management of purchases of goods and services (including consulting services)*" in this chapter;
- ensure that gifts are of reasonable value, linked to a pre-defined commercial purpose and purchased and given in accordance with corporate procedures;
- ensure the existence of a catalogue of goods/services that can be given as gifts;
- ensure the transparency and traceability of the process to approve and provide the gifts;
- ensure the proper and complete filing and recording, including through dedicated registers, of the gifts provided with indication, among others, of the characteristics of the single gadget and the related beneficiary;
- ensure that donations and other contributions are approved by duly authorized parties;

- arrange for a prior screening of the expected beneficiaries of the donation, to verify their peculiarities and integrity;
- ensure the transparency and traceability of donations and other contributions;
- ensure the complete filing, by the functions involved, of the documentation attesting to the contribution provided;
- arrange for relationships with counterparties to be formalized through adequate agreements;

In the context of the cited conducts, it **is prohibited to**:

- sign contracts in relation to non-existent transactions (in whole or in part);
- record in the accounts and subsequently indicate in the tax return documents received in relation to non-existent transactions (in whole or in part);
- make payments in cash, to numbered accounts or to persons other than those indicated in the contracts;
- give donations and gratuities that are not properly authorized, formalized and accounted for.

LEASYS

Annex A: Predicate Offences

1. Offences against Government (Articles 24 and 25 of Legislative Decree 231/01)

Article 24

Improper receipt of public funds, fraud against the State, a public authority or the European Union or for obtaining public funds, computer fraud against the State or a public authority and fraud in public contracts.

1. In relation to the perpetration of the offences referred to in Articles 316-bis, 316-ter, ((356,)) 640, paragraph 2, no. 1, 640-bis and 640-ter, if committed to the detriment of the State or another public authority (or the European Union), of the Penal Code, a monetary sanction of up to five hundred quotas is applied.
2. If, as a result of the commission of the offences referred to in paragraph 1, the entity has obtained a significant gain or has inflicted particularly serious damage, a monetary sanction ranging from two hundred and six hundred quotas is applied.

   ((2-bis. The sanctions provided for in the previous paragraphs in relation to the commission of the offence referred to in article 2 of Law no. 898 of 23 December 1986 are applied to the entity.))
3. In the cases provided for in the previous paragraphs, the prohibitory sanctions provided for in article 9, paragraph 2, sub-paragraphs c), d) and e) are applied.

Article 25

Embezzlement, bribe solicitation, undue inducement to give or promise benefits, corruption and abuse of office.

1. In relation to the commission of the offences referred to in articles 318, 321, 322, paragraphs 1 and 3, and 346-bis of the penal code, a pecuniary sanction of up to two hundred quotas shall apply. ((The same sanction shall apply, when the act undermines the financial interests of the European Union, in relation to the commission of the offences referred to in Articles 314, first paragraph, 316 and 323 of the penal code.))
2. In relation to the commission of the offences referred to in articles 319, 319-ter, paragraph 1, 321, 322, paragraphs 2 and 4, of the penal code, an entity is punished with monetary sanctions ranging from two hundred to six hundred quotas.
3. In relation to the commission of the offences referred to in articles 317, 319 - aggravated as per article 319-bis, when the entity has obtained a significant gain -, 319-ter, paragraph 2, 319-quater and 321 of the penal code, the entity is punished with a monetary sanction ranging from three hundred to eight hundred quotas.
4. The monetary sanctions contemplated for the offences referred to in paragraphs 1 to 3 are applied to the entity even when those offences have been committed by the persons indicated in articles 320 and 322-bis.
5. In cases of conviction for one of the offences indicated in paragraphs 2 and 3, the prohibitory sanctions provided for in article 9, paragraph 2, are applied for a period of not less than four years and not more than seven years if the offence was committed by one of the parties indicated in article 5, paragraph 1, letter a), and for a period of not less

than two years and not more than four years if the offence was committed by one of the parties indicated in article 5, paragraph 1, letter b).

5-bis. If, before the judgment of first instance, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and the identification of the perpetrators or the seizure of the sums or other benefits transferred, and has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind committed, the prohibitory sanctions have the duration established by Article 13(2).

A brief description is provided below of the various offences contemplated by articles 24 and 25 of Legislative Decree 231/01.

Embezzlement (article 314, paragraph 1, Penal Code)

This offence occurs when a public official or a person in charge of a public service, who, having by reason of his or her office or service the possession or otherwise the availability of money or other movable property of others, appropriates it.

The offense may result in the administrative liability of the Entity when the act harms the financial interests of the European Union.

Embezzlement by taking advantage of the error of others (article 316 of the Penal Code.)

This offense occurs when a public official or person in charge of a public service, who, in the performance of his or her duties or service, taking advantage of the error of others, receives or wrongfully considers, for self or for a third party, money or other gratuities.

The offense may entail the Entity's administrative liability when the act harms the financial interests of the European Union.

Misappropriation of public funds (article 316-bis of the Penal Code)

This offence occurs when, after having received funding, grants, subsidies, low-interest loans or other disbursements of the same type, however denominated, intended for the achievement of one or more purposes from the Italian State or the European Union, such funds are not utilized for the purposes for which they were intended (the conduct, as such, consists in having diverted, even partially, the funds received, regardless of whether the planned activity has been carried out).

Bearing in mind that the offence occurs when it is committed, said offence may arise also with funding obtained in the past and that is not utilized for the pre-established purposes.

- ***Illegal receipt of public funds (Article 316-ter of the Penal Code)***

This offence occurs when – through the utilization or the presentation of false

declarations or documents or the omission to provide required information – funding, grants, low-interest loans or other similar incentives are unjustifiably obtained from the Italian State, from government authorities or from the European Community.

In this case, contrary to the preceding paragraph (Article 316-*bis*), the purpose for which the funds are utilized is irrelevant, as the offence is committed when the funds are received.

Finally, it should be noted that, compared to fraud against the State, this is a residual offence, in that it applies only in those cases where the conduct does not constitute sufficient grounds for a charge of fraud against the State.

- ***Fraud in public contracts (Article 356 of the Penal Code)***

This offence occurs where fraud is committed in the fulfilment of supply contracts or in the performance of obligations arising from a contract entered into with the State, or with another public authority, or with a company providing public services or services of public necessity.

- ***Fraud against the European Agricultural Fund (article 2. Law December 23, 1986, no. 898)***

This offense is committed when, through the exhibition of false data or information, aid, rewards, allowances, refunds, contributions or other disbursements are unduly obtained for oneself or others at the total or partial expense of the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development.

- ***Bribe solicitation (Article 317 of the Penal Code)***

This offence is committed when a public official or a person in charge of a public service, abusing his role or powers, compels another party to provide or promise him or a third-party money or other benefits. This offence is applied only marginally within the context of the offences contemplated by Legislative Decree 231/01. In particular, this offence may apply, within the context of Legislative Decree 231/01, when an employee or agent of the Company participates in the perpetration of the offence by the public official or the person in charge of a public service who, taking advantage of such capacity, requests benefits from third parties to which he is not entitled (provided that, as a consequence of such conduct, the company in some manner derives an advantage).

The terms “public official” and “person in charge of a public service” are intended to include also the following parties:

1) members of the Commission of the European Communities, the European

Parliament, the Court of Justice of the European Union and the European Court of Auditors;

2) officers and agents hired under contracts regulated by the Staff Regulations or the Conditions of Employment of agents of the European Communities;

3) persons seconded by Member States or any public or private entity of the European Communities, who perform functions corresponding to those of the officers or agents of the European Communities;

4) members and employees of entities constituted on the basis of the founding treaties of the European Communities;

5) persons who, within the scope of other member States of the European Union, perform functions and activities corresponding to those of government officials and persons responsible for a public service.

6) judges, the prosecutor, assistant prosecutors, officials and agents of the International Criminal Court, persons seconded by the States Parties to the Treaty establishing the International Criminal Court who exercise functions corresponding to those of officials or agents of the Court, members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court;

7) persons exercising functions or activities corresponding to those of public officials and persons in charge of a public service within public international organizations;

8) members of international parliamentary assemblies or of an international or supranational organization and judges and officials of international courts;

9) persons performing functions or activities corresponding to those of public officials and public service officers within non-EU states, when the act harms the financial interests of the Union.

- ***Undue Inducement to Give or Promise Money or Other Benefits (Art. 319-quater of the Penal Code)***

Such offence, also called ***"induced bribe solicitation"***, takes place when a public official or a person in charge of a public service, abusing his position, induces another person to give or promise money or other benefits to himself or to a third party.

The penalty is imprisonment from six to ten years and six months for the public official and the person in charge of a public service, and imprisonment of up to three years for anyone who gives or promises money or other benefits. The penalty is imprisonment of up to four years when the act harms the financial interests of the European Union and the damage or

profit exceeds €100,000

Punishment is also extended to private individuals who are induced to pay or promise money or other benefits, as a result of the abuse of power by the public official or the person in charge of a public service. For the offence in question to occur, the following conditions must be met:

- a conduct of the soliciting party which must result in an inducement activity;
- two actions of the solicited party (promise or undue giving of money or other benefits);
- a cause-effect relationship between inducement and the final event;
- the representation and volition of one's own unlawful action.

- ***Bribery to Induce Improper Performance of Duties or To Commit an Act Contrary to Official Duties (Articles 318- 319-319 bis-320 of the Penal Code)***

These offences are committed when a government official accepts, for himself or on behalf of other parties, money or other benefits to perform, omit or delay the performance of, official duties (to the advantage of the party offering the bribe).

The activity of the public official may be influenced, whether to perform an official act (e.g. expedite the resolution of a case falling under his responsibilities) or to act in contrast with his duties (e.g. acceptance of money by a government official to award a contract).

In the case of acts contrary to official duties, the penalty is higher if such acts involve the awarding of public employment, salaries or pensions, or the execution of contracts concerning the agency to which the public official belongs.

The penalties contemplated in the case of bribery for a non-discretionary act, are applicable also when such offence is committed by a person in charge of a public service, if such person in charge of a public service is also a public official.

The penalties contemplated, in the case of acts contrary to official duties, are applicable also when such offence is committed by a person in charge of a public service, if such person in charge of a public service is also a public official.

These offences differ from extortion, in that there is an agreement between the corrupting and corrupted parties intended to attain a reciprocal benefit, whereas in the case of extortion the conduct of the government official or person in charge of a public service is imposed upon the private party.

Penalties are contemplated also for the corrupting party (Article 321 of the penal code).

The terms “public official” and “person in charge of a public service” include also the following parties:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice of the European Union and the European Court of

Auditors;

2) officers and agents hired under contracts regulated by the Staff Regulations or the Conditions of Employment of agents of the European Communities;

3) persons seconded by Member States or any public or private entity of the European Communities, who perform functions corresponding to those of the officers or agents of the European Communities;

4) members and employees of entities constituted on the basis of the founding treaties of the European Communities;

5) persons who, within the scope of other member States of the European Union, perform functions and activities corresponding to those of government officials and persons responsible for a public service.

6) judges, the prosecutor, assistant prosecutors, officials and agents of the International Criminal Court, persons seconded by the States Parties to the Treaty establishing the International Criminal Court who exercise functions corresponding to those of officials or agents of the Court, members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court;

7) persons exercising functions or activities corresponding to those of public officials and persons in charge of a public service within public international organizations;

8) members of international parliamentary assemblies or of an international or supranational organization and judges and officials of international courts;

9) persons performing functions or activities corresponding to those of public officials and public service officers within non-EU states, when the act harms the financial interests of the Union.

For the purposes of establishing the penalties for the corrupting party the terms "public officials" and "persons responsible for a public service" include the parties indicated in the preceding paragraphs and the persons who perform comparable functions or activities in other States or in international public organizations, whenever the offence is committed in order to procure for oneself or on behalf of other parties an unjustified benefit in international economic transactions.

- ***Judicial Corruption (Article 319-ter of the Penal Code)***

This offence is committed when the Company is involved in legal proceedings and, in order to obtain an advantage in the such legal proceedings, bribes a public official (not only a magistrate, but also clerk of the court or other officer).

- ***Inducement to Bribery (Article 322 of the Penal Code)***

This offence arises when a public official rejects a bribe.

The terms "public official" and "person in charge of a public service" include also the following parties:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice of the European Union and the European Court of Auditors;

2) officers and agents hired under contracts regulated by the Staff Regulations or the Conditions of Employment of agents of the European Communities;

3) persons seconded by Member States or any public or private entity of the European Communities, who perform functions corresponding to those of the officers or agents of the European Communities;

4) members and employees of entities constituted on the basis of the founding treaties of the European Communities;

5) persons who, within the scope of other member States of the European Union, perform functions and activities corresponding to those of government officials and persons responsible for a public service;

6) judges, the prosecutor, assistant prosecutors, officials and agents of the International Criminal Court, persons seconded by the States Parties to the Treaty establishing the International Criminal Court who exercise functions corresponding to those of officials or agents of the Court, members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court;

7) persons who perform functions or activities comparable to those of public officials and persons responsible for a public service in other States or in international public organizations.

8) members of international parliamentary assemblies or of an international or supranational organization and judges and officials of international courts;

9) persons performing functions or activities corresponding to those of public officials and public service officers within non-EU states, when the act harms the financial interests of the Union.

- ***Embezzlement, Bribe Solicitation, Undue Inducement to Give or Promise Money or Other Benefits, Corruption and Inducement to Bribery, Abuse of Office of Members of the Organs of the European Community and Officers of the European Community and Foreign States (Article 322-bis of the Penal Code)***

The provisions of Articles 314, 316, 317 to 320 and 322, paragraphs 3 and 4, apply also to:

1) members of the Commission of the European Communities, the European Parliament, the Court of Justice of the European Union and the European Court of Auditors;

2) officers and agents hired under contracts regulated by the Staff Regulations or the Conditions of Employment of agents of the European Communities;

3) persons seconded by Member States or any public or private entity of the European Communities, who perform functions corresponding to those of the officers or agents of the European Communities;

4) members and employees of entities constituted on the basis of the founding treaties of the European Communities;

5) persons who, within the scope of other member States of the European Union, perform functions and activities corresponding to those of government officials and persons responsible for a public service.

6) judges, the prosecutor, assistant prosecutors, officials and agents of the International Criminal Court, persons seconded by the States Parties to the Treaty establishing the International Criminal Court who exercise functions corresponding to those of officials or agents of the Court, members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court;

7) persons who perform functions or activities comparable to those of public officials and persons responsible for a public service in other States or in international public organizations.

8) members of international parliamentary assemblies or of an international or supranational organization and judges and officials of international courts;

9) persons performing functions or activities corresponding to those of public officials and public service officers within non-EU states, when the act harms the financial interests of the Union.

The provisions of Articles 321 and 322, paragraphs 1 and 2, are applicable also if the money or other benefits are given, offered or promised to:

1) the persons indicated in paragraph 1 of this article;

2) persons who perform functions or activities comparable to those of public officials and persons responsible for a public service in other States or in international public organizations, whenever the offence is committed in order to procure for oneself or other parties an unjustified benefit in international economic transactions.

The persons indicated in paragraph 1 are considered public officials, if they perform similar functions, and persons responsible for a public service in all the other cases.

- **Abuse of office (Article 323 of the Penal Code)**

  The provision punishes a public official who, abusing the powers inherent in his functions, engages, in order to cause damage to others or to attribute them a benefit, in actions not provided for as crimes by a particular provision of the law. The offence may entail the administrative liability of the Entity when the action undermines the financial interests of the European Union.

- ***Influence peddling (Article 346-bis of the Penal Code)***

  Whoever, apart from cases of complicity in the offences referred to in Articles 318, 319, 319-ter and in the bribery offences referred to in Article 322-bis, exploiting or boasting existing or alleged relations with a public official or a public service appointee or one of the other persons referred to in Article 322-bis, unduly causes to be given or promised, to himself or to others money or other benefits, as the price of their unlawful mediation with a public official or a person in charge of a public service or one of the other persons referred to in Article 322-bis, or to remunerate such public official or person in charge of a public service in relation to the exercise of his functions or powers, shall be punished by imprisonment from one year to four years and six months.

- ***Fraud against the State, Other Public Authority or the European Union (Article 640, paragraph 2 n. 1, of the Penal Code)***

This offence is committed when, with the intention of achieving a wrongful gain, deception or contrivances are employed in order to mislead or cause damage to the State (or to other Public Authority or the European Union).

For example, this offence could occur if, during the submission of documents or data for participation in a tender, untrue information is provided to the Public Authority (e.g. fabricated supporting documentation) in order to secure the award of the tender.

- ***Aggravated Fraud in Order to Obtain Government Grants (Article 640-bis of the Penal Code)***

This offence arises when the fraud is committed in order to illegally obtain state grants.

The offence may be perpetrated by means of deception or contrivances, such as the communication of untrue information or the submission of false documentation, so as to obtain state grants.

- ***Computer Fraud against the State or Other Public Authority (Article 640-ter of the Penal Code)***

This offence is committed when the operation of an information or computer system is altered or when the information contained by such systems is manipulated, with the intent to generate a wrongful gain with a consequent damage to third parties.

The offense is aggravated where it is committed with theft or misuse of digital identity to the detriment of one or more persons

The offence is aggravated if one of the circumstances provided for in paragraph 1) of the second paragraph of article 640 is met, or if the act results in a transfer of money, monetary value or virtual currency, is committed with the illegal participation of a system operator, or in the event that it is committed with a theft or the undue utilization of a digital identity against one or more parties.

As a practical example, once the grants have been received, this offence could be committed through the unauthorized access to the information system in order to illegally increase the amount of the lawfully assigned grant.

1.1 Government

This paragraph is intended to set out the general criteria and to provide a list of examples of parties that qualify as “active parties” in the offences under Legislative Decree 231/01, or such parties who perpetrate the offences contemplated therein.

1.1.1 Public Authorities

For the purposes of the penal law, a “Public Authority” is a legal entity that oversees public interests and performs legislative, jurisdictional or administrative activities on the basis of public law provisions or administrative measures.

While the penal code does not define Government, based on the Ministerial Report on the penal code and in relation to the offences indicated therein, government includes the entities that perform “all the activities of the State and the other public authorities”.

In the attempt to develop a preliminary classification of all the legal entities that belong to this category, reference can be made, among others, to article 1, paragraph 2, of Legislative Decree 165/01 on the rules for employees of government authorities, which defines as government authorities all the State authorities.

Below, a list is provided of all the Public Authorities.

Public Authority:

Any entities that oversees public interests and performs:

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

activities on the basis of:

- **public law provisions**

- **administrative measures**

Government Activities:

All the activities of the State and the other public entities.

The following lists includes, without limitation, the Public Authorities:

- Institutes and schools of any type and level as well as educational institutions;
- Autonomous State entities and authorities such as:
- Ministries;
- Chamber of Deputies and Senate;
- EU Policy Department;
- Antitrust Authority;
- Authority for Electric Energy and Gas;
- Bank of Italy;
- Consob;
- Italian Data Protection Authority;
- Revenue Agency;
- Regions;
- Provinces;
- Municipalities;
- Mountain communities and their consortia and associations;
- Chambers of Commerce, Industry, Crafts and Agriculture and their associations.

All the national, regional, and local non-economic public entities, such as:

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

Given that the above list provides only an example of public entities, it is stressed that not all the natural persons who act within and in relation to such entities are the victims or the perpetrators of the offences under Legislative Decree 231/01.

In particular, only “Public officials” and “Persons responsible for a public service” are the victims and perpetrators of such offences.

1.1.2 Public officials

Pursuant to article 357, paragraph 1, of the penal code, "for the purposes of penal effects" a public official is someone who exercises "a legislative, judicial or administrative function".

The paragraph 2 even specifies the concept of "administrative public function". On the other hand, "legislative function" and "judicial function" have not been defined, as the identification of the parties that perform them has never given rise to particular problems or difficulties.

Therefore, the paragraph 2 of the article in question specifies that, for the purposes of the penal law "*the public administrative function is governed public-law and administrative-measure provisions and it is characterised by the formation and manifestation of the will of the government and its action through authoritative or certifying powers*".

In other words, it is public the administrative function governed by "public law provisions", that is those provisions designed to pursue a public purpose and to protect a public interest and are, as such, set in contrast to private law provisions.

Paragraph 2 of article 357 of the penal code translates into normative terms some of the main general criteria identified by case law and by scholars to differentiate the concept of "public function" from that of "public service".

The main characteristic of the former can be summarized as follows:

Public official: Someone who exercises a legislative, judicial and administrative public function.

Administrative public function: Administrative function governed by public law provisions and administrative measures, characterised by:

- the formation and manifestation of the will of the government or
- performance of its action through authoritative or certifying powers.

Public law provisions: Provisions designed to pursue a public purpose and to protect a public interest.

Foreign Public officials:

- Any person who exercises a legislative, administrative or judicial function in a foreign country;
- Any person who exercises a public function for a foreign country or for a foreign public entity or company of such country;
- Any officer or agent of an international public organization.

1.1.3 Persons responsible for a public service

Unlike case law, scholars do not all agree on the definition of "persons responsible for a public service". For a clear definition of "person in charge of a public service", reference should be made to the penal code and the interpretations originated from common practice. In particular, article 358 of the penal code provides that "*persons responsible for a public service are all those who, for any reason, provide a public service*.

Public service means an activity governed by the same forms as the public function but characterised by the lack of powers typical of the latter, thus excluding the performance of mere clerical and physical tasks".

To be public, a "service" needs to be governed – as with the "public function" – by public law provisions, though without certifying, authoritative and deliberative powers typical of the public function.

Moreover, the law specifies that the performance of "simple clerical tasks" and "physical tasks" can never constitute "public service".

Case law has identified a number of "revealing indicators" for the public nature of the entity, in relation to which the state-owned corporation is a case in point. In particular, reference is made to the following indicators:

- supervision to ensure that it operates for socially-oriented purposes and the State's or other public authority's power to appoint and terminate directors;
- the presence of an agreement and/or concession arrangement with the government;
- funding by the State;
- the presence of the public interest in the economic activity.

Based on the above, the key factor to indicate whether a party is a "person in charge of a public service" is not the legal nature of the entity but the functions entrusted to the party, which must involve the supervision of the public interest or the meeting of general-interest needs.

The key features of the person in charge of a public service are as follows:

Public service: An activity:

- governed by public law provisions:
- characterised by the lack of deliberative, authoritative and certifying powers (typical of the public administrative function), and
- that does not involve the performance of mere clerical or physical tasks.

2. Computer Crimes (Article 24-*bis* of Legislative Decree 231/01)

Law 48/2008, ratifying the Convention on Computer Crime, introduced into Legislative

Decree 231/01 article **24-*bis***, which extended the administrative liability of legal entities to **"Computer Crimes"**.

