GENERAL PRINCIPLES OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL UNDER LEGISLATIVE DECREE NO.231 OF 2001 OF EY ADVISORY S.P.A.

Building a better working world

Last updated December 22, 2022

INDEX

Definitions

- "Sensitive Activities": activities of the Company in the scope of which the risk of commission occurs. Of Offenses;
- "Supervisory Body" means "supervisory body pursuant to Legislative Decree no. 231/2001;
- "CCNL" means the applicable National Collective Labor Agreement;
- "Consultants": those who act for and/or on behalf of the Company on the basis of appropriate mandate or other advisory or collaborative bond;
- "Recipients" means all those who work to achieve the company's purpose and objectives. The Recipients of the Model include the members of the Bodies Associates, individuals involved in the functions of the Supervisory Board, partners, employees, External Consultants and business partners such as distributors, suppliers or joint venture partners;
- "Employees" means all employees of the Company, including managers;
- "Confindustria Guidelines": the Guidelines for the Preparation of Organizational and Management Models disseminated by Confindustria and approved by the Ministry of Justice, At the end of the inspection procedure carried out on them in accordance Art. 6, para. 3, of Legislative Decree No. 231/2001 and Ministerial Decree No. 201 of June 26, 2003;
- "Model or Model 231" means the organization, management and control model provided by the Legislative Decree 231/2001 consisting of Model 231, EY Global Code of Conduct and Guidelines Of Behavior;
- "Corporate Bodies" means the members of the Board of Directors and the Board of Statutory Auditors of the Company;
- "P.A." means the public administration, including its officials in their capacity as public officers or public service officers;
- "Partners": contractual counterparts of the Company, such as suppliers, both natural persons either legal persons, or entities with which the company comes to any contractually regulated form of cooperation (entities with which the company enters into a temporary business - ATI, joint venture, consortium, etc.), where intended to cooperate with the company within the scope of Sensitive Activities;
- "Offenses": offenses are those set forth in Legislative Decree 231/2001, as amended;

GENERAL PART OF THE MODEL

CHAPTER 1 DESCRIPTION OF THE REGULATORY FRAMEWORK

1.1 Introduction

Legislative Decree No. 231 of June 8, 2001 (hereinafter, the "Legislative Decree 231/2001"), in implementation of the delegation conferred on the government by Article 11 of Law No. 300 of September 29, 2000, dictated the regulation of "*the liability of entities for administrative offenses dependent crime*."
In particular, these regulations apply to entities provided with legal personality and to companies and associations, including those without legal personality.

Legislative Decree 231/2001 finds its primary genesis in a number of international and EU conventions ratified by Italy that require forms of liability of collective entities for certain types of crimes.

According to the regulations introduced by Legislative Decree 231/2001, in fact, companies can be held "liable" for certain intentional crimes committed or attempted, in the interest or to the advantage of the companies themselves, by members of the company's top management (the so-called individuals "in an apical position" or simply "apical") and by those who are subject to the direction or supervision of latter (Art. 5, paragraph 1, of Legislative Decree 231/2001).

Administrative liability of corporations is independent of criminal liability
of the natural person who committed the crime, and stands alongside the latter.

This expansion of liability is basically aimed at involving in the punishment of certain crimes the assets of companies and, ultimately, the economic interests of shareholders, who, until the enactment of the decree under review, did not suffer direct consequences from the commission of crimes committed, in the interest or for the benefit of their company, by directors and/or employees.

Legislative Decree 231/2001 innovates the Italian legal system in that companies are now directly and independently to both monetary and disqualifying penalties in relation to offenses charged against individuals functionally related to the company under Article 5 of the decree.

The company's administrative liability is, however, excluded if the company has, among other things, adopted and effectively implemented, prior to the commission of the crimes, organizational, management and control models suitable for preventing the crimes themselves; these models may be adopted on the basis of codes of conduct (guidelines) drawn up by associations representing companies, including Confindustria, and communicated to the Ministry of Justice.

The administrative liability of the company is, in any case, excluded if the senior persons and/or
their subordinates acted in their own exclusive interest or that of third parties.