Article 24-bis
Computer crimes and unlawful processing of data

1. In relation to the commission of the offences referred to in articles 615-ter, 617-quater, 617-quinquies, 635-bis, 635-ter, 635-quater and 635-quinquies of the Penal Code, entities are subject to monetary sanctions ranging from one hundred to five hundred quotas.
2. In relation to the commission of the offences referred to in Articles 615-quater and 615-quinquies of the Penal Code, entities are subject to monetary sanctions of up to three hundred quotas.
3. In relation to the commission of the offences referred to in Articles 491-bis and 640-quinquies of the Penal Code, without prejudice to the provisions of Article 24 of the present Decree for cases of computer fraud against the State or other public authorities, ((and the offences referred to in Article 1, paragraph 11, of Decree-Law no. 105 of 21 September 2019,)) entities are subject to a monetary sanction of up to four hundred quotas.
4. In cases of conviction for one of the offences indicated in paragraph 1, the prohibitory sanctions provided for in article 9, paragraph 2, letters a), b) and e) are applied. In cases of conviction for one of the offences indicated in paragraph 2, the prohibitory sanctions provided for in Article 9, paragraph 2, letters b) and e) shall apply. In cases of conviction for one of the offences indicated in paragraph 3, the prohibitory sanctions provided for in Article 9, paragraph 2, letters c), d) and e) shall apply.

A brief description is provided below of the various offences envisaged by Legislative Decree 231/01 in Article 24-*bis*.

- ***False Information in a Computer Document of a Public or Probative Nature (Article 491-bis of the Penal Code)***

If any of the type of false information under this heading concerns a public computer document with probatory force, the provisions of such heading in regard to public acts apply.

- ***Unauthorized Access to an Information or Communication System (Article 615-ter of the Penal Code)***

Any person gaining unauthorized access to an information or communication system, protected by security measures, or continuing to remain in such a system, against the express or tacit will of the party having the right to exclude such person, is punishable by imprisonment of up to three years.

Imprisonment ranges from one to five years, when:

1) The act is committed by a public official or a person in charge of a public service,

with abuse of authority, or in violation of the duties inherent to the function or service, or also by an unlicensed private detective, or an unauthorized system operator;

2) The guilty person acts with violence in regard to property or people, or is clearly armed;

3) The act causes the destruction or damage of the system or the total or partial functional interruption, or the destruction or damage of the data, information or software contained by the system.

Whenever the facts mentioned in paragraphs 1) and 2) above concern information and communication systems of a military nature or relative to law and order, collective security, national health, civil defence or otherwise concern the public interest, imprisonment is from one to five years and from three to eight years, respectively. In the case of paragraph 1), the offence is punishable on the basis of the charges pressed by the aggrieved party; in all other cases authorities proceed ex officio.

- ***Unauthorized Holding, Disclosure and Installation of Access Codes to Equipment, Codes and Other Means of Access to Information or Communication Systems (Article 615-quater of the Penal Code)***

Any individual not authorized, who obtains, possesses, creates, replicates, reveals, imports, conveys, or facilitates the installation of equipment, components of devices, or any other instruments, access codes, passwords, or other means of entry to an information or communication system, safeguarded by security measures or providing relevant indications or instructions for such purposes, with the intent to gain personal advantage or inflict harm upon third parties, shall be subject to a penalty of imprisonment for a period of up to two years and a fine of up to EUR 5,164.00.

The term of imprisonment is one to three years and the fine ranges from EUR 5,164.00 to EUR 10,329.00 in the presence of the circumstances set out in sub-paragraphs 1) and 2) of the fourth paragraph of Article 617-*quarter*.

- ***Unauthorized Holding, Disclosure and Installation of Equipment, Devices or Computer Software Intended to Damage or Interrupt an Information or Communication System (Art. 615-quinquies of the Penal Code)***

Any unauthorized person procuring, producing, duplicating, importing, disseminating, communicating, handing over or otherwise making available to other parties or installing equipment, devices or computer software, in order to illegally damage an information or communication system, the information, data or software contained by or relating to such systems or to cause the total or partial interruption or alteration of the system's operation, is punishable by imprisonment of up to two years and a fine of up to EUR 10,329.00.

- ***Interception, Obstruction or Illegal Interruption of Communications in Information or Communication Systems (Art. 617-quater of the Penal Code)***

Any person fraudulently intercepting communications relative to an information or communication system or flowing among different systems, or obstructing or interrupting such communications, is punishable by imprisonment ranging from one year and six months to five years. Unless the act constitutes a more serious offence, the same punishment applies to any person publicly disclosing, by any public disclosure means, in whole or in part, the foregoing communications.

The offences mentioned in paragraphs 1 and 2 are punishable pursuant to charges pressed by the aggrieved party.

However, an investigation is started ex officio and the punishment ranges from three to eight years if the offence is committed:

1) to damage an information or communication system utilized by the Italian State authorities or by other public authorities, public service companies and entities providing essential public services;

2) by a public official or a person in charge of a public service, with abuse of authority, or in violation of the duties inherent to the function or service, or by performing unauthorized activities as system operator;

3) by an unlicensed private detective.

- ***Unauthorized Holding, Disclosure and Installation of Devices or other Means for the Interception, Obstruction or Interruption of Communications Flowing Through Information or Communication Systems (Art. 617-quinquies of the Penal Code)***

Any individual, outside the cases permitted by law, who, with the intention of intercepting communications related to a computer or electronic system or between multiple systems, or preventing and interrupting them, procures, possesses, produces, reproduces, disseminates, imports, communicates, conveys or otherwise makes available to others, or instals equipment, programs, codes, passwords, or other means of intercepting, preventing, or interrupting such communications related to a computer or electronic system or between multiple systems is punishable by imprisonment ranging from one to four years.

With regard to the instances contemplated by the fourth paragraph of Article 617-*quater*, imprisonment ranges from one to five years.

- ***Damaging of Information, Data, and Software (Art. 635-bis of the Penal Code)***

Unless the act constitutes a more serious offence, any person destroying, damaging, cancelling, altering or suppressing information, data or software belonging to another party

is punishable, pursuant to charges oppressed by the aggrieved party, by imprisonment ranging from six months to three years.

If the act is committed with violence to the individual or with threats or with unauthorized activities by the system operator, the offence is punishable by imprisonment ranging from one to four years.

- ***Damaging of Information, Data and Software Utilized by the Italian State Authorities or by other Public Service Entity or Otherwise Relating to a Public service (Art. 635-ter of the Penal Code)***

Unless the act constitutes a more serious offence, any person destroying, damaging, cancelling, altering or suppressing information, data or software utilized by the Italian State authorities or by other public entities, or pertaining to them or otherwise relating to a public service, is punishable by imprisonment ranging from one to four years.

If the act causes the destruction, damage, cancellation, alteration or suppression of information, data, or software, it is punishable by imprisonment ranging from three to four years.

If the act is committed with violence to the individual or with threats or with unauthorized activities by the system operator, the offence is punishable with a harsher sentence.

- ***Damaging of Information or Communication Systems (Article 635-quater of the Penal Code)***

Unless the act constitutes a more serious offence, any person acting in the manner described in Article 635-*bis* - or by the introduction or the transmission of data, information or software destroys, damages or renders, in whole or in part, useless the information or communication systems belonging to another party, or seriously impedes the functioning of such systems - is punishable by imprisonment ranging from one to five years.

If the act is committed with violence to the individual or with threats or with unauthorized activities by the system operator, the offence is punishable with a harsher sentence.

- ***Damaging of Public Service Information or Communication Systems (Article 635-quinquies of the Penal Code)***

If the act, described in Article 635-*quarter* is intended to destroy, damage or render useless public service information or communication systems, in whole or in part, or to seriously impede the functioning of such systems, the offence is punishable by imprisonment ranging from 1 to 4 years.

If the act causes the destruction or damaging of a public service information or communication systems, or if such systems are rendered useless, in whole or in part, the offence is punishable by imprisonment ranging from 3 to 8 years.

If the act is committed with violence to the individual or with threats or with unauthorized activities by the system operator, the offence is punishable with a harsher sentence.

- ***Computer Fraud by the Person Certifying Digital Signatures (Article 640-quinquies of the Penal Code)***

A provider of digital signature certification services who, for personal or other persons' gain, violates the obligations imposed by the law on the issuance of a qualified certificate is punishable by imprisonment of up to 3 years and with a fine ranging from EUR 51 to EUR 1,032.

- ***Obstructing or conditioning the implementation of national cyber security measures (Article 1, paragraph 11 of Decree-Law No. 105 of 21 September 2019)***

Whoever, for the purpose of obstructing or conditioning the fulfilment of the procedures referred to in paragraph 2, letter b), or paragraph 6, letter a), or of the inspection and supervision activities provided for in paragraph 6, letter c), provides information, data or factual elements that are not true, relevant for the preparation or updating of the lists referred to in paragraph 2, paragraph 2, letter b), or for the purposes of the communications referred to in paragraph 6, letter a), or for the performance of the inspection and supervision activities referred to in paragraph 6, letter c), or fails to communicate such data, information or factual elements within the prescribed time limits, shall be punished with imprisonment from one to three years..

3. Organized Crime Offences (Article 24-*ter* of Legislative Decree 231/01)

Law no. 94, Article 2, paragraph 29 of 15 July 2009 introduced organized crime offences within the scope of article 24-*ter* of Legislative Decree 231/01.

Article 24-ter
Organized crime offences

1. In relation to the commission of any of the offences referred to in Articles 416, sixth paragraph, 416-bis, 416-ter and 630 of the Penal Code, to offences committed by making use of the conditions provided for by the aforementioned Article 416-bis or in order to facilitate the activities of the associations provided for by the same Article, as well as to offences provided for by Article 74 of the Consolidated Act referred to in Presidential Decree no. 309 of 9 October 1990, the monetary sanction from four hundred to one thousand quotas shall apply.
2. In relation to the commission of any of the offences referred to in Article 416 of the Penal Code, with the exclusion of the sixth paragraph, or referred to in Article 407, paragraph 2, sub-paragraph a), number 5), of the Code of Penal Procedure, the pecuniary sanction from three hundred to eight hundred quotas shall apply.

3. n cases of conviction for one of the offences indicated in paragraphs 1 and 2, the prohibitory sanctions provided for in Article 9, paragraph 2, are applied for a period of not less than one year.
4. If the entity or one of its organisational units is permanently used for the sole or main purpose of enabling or facilitating the commission of the offences indicated in paragraphs 1 and 2, the sanction of permanent ban from carrying out the activity pursuant to article 16, paragraph 3) is applied.

The single offences pursuant to 24-*ter* of Legislative Decree 231/01 are described briefly here below.

- ***Criminal Organization (Article 416 of the Penal Code)***

If three or more persons conspire to commit various crimes, those who promote or constitute or set up the criminal organization are punishable by imprisonment, for this alone, ranging from to three to seven years.

Mere participation in the criminal organization carries a one-to-five-year prison sentence.

The heads of the criminal organization are subject to the same sentence established for the promoters. Participants in the criminal organization who roam the countryside or public streets carrying firearms are punishable by imprisonment ranging from five to fifteen years.

The sentence is raised if the criminal organization has ten or more participants.

If the criminal organization is intent on committing any of the crimes under articles 600, 601, 601-bis and 602, as well as article 12, paragraph 3-*bis* of the consolidated act on immigration and provisions on the conditions of foreigners under Legislative Decree no. 286 of 25 July 1998, as well as articles 22, paragraphs 3 and 4, 22-bis, paragraph 1 of law no. 91 of 1 April 1999, imprisonment of five to fifteen years is applicable in the cases pursuant to paragraph 1 while imprisonment of four to nine years is applied in the cases pursuant to paragraph 2[1].

If the criminal organization is intent on committing any of the crimes provided for in articles 600-bis, 600-ter, 600-quater, 600-quater.1, 600-quinquies, 609-bis, when the act is

[1] The offences pursuant to Articles 600, 601, 601-bis and 602 of the penal code are described in the section on *Offences against the person*, provided for by Article 25-*quinquies* of Legislative Decree 231/01.
Article 12, paragraphs 3 and 3-*bis* of Legislative Decree no. 286 of 25 July 1998 (Provisions against illegal immigration) provides that: "Unless the act constitutes a more serious offence, anyone who, in violation of the provisions in this consolidated act, promotes, manages, organizes, funds, or transports foreigners onto Italian territory or commits other acts to illegally enter the country, or another country of which the person is not a citizen, or in which the person does not hold permanent residency, is punishable by imprisonment from five to fifteen years and fined EUR 15,000.00 for each person in the event that: a) the act concerns entry or illegal stay on Italian territory of five or more persons; b) the transported person was exposed to risk of life and limb to enter or stay illegally; c) the transported person underwent inhuman or degrading treatment to enter or stay illegally; d) the act is committed by three or more persons operating together or utilizing international transport systems or counterfeit or altered or otherwise illegally obtained documents ; e) the offenders have access to arms or explosive materials. 3-*bis*. If the acts pursuant to paragraph 3 are committed as per two or more of the cases described in sub-paragraphs a), b), c), d) and e) of the same paragraph, the applicable sentence is raised. (omissis)

committed to the detriment of a minor under the age of eighteen years, 609-quater, 609-quinquies, 609-octies, when the act is committed to the detriment of a minor under the age of eighteen years, and 609-undecies, imprisonment from four to eight years is imposed in the cases provided for in the first paragraph and imprisonment from two to six years in the cases provided for in the second paragraph.

- ***National and Foreign Mafia-Like Organizations (Article 416-bis of Penal Code)***

Anyone who takes part in a mafia-like organization comprised of three or more persons is punishable by imprisonment of ten to fifteen years. Those who promote, manage or set up the organization are sentenced, for this alone, from twelve to eighteen years' imprisonment.

The organization is considered mafia-like when its members use its force of intimidation as a group and the resulting ability to subjugate and to enforce a code of silence to perpetrate offences, to directly or indirectly acquire the management or otherwise the control of economic activities, concessions, authorizations, contracts and public services or to obtain unjust gains or benefits for the organization itself or for others.

If the organization is armed, a sentence of twelve to twenty years' imprisonment is applied in the cases pursuant to paragraph 1 and five to fifteen years' imprisonment in the cases pursuant to the paragraph 2.

The organization is considered armed when the participants have access to weapons or explosive materials to achieve the purposes of the organization, including when such weapons are concealed or stored.

If the economic activities which the organization members intend to assume or take over are financed, in whole or in part, with the price, the product, or the gains of criminal activities, the sentences in the previous paragraphs are raised by one-third to one-half. With regard to the sentenced person, the things that serve or that were used to commit the crime and the things that are the price, the product, the gain of criminal activities shall be seized.

The provisions of this article apply also to the camorra, 'ndrangheta and other regional or foreign organizations that, by using the intimidating force of the group, pursue the same aims as those of mafia-like organizations.

- ***Mafia-Related Vote Buying (Article 416-ter of the Penal Code.)***

Anyone who accepts, whether directly or through intermediaries, the promise to obtain votes from individuals affiliated with the associations mentioned in Article 416-bis or through the means detailed in the third paragraph of article 416-bis, in exchange for the disbursement or pledge of money or any other consideration, or in exchange for a commitment to fulfil the interests or requirements of the mafia association, shall be subject to the penalties prescribed in the first paragraph of article 416-bis.

The same penalty applies to whoever promises, whether directly or through intermediaries, to obtain votes in the circumstances described in the first paragraph.

If the individual who accepted the promise of votes, due to the agreement outlined in the first paragraph, was elected in the relevant election, the penalty stipulated in the first paragraph of Article 416-bis shall be increased by half.

Upon conviction for the offenses detailed in this article, perpetual disqualification from holding public office is invariably imposed.

- ***Kidnapping for Ransom (Article 630 of the Penal Code)***

Anyone who kidnaps a person with the intent of attaining for himself or for others an unjust gain as the price for freedom is punished by imprisonment ranging from twenty-five to thirty years.

Should the kidnap result in the unintended death of the kidnapped person, the offender is sentenced to thirty-year imprisonment.

If the offender causes the death of the kidnapped person, life imprisonment is applied.

For the kidnapper who, distancing g himself from the others/organization, endeavours to free the kidnaped person, without such outcome being the consequence of the ransom paid, the sentences provided for by article 605 is applied.

If, however, the kidnapped person dies as a result of the kidnapping, after obtaining freedom, the sentence shall be six to fifteen years' imprisonment.

In addition to the case provided in the previous paragraph, when a kidnapper, distancing himself from the others/organization, endeavours to avoid further consequences of the offence or concretely helps the police or judicial authorities in gathering decisive evidence or to capture the kidnappers, the life- time sentence is replaced with twelve to twenty years' imprisonment and the other sentences are lowered by one-third to two-thirds.

When one extenuating circumstance occurs, the sentence provided by the paragraph 2 is replaced with twenty to twenty-four years' imprisonment; the sentence provided for by paragraph 3 is replaced with twenty-four to thirty years' imprisonment.

In the presence of different extenuating circumstances, imprisonment cannot be shorter than ten years, in the case provided by the paragraph 2, and fifteen years, in the case provided by paragraph 3.

The limits of the sentence provided in the previous paragraph may be exceeded in the presence of the extenuating circumstances under paragraph 5 of this article.

- ***Criminal Organization Established with Intent to Distribute Narcotic or Psychotropic Substances (Article 74 of Presidential Decree No. 309/1990 – Consolidated Act on Drugs)***

When three or more persons conspire to commit various offences among those under article 73, those who promote, constitute, manage, organize, or fund the organization are punishable by imprisonment of no less than twenty years. The sentence is raised if the number of participants in the criminal organization is ten or more or if the participants include persons addicted to the use of narcotic or psychotropic substances. If the organization is armed the participants are punishable by imprisonment of no less than twenty-four years, in the cases indicated by paragraphs 1 and 3, and twelve years, in the cases indicated in paragraph 2. The organization is considered armed when the participants have access to weapons or explosive materials to achieve the purposes of the organization, including when such weapons are concealed or stored. The sentence is raised if the circumstances under sub-paragraph e) of paragraph 1 of article 80 apply. If the conspiracy is set up to commit the actions described by paragraph 5 of article 73, paragraphs 1 and 2 of article 416 of the penal code apply.

The sentences pursuant to paragraphs 1 to 6 are lessened by half to two-thirds for those persons who effectively cooperate to produce the evidence of the offence or to remove decisive resources from the organization for the perpetration of the offences.

- ***Article 407, paragraph 2, sub-paragraph a), item 5 of the penal procedure code. Illegal manufacture, introduction into the State, sale, transfer, keeping and carrying in a public place or in a place open to the public military weapons or assault weapons, or part thereof, explosives and illegal weapons, as well as additional common firearms, excluding those provided for by article 2, paragraph 3 of Law 110/7.***

4. Transnational Offences (Law 146 of 16 March 2006)

Law no. 146 of 16 March 2006, published in the Official Gazette of 11 April 2006, ratified and implemented the United Nations Convention against Transnational Organized crime and the Protocols Thereto, adopted by the General Assembly on 15 November 2000 and on 31 May 2001 (so-called Convention of Palermo).

The core of the Convention is the concept of *transnational crime* (article 3). The characteristics of the crime being: (i) it crosses the borders of the individual States, in one or more respects (preparation, perpetration or effects); (ii) it is perpetrated by a criminal organization; and, (iii) it is of a fairly serious nature (it shall be punished in the various states with imprisonment of not less than four years).

The matter in question is not, therefore, the occasional transnational offence, but more specifically those offences that are the outcome of an organizational activity marked by stability and strategic perspective, and that, as such, are likely to be repeated over time.

The law ratifying the Convention of Palermo broadened the scope of Legislative Decree 231/01. In fact, by virtue of article 10 of law 146/2006, the transnational offences indicated in Law 146/2006 are brought within the purview of Legislative Decree 231/01.

The law defines transnational offence as a crime, punished by imprisonment of not less than four years, which involves an organized criminal group and which:

- is committed in more than one State; or

- is committed in one State, but that a substantial part of its preparation, planning, direction or control is performed in another State; or

- is committed in one State, but involves an organized criminal group engaged in criminal activity in more than one State; or

- is committed in one State but has substantive effects in another State.

The company is responsible for the following offences, committed on its behalf or for its benefit, when they show the transnational features indicated above.

Organization- Based Offences

- ***Criminal Organization (Article 416 of the Penal Code)***
- ***Mafia-like Organizations (Article 416-bis of the Penal Code)***
- ***Criminal Organization Established with Intent to Distribute Narcotic or Psychotropic Substances (Article 74 of Presidential Decree No. 309/1990)*** [2]

- ***Criminal Organization Established to Smuggle Foreign Processed Tobacco (Article 291-quater of Presidential Decree no. 43/1973)***

Such offence is committed when three or more persons join to introduce, sell, transport, purchase, or keep over ten kilograms of foreign processed tobacco in the national territory. Those who promote, constitute, direct, organize, or fund such activities are punishable by imprisonment from three to eight years. Those who participate in such activities are sentenced from one to six years' imprisonment.

Human Trafficking

- ***Human Trafficking (Article 12 Paragraphs 3, subparagraphs 3-bis and 3-ter, and 5 of Legislative Decree no. 286/1998)***

This offence occurs when anyone who, in violation of the provisions in this consolidated act, promotes, manages, organizes, funds, or transports foreigners onto Italian territory or commits other acts to have a person illegally enter the country, or another country of which the person is not a citizen, or in which the person does not hold permanent residency, or, to make an unlawful gain by exploiting the condition of illegality of a foreigner, acts to facilitate the permanence of such foreigner. This offence is punishable by imprisonment ranging from four to fifteen years with a fine of EUR 15,000 for each person (depending on the circumstances of the individual offences, the sanctions may be increased in accordance with the provisions of the above-mentioned legislation).

[2] The offences under articles 416, 416-*bis* and article 74 of Presidential Decree no. 309/1990 are described in the paragraph relative to Organized Crime Offences pursuant to Article 24-*ter* of Legislative Decree 231/01.

In this case the company is subject to a fine ranging from 200 quotas to 1000 quotas as well as ban of up to two years. The fine may consequently reach an amount of approximately EUR 1.5 million (in the event of particularly serious circumstances, this amount may be tripled).

If found guilty of human trafficking, the entity is punishable with a ban of up to two years.

Obstruction of Justice

- ***Inducement to Refrain from Making Statements or to Make False Statements to the Judicial Authorities (Article 377-bis of the Penal Code)***

This offence is committed when anyone, by means of violence or threats or offers or promises of money or other benefits, induces another person, summoned to appear before the judicial authorities to give evidence in the course of criminal proceedings, to refrain from making statements or to make false statements, when such person has the right not to answer. In such case the offence is punishable by imprisonment ranging from two to six years.

- ***Aiding and Abetting (Article 378 of the Penal Code)***

This offence is committed when assistance is provided to another person in order to avoid investigation or to abscond, following the commission of an offence. In such case the offence is punishable imprisonment up to four years.

In these cases the company is subject to a fine of up to 500 quotas. Thus, the fine can reach approximately EUR 775,000. No ban is contemplated for such offences.

5. Offences Related to "Counterfeiting Money, Government Securities, duty stamps, and Distinctive Instruments or Marks" and Offences against Industry and Commerce (Articles 25-*bis* and 25-*bis* 1 of Legislative Decree 231/2001)

Article 25-bis
Counterfeiting Money, Government Securities, duty stamps, and Distinctive Instruments or Marks

1. In relation to the commission of the offences provided for in the penal code concerning the counterfeiting of money, government securities, duty stamps and distinctive instruments or marks), the following financial penalties shall apply to the entity:

    a) for the offence referred to in Article 453, monetary sanction of between three hundred and eight hundred quotas;
    b) for the offences referred to in articles 454, 460 and 461, monetary sanction of up to five hundred quotas;

c) for the offence referred to in Article 455, the monetary sanctions set out in paragraph a), in relation to Article 453, and in paragraph b), in relation to Article 454, reduced by between a third and a half;
d) for the offences referred to in Articles 457 and 464, second paragraph, monetary sanctions of up to two hundred quotas;
e) for the offence referred to in Article 459, the monetary sanctions referred to in paragraphs a), c) and d) reduced by a third;
f) for the offence referred to in Article 464, first paragraph, monetary sanction of up to three hundred quotas.

((f-bis) for the offences set forth in articles 473 and 474, monetary sanction of up to five hundred quotas)).

2. In cases of conviction for one of the offences referred to in articles 453, 454, 455, 459, 460 ((, 461, 473 and 474)) of the penal code, the prohibitory sanctions provided for in article 9, paragraph 2 are applied to the entity for a period of not more than one year.

Article 25-bis.1
Offences against industry and trade

1. In relation to the commission of offences against industry and trade provided for by the penal code, the following monetary sanctions are applied to the entity:
   a) for the offences referred to in Articles 513, 515, 516, 517, 517-ter and 517-quater, monetary sanctions of up to five hundred quotas;
   b) for the offences referred to in Articles 513-bis and 514, monetary sanctions up to 800 quotas.
2. In the case of a conviction for the offences referred to in sub-paragraph b) of paragraph 1, the prohibitory sanctions provided for in article 9, paragraph 2 are applied to the entity)).

Below a description is provided of the offences outlined in article 25-*bis* of Legislative Decree 231/2001, particularly the offences **related to the falsification of distinctive marks** (articles 473 and 474 penal code) introduced by Law no. 99 of 23 July 2009, article 15, paragraph 7:

a. Counterfeiting of Money, Spending, and Introduction into the Country, in concert, of Counterfeit Money (Article 453 of the Penal Code);

The following actions are punishable with imprisonment ranging from three to twelve years and a fine between €516.00 and €3,098.00:

1) Counterfeiting national or foreign coins, whether they are legal tender in the State or abroad;

2) Altering genuine currency in any manner to give them the appearance of a higher value;

3) Introducing, holding, spending, or otherwise putting into circulation counterfeit or altered currency within the territory of the State, while not being an accomplice in the counterfeiting or alteration but acting in concert with the person who carried out the counterfeiting or alteration, or with an intermediary;

4) Purchasing or otherwise receiving counterfeit or altered currency from the person who counterfeited it, or from an intermediary, in order to put it into circulation.

The same penalties apply to anyone who, though legally authorized to produce currency, wrongfully manufactures quantities of currency in excess of the requirements by misusing the tools or materials in their possession.

The penalty is reduced by one third when the actions described in the first and second paragraphs concern coins that have not yet attained the status of legal tender, and the initial term is established accordingly.

b. Alteration of Money (Article 454 of the Penal Code);

Whoever alters currency of the quality indicated in the preceding article, in any way diminishing its value, or, with respect to the currency so altered, commits any of the actions indicated in paragraphs3 and 4 of the said article, shall be punished by imprisonment for a term of one to five years and a fine of from €103.00 to €516.00.

c. Spending and Introduction into the Country, without concert, of Counterfeit Money (Article 455 of the Penal Code);

Whoever, outside the cases provided for in the two preceding articles, introduces into the territory of the State, acquires or holds counterfeit or altered currency, in order to put it into circulation, or spends or otherwise puts it into circulation, shall be subject to the penalties established in said articles reduced by one third to one half.

d. Spending Counterfeit Money Received in Good Faith (Article 457 of the Penal Code);

Anyone who spends or otherwise puts into circulation counterfeit or altered currency received by him in good faith shall be punished by imprisonment of up to six months or a fine of up to €1,032.00.

e. Falsification of duty stamps, Introduction into the Country, Acquisition, Holding, or Putting into Circulation of Forged duty stamps (Article 459 of the Penal Code);

The provisions of articles 453, 455 and 457 also apply to the counterfeiting or alteration of duty stamps and the introduction into the territory of the State, or the

purchase, possession and putting into circulation, of counterfeit duty stamps, though the penalties are reduced by one-third. For the purposes of criminal law, duty stamps mean stamp-impressed paper, revenue stamps, postage stamps and comparable items as defined by special laws.

f. Counterfeiting Watermarked Paper to Be Used to Manufacture Government Securities or duty stamps (Article 460 of the Penal Code);

Whoever counterfeits watermarked paper that is used for the manufacture of public credit securities or duty stamps, or purchases, holds or disposes of such counterfeit paper, shall be punished, if the act does not constitute a more serious offence, by imprisonment for a term of two to six years and a fine from €309.00 to €1,032.00.

g. Manufacturing or Holding of Filigree or Instruments to Forge Currency, Duty Stamps, or Watermarked Paper (Article 461 of the Penal Code);

Whoever manufactures, acquires, possesses or disposes of watermarks, computer programs and data or instruments intended for the counterfeiting or alteration of currency, duty stamps or watermarked paper shall be punished, if the act does not constitute a more serious offence, by imprisonment from one to five years and a fine from €103.00 to €516.00. The same punishment shall apply if the conduct provided for in the first paragraph relates to holograms or other components of the currency intended to ensure its protection against counterfeiting or alteration.

h. Use of Counterfeit or Altered Duty Stamps (Article 464 of the Penal Code);

Anyone who, not being an accomplice to the counterfeiting or alteration, makes use of counterfeit or altered duty stamps shall be punished by imprisonment of up to three years and a fine of up to €516.

i. Counterfeiting, Altering or Use of Distinctive Marks or Signs or Patents, Models and Designs (Article 473 of the Penal Code).

Anyone who, aware of the existence of intellectual property rights, counterfeits or alters distinctive marks or signs of domestic or foreign industrial products or anyone who uses such counterfeited or altered marks or signs without having participated in the counterfeiting or alteration, is punishable by imprisonment from six months to three years and with a fine from EUR 2,500 to EUR 25,000.

Anyone who counterfeits or alters domestic or foreign industrial patents, designs, or models or anyone who, without having taken part in the counterfeiting or alteration, uses such counterfeited or altered patents, designs, or models, is punishable by imprisonment from one to four years and with a fine from EUR 3,500 to 35,000

The offences provided for by paragraphs 1 and 2 are punishable provided that that the

provisions of the domestic laws, community regulations, and international agreements have been observed regarding the safeguarding of the intellectual or industrial property.

- ***Introduction of Products with False Signs into the Country and into Commerce (Article 474 of the Penal Code)***

Aside from the cases of participation in the offences under article 473, anyone who, in order obtain a gain, introduces counterfeited or altered domestic or foreign industrial products with marks or other distinctive signs into the national territory is punishable by imprisonment from one to four years and a fine from EUR 3,500 to EUR 35,000.

Aside from the cases of participation in the counterfeiting, alteration, introduction into the national territory, anyone who holds for sale, sells or otherwise puts into commerce the products under paragraph 1 for personal gain is punishable by imprisonment of up to two years and fined by up to EUR 20,000.

The offences provided for by paragraphs 1 and 2 are punishable provided that domestic laws, community regulations, and international agreements on the safeguarding of intellectual or industrial property rights have been observed.

Law 99, article 15, paragraph 7 of 23 July 2009 has also introduced **article 25-*bis* I of Legislative Decree 231/01**, under the heading of **"Offences against Industry and Commerce"**, as described here below:

- ***Disruption of Industry and Commerce (Article 513 of the Penal Code)***

Anyone engaging in violent actions on objects or in fraudulent activities in order to impede or infringe activities related to industry or commerce is punishable, based on charges pressed by the aggrieved party, if the act does not constitute a graver offence, by imprisonment of up to two years and with a fine from EUR 103 to EUR 1,032.

- **Illegal Competition with Threats or Violence (Article 513-*bis* of the Penal Code)**

Anyone who, in performing commercial, industrial, or production activities engages in a competitive activity by making use of violence or threats is punishable by imprisonment from two to six years.

The sentence is raised if the competitive activities regards in whole or in part financial operations and Government or other public entities in any way.

- ***Fraud against National Industry (Article 514 of the Penal Code)***

Anyone who – by selling or otherwise putting industrial products into circulation on the domestic or foreign market with counterfeited or altered distinctive names, brands, or signs - damages the national industry, is punishable by imprisonment from one to five years and with a fine of no less than EUR 516.

If, for the distinctive brands or signs, the domestic law or international agreements on industrial property have been observed, the sentence shall be raised and the provisions of

articles 473 and 474 are not applied.

- ***Fraud in Trade (Article 515 of the Penal Code)***

Anyone who, in performing commercial activities, or in an open public space, delivers one movable item for another, or a movable item that - by origin, place of origin, quality, or quantity - is different from that declared or agreed upon, is punishable, unless the case constitutes a more serious offence, by imprisonment of up to two years or with a fine of up to EUR 2,065.

If high-value goods are involved, the sentence carries a three-years imprisonment term and the fine is not less than EUR 103.

- ***Sale of Non-Genuine Food Items as Genuine (Article 516 of the Penal Code)***

  Anyone who sells or otherwise puts non-genuine food items into commerce as genuine is punishable by imprisonment of up to six months and with a fine of EUR 1,032.

- ***Sale of Industrial Products with False Trademarks (Article 517 of the Penal Code)***

Anyone who sells or otherwise puts domestic or foreign intellectual property works or industrial products into circulation with distinctive names, brands, or signs with the intention of misleading the buyer as to the origin, place of origin, or quality of the work or product, is punishable, unless the case constitutes a more serious offence, by imprisonment of up to two years or with a fine of up to EUR 20,000.

- ***Manufacture and Sale of Goods Gained by Usurping Industrial Property Rights (Article 517-ter of the Penal Code)***

Without prejudice to articles 473 and 474, anyone who, aware that certain goods are protected by industrial property rights, nevertheless manufactures or makes use – for manufacturing purposes – of objects and other goods produced by usurping said industrial property rights, or in breach thereof, is punishable, based on charges pressed by the aggrieved party, by imprisonment of up to two years and with a fine of up to EUR 20,000.

The same penalties apply to whoever introduces into the national territory, holds for sale directly to consumers or otherwise puts into circulation the goods referred to in paragraph 1 for the purpose of making a profit.

The provisions pursuant to Articles 474-*bis*, 474-*ter*, paragraph 2, and 517-*bis*, paragraph 2, apply.

The offences provided for in paragraphs 1 and 2 are punishable provided that the provisions in the domestic regulations, EU regulations and international agreements on the protection of intellectual and industry property rights have been complied with.

- ***Infringement of Protected Geographical Indications or Protected Designation of Origin of Agricultural Products and Foodstuffs (Article 517-quater of the Penal Code)***

Anyone who infringes or otherwise alters protected geographical indications or protected designations of origin of agricultural products and foodstuffs is punishable by imprisonment of up to two years and with a fine of up to EUR 20,000.

The same penalties apply to whoever introduces into the national territory, holds for sale directly to consumers or otherwise puts into circulation goods with false indications or designations for the purpose of making a profit.

The provisions pursuant to Articles 474-*bis*, 474-*ter*, paragraph 2, and 517-*bis*, paragraph 2, are applied.

The offences provided for in paragraphs 1 and 2 are punishable provided that the provisions in the domestic regulations, EU regulations and international agreements on the protection of geographical indications and designations of origin of agricultural products and foodstuffs have been complied with.

6. Corporate Offences (Article 25-*ter* of Legislative Decree 231/01)

Article 25-ter
Corporate offences

1. In relation to the corporate offences set out in the civil code, the following monetary sanctions shall apply to the entity:

a) for the offence of false corporate communications provided for in Article 2621 of the Civil Code, monetary sanctions ranging from two hundred to four hundred quotas;
a-bis) for the offence of false corporate communications set forth in Article 2621-bis of the Civil Code, monetary sanctions ranging from one hundred to two hundred quotas;
b) for the offence of false corporate communications set forth in Article 2622 of the Civil Code, monetary sanctions ranging from four hundred to six hundred quotas;
c) PARAGRAPH REPEALED BY LAW NO. 69 of 27 MAY 2015;
d) for the infringement of false prospectus, provided for in Article 2623, first paragraph, of the Civil Code, a monetary sanction from one hundred to one hundred and thirty shares; (9)
e) for the offence of false prospectus reporting, set forth in Article 2623, second paragraph, of the Civil Code, a monetary sanction ranging from two hundred to three hundred and thirty shares; (9)
f) for the infringement of false statements in the reports or communications of auditing companies, provided for in Article 2624, first paragraph, of the Civil Code, monetary sanctions ranging from one hundred to one hundred and thirty shares; (9)
g) for the offence of false statements in the reports or communications of auditing companies, set forth in Article 2624, second paragraph, of the Civil Code, monetary sanctions ranging from two hundred to four hundred quotas; (9)
h) for the offence of obstructing control, set forth in Article 2625, second paragraph, of the Civil Code, monetary sanctions ranging from one hundred to one hundred and eighty quotas; (9)

i) for the offence of fictitious capital formation, set forth in Article 2632 of the Civil Code, a monetary sanction ranging from one hundred to one hundred and eighty quotas; (9)
l) for the offence of undue restitution of capital contributions, set forth in Article 2626 of the Civil Code, a monetary sanction ranging from one hundred to one hundred and eighty quotas; (9)
m) for the infringement of unlawful distribution of profits and reserves, provided for in Article 2627 of the Civil Code, a monetary sanction of between one hundred and one hundred and thirty quotas; (9)
n) for the offence of unlawful transactions on shares or units of the company or of the parent company, provided for in Article 2628 of the Civil Code, a monetary sanction of between one hundred and one hundred and eighty quotas; (9)
o) for the offence of transactions to the detriment of creditors, set forth in Article 2629 of the Civil Code, a monetary sanction ranging from one hundred and fifty to three hundred and thirty quotas; (9)
p) for the offence of undue distribution of corporate assets by liquidators, set forth in Article 2633 of the Civil Code, monetary sanctions ranging from one hundred and fifty to three hundred and thirty quotas; (9)
q) for the offence of unlawful influence on the shareholders' meeting, set forth in Article 2636 of the Civil Code, monetary sanctions ranging from one hundred and fifty to three hundred and thirty quotas; (9)
r) for the offence of market manipulation, set forth in Article 2637 of the Civil Code and for the offence of failure to disclose a conflict of interests set forth in Article 2629-bis of the Civil Code, a monetary sanction ranging from two hundred to five hundred quotas; (9)
s) for the offence of obstructing the exercise of the functions of public supervisory authorities, provided for in Article 2638, first and second paragraph, of the Civil Code, monetary sanctions ranging from two hundred to four hundred quotas; (9)
((s-bis) for the offence of private-to-private corruption, in the cases provided for in the third paragraph of Article 2635 of the Civil Code, a monetary sanction of between four hundred and six hundred quotas and, in cases of Inducement referred to in the first paragraph of Article 2635-bis of the Civil Code, a monetary sanction of between two hundred and four hundred quotas. The prohibitory sanctions provided for in Article 9, paragraph 2, shall also apply.))

3. If, following the commission of the offences referred to in paragraph 1, the entity has obtained a significant gain, the monetary sanctions are increased by a third. (9)

UPDATE (9)
Article 39 of Law No. 262 of 28 December 2005 provides that the pecuniary sanctions provided for in this Article shall be doubled.

A brief description is provided below of the various Offences envisaged by Legislative Decree 231/2001 in Article 25-*ter*.

- ***False Corporate Statements (Article 2621 of the Civil Code)***

The offence is committed when, to achieve an unlawful gain for themselves or for others, the directors, chief executive officer, the managers responsible for preparing the financial reports of the company, the statutory auditors and the liquidators include intentionally in the financial statements, reports and other corporate disclosures provided for by law untrue material information or omit material facts on the financial condition, operating performance and cash flows of the company or the group to which it belongs in the disclosure required by law to mislead others.

This offence is punishable by imprisonment from one to five years.

The liability arises also when the false information or omissions concern assets held or administered on behalf of third parties.

- Minor Offences (article 2621-bis)

If the corporate disclosures provided for by article 2621 are minor, considering also the nature and size of the company as well as the effects of the conduct, a lighter punishment applies (imprisonment from six months to three years).

The same punishment applies when the false corporate statements under article 2621 concern companies that do not exceed the limits set by paragraph 2 of article 1 of royal decree no. 267 of 16 March 1942 (i.e. companies not subject to bankruptcy). In this case the offence can be pursued if charges are pressed by the company, the shareholders, the creditors or the other addressees of the corporate statement.

- ***False Corporate Statements by Listed Companies (Article 2622 of the Civil Code)***

The offence is committed when, to achieve an unlawful gain for themselves or for others, the directors, chief executive officer, the managers responsible for preparing the financial reports of the company, the statutory auditors and the liquidators of issuers of financial instruments traded in an Italian or foreign market include intentionally in the financial statements, reports and other corporate disclosures intended for the shareholders or the public required by law untrue material information or omit material facts on the financial condition, operating performance and cash flows of the company or the group to which it belongs in the disclosure required by law to mislead others.

This offence is punishable by imprisonment from three to eight years.

The issuers listed below are considered equivalent to companies that issue financial instruments traded in a regulated market, whether in Italy or in another country of the European Union:

1) companies that have applied to have their financial instruments traded in a regulated market in Italy or in another country of the European Union;

2) companies that issued financial instrument admitted to listing in an Italian multilateral trading system;

3) companies that control issuers of financial instruments traded in a regulated market, whether in Italy or in another country of the European Union;

4) companies that solicit public savings or that otherwise manage them.

The provisions under the previous paragraphs apply also if the false statements or the omissions concern assets held or managed on behalf of third parties.

- ***Impediment of Audit (Article 2625 of the Civil Code)*** [3]

The offence involves the withholding of documents or the adoption of ad-hoc contrivances, to impede or obstruct the performance of the control and auditing activity by the shareholders, by other corporate bodies or by the firm of external auditors.

- ***Unlawful Reimbursement of Capital Contributions (Article 2626 of the Civil Code)***

This conduct typically involves, with the exception of the legitimate reduction of share capital, the reimbursement, also simulated, of capital contributions or the release of shareholders from their obligation to contribute capital.

- ***Illegal Distribution of Earnings or Reserves (Article 2627 of the Civil Code)***

Such criminal conduct involves the distribution of profits or special dividends that have not been generated or that are required by law to be set aside as reserves, including such reserves as are not funded with earnings, which cannot be distributed by law.

It should be noted that the reimbursement to the company, or the re-establishment of the reserves, prior to the date of approval of the accounts, extinguishes the offence.

- ***Unlawful Actions in Relation the Company's or the Parent Company's Shares (Article 2628 of the Civil Code)***

This offence is committed when the directors purchase or subscribe to shares of the company or parent company, resulting in a reduction of the share capital or the legally undistributable reserves.

It should be noted that the reimbursement to the company or the reinstatement of the

[3] As amended by article 37, paragraph 35, of Legislative Decree No. 39 of 27 January 2010, which rules out auditing from the list of activities whose impediment by directors is sanctioned by law.

reserves, prior to the date of approval of the accounts for the year in which the conduct took place, extinguishes the offence.

- ***Actions to the Detriment of Creditors (Article 2629 of the Civil Code)***

This offence is committed when, in contrast with the provisions of law safeguarding the interests of creditors, actions are taken involving reductions of share capital or mergers with other companies or demergers, to the detriment of creditors.

It should be noted that the payment of compensation for damages to the creditors, prior to a court ruling, extinguishes the offence.

- **Failure to Report a Conflict of Interest (Article 2629-*bis* of the Civil Code)**

This offence arises when a director or member of the management board of a company - whose shares are listed on a regulated stock exchange, in Italy or other EU Member States, or are widely held pursuant to article 116 of the Consolidated Law under Legislative Decree 58 of 24 February 1998 as amended - or of a supervised entity -pursuant to the Consolidated Law under Legislative Decree no. 385 of 1 September 1993, of the cited Consolidated Law under Legislative Decree no. 58 of 1998, Law no. 576 of 12 August 1982, or Legislative Decree no. 124 of 21 April 1993 - fails to inform the other directors and the board of statutory auditors of any existing interest that this director or member of the management board may have, personally or on behalf of third parties, in a particular transaction of the company, specifying the nature, conditions, origin and extent of the transaction.

It should be noted that, if the conflict of interest regards the chief executive officer, he must refrain from personally executing the transaction and must delegate the task to the board of directors.

- ***Bogus Share Capital (Article 2632 of the Civil Code)***

This situation arises when: the share capital of the company is fictitiously constituted or increased by the attribution of shares or interests for an amount that is lower than their nominal value; shares or interests are reciprocally underwritten; in-kind capital contributions, receivables or equity of the company are significantly overvalued, in the event of a corporate restructuring.

- ***Unlawful Distribution of Company Assets by the Liquidators (Article 2633 of the Civil Code)***

This offence is committed in the event of a distribution of the company assets to the shareholders prior to the payment of amounts due to the creditors of the company or prior to setting aside the amounts necessary to settle the outstanding balances, thus causing losses to the creditors.

It should be noted that the payment of compensation for damages to the creditors, prior to a court ruling, extinguishes the offence.

- ***Private-to-private corruption (Art. 2635, comma 3 of the Civil Code)***

This provision punishes those who, directly or through third parties, promise or give money or other undue benefits to directors, managing directors, managers responsible for drafting financial reports, statutory auditors, liquidators or anybody who, within the Company, perform management duties other than the above, or to persons subject to their management or supervision, to induce such recipients to perform or omit acts in breach of the obligations inherent to their office or of the duty of care, unless the conduct constitutes a more serious offence.

The punishment foreseen is one to three years' imprisonment and the offence is actionable ex officio.

- ***Inducement to Private-to-private corruption (Article 2635-bis of the Civil Code)***

This provision punishes those who promise or give money or other undue benefits to parties who operate within companies or entities (directors, managing directors, managers responsible for drafting financial reports, statutory auditors, liquidators or anybody who, within the Company, performs management duties) to induce such recipients to perform or omit acts in breach of the obligations inherent to their office or of the duty of care, if the offer or promise is not accepted.

- ***Illegal Influence Upon the Shareholder Meeting (Article 2636 of the Civil Code)***

Typically, this conduct is intended to obtain, by means of simulated acts or by fraud, a majority of votes at the shareholder meeting in order to obtain and unlawful gain for oneself or for others.

- ***Market Manipulation (Article 2637 of the Civil Code)***

This type of offence occurs when false information is circulated or simulated transactions or other contrivances are utilized, with the specific intention to cause a significant change in the price of financial instruments which are not listed or for which no application for listing on a regulated stock exchange has been filed, or with the objective of significantly influencing the public opinion in regard to the financial stability of banks or banking groups.

- ***Obstruction of the Functions of Public Supervision Authorities (Article 2638 paragraphs 1 and 2 of the Civil Code)***

This criminal activity takes place by introducing, in documents which by law are required to be submitted to supervision authorities, untrue material information, even though such information is subject to interpretation, on the financial condition, operating performance and cash flows of the supervised entity so as to obstruct their functions, or by concealing, in whole or in part, by other fraudulent means matters that should have been disclosed in relation to the same situation.

7. Terrorism and Subversion of the Democratic Order (Article 25-*quater* of Legislative Decree 231/01)

Article 25-quater
Offences for the purpose of terrorism or subversion of the democratic order

((1. In relation to the commission of offences for the purposes of terrorism or subversion of the democratic order, provided for by the penal code and special laws, the following monetary sanctions are applied to the entity:

a) if the offence is punished with imprisonment of less than ten years, monetary sanctions of between two hundred and seven hundred quotas;

b) if the offence is punished with imprisonment of no less than ten years or with life imprisonment, monetary sanctions of between four hundred and one thousand quotas.