1.2 Nature of liability

With reference to the nature of administrative liability *under* Legislative Decree 231/2001, the Explanatory report to the decree emphasizes the "*emergence of a tertium genus that combines the traits*

essentials of the criminal and administrative systems in an attempt to balance the reasons of preventive effectiveness with those, even more inescapable, of maximum assurance."

Legislative Decree 231/2001 has, in fact, introduced into our system a form of corporate liability of an "administrative" type - in deference to the dictate of Article 27 of our Constitution - but with numerous points of contact with a "criminal" type of liability.

In this sense, see - among the most significant - Articles 2, 8 and 34 of Legislative Decree 231/2001 where the first reaffirms the principle of legality typical of criminal law; the second affirms the autonomy of the entity's liability with respect to the ascertainment of the liability of the individual perpetrator of the criminal conduct; and the third provides for the circumstance that such liability, dependent on the commission of a crime, is ascertained in the context of criminal proceedings and is, therefore, assisted by the guarantees proper to the criminal trial. Consider, moreover, the afflictive nature of the sanctions applicable to the company.

1.3 Perpetrators of the crime: individuals in top positions and individuals subordinate to others direction

As anticipated above, according to Legislative Decree 231/2001, the company is liable for crimes committed in its interest or to its advantage:

- by "persons who hold positions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy as well as by persons who exercise, including de facto, the management and control of the entity itself" (the above-defined persons "in an apical position" or "apical"; Art. 5, paragraph 1a), of Legislative Decree 231/2001);
- by persons subject to the direction or supervision of one of the top individuals (the so-called persons subject to the direction of others; Art. 5, paragraph 1(b) of Legislative Decree 231/2001).

It should also be reiterated that the company is not liable, by express legislative provision (Article 5, paragraph 2, of Legislative Decree 231/2001), if the above-mentioned persons acted exclusively in their own interest or in the interest of third parties.

1.4 Offences

According to Legislative Decree No. 231/2001, the entity can be held liable only for the crimes expressly referred to in Articles *24 to 25-duodevices* of Legislative Decree No. 231/2001, if committed in its interest or to its advantage by the persons qualified under Article 5, paragraph 1, of the Decree itself or in the case of specific legal provisions that refer to the Decree, as in the case of Article 10 of Law No. 146/2006. The offenses referred to in Legislative Decree 231/2001 can be included in the following categories for ease of exposition:

- **crimes in relations with the public administration**. This is the first group of offenses originally identified by Legislative Decree No. 231/2001 (Articles 24 and 25) Law No. 3/2019 amended Article 25 by introducing the crime of trafficking in unlawful influence, tightening the disqualification penalties of paragraphs 2 and 3; inserting, with paragraph 5-bis, a reduction of disqualification penalties. Legislative Decree 75/2020 implementing EU Directive 1371/17 - P.I.F Directive introduced additional offenses in the area of relations with Public Administrations, such as fraud in public supply (Article 356 of the Criminal Code), fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Development

rural (Art. 2 L. 898/1986), embezzlement (Art. 314, c.1, Criminal Code), embezzlement by profiting from the error of others (316 Criminal Code) and abuse of office (323 Criminal Code). Most recently, Decree Law 4/2022, converted into Law 25/2022 extended the application of Articles 316-bis c.p., 316-ter c.p. and 640-bis c.p.

- **Crimes against public faith** such as counterfeiting coins, public credit cards and revenue stamps, referred to Article 25-bis of Legislative Decree 231/2001, introduced by Article 6 of Legislative Decree 350/2001, converted into law, with amendments, by Article 1 of Law No. 409 of November 23, 2001, bearing "Urgent provisions in view of the introduction of the Euro," as amended by Law
  No. 99/2009 and by Legislative Decree 125/2016;
- **Corporate crimes**Art. 25-ter was introduced into Legislative Decree No. 231/2001 by Art. 3 of Legislative Decree No. 61 of April 11, 2002 (as amended by Law No. 190/2012 and Law. 69/2015), which, as part of the reform of corporate law, provided for the extension of the administrative liability regime of companies to certain corporate crimes as well;
- **Crimes for the purpose of terrorism or subversion of the democratic order,** referred to in Article 25-quater of Legislative Decree No. 231/2001 introduced into Legislative Decree No. 231/2001 by Article 3 of Law No. 7 of January 14, 2003. These are "crimes for the purpose of terrorism or subversion of the democratic order, provided for by the Penal Code and special laws," as well as crimes, other than those indicated above, "which have in any case been carried out in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism done in New York on December 9, 1999."
- **Offenses against individual personality** such as child prostitution, child pornography, trafficking in persons and reduction and maintenance in slavery, referred to Article 25-quinquies, introduced into Legislative Decree 231/2001 by Article 5 of Law No. 228 of August 11, 2003. and amended by Law 199 of 2016, Legislative Decree 21/2018 and Law 238/2021;
- **Market abuse** referred to in Article 25-sexies of Legislative Decree No. 231/2001, an article added by Article 9, Law No. 62 of April 18, 2005 ("Community Law 2004") and subsequently amended by Legislative Decree 107/2018 and Law No. 238/2021. These are "Market Manipulation" and "Abuse or Unlawful Disclosure of Inside Information. Recommending or inducing others to commit insider trading."
- **Female genital mutilation practices** (referred to in Art. 25-quater 1 Legislative Decree 231/2001 introduced by Art. 8 of Law No. 7 of January 9, 2006;
- **Transnational crimes**, Law No. 146 of March 16, 2006, ratifies and implements the United Nations Convention and Protocols against Transnational Organized Crime adopted by the General Assembly on November 15, 2000 and May 31, 2001. This law expanded the number of offenses the commission of which may result in the application of administrative sanctions against the entity involved, pursuant to Legislative Decree.
  No. 231/2001, where the "transnationality" character of the criminal conduct exists;
- **Crimes of manslaughter or serious** and **very serious injury** committed in violation of occupational health and safety regulations. Article 25-septies of Legislative Decree 231/2001 provides for the administrative liability of the entity in relation to the crimes referred to in Articles 589 and 590, third paragraph, of the Criminal Code);
- **Crimes of receiving stolen goods, money laundering and use of money, goods or utilities of unlawful origin, as well as self-laundering**. Article 25-octies[1] establishes the extension of the entity's liability also with reference to the crimes provided for in Articles 648, 648-bis, 648-ter and 648- ter.1 of the Criminal Code (amended by Legislative Decree 195/2021);

[1] The Legislative Decree implementing the Third Anti-Money Laundering Directive (2005/60/EC) of November 16, 2007 introduces Art.25 - octies.