2. In cases of conviction for one of the offences indicated in paragraph 1, the prohibitory sanctions provided for in Article 9, paragraph 2, are applied for a period of not less than one year.

3. If the entity or one of its organizational units is used for the sole or main purpose of allowing or facilitating the commission of the offences indicated in paragraph 1, the sanction of permanent ban from the business activity in accordance with article 16, paragraph 3, is applied.

4. The provisions of paragraphs 1, 2 and 3 shall also apply in relation to the perpetration of offences, other than those indicated in paragraph 1, which have in any event been committed in breach of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999.))

A brief description is provided below of the principal offences referred to by Legislative Decree 231/01 in Article 25-*quater*.

- ***Subversive Organizations (article 270 of the Penal Code)***

This provision punished anybody who promotes, sets up, organizes, leads organizations designed or suited to subvert with violence the economic and social orders established in the State or to suppress with violence the political and legal order of the State.

- ***Associations for the Purpose of Terrorism, also of an International Nature, or Subversion of the Democratic Order (Article 270-bis of the Penal Code)***

This law punishes any person promoting, constituting, organizing, directing or financing associations aimed at committing acts of violence for terrorism purposes or to subvert the democratic order.

For the purposes of criminal law, terrorism defines also acts of violence directed against a foreign State, an institution or an international organization.

- ***Assistance to Persons Associated with Terrorism (Article 270-ter of the Penal Code)***

This law punishes any person providing shelter or food, accommodation, means of transport and means of communication to any person adhering to the terrorist associations mentioned in the preceding Article 270 and 270-*bis*.

A person providing such support to a close relative is not subject to punishment.

- ***Recruitment for the Purposes of Terrorism, also of an International Nature (Article 270-quater of the Penal Code)***

Any person, with the exception of the cases mentioned in the preceding Article 270-*bis*, who recruits one or more persons to carry out acts of violence or the sabotage of essential public services, for terrorism purposes, including against a foreign State, an institution or an international organization, is punished by imprisonment from seven to fifteen years.

- ***Training for Purposes of Terrorism, also of an International Nature (Article. 270 quinquies of the Penal Code)***

Any person, with the exception of the cases mentioned in the preceding Article 270-*bis*, who trains or otherwise provides instructions as to the preparation or use of explosive materials, firearms or other arms, harmful or dangerous chemical or bacteriological substances, as well as any other technique or method to carry out acts of violence or sabotage of essential public services, for the purposes of terrorism, also against a foreign State, institution or international organization, is punished by imprisonment from five to ten years. The same punishment applies to the person who has been trained.

- ***Behaviour Undertaken for Terrorism Purposes (Article 270-sexies of the Penal Code)***

Behaviours are considered to have terrorism as its primary objective, given their nature or context, when they comprise those acts which may cause serious damage to a country or to an international organization and which are carried out with the intention to intimidate the population or compel the public authorities or an international organization to implement or to refrain from implementing any action, or are aimed at destabilising or destroying the fundamental political, constitutional, economic and social structures of a country or an international organization as well as such other behaviours defined, by conventions or other international law binding for Italy, as terrorism or actions for terrorism purposes.

- ***Attacks for Terrorism or Subversion Purposes (Article 280 of the Penal Code)***

This provision prescribes the punishment for anyone who attempts to assassinate or harm a person for terrorism or subversion purposes.

The crime is aggravated when the attack results in grievous bodily harm or the death of the person or when the attack is directed against persons exercising judiciary or penitentiary or police functions during the performance of their duties or by virtue of their functions.

- ***Terrorist Acts with Lethal Explosive Devices or Explosives (Article 280-*bis *of the Penal Code)***

Unless the act constitutes a more serious crime, any person carrying out, for the purposes of terrorism, any act intended to damage movable or immovable property belonging to another party, by means of explosive and otherwise lethal devices, is punished by imprisonment from two to five years. Explosive and otherwise lethal devices include the weapons and materials similar to such weapons as indicated in Article 585 of the penal code and capable of causing significant physical damage.

If the attack is directed against the seats of the Presidency of the Republic, the Parliament, the Constitutional Court, of Government bodies or otherwise constitutional organs, the terms of imprisonment are increased by up to one half.

If the act of terrorism results in danger for the public safety or serious damage to the national economy, the term of imprisonment applied ranges from five to ten years.

- ***Acts of Nuclear Terrorism (Article 280-*ter *of the Penal Code)***

This provision punishes anybody who, for purposes of terrorism:

- obtains for oneself or for others radioactive material;
- creates a nuclear bomb or has one in his possession.

Those who use radioactive material or use or damage, or create the conditions for, a nuclear plant to release radioactive material shall also be punished.

- ***Kidnapping for Terrorism or Subversion Purposes (Article 289-bis of the Penal Code)***

Such criminal activity is carried out by the kidnapping of a person for the purposes of terrorism or subversion.

The crime is aggravated in the event of the death, be it intentional or not, of the kidnapped person.

- ***Inducement to Commit an Offence against the State (Article 302 of the Penal Code)***

This provision establishes that anyone who incites another person to commit one of the culpable offences contemplated by the articles of the penal code concerning offences against the State, and for which the law prescribes a life sentence or imprisonment, is punished by imprisonment from one to eight years, if no action is taken as a result of the Inducement or if action is taken as a result of the Inducement but no offence is committed.

- ***Political Conspiracy by Agreement or by Association (Articles 304 and 305 of the Penal Code)***

These provisions punish the conduct of any person who agrees to, participates in, committing one of the offences referred to in article 302 of the penal code.

- ***Creation and Participation in Armed Gangs; Assistance to Participants in Conspiracies and Armed Gangs (Articles 306 and 307 of the Penal Code)***

  These offenses occur when, in order to commit one of the crimes indicated in Article 302 of the penal code above, an armed gang is formed or shelter, or food, hospitality, means of transportation, means of communication are given to some of the persons participating in such association or gang.

- ***Terrorism Crimes Envisaged by the Special Laws: These are included in that part of the Italian legislation enacted during the 1970s and 1980s to combat terrorism***

- ***Offences, other than those indicated in the penal code and the special laws, committed in violation of article 2 of the New York Convention of 8 December 1999***

Pursuant to the above-mentioned article, an offence is committed when any person who, by any means, directly or indirectly, illegally and intentionally, provides or raises funds with the intention to utilize them, or with the awareness that such funds will be utilized, in whole or in part, to commit:

a) An act which constitutes an offence, as defined in any of the treaties listed in the annex; or

b) Any other act intended to cause death or serious physical injury to a civilian, or to any other person not having an active role in situations of armed conflict, when the objective of such act, by virtue of its nature or context, is to intimidate a population, or to force a government or international organization to do or to refrain from doing something.

For an act to constitute one of the above-mentioned crimes, it is not essential that the funds be effectively utilized to commit the acts described in (a) and (b).

An offence is nevertheless committed by any person who attempts to commit the above crimes.

Likewise, an offence is committed by any person who:

- participates as an accessory to the commission of the crime described above;

- organizes or directs other persons to commit one of the crimes described above;

- contributes to the commission of one or more of the crimes referred to above together with a group of persons acting with a common intent. Such contribution shall be intentional and:

- shall be made to facilitate the activity or the criminal intent of the group, where such activity or intent implies the commission of the offence; or

- shall be made with the full awareness that the intent of the group is to commit a crime.

Of the illegal behaviours that qualify as terrorism, one that might easily occur is the provision of "financing" (see article 270-*bis* of the penal code).

To determine whether or not there is an effective risk that such offences may be committed, it is first necessary to examine the subjective profile provided for by the law to identify the requisites constituting the offence.

From a subjective point of view, terrorism-related crimes are considered as intentional crimes. Therefore, for the crime to be classified as intentional, it is essential, with regard to demonstrating the psychological mind-set of the perpetrator, that this person was aware of the illegal nature of the act and that it was his intention to commit it by means of conduct directly attributable to him. Consequently, in order to be able to classify the crime as such, it is necessary that the perpetrator was aware of the terrorist nature of the activity and that it was his intent to pursue it.

In the light of the above considerations, in order to classify such conduct as terrorism, it is essential that the perpetrator was aware that the group to which the funds were given exists for terrorist or subversive purposes and that it was his intent to pursue such activity.

Furthermore, this conduct would be classifiable as terrorism also if such person acts with dolus eventualis. In such a case, the perpetrator should be aware and accept the risk that the terrorist event will occur, even if he does not want it directly. The awareness of the risk of the event occurring as well as the wilful determination to adopt the criminal conduct shall be inferred from unequivocal and objective facts.

8. Offences Related to Female Genital Mutilation Practices and Offences Against the Person (Articles 25-*quater*. 1 and 25-*quinquies* of Legislative Decree 231/2001)

Article 25-quater.1

Female genital mutilation practices

((1. In relation to the commission of the offences referred to in article 583-bis of the penal code, the entity in whose premises the offence is committed is liable to a monetary sanction of between 300 and 700 quotas and the prohibitory sanctions provided for in article 9, paragraph 2, for a period of not less than one year. In the case of an accredited private entity, accreditation shall also be revoked.

2. If the entity or one of its organizational units is used for the sole or main purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the sanction of permanent ban from the activity pursuant to Article 16, paragraph 3, shall apply.))

Article 25-quinquies

Offences against the person

1. In relation to the commission of the offences referred to in section I of chapter III of title XII of book II of the penal code, the following monetary sanctions are applied to the entity:

a) for the offences referred to in articles 600, 601 ((,602 and 603-bis,)) a monetary sanction of between four hundred and one thousand quotas;

b) for the offences referred to in Articles 600-bis, first paragraph, 600-ter, first and second paragraphs, even if related to the pornographic material referred to in Article 600-quater.1, and 600-quinquies, monetary sanctions of between three hundred and eight hundred quotas;

c) for the offences referred to in articles 600-bis, second paragraph, 600-ter, third and fourth paragraphs, and 600-quater, even if related to the pornographic material referred to in Article 600-quater.1, as well as for the offence referred to in Article 609-undecies, a monetary sanction ranging from two hundred to seven hundred quotas.

2. In cases of conviction for one of the offences indicated in paragraph 1, sub-paragraphs a) and b), the prohibitory sanctions provided for in Article 9, paragraph 2, are applied for a period of not less than one year.

3. If the entity or one of its organizational units is used for the sole or main purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the sanction of permanent ban from the activity pursuant to article 16, paragraph 3, is applied.

A brief description is provided below of the principal offences referred to by Legislative Decree 231/01 in Article 25-*quinquies*.

- ***Reduction into or Maintenance in a State of Slavery or Servitude (Article 600 of the Penal Code)***

Whoever exercises over a person powers associated with the right of ownership or whoever reduces or keeps a person in a state of continuous subjugation, forcing him or her to perform labour or sexual services or begging or otherwise to engage in unlawful activities involving his or her exploitation or to submit to the removal of organs, shall be punished by imprisonment for a term of eight to twenty years.

The reduction or maintenance in a state of subjection occurs when such conduct involves the use of violence, threats, deception, abuse of authority or the exploitation of a situation of vulnerability, physical or psychological inferiority or state of need, or when the conduct comprises promising or providing sums of money or other benefits to the person exercising authority over the other person.

- ***Child Prostitution (Article 600-bis of the Penal Code)***

Any person who induces another person, under the age of eighteen years, to engage in prostitution or promotes or exploits such activity is punishable by imprisonment from six to twelve years and a fine ranging from EUR 15,000 to EUR 154,000.

Unless the fact constitutes a more serious offence, any person engaging in sexual activity with a person aged between fourteen and eighteen years in exchange for money or other economic benefits is punishable by imprisonment from one to six years with a fine ranging from EUR 1,500 to EUR 6,000.

- ***Child Pornography (Article 600-ter of the Penal Code)***

Any person who, by utilizing persons under the age of eighteen years, organizes pornographic exhibitions or induces persons under the age of eighteen years to participate in pornographic performances is punishable by imprisonment from six to twelve years and a fine ranging from EUR 24,000 to EUR 240,000.

The same punishment applies to any person selling the pornographic material mentioned above.

In addition to the circumstances indicated in the preceding paragraphs, any person who, by any means, also via computer, distributes, divulges, circulates or advertises the above-mentioned pornographic material, or distributes or divulges news or information in order to solicit or otherwise sexually exploit persons under the age of eighteen years, is punishable by imprisonment from one to five years and a fine ranging from EUR 2,582 to EUR 51,645.

Apart from the circumstances indicated in the preceding paragraphs, any person who, offers or transfers the above-mentioned pornographic material to other persons, also free of charge, is punishable by imprisonment of up to three years and a fine ranging from EUR 1,549 to EUR 5,164.

In the case of paragraphs three and four above, when a considerable quantity of material is involved, the punishment may be increased by not more than two thirds.

Unless the fact constitutes a more serious offence, anybody who views pornographic acts or shows involving children under the age of eighteen shall be punishable by imprisonment of up to three years and with a fine ranging from EUR 1,500 to EUR 6,000.

For the purposes of this article, child pornography means any show, with any means, of a child under the age of eighteen involved in explicit, real or simulated sexual acts or any representation of the sexual organs of a child under the age of eighteen for sexual purposes.

- ***Possession of Pornographic Material (Article 600-quater of the Penal Code)***

Apart from the circumstances contemplated by article 600-*ter*, any person who knowingly procures or possesses pornographic material which has been produced utilizing persons

under the age of eighteen years, is punishable by imprisonment of up to three years and a fine of not less than EUR 1,549.

When a considerable quantity of material is involved, the punishment may be increased by not more than two thirds.

Except for the cases referred to in the first paragraph, anyone who, through the use of the Internet or other networks or means of communication, intentionally and without justified reason accesses pornographic material made using minors under the age of eighteen years shall be punished by imprisonment of up to two years and a fine of not less than EUR 1,000.

- ***Virtual Pornography (Article 600-quater.1 of the Penal Code)***

The provisions of articles 600-*ter* and 600-*quater* apply also when the pornographic material is represented by virtual images which have been obtained utilizing images, or parts of images, of persons under the age of eighteen years, but the punishment is reduced by one third.

Virtual images are images that have been obtained by means of graphic rendition techniques that are not associated with real situations, in whole or in part, but whose quality of representation renders fictitious situations realistic.

- ***Child Sex Tourism (Article 600-quinquies of the Penal Code)***

Any person who organizes or promotes child sex tourism or tourism including such activity is punishable by imprisonment from six to twelve years and a fine ranging from EUR 15,493 to EUR 154,937.

- ***Solicitation of a Minor (Article 609-undecies of the Penal Code)***

A person who - to commit the offences under articles 600, 600-bis, 600-ter and 600-quarter, including in relation to the pornographic material under articles 600-quater.1, 600-quinquies, 609-bis, 609-quater, 609-quinquies e 609-octies – solicits a minor under the age of sixteen is punishable, unless the fact constitutes a more serious offence, with imprisonment from one to three years.

Soliciting means any act intended to gain the minor’s trust through deception, flattery or threats, including through the internet or other communication networks or means.

The punishment shall be heightened under the following circumstances:

1) in the event the crime is perpetrated by multiple individuals acting collectively;
2) when the crime is carried out by a person who is affiliated with a criminal association, with the intent of aiding its operations;
3) when, as a result of repeated offenses, the child sustains severe harm from the actions;
4) if the act poses a risk to the child's life.

- ***Human Smuggling (Article 601 of the Penal Code)***

Trafficking persons in the circumstances contemplated by Article 600, with the objective of committing the offences referred to thereunder, by inducing such persons - by deceit or compelling them through the use of violence, threats, abuse of authority or by the exploitation of their condition of physical or psychological inferiority or a situation of need, or promising or providing sums of money or other benefits to third parties who have authority over such person - to enter or to remain or to leave the territory of the Italian State or to move within the Italian State, is punishable by imprisonment from eight to twenty years.

- ***Traffic of Organs Removed from Living Persons (Article 601-bis of the Penal Code)***

Anybody who, acting illegally, trades, sells, buys or, in any way and for any reason, obtains or deals in organs of parts of organs removed from a living person is punished with imprisonment from three to ten years and with a fine ranging from EUR 50,000 to EUR 300,000.

An individual who facilitates living organ donation for financial gain shall be subject to a prison term ranging from three to eight years and a fine ranging from EUR 50,000 to EUR 300,000.

If the actions outlined in the preceding paragraphs are carried out by a person engaged in a healthcare profession, the verdict will result in permanent disqualification from practicing that profession.

Unless the fact constitutes a more serious offence, a person who organizes or promotes trips or advertises or disseminates, with any means, including through ICT means, announcements related to the trafficking of organs or parts of organs under paragraph one, is punishable with imprisonment from three to seven years and with a fine from EUR 50,000 to EUR 300,000.

- ***Purchase and Sales of Slaves (Articles 602 of the Penal Code)***

Apart from the circumstances contemplated by Article 601, any person who purchases, transfers or sells another person who is in the conditions described in Article 600 is punishable by imprisonment from eight to twenty years.

- ***Illegal Intermediation and Exploitation of Labour (Article 603-bis of the Penal Code)***

Unless the fact constitutes a more serious offence, a person shall be punished with imprisonment from one to six years and with a fine from EUR 500 to EUR 1,000 for every worker recruited if such person:

1) recruits workers for work to be performed with third parties under exploitation conditions, taking advantage of the workers' state of need;

2) uses, hires or employs workers, including through the intermediation activity under paragraph 1), by exploiting workers and taking advantage of their state of need.

If it is perpetrated through violence or threats, the offence is punishable with imprisonment from five to eight years and a fine ranging from EUR 1,000 to EUR 2,000 for each worker recruited.

For the purposes of this article, exploitation is indicated by the presence of one or more of the following conditions:

1) the reiterated payment of salaries that are clearly different from those provided by national and local labour agreements entered into by the more representative trade unions at the national level or otherwise disproportionate with respect to the quantity and quality of the work performed;

2) the reiterated violation of the rules and regulations on working hours, rest periods, weekly rest, mandatory leave and holidays;

3) the violation of rules on safety and hygiene at work;

4) the worker is subjected to degrading work, supervision or residential conditions.

5) Aggravating circumstances, which entail a penalty increase variable from one-third to one-half, include:

a) the fact that more than three workers have been recruited;

b) the fact that one or more employed workers are below the minimum working age;

c) the offence has been committed by exposing the exploited workers to serious endangerment in terms of the characteristics of the work to be performed and in terms of working conditions.

- ***Female Genital Mutilation (Article 583 bis of the Penal Code)***

In the absence of therapeutic reasons, any person who causes female genital mutilation is punishable by imprisonment ranging from four to twelve years. For the purposes of this article, the practice of female genital mutilation comprises clitoridectomy, excision and infibulation as well as any other practice which causes similar effects. In the absence of therapeutic reasons, any person who causes injuries to female genital organs with the intention of damaging the sexual functions, other than those indicated in the first paragraph, which cause an illness to the body or the mind, is punishable by imprisonment from three to seven years.

The punishment is reduced by up to two thirds if the injuries are of limited nature.

The punishment is increased by one third when the practice referred to in paragraphs one and two is committed to the detriment of a person under the age of eighteen years or for money. The provisions of this article apply also if this practice is performed abroad by an Italian citizen or by a foreign national resident in Italy or to the detriment of an Italian citizen or foreign national resident in Italy. In such case, the guilty party is punished upon request of the Ministry of Justice.

With regard to the offences connected with enslavement, the responsibility is extended not only to the person who directly performs this illegal practice, but also to the person who

knowingly facilitates, even only financially, such conduct.

The related conduct in these cases could be constituted by the illegal procurement of manpower through human trafficking and human smuggling.

9. Market Abuse Offences and Administrative Infringements (Article 25-*sexies* of Legislative Decree 231/01)

9.1 The Offences and Administrative Infringements

Market abuse offences and administrative infringements are regulated by the new Title I-*bis*, Chapter II, Part V of Legislative Decree no. 58 of 24 February 1998, (Consolidated Law on Finance - "TUF") under the heading "Insider Trading and Market Manipulation".

According to the new legislation, the entity can in fact be held liable not only when the offences of Insider Trading (article 184 of the TUF) or Market Manipulation (article 185 of the TUF) are committed on behalf of or for the benefit of the entity, but also when such acts do not constitute offences but mere administrative infringements (article 187-bis of the TUF with regard to Insider Trading and article 187-*ter* of the TUF with regard to Market Manipulation).

Article 25-sexies

Market abuse

((1. In relation to the offences of insider trading and market manipulation provided for in part V, title I-bis, chapter II, of the consolidated law under legislative decree no. 58 of 24 February 1998, monetary sanctions of between four hundred and one thousand quotas shall apply to the entity.

2. If, following the commission of the offences set out in paragraph 1, the result or gain obtained by the entity is of a significant amount, the sanction is increased by up to ten times the amount of such product or gain)).

When the illegal conduct qualifies as an offence, the liability of the entity will be based upon article 25-*sexies* of Legislative Decree 231/01; if, on the other hand, the illegal conduct is to be classified as an administrative infringement, the entity will be held liable in accordance with article 187-*quinquies* of the TUF.

Offences:

- ***Insider Trading (Article 184 of the TUF)***

Insider Trading as a penal offence is committed when a person, in possession of inside information, by virtue of his position as member of an administrative, management or control body of the issuing company, or as a shareholder of that company, or when a person has

acquired such information during the course and as a consequence of public professional activities:

- Purchases, sells or carries out other transactions, directly or indirectly, for own account or on behalf of third parties, in regard to financial instruments[4] utilizing the inside information obtained in the above described manner;

- Discloses such information to external parties beyond the standard scope of employment, profession, duties, or office (irrespective of whether the recipients of such information employ it for conducting transactions) or a market survey conducted in accordance with Article 11 of Regulation (EU) No. 596/2014 of the European Parliament and the Council, dated April 16, 2014;

- Recommends or induces other parties, to undertake any of the transactions indicated in the first paragraph above, based on the inside information in his possession.

Insider Trading as a penal offence is committed also when a person, who obtains the inside information as a consequence of the preparation or commission of illegal activities, performs one of the actions mentioned above (e.g. when a hacker enters into possession of *price sensitive* confidential information after having obtained illegal access to the information system of a company).

An individual who, while in possession of inside information for reasons other than those mentioned previously and aware of the confidential nature of such information, engages in any of the aforementioned actions also commits this offence.

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[4] "Financial instruments" are defined as: (1) securities; (2) money market instruments; (3) units of a collective investment scheme; (4) option contracts, standardized financial futures contracts ("futures"), "swaps," agreements for future exchange of interest rates, and other derivative contracts related to securities, currencies, interest rates or yields, emission allowances or other derivative financial instruments, financial indices, or financial measures that can be settled by physical delivery of the underlying asset or through the payment of cash differentials; (5) option contracts, standardized financial futures contracts ("futures"), "swaps," forward contracts ("forwards"), and other commodity-related derivative contracts when execution is to be by the payment of cash differentials or may be in cash at the discretion of one of the parties, excluding cases where such action results from default or other event that results in the termination of the contract; (6) option contracts, standardized financial futures contracts ("futures"), "swaps" and other derivative contracts related to commodities that may be settled by physical delivery provided that they are traded on a regulated market, a multilateral trading facility or an organized trading facility, except for wholesale energy products traded on an organized trading facility that must be settled by physical delivery; (7) option contracts, standardized financial futures contracts ("futures"), "swaps," forward contracts ("forwards") and other commodity-related derivative contracts that cannot be executed in ways other than those specified in no. 6, which are not for commercial purposes, and having the characteristics of other derivative financial instruments; (8) derivative financial instruments for the transfer of credit risk; (9) Financial contracts for differences; (10) option contracts, standardized financial futures contracts ("futures"), "swaps," interest rate futures contracts, and other derivative instrument contracts related to climate variables, transportation rates, inflation rates, or other official economic statistics, when execution is through the payment of cash differentials or may be done so at the discretion of either party, with the exclusion of cases in which such action results from default or other event leading to the termination of the contract, as well as other contracts on derivative instruments related to assets, rights, obligations, indices and measures, not otherwise specified in this section, having the characteristics of other derivative financial instruments, considering, inter alia, whether they are traded on a regulated market, a multilateral trading facility or an organized trading facility; (11) emission allowances that consist of any unit recognized as complying with the requirements of Directive 2003/87/EC (emissions trading scheme).

Example:

The CFO of a company issues purchase and sale instructions regarding shares of a listed company (e.g. a commercial *business partner* of the company) on the basis of inside information.

- ***Market Manipulation (Article 185 of the TUF)***

Market manipulation occurs when a person circulates false information (so-called information manipulation) or undertakes simulated transactions or other contrivances capable of causing a sensible variation in the price of financial instruments (so-called trading manipulation).

With regard to the spreading of false or misleading information, it should be further noted that this type of market manipulation comprises also those cases in which the creation of misleading indications derives from the failure to disclose mandatory information by the issuing entity or other parties.

Examples:

The Chief Executive Officer of the company discloses false information concerning corporate actions (e.g. the existence of ongoing restructuring plans) or the situation of the company in order to in influence the price of the listed shares (*manipulation of information*).

The CFO issues purchase and sale instructions regarding one or more specific financial instruments or derivative contracts close to the end of the negotiations so as to alter the final price (*trading manipulation*).

With reference to the cited examples, it should be further noted that the liability of the entity arises only when such initiatives have been undertaken, in the interest or for the benefit of the company, by persons responsible who fill representative, administrative or management functions within the entity or an organizational unit of the company with financial and functional autonomy, or by persons who manage or control the company, directly or de facto, or the persons subject to the direction or supervision of one of the aforementioned parties.

Administrative Infringements:

- ***Insider Trading (Article 187-bis of TUF)***

An administrative infringement of insider trading (without prejudice to criminal penalties when the act constitutes a crime) is committed by anyone who violates the prohibition against insider trading and unlawful disclosure of insider information as set forth in article 14 of Regulation (EU) No. 596/2014 (the "MAR Regulation").

The administrative infringement addressed by this article is mostly similar to the offence provided for by article 184 of the TUF, with the main difference being the absence of criminal intent (which, on the contrary, is an essential condition for insider trading to be considered a penal offence). In order for insider trading to be considered as an

administrative infringement, in fact, it is sufficient that the conduct be of a culpable nature, as the real intention of the perpetrator of the illegal act has no relevance.

Finally, it should be noted in regard to the illegal acts envisaged by the article in question that, that the attempted commission of the illegal act is equivalent to the effective perpetration of the same.

Example:

The person in charge of *Mergers & Acquisitions* negligently (with a superficial attitude) induces other persons to carry out transactions in regard to financial instruments based on inside information acquired while performing his duties.

- ***Market Manipulation (Article 187-ter of TUF)***

The provisions of Article 187-*ter* of the TUF prescribes penalties (in addition to any criminal sanctions applicable when the violation constitutes a criminal offense) for individuals found in breach of the prohibition against market manipulation, as stipulated in Article 15 of the MAR (Market Abuse Regulation). Such breaches are subject to administrative fines, which may range from twenty thousand euros to five million euros.

Example: SEP

The person in charge of *Investor Relations* spreads false or misleading information through the media with the intention of manipulating the price of a security or underlying assets in a direction favouring an open position in regard to such financial instrument or assets or favouring a transaction already planned by the person disclosing the information.

9.2 The Concept of Inside information

The concept of inside information informs the rules on both insider trading and the corporate disclosures governed by Title III, Chapter I, article 114 et seq. of TUF and Consob Regulation no. 11971/1999 (henceforth the “Issuer Regulation”).

According to the provisions of Article 7 MAR (to which Article 180, paragraph 1, sub-paragraph b-ter) of the TUF refers), inside information (hereinafter the "Inside Information") is to be understood as:

- of a precise nature; (that is information related to a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to occur; in addition, it is specific enough so that the user is in a position to believe that its use might actually have effect on the prices of financial instruments);

- not yet available to the public: that is information not yet disclosed, for example through its publication on websites or newspapers or through filings with the Supervision Authorities;

- concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments: (that is corporate information, or information related to the financial condition, operating performance and cash flows or to the issuer's organizational circumstances or so-called "market information", or information on the circumstances of one or more financial instruments);

- such that if it is disclosed it might affect sensibly the price of these financial instruments or the prices of related financial instruments: that is information that a presumably reasonable investor – i.e. the average investor – would use as a factor on which to base his own investment decisions).

9.2 Disclosure Obligations

The transposition of the EU regulation on market abuse led to significant innovations to the disclosure system for listed companies.

Consob amended the Issuer Regulation laying down new rules on:

- disclosure of information on transactions on financial instruments carried out by "persons exercising administrative, control or management functions, as well as relevant persons and persons closely associated with them". Below, a summary is provided of the disclosure obligations under article 114 TUF for the following parties:

  - listed issuers and entities controlling them;

  - members of the board of directors and the board of statutory auditors;

  - executives;

  - parties with a significant equity interest pursuant to article 120 TUF (that is parties that hold more than two percent of share capital of a listed company, on one side, and listed companies that hold more than ten percent of share capital of a closely-held company);

  - parties to an agreement provided for by article 122 TUF (that is a shareholder agreement on the exercise of voting rights in companies with listed shares and in companies controlling them);

  - Persons closely associated with relevant persons are defined as:

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- the spouse not legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, the parents, relatives and relatives-in-law of relevant persons;
- legal persons, partnerships and trusts in which a relevant person or one of the persons mentioned above fills, alone or jointly with each other, the management role;
- legal persons, directly or indirectly controlled by a relevant person or one of the persons mentioned in the first paragraph;
- partnerships whose economic interests are substantially equivalent to those of a relevant person or one of the persons specified in item one;
- trusts established for the benefit of a relevant person or one of the natural persons specified in item one.

- the new rules on disclosure of information related to transactions on financial instruments by relevant persons provide that:

- directors, statutory auditors and officers of a listed company or in a significant subsidiary, the executives of the issuer or of a significant subsidiary - with regular access to Inside Information under article 181 TUF and with the power to adopt operational decisions that can affect the growth and future prospects of the listed issuer – must notify to Consob and publish all transactions on the related financial instruments executed by them (and by persons closely associated5) by the end of the fifteenth day following that on which the transaction was carried out. The listed issuer will then be required to disclose the information to the public by the end of the trading day following that of its receipt (article 152-0cties paragraphs 1, 2, 3 Issuer Regulation);

- parties holding at least 10 percent of the share capital, as well as any individual exerting control over the listed issuer and possessing voting rights within the said issuer, are obligated to report relevant transactions in accordance with the internal dealing regulations to Consob. Subsequently, they are mandated to make this information available to the public by the end of the fifteenth day of the month following the month in which the transaction occurred. Nevertheless, they retain the option to delegate the issuer to disclose the information to the public. The listed issuer, in this case, is under the obligation to disclose the information to the public within the trading day immediately succeeding its receipt.

The Issuer Regulation extends these obligations to purchases, sales, subscriptions or exchanges of shares or financial instruments linked to the shares (article 152-septies

[5] "Persons closely associated with relevant persons" means the persons listed in article 152-sexies of Consob Regulation No. 11971 of May 14, 1999 implementing Legislative Decree No. 58 of February 24, 1998 concerning the regulation of issuers.

paragraph 2).

The transactions listed below by relevant parties and persons closely associated are exempted from disclosure obligations:

- transactions with a total value below twenty thousand euros by the end of the year; following each disclosure, transactions with an aggregate value below an additional twenty thousand euros by the end of the year need not be reported. For derivative-related financial instruments, this amount is calculated with reference to the underlying shares;

- transactions conducted between the relevant person and individuals closely associated with them;

- transactions executed by the listed issuer itself and its controlled subsidiaries;

- transactions engaged in by a credit institution or investment firm that contribute to the formation of the trading book of said institution or firm, as defined in Article 4(1)(86) of (EU) Regulation no. 575/2013, under the condition that the same person:

  - maintains organizational separation between trading and market-making facilities, on one hand, and treasury and facilities managing strategic holdings, on the other;
  - possesses the ability to identify the shares held for trading and/or market-making activities, using methods subject to Consob's verification, or by holding them in a specially designated separate account;

  and in cases where it acts as a market maker,

  - holds the necessary authorization from its home Member State in accordance with Directive 2014/65/EU to conduct market-making activities;
  - provides Consob with the market-making agreement with the market operator and/or issuer, as required by applicable law and its implementing provisions in the relevant EU Member State where the market maker operates;
  - notifies Consob of its intent to engage in or the ongoing conduct of market-making activities concerning the shares of a listed share issuer, using the TR-2 Form found in Exhibit 4. Furthermore, the market maker must promptly inform Consob of any cessation of market-making activities related to the same shares.

- disclosure to the public of Inside Information

The new rules on disclosure of Inside Information provide that:

- The disclosure obligations under article 114 TUF attributable to listed issuers and the entities that control them (henceforth “the Obligated Parties”) on Inside

Information concerning directly the issuer and its subsidiaries are complied with when, upon the occurrence of a set of circumstances or an event, "even though not yet formalized", the public is informed without delay (article 17 MAR).

This information is disclosed by sending a communique to the company that manages the stock exchange, which will make it available to the public, and to at least two press agencies as well as Consob (article 66, paragraph 2, Issuer Regulation).

In addition, the issuer should publish the communique on its web site, where available, and keep it there for at least five years (article 17 MAR).

Listed issuers instruct the subsidiaries to provide all the information necessary to fulfil the disclosure obligations provided for by law. The subsidiaries transmit promptly the required information.

Inside information and the marketing of the activities of the Obligated Parties do not have to be combined between them so as to be misleading (article 17 MAR).

The Obligated Parties must make a full disclosure to the public of that inside information which, intentionally or unintentionally, has been divulged while performing their work, professional, function or office duties to third parties not subject to any confidentiality obligation (article 17, paragraph 8, MAR). In addition, if - following the dissemination of information concerning the financial condition, operating performance and cash flows of the issuers of financial instruments or corporate actions regarding such issuers – the price of such instruments varies from that of the previous day, the Obligated Parties must publish, in the manner provided for, a press release on the truthfulness of such information, adding to or amending its content, so as to reinstate parity of information (article 66, paragraph 8, Issuer Regulation).

Obligated Parties may delay the disclosure of inside information to the market so as not to undermine their own legitimate interests (article 17, paragraph 5 MAR). This prerogative may be exercised when disclosure to the public of inside information can compromise the execution of a transaction or a deal by the issuer or can lead the public to form uninformed opinions.

The Obligated Parties that avail themselves of the permitted delay must comply with the procedures necessary and suited to ensure confidentiality of the information and disclose promptly the inside information whenever the information is no longer confidential (article 66-bis, paragraph 3, Issuer Regulation). These parties are required to notify promptly Consob of the delay and the reasons (article 66-bis, paragraph 4, Issuer Regulation). Following this notification, or in case it had news of this delay in disclosing inside information, Consob can order the parties concerned to proceed with the disclosure and, should the party fail to comply with this order, Consob can make the disclosure at the expense of the parties concerned.

Consob can, in general, request the Obligated Parties, the directors, the statutory auditors and management, as well as the parties with major holdings pursuant to

article 120 TUF (i.e. investors holding more than two percent of a listed company, on one side, and listed companies that hold more than ten percent of a closely-held company) or parties to an agreement under article 122 TUF (i.e. a shareholder agreement on the exercise of voting rights in listed companies and in companies controlling them) to disclose news and documents necessary for the public to be informed, in the manner established by Consob.

Failure to comply with such request can cause Consob to proceed with the disclosure at the expense of the non-compliant party (article 114 paragraph 5, TUF).

10. Manslaughter and Serious Personal Injury or Grievous Bodily Harm, Committed in Violation of the Rules on Accident Prevention and Hygiene and Health at Work (Article 25-*septies* - of Legislative Decree 231/2001- Legislative Decree 81 of 9 April 2008)

Article 9 of Law no. 123 of 3 August 2007 amended Legislative Decree 231/01 by introducing Article 25-*septies* which extends the liability of the entities to illegal acts relating to the violation of safety and accident prevention regulations.

Pursuant to Article 1 of Law no. 123/07, Legislative Decree no. 81 of 9 April 2008 has come into force concerning "health and safety at work".

This Decree is a Consolidated Act, coordinating and harmonising all relevant prevailing legislation, with the intention to provide a common instrument for easy consultation by all persons involved in safety management.

In particular, Legislative Decree no. 81/2008 repealed certain important laws concerning safety, including Legislative Decree no. 626/94 (implementation of the European Community Directives concerning the improvement of workers' health and safety at work), Legislative Decree no. 494/96 (implementation of the European Community Directives concerning the minimum safety and health requirements for temporary or mobile constructions sites), as well as articles 2, 3, 4, 5, 6 and 7 of Law no. 123/2007.

Article 300 of Legislative Decree no. 81/2008 has replaced the wording of Article 25-*septies* of the above-mentioned Legislative Decree no. 231/01, in regard to the crimes referred to in article 589 (Manslaughter) and article 590 paragraph 3 (serious personal injury or grievous bodily harm) of the penal code, committed in violation of the rules on hygiene and health at work.

Art. 25-septies

Manslaughter and serious personal injury or grievous bodily harm, committed in violation of the rules on accident prevention and hygiene and health at work

((1. In relation to the offence referred to in article 589 of the penal code, committed in violation of article 55, paragraph 2, of the legislative decree implementing the provisions

of law no. 123 of 2007 on health and safety at work, a monetary sanction is applied equivalent to one thousand quotas. In the event of conviction for the offence mentioned in the previous paragraph, the prohibitory sanction referred to in article 9, paragraph 2, will range from three months to one year.

2. Save as otherwise provided for in paragraph 1, in relation to the offence referred to in article 589 of the penal code, committed in violation of the rules on health and safety at work, a monetary sanction is applied equivalent to not less than two hundred and fifty quotas and not greater than five hundred quotas. In the event of conviction for the offence mentioned in the previous paragraph, the prohibitory sanction referred to in article 9, paragraph 2, will range from three months to one year.

3. In relation to the offence referred to in article 590, third paragraph of the penal code, committed in violation of the rules on health and safety at work, a monetary sanction is applied of up to two hundred and fifty quotas. In the event of conviction for the offence mentioned in the previous paragraph, the prohibitory sanction referred to in Article 9, paragraph 2, will not be longer than six months.*))*

The new wording has redefined the sanctions applicable to the entity, in proportion to the offence and the aggravating circumstances that may be incurred during the commission of the offence.

- ***Manslaughter (Article 589 of the Penal Code)***

This offence is committed whenever someone is responsible for causing the death of another person.

However, the offence contemplated by Legislative Decree no. 231/01 concerns only those cases in which death has been caused, not due to causes of a general nature, such as inexperience, imprudence or negligence, but rather due to specific conduct, that is the violation of the accident prevention laws.

In relation to the offence in question, article 25-*septies* of Legislative Decree no. 231/01 provides for a monetary sanction of 1000 quotas and a ban ranging from three months to one year, but only when the offence has been committed in violation of Article 55, paragraph 2, of the Consolidated Act, i.e., when the criminal act has been committed in specific types of company (such as industrial companies with more than 200 employees or companies where the workers are exposed to biological risks, asbestos, etc.).

Furthermore, whenever the same offence is committed just by violation of accident prevention laws, a monetary sanction is applicable ranging from 250 to 500 quotas, whereas in the event of conviction a ban ranging from three months to one year applies.

- ***Serious Personal Injury or Grievous Bodily Harm (Article 590 Paragraph 3 of the Penal Code)***

This offence is committed whenever someone, in violation of the occupational accident prevention laws, causes serious personal injury or grievous bodily harm to another person.

In accordance with paragraph 1 of article 583 of the penal code, the personal injury is

considered serious in the following cases:

"1) If the event derives from an illness which endangers the life of the injured person, or an illness or incapacity to attend to normal activities for a period exceeding forty days;

2) If the event results in the permanent weakening of a sense or an organ ".

In accordance with paragraph 2 of Article 583 of the Penal Code, the bodily harm is considered *grievous* if the event derives from:

- *"A definitely or probably incurable illness;*
- *The loss of a sense;*
- *The loss of a limb, or a mutilation which renders the limb useless, or the loss of the use of an organ or the capacity to procreate, or a permanent and serious loss of the power of speech.*

When the crime is committed in violation of accident prevention laws, a monetary sanction is applicable to the entity not exceeding 250 quotas and, in the event of conviction for the crime, a ban is applicable for a maximum of six months.

In any case, article 5 of Legislative Decree no. 231/2001 prescribes that the offences must have been committed on behalf of the entity or for its benefit.

Moreover, article 30 of Legislative Decree no. 81/2008 provides that, in order to avoid the entity incurring administrative liability, the Compliance Program referred to by Legislative Decree 231/01 shall be adopted and effectively implemented, to ensure compliance with specific legal obligations, in particular relative to the:

- Observance of the technical-structural standards prescribed by the law in regard to the plant, premises and work equipment;
- Risk assessment and accident prevention and protection activity carried out;
- Activity of an organizational nature (e.g. first aid, contract management, periodic meetings concerning safety matters, consultation with the workers' safety representative);
- Activity regarding information and training of the workers, as well as health supervision;
- Supervisory activity, in regard to the observance by the workers of the occupational safety procedures and instructions;
- Obtaining the documentation and certification prescribed by law;
- Periodic review of the application and effectiveness of the procedures adopted.

11. Receiving of Stolen Goods, Money Laundering and Utilization of Money, Goods, or Benefits of Unlawful Origin, as well as self-laundering (Article 25-*octies* of Legislative Decree 231/2001 - Legislative Decree 231/2007)

Legislative Decree 231/2007 known also as the "Anti-Money Laundering Decree" (which transposed Directive 2005/60/ EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as well as Directive 2006/70/CE which lays down its implementing measures), has introduced into the framework of Legislative Decree 231/01 the new article 25-*octies*, which extends the liability of the legal entity to include also the receiving of stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin (articles 648, 648-*bis*, and 648-*ter* of the penal code) even if committed at national level.

Law 146/2006 (paragraphs 5 and 6 of Article 10, now repealed by the Anti-Money Laundering Decree) had already contemplated the liability of the entities for money laundering and utilization of money, goods or benefits of unlawful origin, but only if these offences had been committed at trans-national level.

Receiving of stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin are considered offences also if the activities which have generated the same have been carried out in another State of the European Union or in another country.

The purpose of Legislative Decree 231/2007 is, therefore, to protect the financial system against the risk of being used to launder money or to finance terrorists and it addresses a wide range of interested parties including, in addition to banks and financial intermediaries, also those operators who carry out activity such as the storage and transport of money and securities, or real estate agents, etc. (the so-called "non-financial operators").

Article 25-octies has been amended by Law no. 186 of 15 September 2014, containing "Provisions on the emergence and return of capital held abroad and to strengthen the fight against tax evasion. Provisions on self-laundering", which introduce the offence of self-laundering (article 648-ter.1 of the penal code).

Art. 25-octies

Receiving of stolen goods, money laundering and utilization of money, goods, or benefits of unlawful origin ((as well as self-laundering))

1. In relation to the offences referred to in articles 648, 648-bis ((,648-ter and 648-ter.1)) of the penal code, monetary sanctions of between two hundred and eight hundred quotas apply. If the money, goods or other benefits come from an offence for which a maximum term of imprisonment of more than five years has been established, monetary sanctions of between four hundred and one thousand quotas are applied.

2. In cases of conviction for one of the offences referred to in paragraph 1, the prohibitory sanctions provided for in article 9, paragraph 2 are applied to the entity for a period not exceeding two years.
3. In relation to the offences referred to in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the Financial Intelligence Unit (FIU), shall make the observations referred to in Article 6 of Legislative Decree no. 231 of 8 June 2001.

- ***Receiving of Stolen Goods (article 648 of the penal code)***

Except in cases of participation in the crime, this offence arises when, with the objective of procuring a benefit for oneself or for other parties, a person purchases, receives or hides money or property deriving from criminal activity of whatever nature, or otherwise acts to abet the purchase, receipt or concealment. This offence is punished by imprisonment from two to eight years and a fine ranging from EUR 516 to EUR 10,329.

The prescribed penalty entails imprisonment from one to four years and a fine spanning from EUR 300 to EUR 6,000 when the offence involves money or items resulting from an infringement that carries a maximum imprisonment term of over one year or a minimum of six months..

The severity of the penalty escalates when the offence is committed within the scope of a professional activity.

In instances where the offence is of an exceptionally minor nature, the penalty involves imprisonment for up to six years and a fine of up to EUR 1,000 if it pertains to money or property derived from a criminal act. For money or property resulting from an infringement, the penalty includes imprisonment for up to three years and a fine of up to EUR 800.

The provisions of this article apply also when the perpetrator of the offence, from whom the money or property has been received, cannot be charged or is not punishable or when the offence cannot be prosecuted.

- ***Money Laundering (Article 648-bis of the Penal Code)***

This offence is committed when a person exchanges or transfers money, property or other benefits deriving from intentional criminal acts, or carries out other transactions in their regard, in order to prevent the identification of their criminal origin. This offence is punished by imprisonment from four to twelve years and a fine ranging from EUR 5,000 to EUR 25,000.

The prescribed penalty encompasses imprisonment from two to six years and a fine varying from EUR 2,500 to EUR 12,500 when the offence pertains to money or property stemming from an offence that carries a maximum imprisonment term of over one year or a minimum of six months.

The penalty is increased in case the offence is committed while performing one’s

professional activity.

Conversely, the penalty is mitigated if the money, property, or other assets are derived from a criminal act that carries a maximum imprisonment term of less than five years.

- ***Utilization of Money, Goods, or Benefits of Unlawful Origin (Article 648-ter of the Penal Code)***

This offence is committed when goods or other assets, deriving from an unlawful origin, are utilized in business and financial activities. This offence is punished by imprisonment from four to twelve years and a fine ranging from EUR 5,000 to EUR 25,000. The penalty is increased in case the offence is committed while performing one's professional activity.

The prescribed penalty entails a prison term ranging from two to six years and a fine between EUR 2,500 and EUR 12,500 when the offence involves money or property derived from a violation punishable by imprisonment for a period varying from not less than six months to one year.

The severity of the penalty is augmented if the offence is committed within the scope of a professional activity.

The penalty is lessened if the offense is of a minor nature.