- **Computer crimes and unlawful data processing - Cybersecurity**, referred to Art. 24- bis d.lgs.231/2001, as amended by L.D. No.7 and 8 of 2016, Law No.133[2] of November 18, 2019 as well as Law 238/2021;
- **Organized crime offenses**, referred to Article 24-ter of the Decree;
- **Crimes industry and trade**, referred to Article 25-bis No. 1 of the Decree; **crimes on copyright infringement,** referred to Article 25-novies of the Decree;
- **Inducement not to make statements or to make false statements to the Authority Judicial** (Article 377-bis of the Criminal Code), referred to Article 25-decies of the Decree;
- **Environmental crimes**. Art.25-undecies of the Decree, introduced by Legislative Decree No. 121/2011 and amended by Law No. 68/2015 and Legislative Decree No. 21/2018, provides for the administrative liability of the company in relation to the offenses referred to in Articles 727-bis and 733-bis of the Criminal Code, some articles provided for in Legislative Decree No. 152/2006 (Consolidated Law on the Environment), some articles of Law No. 150/1992 on protection of endangered and dangerous animal and plant species, Article 3, co. 6, of Law No. 549/1993 on the protection of stratospheric ozone and the environment, and some articles of Legislative Decree No. 202/2007 on ship-source pollution, Article 452-sexies of the Criminal Code on the trafficking and abandonment of highly radioactive material, Articles 452-bis, 452-quater, 452-quinquies, 452-octies
  Criminal Code on environmental pollution and environmental disaster;
- **Crimes of employment of third-country nationals whose stay is irregular**. Article 25-duodecies of the Decree, subsequently amended by Law 161/2017, provides for the administrative liability of the company in relation to the crimes of Article 2, c. 1 of Legislative Decree July 16, 2012,
  No. 109, in the case of using foreign workers without a residence permit or even expired as well as the offenses under Article 12, Paragraphs 3, 3-bis, 3-ter of Legislative Decree 286/1998 (Procured illegal entry) and those under Article 12 Paragraph 5 of Legislative Decree 286/1998 (Aiding and abetting illegal stay);
- **Crimes of bribery among private individuals** (art. 2635 of the Civil Code; added by Law No. 190/2012; article amended by Legislative Decree No. 38/2017) and **incitement to bribery among private individuals** (art. 2635-bis of the Civil Code; added by Legislative Decree No. 38/2017) referred to art. 25-ter, letter s-bis of the Decree.
- **Racism and xenophobia,** introduced by Law No. 167 of November 20, 2017, recalled by Article 25-terdecies, Legislative Decree No. 231/2001 and amended by Legislative Decree No. 21/2018.
- **Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices**, referred to in Article 25 quaterdecies of Legislative Decree 231/01, added by Law No. 39 of May 03, 2019;
- **Tax offenses**: referred to in Article 25-quinquiesdecies of the Decree, added by Law 157/2019 and subsequently expanded by Legislative Decree 75/2020 implementing EU Directive 1371/17 - P.I.F. Directive.
- **Offence of smuggling**, referred to Article *25-sexiesdecies* of the Decree, added by Legislative Decree 75/2020 implementing EU Directive 1371/17 - P.I.F. Directive; **offences related to non-cash payment instruments**, Legislative Decree 184/2021 introduced Article 25-octies.1 extending the applicability of the Decree also to crimes of undue use and falsification of non-cash payment instruments (Article 493-ter of the Criminal Code), possession and dissemination of equipment, devices, programs

[2] Law No. 48 of March 18, 2008, "Ratification and Execution of the Council Europe Convention on Cybercrime, done at Budapest on November 23, 2001, and Rules for the Adaptation of the Entire Legal System," introduces Article 24-bis "Computer Crimes and Unlawful Data Processing."

information technology aimed at committing crimes regarding non-cash payment instruments (Article 493-quater of the Criminal Code) and the crime of computer fraud (Article 640-ter of the Criminal Code) [3];

- **Crimes against cultural heritage**, Law 22/2022 introduced Articles 25- septiesdecies and 25-duodevicies extending the applicability of the Decree to crimes against cultural heritage (now provided for within the new Title VIII-bis of the Criminal Code) such as: the crime of theft of cultural property (art. 518-bis of the Criminal Code), embezzlement of cultural property (art. 518-ter of the Criminal Code), receiving of cultural property (art. 518- quater of the Criminal Code), laundering of cultural property (art. 518-sexies of the Criminal Code), forgery in private writing related to cultural property (art. 518-octies of the Criminal Code), violation in alienation of cultural goods (art. 518-novies of the Criminal Code), illegal import of cultural goods (art. 518-decies of the Criminal Code), illegal exit or export of cultural goods (art. 518-undecies of the Criminal Code.), destruction, dispersal, deterioration, defacement, defacement, and illegal use of cultural or landscape goods (Article 518-duodecies of the Criminal Code), devastation and looting of cultural and landscape goods (Article 518-terdecies of the Criminal Code), and counterfeiting of works of art (Article 518-quaterdecies of the Criminal Code).

1.5 Penalty apparatus

They are provided for by Legislative Decree 231/2001 against the company as a result of the commission or attempted commission of the crimes:

- Fine up to a maximum of 1,549,370.69 euros (and precautionary attachment);
- Disqualifying sanctions (also applicable as a precautionary measure) of a duration of no less than three months and no more than two years (with the clarification that, pursuant to Article 14, paragraph 1, Legislative Decree 231/2001, "Disqualifying sanctions have as their object the specific activity to which the entity's offence refers") which, in turn, may consist of:
    - From practice;
    - Suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
    - Prohibition of contracting with the public administration, except to obtain the performance of a public service;
    - Exclusion from grants, financing, contributions or subsidies and possible revocation Than those granted;
    - Ban on advertising goods or services;
- Confiscation (and precautionary seizure in pre-trial proceedings);
- Publication of the judgment (in case of the application of a disqualifying sanction).