- ***Self-laundering (Article 648-ter. 1 of the Penal Code)***

Imprisonment from two to eight years and a fine ranging from of EUR 5,000 to EUR 25,000 are imposed on anybody who – having committed or contributed to committing an intentional crime – uses, replaces, transfers in economic, financial, business or speculative activities the money, the assets or any other valuables coming from the perpetration of such offence, so as to actually obstruct the identification of their illicit origin.

Imprisonment from one to four years and a fine ranging from of EUR 2,500 to EUR 12,500 are imposed if the money or property originate from the perpetration of an offence punishable with imprisonment from six months to one year.

The punishment is mitigated if the money, property, or other valuables come from the perpetration of an offense punishable by imprisonment of less than five years

At any rate, the penalties under paragraph 1 apply if the money, the assets or the other valuables come from an offence committed with the conditions or the purposes under article 7 of law decree no. 152 of 13 May 1991, converted, as amended, by law no. 2013 of 12 July 1991, as subsequently amended.

Outside the cases referred to in the previous paragraphs, conducts are not punishable if the money, the assets or the other valuables are used for personal purposes.

The penalty increases if the offences are committed while fulfilling one's duties in a banking or financial role or in another professional activity.

The penalty decreases by up to one-half for anybody who effectively endeavoured to prevent the conduct from being pursued further or to obtain evidence of the offence and to identify the assets, the money or the other valuables coming from the offence.

The last paragraph of article 648 applies.

Pursuant to article 25-*octies*, entities may be subject to monetary sanctions of up to a maximum amount of EUR 1,500,000 and a ban not exceeding two years for perpetrating one of the offences envisaged by this article, even if committed in a strictly national setting, provided that the entity derives a gain or benefit.

The powers and responsibilities of the Supervisory Board - whose task, pursuant to Legislative Decree 231/2001, is to supervise the implementation of the Compliance Program - have been revised.

12. Offences Related to Non-Cash Payment Instruments (Article 25-octies.1 Legislative Decree 231/01)

Art. 25-octies.1
Offences concerning non-cash payment instruments

1. In connection with the commission of the crimes provided for in the Penal Code regarding non-cash payment instruments, the following financial penalties shall be applied to the entity:

a) for the offence referred to in Article 493-ter, a fine of 300 to 800 quotas;

b) for the offense outlined in Article 493-ter, a fine ranging from 300 to 800 units;

(b) for the offences described in Article 493-quater and Article 640-ter, in cases where the offence is aggravated by the execution of a transfer of money, monetary value, or virtual currency, a monetary penalty of up to 500 quotas.

2. Unless the act constitutes another more severe administrative offence, concerning the perpetration of any other offence against public trust, property, or property-related violations as defined in the Penal Code, particularly in cases involving non-cash payment instruments, the following fines shall be imposed on the entity:

a) if the offence is punishable by imprisonment of less than ten years, a fine of up to 500 quotas;

b) if the offence is punishable by not less than ten years' imprisonment, a fine of 300 to 800 quotas.

3. In instances of conviction for any of the offenses outlined in paragraphs 1 and 2, the disqualification sanctions as specified in Article 9, paragraph 2, shall be applied to the entity.

The individual cases covered by the regulation are described below:

- Misuse and falsification of non-cash payment instruments (Article 493-ter of the Penal Code)

Individuals who, with the intention of obtaining gains for themselves or others, unlawfully employs credit or payment cards, or any similar document facilitating cash withdrawals, purchases, or service provision, or any other non-cash payment instrument, shall face imprisonment from one to five years and a fine ranging from EUR 310 to EUR 1,550. The same penalties shall be applied to those who, with the intent to profit, forge or alter the mentioned instruments or documents, or possess, dispose of, or acquire such instruments or documents of unlawful origin or any forgery or alteration. This also includes payment orders produced with them.

In cases of conviction or imposition of penalties per the request of the parties in accordance with Article 444 of the Code of Criminal Procedure for the offence stated in the first paragraph, the seizure of items used or intended for the commission of the offence, as well as the gains or proceeds, shall be ordered, unless such items belong to a party unrelated to the crime. If this is not possible, the seizure of assets, sums of money, and other assets available to the offender, equivalent to such gains or proceeds, shall be implemented.

Items seized under the second paragraph during law enforcement operations shall be handed over by the judicial authorities to law enforcement agencies upon request.

- Possession and dissemination of computer equipment, devices or programs aimed at committing crimes concerning non-cash payment instruments (Article 493-quater of the Penal Code)

Unless the act constitutes a more severe offence, any individual who, with the intention of using them or enabling others to use them in the commission of offences related to non-cash payment instruments, manufactures, imports, exports, sells, transports, distributes, provides, or in any way procures equipment, devices, or computer programs primarily designed for committing such offences due to technical, structural, or design characteristics, or specifically adapted for the same purpose, shall be subject to imprisonment for up to two years and a fine of up to EUR 1,000.

In the case of conviction or the imposition of penalties at the parties' request under article 444 of the Code of Criminal Procedure for the offence specified in the first paragraph, the seizure of the aforementioned equipment, devices, or computer programs shall always be ordered, along with the seizure of the gains or proceeds from the offence, or, when not feasible, the seizure of assets, monetary sums, and other assets available to the offender, equivalent to the gains or proceeds.

- Computer fraud (Article 640-ter of the Penal Code)

For the description of article 640-ter of the Penal Code, reference is made to the details provided in section 1 of this Annex. It is important to note that Article 25-octies.1 of Legislative Decree 231/2001 only deems the case relevant in the aggravated scenario indicated in the second paragraph of article 640-ter of the Penal Code ("*if the act results in*

a transfer of money, monetary value, or virtual currency or is committed with the illegal participation of a system operator").

13. Offences Related to the Violation of Copyright Laws (Article 25-*novies* of Legislative Decree 231/01)

Article 25-novies
Offences related to the violation of copyright laws

1. In relation to the commission of the offences referred to in articles 171, paragraph 1, letter a-bis), and paragraph 3, 171-bis, 171-ter, 171-septies and 171-octies of law 633 of 22 April 1941, a monetary sanction of up to five hundred quotas is applied to the entity.
2. In the case of conviction for the offences referred to in paragraph 1, the prohibitory sanctions provided for in article 9, paragraph 2 are applied to the entity for a period of not more than one year. The provisions of Article 174-quinquies of the aforementioned Law No. 633 of 1941 shall remain in force. (17) ((20))

UPDATE (17)
Article 4 of Law No 116 of 3 August 2009 provides that "The following Article shall be inserted after Article 25-octies of Legislative Decree No 231 of 8 June 2001: "Article 25-novies (Inducement to refrain from making statements or to make false statements to the judicial authority). - In relation to the commission of the offence referred to in Article 377-bis of the Penal Code, a monetary sanction of up to five hundred quotas shall apply to the entity'"."

UPDATE (20)
Law no. 116 of 3 August 2009, as amended by Legislative Decree no. 121 of 7 July 2011, provided (by Article 4, paragraph 1) that "The following Article shall be inserted after Article 25-nonies of Legislative Decree no. 231 of 8 June 2001: "Article 25-decies (Inducement to refrain from making statements or to make false statements to the judicial authority). !. In relation to the commission of the offence referred to in Article 377-bis of the Civil Code, a financial penalty of up to five hundred shares shall apply to the entity.".

Article 15, paragraph 7 of Law no. 99 of 23 July 2009 introduced the offences related to copyright laws pursuant to article 25-*novies* of Legislative Decree no. 231/01.

Below, a description is provided of the different offences contemplated by the law:

- ***Article 171, Paragraph 1, Letter a-bis and Paragraph 3 (Law 633/1941)***

Save as otherwise provided by Article 171-*bis* and Article 171-*ter*, a fine from EUR 51.00

to EUR 2,065.00 will be levied to anyone who, without proper rights, for any purpose and in any way:

a bis) makes a protected original work, or part thereof, available to the public by entering it in a computer network system, through connections of any type whatsoever;

Perpetration of the above offences regarding a work belonging to others that is not intended for publication, or by usurping the authorship of the work, or through deformation, mutilation, or other modification of the same work, or anything that brings offence to the honour or the reputation of the author is punished by imprisonment of up to one year of a fine of not less than €516.00.

- ***Article 171-bis (Law 633/1941)***

Anyone who, for personal gain, unlawfully duplicates software or for the same purposes imports, distributes, sells, holds, or leases any software containing material that is not marked by the Italian Authors' and Publishers' Association (SIAE), is punished by imprisonment from six months to three years and a fine ranging from EUR 2,582 to EUR 15,493. The same penalty is applied if the act involves any means solely intended to allow or facilitate the arbitrary removal or the functional avoidance of devices utilized to protect software. Particularly serious offences carry a sentence of imprisonment of not less than two years and a fine of EUR 15,493.

- ***Article 171-ter (Law 633/1941)***

If the act is committed for non-personal use, imprisonment from six months to three years and a fine ranging from EUR 2,582 to EUR 15,493 are applied to anyone who, for personal gain:

a) unlawfully duplicates, reproduces, transmits, or broadcasts to the public, in any way, an original work, in whole or in part, intended for television, cinema, the sale or rental of disks, tapes, or similar devices, or any other device containing sound recordings or video recordings of musical, cinematographic or similar audio- visual works or sequences of images in motion;

b) unlawfully reproduces, transmits, or disseminates to the public, in any way, in whole or in part, literary, dramatic, scientific, musical, or dramatic-musical or multimedia works, also if inserted in collective or composed works or databases;

c) introduces in the Italian territory, holds for the sale or distribution, or distributes, places on the market, leases or transfers for any reasons, shows in public, broadcasts by television in any way, broadcasts by radio in any way, plays in public the illegal duplications or reproductions under a) and b) above, even though he did not participate in the duplication or reproduction;

d) holds for the sale or distribution, places on the market, sells, rents, transfers for any reason, shows in public, broadcasts by radio or television video cassettes, music cassettes, any

form of device containing sound recordings or video recordings of musical, cinematographic or audio-visual or sequence of images in motion, or other devices without the mark the Italian Authors' and Publishers' Association (SIAE), or with counterfeit or altered mark;

e) in the absence of an agreement with the legitimate distributor, transmits or retransmits an encrypted service, by any means, which was received by means of apparatuses or parts of apparatuses, designed to decode transmissions with conditional access;

f) introduces in the Italian territory, holds for the sale or distribution, distributes, sells, leases, transfers for any reason, commercially promotes, installs devices or special decoding elements that permit access to an encrypted service without paying the required fee.

f-*bis*) manufactures, imports, distributes, sells, rents, transfers for any reason, advertises for sale or rental, or holds for commercial reasons equipment, products or components or renders services that are mainly intended, or commercially used, to avoid efficient technological measures pursuant to Article 102-*quater* or that are mainly designed, produced, adopted, or realised for the purpose of making possible or facilitating the avoidance of the aforementioned measures. The technological measures also include those applied, or that remain, following removal of the same measures by the holder of the rights on a voluntary basis or pursuant to agreements between the latter and the beneficiaries of exceptions, or following the execution of orders by administrative or jurisdictional authorities;

h) unlawfully removes or alters the electronic information under article 102-*quinquies*, or distributes, imports for distribution purposes, broadcasts by radio or television, communicates or makes publicly available works or other protected materials from which the same electronic information has been removed or altered.

Imprisonment from one to four years and a fine ranging from EUR 2,582 to EUR 15,493 are applied to anyone who:

a) unlawfully reproduces, duplicates, transmits or disseminates, sells or otherwise puts on the market, transfers for any reason, or unlawfully imports more than fifty copies or samples of works that are protected by copyright laws and by related rights;

a-*bis*) in violation of Article 16, for personal gain, provides to the public by inserting in an electronic network system, through connections of any kind, an original work, or parts thereof, that is protected by copyright laws;

b) exercising in an entrepreneurial form any activities involving the re-production, distribution, sale or commercialisation, importation of works protected by copyright laws and by other related rights, is found guilty of the acts pursuant to paragraph 1;

c) promotes or organizes illicit activities pursuant to paragraph 1.

The sentence is lessened if the act is of particular tenuousness.

The sentence for one of the offences pursuant to paragraph 1 implies:

a) the application of the accessory punishments pursuant to Articles 30 and 32-*bis* of the Penal Code;

b) the publication of the sentence pursuant to Article 36 of the Penal Code;

c) the suspension for a period of one year of concessions or licences of radio-television broadcasting for the production or commercial activities.

The amounts deriving from the application of the pecuniary sanctions provided by the previous paragraphs are paid to the National Entertainment Industry Employee Pension Organization.

- ***Article 171-septies (Law 633/1941)***

The punishment pursuant to Article 171-*ter*, paragraph 1, also applies to:

a) Producers and importers of devices not required to use the mark under article 181-*bis*, which do not communicate to the Italian Authors' and Publishers' Association (SIAE) within thirty days, from the commercial entry date in the national territory or the importation, the information necessary for the unequivocal identification of the devices;

b) Unless it constitutes a more serious offence, anyone who falsely declares the fulfilment of the obligations pursuant to article 181-*bis*, paragraph 2, of this law.

- ***Article 171-octies (Law 633/1941)***

Unless it constitutes a more serious offence, imprisonment from six months to three years and a fine from EUR 2,582 to EUR 25,822 will be applied to anyone who fraudulently produces, puts up for sale, imports, promotes, installs, modifies, uses for public and private apparatuses or parts of apparatuses designed to decode audio-visual broadcasts with conditional access via air, satellite, or cable, in either analogical or digital form. Conditional access means all the audio-visual signals transmitted by Italian or foreign broadcasting stations in such a way as to render the same visible solely to closed groups of users selected by the party that broadcasts the signal, whether the service involves a payment or not.

Imprisonment of not less than two years and a fine of EUR 15,493.00 is applied if the act is not particularly serious.

14. Inducement Not to Testify or to Bear False Testimony to Judicial Authorities (Article 25-*decies* of Legislative Decree 231/01)

Law no. 116 of 3 August 2009 introduced the offence of **"Inducement not to Testify or To**

Bear False Testimony to Judicial Authorities" into article 25-*decies* of Legislative Decree 231/01.

Such offence – already contemplated by Legislative Decree 231/01 among the trans-national offences (Article 10, paragraph 9, Law 146/2006) – now takes on also a national relevance.

Art. 25-decies
Inducement not to testify or to bear false testimony to Judicial Authorities

In relation to the commission of the offence referred to in Article 377-bis of the Civil Code, a monetary sanction of up to five hundred quotas shall apply to the entity.

- **Inducement not to testify or to bear false testimony to Judicial Authorities *(Article 377-bis of the Penal Code)***

Unless the fact constitutes a more serious offence, anyone who, through violence or threats, or by offering or promising money or other benefits incites any person called to testify before the Judicial Authorities not to make statements or to make false statements to be used in penal proceedings, when such person has the right not to answer, is punishable by imprisonment from two to six years.

15. Environmental Offences (Article 25-*undecies* of the Legislative Decree 231/01)

Legislative Decree no. 121 of 7 July 2011, which transposes Directive 2008/99/CE and Directive 2009/123/CE, in accordance with the obligation imposed by the European Union to incriminate any conduct which is extremely detrimental to the environment, has introduced article 25-*undecies* of Legislative Decree 231/01.

Article 25-undecies
Environmental offences

1. In relation to the commission of offences provided for in the penal code, the following monetary sanctions are applied to the entity:
((a) for the violation of article 452-bis, monetary sanctions of between two hundred and fifty and six hundred quotas;
b) for the violation of article 452-quater, monetary sanctions of between four hundred and eight hundred quotas;
c) for the violation of Article 452-quinquies, monetary sanctions of between two hundred and five hundred quotas;
d) for aggravated organized crime activities pursuant to Article 452-octies, monetary sanctions of between three hundred and one thousand quotas;
e) for the crime of trafficking in and unauthorized disposal of highly radioactive material pursuant to article 452-sexies, monetary sanctions of between two hundred and fifty and six hundred quotas;

f) for the violation of Article 727-bis, monetary sanctions up to two hundred and fifty quotas;
g) for the violation of Article 733-bis, a monetary sanction ranging from one hundred and fifty to two hundred and fifty shares)).
((1-bis. In cases of conviction for the offences indicated in paragraph 1, letters a) and b), of the present article, in addition to the monetary sanctions provided for therein, the prohibitory sanctions provided for in Article 9 shall apply for a period not exceeding one year for the offence referred to in the aforementioned paragraph a))).
2. In relation to the commission of the offences set out in Legislative Decree no. 152 of 3 April 2006, the following monetary sanctions shall apply to the entity:
a) for the offences referred to in Article 137:
1) for the violation of paragraphs 3, 5, first sentence, and 13, monetary sanctions of between one hundred and fifty and two hundred and fifty quotas;
2) for the violation of paragraphs 2, 5, second sentence, and 11, monetary sanctions ranging from two hundred to three hundred quotas.
b) for the offences set out in article 256:
1) for the violation of paragraphs 1, letter a), and 6, first sentence, monetary sanctions of up to two hundred and fifty quotas;
2) for the violation of paragraphs 1, letter b), 3, first sentence, and 5, monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas;
3) for the violation of paragraph 3, second sentence, monetary sanctions ranging from two hundred to three hundred quotas;
c) for the offences set out in Article 257:
1) for the violation of paragraph 1, monetary sanctions of up to two hundred and fifty quotas;
2) for the violation of paragraph 2, monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas;
d) for the violation of Article 258, paragraph 4, second sentence, monetary sanctions varying from one hundred and fifty to two hundred and fifty quotas;
e) for the violation of Article 259, paragraph 1, monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas;
f) for the offence set forth in Article 260, monetary sanctions ranging from three hundred to five hundred quotas, in the case under paragraph 1, and from four hundred to eight hundred quotas in the case under paragraph 2;
g) for the violation of article 260-bis, monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas in the case envisaged by paragraphs 6, 7, second and third sentences, and 8, first sentence, and monetary sanctions ranging from two hundred to three hundred quotas in the case envisaged by paragraph 8, second sentence;
h) for the violation of Article 279, paragraph 5, monetary sanctions of up to two hundred and fifty quotas.
3. In relation to the commission of the offences provided for by Law no. 150 of 7 February 1992, the following monetary sanctions are applied to the entity:
a) for the violation of articles 1, paragraph 1, 2, paragraphs 1 and 2, and 6, paragraph 4, monetary sanctions of up to two hundred and fifty quotas;
b) for the violation of Article 1, paragraph 2, monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas;
c) for the penal code offences referred to in Article 3-bis, paragraph 1, of the same Law No. 150 of 1992, respectively:

1) a monetary sanction of up to two hundred and fifty quotas, in case of commission of offences for which the punishment is imprisonment for no more than one year;

2) monetary sanctions ranging from one hundred and fifty to two hundred and fifty quotas, in the event of commission of offences for which the punishment does not exceed two years' imprisonment;

3) a monetary sanction ranging from two hundred to three hundred quotas, in the event of commission of offences for which the punishment does not exceed three years' imprisonment;

4) a monetary sanction ranging from three hundred to five hundred quotas, in the event of commission of offences for which the punishment does not exceed three years' imprisonment.

4. In relation to the commission of the offences set out in article 3, paragraph 6, of law no. 549 of 28 December 1993, the entity is punished with monetary sanctions of between one hundred and fifty and two hundred and fifty quotas.

5. In relation to the commission of the offences referred to in Legislative Decree 202 of 6 November 2007, the following monetary sanctions are applied to the entity:

a) for the offence referred to in article 9, paragraph 1, monetary sanctions of up to two hundred and fifty quotas;

b) for the offences referred to in article 8, paragraph 1, and article 9, paragraph 2, monetary sanctions of between one hundred and fifty and two hundred and fifty quotas;

c) for the offence set forth in Article 8, paragraph 2, monetary sanctions ranging from two hundred to three hundred quotas.

6. The sanctions set out in paragraph 2, sub-paragraph b), are reduced by half in the case of the commission of the offence set out in article 256, paragraph 4, of Legislative Decree 152 of 3 April 2006.

7. In cases of conviction for the offences indicated in paragraph 2, subparagraphs a), no. 2), b), no. 3), and f), and paragraph 5, sub-paragraphs b) and c), the prohibitory sanctions provided for in Article 9, paragraph 2, of Legislative Decree no. 231 of 8 June 2001 shall apply for a period not exceeding six months.

8. If the entity or one of its organizational units is used for the sole or prevalent purpose of allowing or facilitating the commission of the offences referred to in article 260 of Legislative Decree 152 of 3 April 2006 and article 8 of Legislative Decree 202 of 6 November 2007, the permanent ban from the business activity in accordance with article 16, paragraph 3 of Legislative Decree 231 of 8 June 2001 is applied.

The offences contemplated by Article 25-*undecies* are as follows.

OFFENCES INTRODUCED INTO THE PENAL CODE

- ***Environmental Pollution (Article 452-bis.)***

He shall be punished with imprisonment from two to six years and a fine ranging from EUR 10,000 to EUR 100,000 who causes illegally significant and measurable detriment or deterioration:

1) of waters or air, or extended or significant ground or underground portions;

2) of an ecosystem, of biodiversity, including agricultural biodiversity, of plants and wildlife.

When pollution is caused in a natural area that is protected or subject to landscape planning, environmental, historic, artistic, architectural or archaeological restrictions or to the detriment of protected animal or vegetal species, punishment is increased.

- ***Environmental Disaster (Article 452-quater.)***

Outside the cases provided for by article 434, anyone who causes environmental disaster is punished with imprisonment from five to fifteen years.

Environmental disaster is determined when any of the following takes place:

3) the irreversible alteration of the balance of an ecosystem;
4) alteration of the balance of an ecosystem whose elimination is particularly onerous and can be achieved solely with exceptional measures;
5) harm to public safety due to the significance of the event as a result of the extension of the detriment or its harmful effects or for the number of people harmed or exposed to hazard.

When the disaster is caused in a natural area that is protected or subject to landscape planning, environmental, historic, artistic, architectural or archaeological restrictions or to the detriment of protected animal or vegetal species, punishment is increased.

- ***Offences Against the Environment Due to Negligence (Art. 452-quinquies.)***

If any of the offences under articles 452-bis and 452-quarter is due to negligence, the penalties laid down by such two articles are diminished from one-third to two-thirds. If the events referred to in the previous paragraph give rise to the risk of environmental pollution or environmental disaster the penalties are further diminished by one-third.

- ***Traffic and Disposal of Highly Radioactive Material (Article 452-sexies)***

Unless it constitutes a more serious offence, a person shall be punished with imprisonment from two to six years and a fine ranging from EUR 10,000 to EUR 50,000 when he sells, buys, receives, ships, imports, exports, obtains on behalf of third parties, transfers, discards or gets rid illegally of highly radioactive material.

The penalty under paragraph one is increased if the fact causes detriment to or deterioration of:

1) of waters or air, or extended or significant ground or underground portions;

2) of an ecosystem, of biodiversity, including agricultural biodiversity, of plants and wildlife. If the fact puts the life or safety of people at risk, the penalty is increase by up to one-half.

- ***Aggravating circumstances (Art. 452-octies.)***

When the organization under article 416 is designed, solely or concurrently, to perpetrate one of the offences under this title, the penalties under article 416 are increased. When the organization under article 416-bis is designed to commit one of these offences under this title or to manage or otherwise to obtain control of business activities, concessions, licences, contracts or public service in the environmental area, the penalties under article 416-bis are increased.