The pecuniary penalty is determined by the criminal court through a system based on "quotas" in a number of not less than one hundred and not more than one thousand and in an amount varying from a minimum of 258.22 euros to a maximum of 1549.37 euros. In the commensuration of the pecuniary penalty, the judge determines:

- The number of shares, taking into account the seriousness of the act, the degree of the company's responsibility as well as the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offenses;
- The amount of the individual share, based on the company's economic and asset conditions.

[3] This type of crime already appears in crimes against the Public Administration (Article 24 Legislative Decree 231/01) if the act was committed to the detriment of the State or other public entity. With entry into force of Legislative Decree 184/2021, the computer fraud crime case extends its applicability to the hypothesis aggravated by the realization of a transfer of money, monetary value or virtual currency.

Disqualification penalties apply in relation only to crimes for which they are expressly provided (these are in particular: crimes against the public administration, certain crimes against public faith such as forgery of money, crimes relating to terrorism and subversion of the democratic order, crimes against the individual personality, practices of mutilation of female genital organs, transnational crimeshealth and safety crimes as well as crimes of receiving, laundering and use of money goods or utilities of unlawful origin as well as self-money laundering, computer crimes and unlawful data processing, organized crime crimes, crimes against industry and commerce, copyright infringement crimes, certain environmental crimes, undue inducement to give or promise benefits, tax crimes) and provided that at least one of the following conditions is met:

a) The company has derived a significant profit from the commission of the crime and the crime has been committed by individuals in senior positions or by individuals under the direction of others when, in the latter case, the commission of the crime was determined or facilitated by serious organizational deficiencies;
b) In case of repeated offenses.[4]

The judge determines the type and duration of the prohibitory sanction taking into account the suitability of individual sanctions to prevent offenses of the type committed and, if necessary, may apply them jointly (Art. 14, paragraph 1 and paragraph 3, Legislative Decree 231/2001).

The sanctions of business disqualification, prohibition from contracting with the public administration and the ban on advertising goods or services can be applied the most serious cases - definitively. We also note the possible continuation of the company's activity (in lieu of the imposition of the penalty) by a court-appointed commissioner pursuant to and under conditions of Article 15 of Legislative Decree 231/2001.

1.6 Attempted crimes

In the case of the commission, in the forms of attempt, of the crimes sanctioned on the basis of Legislative Decree 231/2001, the pecuniary sanctions (in terms of amount) and interdictory sanctions (in terms of duration) are reduced by one-third to one-half.
The imposition of sanctions is excluded in cases where the entity voluntarily prevents the performance of the action or the realization of the event (Article 26 of Legislative Decree No. 231/2001). The exclusion of sanctions is justified, in this case, by virtue of the interruption of any relationship of immedesimation between the entity and individuals who assume to act in its name and on its behalf.

1.7 Changes in the entity

[4] Art. 13(1)a) and (b) of Legislative Decree 231/2001. In this regard, See also Art. 20 Legislative Decree 231/2001, pursuant to which "*There is reiteration when the entity, which has already been definitively convicted at least once for an offense dependent on a crime, commits another one in the five years following the final conviction*." Regarding the relationship between the above-mentioned rules, see De Marzo, *op. cit.*, 1315: "*Alternatively, with respect to the requirements of lett. a)* [of Art. 13, ed.], *lett. b) identifies, as a prerequisite for the application of the disqualification sanctions expressly provided for by the legislature, the reiteration of offenses. Pursuant to Article 20, reiteration occurs when the entity, which has already definitively convicted at least once for an offense dependent on a crime, commits another one in the five years following the final conviction. In this case, the commission of the crimes despite the intervention of a conviction that has, by now irrevocably, sanctioned the previous violation of the law, demonstrates the indicated propensity or tolerance toward the commission of the crimes, without the need to linger on the extent of the profit made and the analysis of the organizational models adopted. What emerges in any case is the awareness that the ordinary pecuniary sanctioning apparatus (and possibly also disqualification, if the conditions referred to in letters a) or b) of Article 13, paragraph 1, have already been verified on the occasion of the previous offenses) has not been able to operate as an effective deterrent with respect to an action disrespectful of the fundamental canon of legality*."