The penalties under paragraphs one and two are increased from one-third to one-half if the organization includes among its members public officials or persons in change of a public service who perform duties or provide services in the environmental area.

- ***Killing, destruction, capturing, removal or possession of any protected wild animal and vegetable species (Article 727-bis of the Penal Code)***

Unless the fact constitutes a more serious offence, anyone who, other than in the permitted circumstances, kills, captures or possesses any specimen belonging to a protected wild animal species is punishable by imprisonment from one to six months or by a fine of up to EUR 4,000, except when the act concerns a negligible quantity of such specimens and has a negligible impact upon the conservation of the species. Anyone who, other than in the permitted circumstances, destroys, removes or possesses specimens belonging to a protected vegetable species is subject to a fine of EUR 4,000, except when the act concerns the act concerns a negligible quantity of such specimens and has a negligible impact upon the conservation of the species. Unless the act constitutes a more serious offence, anyone who violates the marketing bans set forth in Article 8, paragraph 2, of Presidential Decree No. 357 of September 8, 1997, shall be punished by imprisonment of two to eight months and a fine of up to EUR 10,000.

- ***Destruction or damaging of a habitat within a protected site (Article 733-bis of the Penal Code***

Anyone who, other than in the permitted circumstances, destroys a habitat within a protected site or otherwise damages it so as to compromise its state of conservation, is punishable by imprisonment of up to eighteen months and a fine of EUR 3,000.

OFFENCES CONTEMPLATED BY THE "CONSOLIDATED ENVIRONMENTAL PROTECTION ACT"

- ***Penal Sanctions (Article 137– paragraphs 2,3,5,11,13 – of the Legislative Decree 152 / 2006, - Consolidated Environmental Protection Act)***

c. 2) Unauthorized Dumping or Disposal of Dangerous Substances

When the conduct set out on paragraph 1 concerns industrial waste waters containing hazardous substances comprised in the categories and groups of substances indicated in the

tables 5 and 3/A of Annex 5 of the said decree, the prescribed punishment is imprisonment from three months to three years.

c. 3) Disposal in Violation of the Rules.

Anyone who, other than in the circumstances referred to in paragraph 5 or article 29-quattuordecies, paragraph 3, effects a disposal of industrial waste waters containing hazardous substances comprised in the categories and groups of substances indicated in the tables 5 and 3/A of Attachment 5 to the third section of this decree without observing the terms of the authorization, or the other requirements of the competent Authority as prescribed by Articles 107, paragraph 1, and 108, paragraph 4, is punishable by imprisonment of up to two years.

c. 5) Disposal in Violation of the Limits Established in the Tables

Unless the act constitutes a more serious offence, anyone who, in the course of a disposal of industrial waste waters, exceeds the maximum values established by table 3 or, in the case of disposal on the soil, those prescribed by table 4 of Annex 5 to the third section of this decree, or exceeds the more restrictive limits imposed by the regions or autonomous provinces or by the competent Authority as prescribed by article 107, paragraph 1, in relation to the substances indicated in table 5 of Annex 5 to the third section of this decree, is punishable by imprisonment of up to 2 years and with a fine ranging from EUR 3,000 to EUR 30,000. If also the maximum limits established for the substances indicated in table 3/A of Annex 5 are exceeded, the applicable imprisonment is from six months to three years with a fine ranging from EUR 6,000 to EUR 120,000.

c. 11) Prohibition of Waste Disposal on the Soil, in the Subsoil, or in the Underground Waters.

Anyone who fails to observe the prohibition of waste disposal as prescribed by articles 103 and 104 is punishable by imprisonment of up to three years,

c. 13) Waste Disposal in the Sea by Ships or Aircraft

Imprisonment from two months to two years is applicable if the waste disposed of in the sea by ships or aircraft contains substances or materials whose disposal is absolutely forbidden by the provisions of the international conventions which prevail in this regard and which have been ratified by Italy, unless the quantity of such substances are such as to be rapidly rendered harmless by the physical, chemical and biological processes which naturally occur in the sea and have been the subject of a prior authorization by the competent Authority.

- ***Unauthorized Handling of Waste (Article 256 – paragraphs 1a, 1b, 3 first and second sub-paragraphs, 4 5, 6 first sub-paragraph – Legislative Decree 152 / 2006-Consolidated Environmental Protection Act)***

c. 1 a, b) Unauthorized Handling of Waste

Anyone who carries out the activity of collection, transport, disposal, commerce and intermediation of waste without the required authorization, registration or communication referred to by Articles 208, 209, 210, 211, 212, 214, 215 and 216 is subject to the punishment of:

a) imprisonment from three months to a year or with a fine ranging from EUR 2,600 to EUR 26,000, if the waste is not hazardous;

b) imprisonment from six months to two years and a fine ranging from EUR 2,600 euro to EUR 26,000 euro, if the waste is hazardous.

c. 3) Establishment and Management of an Unauthorized Waste-Disposal Site

Anyone who sets up or manages an unauthorized waste-disposal site is punishable by imprisonment from six months to two years and a fine ranging from EUR 2,600 to EUR 26,000. Imprisonment of one to three years and a fine ranging from EUR 5,200 to EUR 52,000 will be applied, if the waste-disposal site is utilized, even partially, for the disposal of hazardous waste. The conviction or the handing down of a sentence, in accordance with article 444 of the criminal procedure, will result in the seizure of the area upon which the unauthorized waste-disposal site has been set up regardless of whether it is the property of the perpetrator or parties participating in the offence, without prejudice to the obligation to decontaminate and restore the condition of the location.

c. 5) Prohibition to Mix Waste

Anyone who, in violation of the prohibition under article 187, carries out the unauthorized activity of mixing waste, is punishable as prescribed by paragraph 1, sub-paragraph b).

c. 6) Storage of Medical Waste

Anyone who temporary stores hazardous medical waste at the location where such waste is produced, thus contravening the requirements of Article 227, paragraph 1, subparagraph b), is punishable by imprisonment from three months to 1 year or with a fine ranging from EUR 2,600 to EUR 26,000. An administrative monetary sanction ranging from EUR 2,600 euro to EUR 15,500 is applicable in regard to quantities not exceeding 200 litres or equivalent quantities.

- ***Decontamination of Sites (Article 257 – paragraphs 1, 2 – Legislative Decree 152 / 2006 - Consolidated Environmental Protection Act)***

c. 1) Failure to Decontaminate Sites

Unless the fact constitutes a more serious offence, anyone who causes the pollution of the soil, the subsoil, the surface waters or the underground waters, thus exceeding the concentration risk level, is punishable by imprisonment from six months to one year or with a fine ranging EUR 2,600 to EUR 26,000, if such person fails to carry out the decontamination of the site in conformity with the project approved by the competent Authority, as prescribed by Articles 242 et seq. In the event of failure to give notice as

required by Article 242, the offender is punishable by imprisonment from three months to one year or a fine ranging from EUR 1,000 to EUR 26,000.

c. 2) Hazardous Substances

Imprisonment from one to two years and a fine ranging from EUR 5,200 to EUR 52,000 are applicable if the pollution is caused by hazardous substances.

Adherence to the projects approved pursuant to Article 242 et seq. constitutes a condition of non-punishment for the environmental offences covered by other laws for the same event and the same pollution conduct referred to in paragraph 1.

- ***Violation of the Obligations to Give Notice, Maintain Mandatory Registers and Accompanying Forms (Article 258 – paragraph 4 second clause – Legislative Decree 152 / 2006 - Consolidated Environmental Protection Act)***

c. 4) Transport of Waste without Accompanying Forms

The provision punishes with a monetary administrative sanction anyone who transports waste without the identification form (FIR) referred to in Article 193 or without the substitutive documents provided therein, or whoever reports incomplete or inaccurate data on the form.

The punishment prescribed by article 483 of the penal code is applicable not only to anybody who transports hazardous waste but also to anyone who draws up a waste analysis certificate indicating false information as to the nature, the composition and the chemical-physical characteristics of the waste, as well as anyone who makes use of a false certificate during the transport.

- ***Waste Trafficking (Article 259 – paragraph 1 – Legislative Decree 152 / 2006 - Consolidated Environmental Protection Act)***

c. 1) Cross-border Shipment of Waste, Constituting Illegal Trafficking

Anyone who makes a shipment of waste constituting illegal traffic, within the meaning of article 26 of Council Regulation (EEC) of 1 February 1993, no. 259, or effects a shipment of waste listed in Attachment II of the said regulation in violation of Article 1, paragraph 3, sub-paragraphs a), b), c) and d) of the regulation itself, is subject to a fine ranging from EUR 1,550 to EUR 26,000 and imprisonment of up to two years. The sanction increases if hazardous waste is involved.

- ***Activities Organized for the Illegal Trafficking of Waste (Article 452-quaterdecies of the penal code)***

Anyone who, to achieve an illegal gain, through repetitive operations and the setting up of organized ongoing means and activities, transfers, receives, transports, exports, imports or

otherwise illegally handles substantial quantities of waste is punishable by imprisonment from one to six years.

c. 2) Highly Radioactive Waste

If highly radioactive waste is involved, the applicable punishment is imprisonment from three to eight years.

- ***ICT Control System of the Traceability of Waste (Article 260-bis – paragraphs 6, 7, subparagraphs 2 and 3, 8 – Legislative Decree 152 / 2006 - Consolidated Environmental Protection Act)***

c. 6) False Indications in the Waste Traceability Certificate

The punishment envisaged by article 483 of the penal code is applicable to anyone who draws up a waste analysis certificate, utilized within the context of the traceability control system (SISTRI), indicating false information as to the nature, the composition and the chemical-physical characteristics of the waste as well as to anyone who includes a false certificate with the data to be supplied for the traceability of waste.

c. 7) Transport of Hazardous Waste Unaccompanied by a Copy of the Sistri Form or Utilizing a Form Containing False Information

The punishment envisaged by Article 483 of the Penal Code is applicable in regard to the transport of hazardous. The aforementioned punishment is applicable also to anyone who, during the course of the transport, makes use of a waste analysis certificate indicating false information as to the nature, the composition and the chemical-physical characteristics of the waste being transported.

c. 8) Transport of Waste with a Fraudulently Altered Sistri Form

A driver who accompanies the transport of the waste with a hardcopy of the SISTRI - AREA MOVIMENTAZIONE form, which has been fraudulently altered, is punishable in accordance with the combined provisions of articles 477 and 482 of the penal code. The sanction increases by up to one third in the case of dangerous refuse being involved.

- ***Sanctions (Article 279 – paragraph 5 – Legislative Decree 152 / 2006 - Consolidated Environmental Protection Act)***

c. 5) Exceeding Emission Limits and Air Quality Reading Limits

In the cases contemplated by paragraph 2, the applicable punishment is imprisonment of up to one year, if the exceeding of the emission value limits also results is the exceeding of the air quality reading limits envisaged by the prevailing regulations.

OFFENCES RELATING TO THE PROTECTION OF THE ANIMAL AND

VEGETABLE SPECIES

- ***Article 1 – paragraphs 1, 2 – Law No. 150/1992***

1. Unless the act constitutes a more serious offence, imprisonment from six months to two years and a fine ranging from EUR fifteen thousand to EUR one hundred and fifty thousand are applied for anyone who, in violation of the Council Regulation (EC) no. 338/97 of 9 December 1996 and its successive implementations and amendments, for the specimens belonging to the species listed in Annex A of said Regulation and its subsequent amendments:

a) imports, exports or re-exports specimens, under any customs system, without the prescribed certificate or licence, that is, utilizing a certificate or licence which is not valid pursuant to article 11, paragraph 2a of Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments;

b) fails to observe the instructions for the safety of the specimens, as specified in a licence or in a certificate issued in conformity with Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC*) No *939/97* of 26 May 1997 and subsequent amendments;

c) utilizes the aforesaid specimens in a manner not corresponding to the prescriptions contained in the licence or certification issued with the import licence or certified subsequently;

d) transports or arranges for the transit of specimens, also on behalf of third parties, without a licence or the prescribed certificate issued in conformity with Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC*) No *939/97* of 26 May 1997 and subsequent amendments and, in the event of the exportation or re-exportation from a Country adhering to the Washington Convention, issued in conformity with the said convention or without sufficient proof of their existence;

e) sells plants which have been artificially reproduced in contrast with the rules established on the basis of Article 7, paragraph 1, subparagraph b), of Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC) No 939/97* of 26 May 1997 and subsequent amendments;

f) holds, utilizes for personal gain, purchases, sells, displays or holds for sale or for commercial purpose, offers for sale or otherwise sells specimens without the prescribed documentation.

2. In case of recidivism, the applicable punishment is imprisonment from one to three years and a fine ranging from EUR thirty thousand to EUR three hundred thousand. Should the above-mentioned offence be committed during the course of a business activity, the sentence is accompanied by the suspension of the trading licence from six months to two years.

- ***Article 2 – paragraphs 1, 2 – Law No. 150/1992***

1. Unless the act constitutes a more serious offence, a fine ranging from EUR twenty thousand to EUR two hundred thousand or imprisonment from six months to one year are applied for anyone who, in violation of the Council Regulation (EC) no. 338/97 of 9 December 1996, and its successive implementations and amendments, for the specimens belonging to the species listed in Annexes B and C of the said Regulation:

a) imports, exports or re-exports specimens, under any customs system, without the prescribed certificate or licence, that is, utilizing a certificate or licence which is not valid pursuant to article 11, paragraph 2a of Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments;

b) fails to observe the instructions for the safety of the specimens, as specified in a licence or in a certificate issued in conformity with Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC*) No *939/97* of 26 May 1997 and subsequent amendments;

c) utilizes the aforesaid specimens in a manner not corresponding to the prescriptions contained in the licence or certification issued with the import licence or certified subsequently;

d) transports or arranges for the transit of specimens, also on behalf of third parties, without a licence or the prescribed certificate issued in conformity with Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC*) No *939/97* of 26 May 1997 and subsequent amendments and, in the event of the exportation or re-exportation from a Country adhering to the Washington Convention, issued in conformity with the said convention or without sufficient proof of their existence;

e) sells plants which have been artificially reproduced in contrast with the rules established on the basis of Article 7, paragraph 1, subparagraph b), of the Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent implementations and amendments and with *Commission Regulation (EC) No 939/97* of 26 May 1997 and subsequent amendments;

f) holds, utilizes for personal gain, purchases, sells, displays or holds for sale or for commercial purpose, offers for sale or otherwise sells specimens of the species in Annex B to the Regulation without the prescribed documentation.

2. In case of recidivism, the applicable punishment is imprisonment from six months to eighteen months and a fine ranging from EUR twenty thousand to EUR two hundred thousand. Should the above-mentioned offence be committed during the course of a business activity, the sentence is accompanied by the suspension of the trading licence from six to eighteen months.

- ***Article 3 bis – paragraph 1 –Law No. 150/1992***

1. With regard to the offences provided for by article 16, paragraph 1, subparagraphs a), c),

d), e), and l), of the (the Council Regulation (EC) no. 338/97 of 9 December 1996 and subsequent amendments, concerning the falsification or alteration of certificates, licences, notifications of importation, declarations, communication of information for the purposes of obtaining a licence or a certificate, as well as the use of false or altered certificates or licences, the applicable punishments are set out in book II, title VII, chapter III of the penal code.

- ***Article 6 – paragraph 4 – Law No. 150/1992***

4. Anyone who breaches the provisions set out in paragraph 1 is punishable by imprisonment of up to three months or with a fine ranging from EUR fifteen thousand to EUR three hundred thousand.

OFFENCES RELATING TO THE PROTECTION OF THE OZONE LAYER AND THE ENVIRONMENT

- ***Discontinuance and Reduction of the Use of Harmful Substances (Article 3 – paragraph 6 – Law No. 549/ 1993)***

6. Anyone who violates the provisions of this article is punishable by imprisonment of up to two years and a fine of up to three times the value of the substances utilized for in production, imported or marketed. In more serious cases, the sentence is accompanied by the revocation of the permit or licence on the basis of which the illegal activity has been carried out.

OFFENCES RELATING TO POLLUTION CAUSED BY SHIPS

- ***Wilful Pollution (Article 8 of Legislative Decree 202/2007)***

1. Unless the act constitutes a more serious offence, the Captain of the ship, regardless of the flag that the ship is flying, as well as the members of the crew and, where the violation has occurred with their complicity, the ship owner and the shipping company that have wilfully violated the provisions of article 4 are punishable by imprisonment from six months to two years and a fine ranging from EUR 10,000 euro to EUR 50,000.

2. If the violation, referred to in paragraph 1, causes permanent or particularly serious damage to the quality of the waters, to animal or vegetable species, or parts thereof, the applicable punishment is imprisonment from one to three years and a fine ranging from EUR 10,000 to EUR 80,000.

3. The damage is to be considered particularly serious when the removal of its consequences is of an exceptionally complex nature from a technical point of view, that is, very onerous or achievable only with exceptional measures.

- ***Culpable Pollution (Article 9 of Legislative Decree 202/2007)***

- Unless the act constitutes a more serious offence, the Captain of the ship, regardless of the flag that the ship is flying, as well as the members of the crew and, where the violation has occurred with their complicity, the ship owner and the shipping company that have wilfully violated the provisions of article 4 are punishable by imprisonment from six months to two years and a fine ranging from EUR 10,000 euro to EUR 30,000.

- If the violation, referred to in paragraph 1, causes permanent or particularly serious damage to the quality of the waters, to animal or vegetable species, or parts thereof, the applicable punishment is imprisonment from six months to two years and a fine ranging from EUR 10,000 to EUR 30,000.

- The damage is to be considered particularly serious when the removal of its consequences is of an exceptionally complex nature from a technical point of view, that is, very onerous or achievable only with exceptional measures.

- ***Sanctions to Be Borne by the Entity as per Legislative Decree 121/2011***

Monetary sanctions are contemplated with regard to all the events for which the entity might be held liable. Legislative Decree 121/2011provides for three levels of seriousness, as set out below:

- a fine ranging from 150 to 250 quotas for offences punished with imprisonment for up to two years;
- a fine of up to 250 quotas for offences punished with either a monetary sanction or imprisonment for up to one year or imprisonment for up to two years (together with the fine);
- a fine ranging from 200 to 300 quotas for offences punished with imprisonment of up to three years.

An exception to the above scale is made for the offence under article 260, paragraph 1, of Legislative Decree 152/ 2006 (Consolidated Environmental Protection Act), which provides for a harsher sanctioning regime, as may be seen below, in regard to the organized activity for illegal waste traffic:

- a fine ranging from 300 to 500 quotas.

Bans - as per article 9, paragraph 2, of Legislative Degree 231/01 - for legal entities are applied solely in the following cases:

1) article 137, paragraphs 2, 5 sub-paragraph 2, and 11 of Legislative Decree 152/2006;

2) article 256, paragraph 3, sub-paragraph 2 of Legislative Decree 152/2006;

3) article 260 paragraphs 1 and 2 of Legislative Decree 152/2006.

Only in such circumstances, will it therefore be possible to apply to the legal entity the same precautionary sanctions pursuant to article 45 et ff. of Legislative Decree 231/01.

The most serious sanction from among those provided for by Legislative Decree 231/01, that

is the final ban from the business under article 16, paragraph 3, is applicable in those cases where the legal entity or one of its organizational activities are permanently utilized with the sole or prevalent purpose of permitting or facilitating the perpetration of the offences of criminal conspiracy for the illegal traffic of waste (article 260, paragraphs 1 and 2, of Legislative Decree 152/2006).

16. Employment of Foreign Citizens Without a Regular Residence Permit (Art. 25-*duodecies* of Legislative Decree 231/01)

Legislative Decree No. 109, article 2, of 16 July 2012 introduced the offence of ***"Employment of Foreign Citizens Without a Regular Residence Permit"*** into Art. 25-*duodecies* of Legislative Decree 231/01, whereby for such offence the company is punished with a fine ranging from 100 to 200 quotas, with a limit of EUR 150,000.

Article 25-duodecies.
Employment of foreign citizens without a regular residence permit

1. In relation to the commission of the offence referred to in Article 22, paragraph 12-bis of Legislative Decree 286 of 25 July 1998, a monetary sanction varying from one hundred to two hundred quotas, up to €150,000, shall apply.
((1-bis. In relation to the commission of the offences referred to in article 12, paragraphs 3, 3-bis and 3-ter, of the Consolidated Law under Legislative Decree no. 286 of 25 July 1998, as amended, a monetary sanction ranging from four hundred and one thousand quotas shall apply.
1-ter. In relation to the commission of the offences referred to in article 12, paragraph 5, of the Consolidated Law under Legislative Decree no. 286 of 25 July 1998, as amended, a monetary sanction ranging from one hundred to two hundred quotas.
1-quater. In cases of conviction for the offences referred to in paragraphs 1-bis and 1-ter of this article, the prohibitory sanctions provided for in article 9, paragraph 2, are applied for a period of not less than one year)).

Such offence is governed by article 22, paragraph 12-*bis*, of Legislative Decree no. 286 of 25 July 1998 (Consolidated law on immigration and rules on the condition of foreigners):

- ***"Employment of Foreign Citizens Without a Regular Residence Permit"***

Punishment for the offence provided for by sub-paragraph 12 of article 22 of Legislative Degree no. 286 of 25 July 1998 – whereby *"The employer with foreign workers without the residence permit provided or by this article, or whose permit has expired and in relation to which either no renewal has been requested, as per the law, or it has been revoked or cancelled, shall be punishable by imprisonment from six months to three years and shall pay a fine of EUR 5000 for each employee involved"* - is increased from one third to one half:

a) If the number of employed workers is greater than three;

b) If the employed workers are minors under the legal working age;

c) If the employed workers are subjected to particularly exploitative working conditions under the third paragraph of Article 603-*bis* of the penal code.

Article 30, paragraph 4 of law no. 161 pf 17 October 2017 introduced into article 25-duodecies of Legislative Decree 231/01 the offences under article 12, paragraphs 3, 3-bis, 3-ter and paragraph 5 of Legislative Decree no. 268/1998 ("**Provisions against illegal immigration**") which punish the entity guilty of such offences with a fine ranging from 400 to 1000 quotas.

3. Unless the fact constitutes a more serious offence, anybody who, in breach of the provisions of this consolidated act, promotes, manages, organizes, funds or carries out the transportation of foreign nationals in Italy or performs such actions as are intended to have foreign nationals enter illegally in Italy or in any other country of which they are not citizens or permanent residents, is punished with imprisonment from five to fifteen years and with a fine of EUR 15,000 for every person in the event that: a) the fact concerns entry or illegal stay in the country of five or more persons; b) the persons transported have risked their life or safety to secure entry or illegal stay; c) the transported persons have been subjected to inhuman or degrading treatment to secure their entry or illegal stay; d) the fact is committed by three or more persons who work together or use international transportation services or forged or altered or otherwise illegally obtained documents; e) the perpetrators have available arms and explosive materials.

3-bis. If the facts under paragraph 3 fall under two or more of the cases under a), b), c), d) and e) of the same paragraph, the penalty contemplated thereunder is increased.

3-ter. Imprisonment in increased by one-third to one-half and a fine of EUR 25,000 for every person applies if the facts under paragraphs 1 and 3: a) are committed to recruit persons to be exploited as prostitutes or otherwise for sexual or work purposes or concern the trafficking of minors to be used in illegal activities so as to foster their exploitation; b) are committed to derive a gain, directly or indirectly.

5. Outside of the cases provided for by the previous paragraphs, and unless the fact constitutes a more serious offence, anybody who - to derive undue gain from the illegal condition of a foreign national or within the scope of the activities punished pursuant to this article- helps such foreign national to stay in Italy in breach of the provisions of this consolidated act is punished with imprisonment of up to four years and with a fine of up to 30 million lire. When the offence is committed by two or more persons, or concerns the stay of five or more persons, the penalty is increased by one-third to one-half.

17. Racism and Xenophobia (Article 25-*terdecies* of Legislative Decree no. 231/01)

Article 2 of law no. 167 of 20 November 2017 introduced racism and xenophobia as offences into article 25-terdecies of Legislative Decree 231/01 and punishes the entity guilty of such offences with a fine ranging from 200 to 800 quotas.

Art. 25-terdecies

Racism and xenophobia

((1. In relation to the commission of the offences referred to in Article 3, paragraph 3-bis, of Law 654 of 13 October 1975, monetary sanctions ranging from two hundred to eight hundred quotas shall apply.
2. In cases of conviction for the offences referred to in paragraph 1, the prohibitory sanctions provided for in article 9, paragraph 2 are applied to the entity for a period of not less than one year.
3. If the entity or one of its organizational units is used for the sole or prevalent purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the sanction of permanent ban from activity pursuant to Article 16, paragraph 3 shall apply)).

These offences are governed by article 3, paragraph 3-bis of Law 654/1975 (The International Convention on the Elimination of All Forms of Racial Discrimination).

Imprisonment from two to six years is applied if the propaganda or the inducement and incitement, committed in such a way as to give rise to the actual risk of dissemination, are based in whole or in part on the denial, the serious minimization or the apologia of the Holocaust or of genocides, crimes against humanity and war crimes, as defined in articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to law no. 232 of 12 July 1999.

18. Fraud in Sports Competitions, Unlawful Gaming or Betting and Gambling by Means of Prohibited Devices (Article 25-quaterdecies of Legislative Decree 231/01)

Law no. 39 of 30 May 2019 introduced article 25-quaterdecies of Legislative Decree 231/01 fraud in sports competitions (Article 1 L. 40/1989) and the offence of unlawful gambling or betting activities (Article 4 L. 401/1989).

Article 25-quaterdecies

Fraud in sports competitions, unlawful gaming or betting and gambling by means of prohibited devices

((1) In relation to the commission of the offences referred to in articles 1 and 4 of law no. 401 of 13 December 1989, the following monetary sanctions shall apply:

a) for offences, a monetary sanction of up to five hundred quotas;

b) for contraventions, monetary sanctions of up to two hundred and sixty quotas.

2. In cases of conviction for one of the offences indicated in paragraph 1, letter a), of this article, the prohibitory sanctions provided for in Article 9, paragraph 2, shall apply for a period of not less than one year))

19. Tax offences (Article 25-quinquiesdecies of Legislative Decree 231/01)

Law Decree no. 124 of 26 October 2019 introduced tax offences with article 25-quinquiesdecies, paragraph 1, of Legislative Decree 231/2001. In relation to the type of offence, a monetary sanction ranging from four hundred to five hundred quotas shall apply.

Article 25-quinquiesdecies
Tax offences

1. In relation to the commission of the offences set out in Legislative Decree no. 74 of 10 March 2000, the following monetary sanctions shall apply:
a) for the offence of false return by means of invoices or other documents for bogus transactions provided for in article 2, paragraph 1, a monetary sanction of up to five hundred quotas;
b) for the offence of false return by means of invoices or other documents for bogus transactions provided for in article 2, paragraph 2-bis, a monetary sanction of up to four hundred quotas;
c) for the offence of false return by means of other artifices, set forth in Article 3, a monetary sanction up to five hundred quotas;
d) for the offence of issuing invoices or other documents for bogus transactions, set forth in Article 8, paragraph 1, a monetary sanction of up to five hundred quotas;
e) for the offence of issuing invoices or other documents for bogus transactions, set forth in Article 8, paragraph 2-bis, a monetary sanction of up to four hundred quotas;
f) for the offence of concealment or destruction of accounting documents, set forth in Article 10, a monetary sanction of up to four hundred quotas;
g) for the offence of hiding assets or income for tax evasion purposes, set forth in Article 11, a monetary sanction of up to four hundred quotas.
((1-bis. In relation to the offences provided for by Legislative Decree no. 74 of 10 March 2000, if they are committed in the context of cross-border fraudulent systems related to the jurisdiction of at least another member State which result, or may result, in a total loss equal to or greater than ten million euros, the following monetary sanctions shall apply:
a) for the offence of false return provided for in Article 4, a monetary sanction of up to three hundred quotas;
b) for the offence of failure to file a tax return set out in Article 5, a monetary sanction of up to four hundred quotas;
c) for the offence of undue set-off set forth in Article 10-quater, a monetary sanction of up to four hundred quotas.))
2. If, following the commission of the offences indicated ((in paragraphs 1 and 1-bis)), the entity has obtained a significant gain, the monetary sanctions are increased by a third.
3. In the cases provided for in ((paragraphs 1, 1-bis and 2)), the prohibitory sanctions provided for in article 9, paragraph 2, letters c), d) and e) are applied.

(37)

UPDATE (37)

Law Decree no. 124 of 26 October 2019, converted as amended by Law No. 157 of 19 December 2019, provided (in article 39, paragraph 3) that "The provisions referred to in paragraphs 1 to 2 shall take effect from the date of publication in the Official Gazette of the law converting this decree".

- **False return by means of invoices or other documents for bogus transactions (article 2, paragraph 1 and 2-bis of Legislative Decree no. 74/2000)**

The provision punishes with imprisonment from four to eight years anyone who, in order to evade income or value added tax, using invoices or other documents for bogus transactions, indicates fictitious costs in one of the returns relating to such taxes.

If the amount of the fictitious cost is lower than one hundred thousand euros, imprisonment from one year and six months to six years shall apply.

- **False return by means of other artifices (article 3 of Legislative Decree no. 74/2000)**

The provision punishes with imprisonment from three to eight years anyone who, except for the cases provided for in Article 2, in order to evade income or value added tax, by carrying out objectively or subjectively bogus transactions or by making use of false documents or other fraudulent means capable of hindering the tax assessment and misleading the tax authorities, indicates in one of the returns relating to such taxes understated assets or fictitious liabilities or fictitious receivables and withholdings, when, all together:

a) the tax evaded exceeds, with reference to any one of the individual taxes, thirty thousand euros;
b) the total amount of the evaded revenue, also through the indication of fictitious costs, is higher than five per cent of the total amount of revenue indicated in the return, or in any case, is higher than one million five hundred thousand euros, or if the total amount of the fictitious receivables and withholdings deducted from the tax exceeds five per cent of the higher of the amount of the tax and thirty thousand euros.

The offence is deemed to have been committed with the use of false documents when such documents are recorded in the mandatory accounting records or are kept as evidence for the tax authorities.
It should be noted that the mere violation of invoicing obligations and revenue recording or mere under-invoicing or under-reporting do not quality as fraud.

- **Issuing of invoices for bogus transactions (article 8, paragraph 1 and 2-bis, of Legislative Decree no. 74/2000)**

The provision punishes with imprisonment from four to eight years anyone who, in order to enable third parties to evade income tax or value added tax, issues invoices or other documents for bogus transactions.

If the untrue amount indicated in the invoices or documents, per tax period, is lower than one hundred thousand euros, imprisonment from one year and six months to six years shall apply.

- **Concealment or destruction of accounting records (article 10 of Legislative Decree no. 74/2000)**

Unless the act constitutes a more serious offence, the provision punishes with imprisonment from three to seven years anyone who, in order to evade income tax or value added tax, or to enable third parties to evade them, conceals or destroys all or part of the accounting records or documents whose retention is mandatory, so as to make it impossible to reconstruct income or revenue.

- **Hiding assets or income for tax evasion (article 11 of Legislative Decree no. 74/2000)**

The provision punishes with imprisonment from six months to four years anyone who, in order to evade the payment of income tax or value added tax or of interest or fines relating to such taxes for a total amount exceeding fifty thousand euros, falsely sells or carries out other fraudulent acts on his own or on others' assets that are likely to render the compulsory collection procedure wholly or partly ineffective.

Article 25-quinquiesdecies was subsequently amended by the entry into force of Legislative Decree no. 75/2020, implementing Directive (EU) 2017/1371 on the protection of the financial interests of the European Union (PIF Directive), which included in the body of Article 25-quinquiesdecies, in paragraph 1- bis, the following offences:

- **False return (article 4 of Legislative Decree no. 74/2000)**
- **Failure to file a tax return (article 5 of Legislative Decree no. 74/2000)**
- **Undue set-off (article 10-quater of Legislative Decree no. 74/2000)**

Paragraph 1-bis of Article 25-quinquiesdecies of Legislative Decree 231/01 provides for the application to the entity of the following monetary sanctions:

a) for the offence of false return provided for in Article 4, a monetary sanction of up to three hundred quotas;

b) for the offence of failure to file a tax return, a monetary sanction of up to four hundred quotas;

c) for the offence of undue set-off, a monetary sanction of up to four hundred quotas.

These tax offences constitute predicate offences for the administrative liability of entities only if they are:

- committed in the context of cross-border fraudulent schemes;
- designed to evade VAT for an amount of not less than ten million euros.

Therefore, any violations which, although criminally relevant for natural persons (the offences referred to have much lower thresholds), do not exceed the specific punishment thresholds set for administrative infringements are not relevant for the liability of entities.

That said, the provision governing the **offence of false tax return** punishes with imprisonment from two to four years the taxpayer who submits a false tax return, by understating revenue or overstating costs.

The conduct, however, is not always fraudulent, as also clarified by the caveat with respect to the "tax fraud" offences set out in Articles 2 and 3 of Legislative Decree 74/2000. There is no offence of false tax return, in particular, in the event of: (i) incorrect classification of elements truthfully indicated in the tax return; (ii) incorrect valuation of assets or liabilities, costs or revenue when the actual criteria applied have in any case been indicated in the financial statements or in other documentation relevant for tax purposes; (iii) violation of the criteria for determining the year for the recognition of costs or revenue; (iv) violation of the provisions on the accrual basis of accounting and deductibility of costs. Moreover, valuations which, taken as a whole, differ by less than 10 per cent from the correct ones do not give rise to punishable offences. In short, article 4 of Legislative Decree 74/2000 attributes penal relevance only to costs that are actually non-existent, thus excluding all costs actually incurred. Moreover, this reaffirms penal irrelevance of tax avoidance, already established by article 10, paragraph 13 of Legislative Decree 128/2015.

The provision governing the **offence of failure to file a tax return** punishes with imprisonment from two to five years, on the other hand, the conduct of a person who, in order to evade income tax or VAT, does not file, being obliged to do so, one of the returns relating to such taxes. The offence is committed only after 90 days following the expiry of the deadline for filing the return. For a correct interpretation of the case, it is necessary to refer to the provisions of the tax law identifying the circumstances that make it compulsory for a taxpayer (Italian or foreign) to file an income tax/VAT return. As mentioned at the outset, this provision constitutes a predicate offence only in relation to failure to file a VAT return.

Finally, the provision governing **the offence of undue set-off** punishes with imprisonment from six months to two years anyone who fails to pay the taxes due, by offsetting credits that are not due (i.e. credits that are certain in their existence and amount, but not yet or no longer usable for tax purposes) or non-existent (i.e. credits that have no basis in the taxpayer's tax position). The set-off between tax debts and credits may be "horizontal", i.e. between debts and credits of different nature, or "vertical", i.e. between tax debts and credits of the same type.

If, as a result of the commission of the offences set out in paragraphs 1 and 1-bis, the entity has obtained a significant gain, the monetary sanction is increased by one third.

In relation to all the offences set out in article 25-quinquiesdecies of Legislative Decree 231/01, the prohibitory sanctions set out in Article 9(2)(c), (d) and (e) shall apply.

20. Smuggling offences (article 25-sexiesdecies of the Decree)

Legislative Decree no. 75/2020 introduced Article 25-sexiesdecies into Legislative Decree no. 231/01, providing, in relation to the commission of the offences set out in Presidential Decree no. 43 of 23 January 1973, for the application to the entity of a pecuniary sanction of up to two hundred quotas.

Article 25-sexiesdecies
Smuggling

((1. In relation to the commission of the offences set out in Presidential Decree no. 43 of 23 January 1973, monetary sanctions of up to two hundred quotas are applied to the entity.
2. When the customs duties due exceed one hundred thousand euros, the entity is punished with monetary sanctions of up to four hundred quotas.
3. In the cases provided for in paragraphs 1 and 2, the prohibitory sanctions provided for in article 9, paragraph 2, letters c), d) and e) are applied to the entity.))

It's worth noting that, in accordance with Article 1, paragraph 1, of Legislative Decree No. 8 of January 15, 2016, "Breaches that incur only a fine or monetary penalty do not constitute offences but are subject to administrative penalties, entailing the payment of a specified sum". However, as outlined in paragraph 4 of the same decree, amended by Article 4, paragraph 1, of Legislative Decree No. 75 of July 14, 2020, this decriminalization provision does not apply to offences specified in Presidential Decree 43/1973 ("TULD") when the amount of customs duties due exceeds EUR 10,000.

Therefore, the smuggling offences discussed in this chapter, when sanctioned solely with a fine, become relevant for entity liability under Legislative Decree 231/2001 only if the amount of customs duties due exceeds EUR 10,000. Below this threshold, they are not classified as criminal offences but as administrative offences, and thus cannot be considered prerequisites for entity liability under Legislative Decree 231/01. This also applies to aggravated cases punishable with imprisonment (considered standalone offences under Article 1, paragraph 2, of Legislative Decree 8/2016) and instances of recidivism under Article 296 of the TULD[6].

21. Laundering of Cultural Property and Destruction and Plundering of Cultural and Scenic Assets (Articles 25-septiesdecies and 25-duodevicies of the Decree).

Art. 25-septiesdecies
Offences against cultural heritage

1. In connection with the commission of the offence stipulated in Article 518-novies of the Penal Code, a fine of one hundred to four hundred quotas shall be imposed on the entity.
2. In relation to the commission of the crimes provided for in Articles 518-ter, 518-decies and 518-undecies of the Penal Code, the pecuniary penalty of two hundred to five hundred quotas shall be applied to the entity.

(6) Article 296 of Presidential Decree 43/1973 states: "1. An individual who, following a conviction for a smuggling offence outlined in this Consolidated Text or other tax law, engages in another smuggling offence punishable only by a fine, shall face not only a fine but also imprisonment of up to one year. 2. In the case of a repeat offender in a smuggling offence specified in this Consolidated Text or other tax law, committing another smuggling offense punishable only by a fine, the imposed imprisonment penalty from the previous provision shall be increased by one-half to two-thirds. 3. In situations where the circumstances specified in this article are not applicable, recidivism in smuggling shall be governed by the Penal Code."

3. As to the commission of the offences under Articles 518-duodecies and 518-quaterdecies of the Penal Code, a fine of three hundred to seven hundred quotas shall be imposed on the entity.
4. Regarding the commission of the offences outlined in Articles 518-bis, 518-quater and 518-octies of the Penal Code, a fine of four hundred to nine hundred quotas shall be imposed on the entity.
5. Upon conviction for the offences set out in paragraphs 1 to 4, the entity shall be subjected to disqualification sanctions, as outlined in Article 9, paragraph 2, for a duration not exceeding two years.

Art. 25-duodevicies
Laundering of Cultural Property and Destruction and Plundering of Cultural and Scenic Assets

1. In connection with the commission of the offences stipulated in Articles 518-sexies and 518-terdecies of the Penal Code, a fine of five hundred to one thousand quotas shall be imposed on the entity.
2. If the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the sanction of permanent disqualification from carrying out the activity pursuant to Article 16, paragraph 3, shall be applied.

Annex B: Confindustria Guidelines

During the development of the Company Compliance Program, reference was made to the Confindustria Guidelines summarized below.

The fundamental principles, indicated by the Confindustria Guidelines for the development of Compliance Programs, may be outlined as follows:

- Identification of **risk areas**, in order to ascertain in which company area/sector the offences may occur;

- Introduction of a control system capable of preventing the risks with the adoption of appropriate procedures.
  The most relevant components of the control system proposed by Confindustria are:

  - A code of conduct;

  - An organizational system;

  - Manual and computer procedures;

  - Delegation of authority and signatory powers;

  - Control and management systems;

  - Communication with personnel and training.

The control system components must reflect the following principles:

  - Verifiability, traceability, consistency and fairness of every transaction;

  - Application of the criterion of segregation of duties (no person should independently manage the entire process);

  - Documentation of the controls;

  - Introduction of an appropriate sanctioning system with regard to violation of the rules of the code of conduct and the procedures contemplated by the Compliance Program.

- Identification of the requisites of the Supervisory Board, namely:

  - Autonomy and independence;

  - Professional competence;

  - Continuity of action;

  - Integrity and absence of conflicts of interest.

- Characteristics of the Supervisory Board (composition, function, powers, etc.) and relevant disclosure obligations.

To ensure the necessary freedom of initiative and independence, it is essential that no operational tasks be assigned to the Supervisory Board which, by involving it in operational decisions and activities, would compromise its impartiality when assessing conduct and the Program.

The Guidelines provide that the Supervisory Board may be composed of one or more persons. The decision to opt for one solution or another must take into account the objectives of the law and, consequently, must ensure an effective level of controls consistent with the size and organizational complexity of the entity.

When the Supervisory Board is composed of more than one person, its members may be drawn from within the company or from external sources, providing that each member possesses the above-mentioned requisites of autonomy and independence. On the other hand, in the case of a mixed composition, considering that the internal members are not totally independent of the entity, the Confindustria Guidelines require that the degree of independence of the Supervisory Board be evaluated as a whole.

Bearing in mind the fact that the legislation in discussion concerns the penal code to a great extent and that the activity of the Supervisory Board is intended to prevent the commission of offences, it is essential, that said Board be aware not only of the nature, but also of the manner in which the offences may be committed; such information may be obtained by utilizing the internal resources of the Company, or with the support of external consultants, if necessary.

In this regard, for matters concerning health and safety at work, the Supervisory Board must seek the support of all the resources assigned to the management of such aspects (such as the Head of the Prevention and Protection Service, the staff assigned to the Prevention and Protection Service, the Workers' Safety Representative, the Competent Physician, the personnel responsible for first aid, and the person responsible for emergency management in case of fire).

In the case of a group of companies, it is possible to centralise the functions contemplated by Legislative Decree 231/01, at the parent company level, provided that:

- A Supervisory Board is set up at each subsidiary company (without prejudice to the possibility to attribute this role to the board of directors, when the subsidiary is a small company);

- The Supervisory Board of the subsidiary company may use the resources allocated to the Supervisory Board at the Group parent company;

- The staff assigned to the Supervisory Board of the Group parent company act in the capacity of external professional consultants, who perform their activity on behalf of the subsidiary company and report directly to the Supervisory Board of the subsidiary company.

To be sure, the choice not to adapt the Program to certain recommendations contained in the Guidelines does not affect its validity. The single Program can, in fact, deviate from the Guidelines, which are general in nature.

ANNEX C: Appendix

Reference is made to the Excel file adopted by the Company, titled "Appendix," in which details pertaining to the Sensitive and Instrumental Processes listed in this Program and associated with a specific Offense Family are specified:

- Corporate Functions / Departments involved;
- internal processes and related company procedures.

ANNEX D: Information Flows to the Supervisory Board

Sensitive/Instrumental Process	Reference in the Special Part	Description of Flow	Frequency

Management of commercial activities with rental customers ***Negotiation/signing/performance of contracts/agreements in the context of tenders and/or in negotiated procedures*** ***Management of remarketing activities***	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities	Promptly report to one's immediate manager or the Company's management, and concurrently inform the Supervisory Board of any conduct exhibited by those affiliated with the counterparty, with the intention of securing favours, unauthorized monetary contributions, or other advantages, including those extended to third parties. Additionally, promptly communicate any significant issues or conflicts of interest arising within the relationship	On occurrence
Management of administrative obligations, non-commercial relations with Public Authorities and related inspection activities	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities	Promptly report to one's immediate manager or the Company's management, and concurrently inform the Supervisory Board of any conduct exhibited by those affiliated with the counterparty, with the intention of securing favours, unauthorized monetary contributions, or other advantages, including those extended to third parties. Additionally, promptly communicate any significant issues or conflicts of interest arising within the relationship.	On occurrence
		Immediately bring to the attention of the Supervisory Board any ongoing or received	On occurrence

		inspections, providing details on: (i) the relevant Public Administration involved; (ii) participating parties; (iii) the subject matter of the inspection; and (iv) the designated period of performance.	
		Transmit to the Supervisory Board, on a six-monthly basis, a list of powers and powers of attorney conferred on company representatives for the purpose of maintaining relations with the Public Administration	Six-monthly
Management of disputes and relations with the Judicial Authority and management of out-of-court settlement agreements	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities	All Addressees are required to promptly notify, following internal procedures and utilizing the communication tools available within the Company (or any compliant communication tool ensuring traceability), the Supervisory Board of any actions, subpoenas for testimony, or legal proceedings (civil, criminal, administrative, and tax) involving them in any capacity related to their work or in any manner connected to it,	On occurrence

Management of purchases of goods and services (including consulting services)	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities Section 2.11 - Sensitive Processes in the area of tax offences	Notify the Supervisory Board, following internal procedures and through the Compliance Officer, of: ○ Requests for fees that are unusually high. ○ Requests for reimbursement of expenses lacking adequate documentation or appearing unusual for the respective transaction.	On occurrence
Selection and management of commercial partners	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities Section 2.11 - Sensitive Processes in the area of tax offences	Immediately inform immediate superior or the Company's management and, simultaneously, the Supervisory Board, utilizing the communication tools available within the Company, about any suspicious conduct or activities by individuals affiliated with the counterparty.	On occurrence
Management of expense reports and public relation expenses	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities Section 2.11 - Sensitive	Promptly report to immediate superior or the Company's management, while concurrently informing the Supervisory Board, any conduct intended to obtain an unlawful advantage for the Company.	On occurrence

	Processes in the area of tax offences		
Cash flow management; ***Management and measurement of customer receivables;*** ***Management of inter-company dealings***	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities Section 2.11 - Sensitive Processes in the area of tax offences	Report to the Supervisory Board, on a six-monthly basis, the results of the checks carried out on cash inflows and outflows, with an indication of any anomalies found (e.g. lack of supporting documentation, flows for purposes unrelated to the company's business, etc.).	Six-monthly
Management of gifts, donations, events and sponsorships	Section 2.1 - Sensitive processes relating to offences against Government and Inducement not to testify or to bear false testimony to Judicial Authorities	Organize the regular submission of reports to the Supervisory Board concerning gifts, events, sponsorships, and gratuities.	Annual
Management of accounting system, preparation of financial statements and tax management	Section 2.11 – Sensitive Processes in the area of tax offences	Report to immediate superior or company management, and concurrently notifying the Supervisory Board, both the presence of errors or omissions in transaction accounting	On occurrence

		and any conduct inconsistent with the aforementioned provisions.	