Legislative Decree 231/2001 regulates the entity's asset liability regime also in relation to the entity's modifying events such as transformation, merger, demerger and business transfer.
According Article 27, paragraph 1, of Legislative Decree 231/2001, the entity is liable for the obligation to pay the pecuniary penalty with its assets or with the common fund, where the notion of assets must be referred to companies and entities with legal personality, while the notion of "common fund" concerns unrecognized associations. This provision constitutes a form of protection in favor of partners of partnerships and associates of associations, averting the risk that they may be called answer with their personal assets for the obligations arising from the imposition on the entity of financial penalties. The provision in question also makes manifest the Legislature's intent to identify a liability of the entity independent of not only that of the perpetrator of the crime (see, this regard, Article 8 of Legislative Decree 231/2001) but also of the individual members of the corporate structure.

Articles 28-33 of Legislative Decree 231/2001 regulate the impact on the liability of the entity of the modifying events related to transformation, merger, demerger and business transfer operations. The Legislature has taken into account two opposing requirements:

- On the one hand, to prevent such transactions from being a means of evading easily the administrative responsibility of the entity;
- On the other hand, not to penalize reorganization interventions without elusive intentions. The Illustrative Report to Legislative Decree 231/2001 states, "The general criterion followed in this regard was to regulate the fate of pecuniary sanctions in accordance with the principles dictated by the Civil Code with regard to the generality of the other debts of the original entity, maintaining, conversely, the connection of disqualification sanctions with the branch of activity in the scope of which the crime was committed."

In case of transformation, Article 28 of Legislative Decree 231/2001 provides (in keeping with the nature of this institution, which implies a simple change in the type of company, without determining the extinction of the original legal entity) that the entity's liability crimes committed prior to the date on which the transformation took effect remains unaffected.

In the case of merger, the merged entity (including by incorporation) is liable for the crimes for which the merging entities were responsible (Art. 29 of Legislative Decree 231/2001). The entity resulting from the merger, in fact, assumes all the rights and obligations of the companies participating in the operation (art. *2504-bis*, first paragraph, Civil Code) and, by making the company's activities its own, it also merges those within the scope of which the crimes for which the companies participating in the merger were liable were carried out.

Article 30 of Legislative Decree 231/2001 provides that in the case of a partial demerger, the demerged company remains liable for crimes committed prior to the date on which the demerger took effect.

The entities benefiting from the demerger (whether total or partial) are jointly and severally liable to pay the fines owed by the demerged entity for crimes committed prior to the date on which the demerger took effect, up to the actual value of the net assets transferred to the individual entity.

This limitation does not apply to beneficiary companies to which the line of business in which the crime was committed is devolved, even in part.

Disqualification penalties related to offenses committed prior to the date on which the demerger took effect apply to entities to which the branch of activity under which the offense was committed remained or was transferred, even in part.

Article 31 of Legislative Decree 231/2001 provides provisions common to mergers and demergers, concerning the determination of penalties in the event that these extraordinary transactions have occurred before the conclusion of the judgment. It is clarified, in particular, the principle that the judge must commensurate the pecuniary sanction, according to the criteria provided for in Article 11, paragraph 2, of Legislative Decree 231/2001, making reference in any case to the economic and patrimonial conditions of the entity originally responsible, and not to those of the entity to which the sanction should be imputed following the merger or demerger.

In the case of a disqualification sanction, the entity that will be found liable following merger or demerger may ask the court to convert the disqualification sanction to a fine, provided that: (i) the organizational fault that made it possible for the crime to be committed has been eliminated, and (ii) the entity has provided compensation for the damage and made available (for confiscation) the portion of any profit made. Article 32 of Legislative Decree No. 231/2001 allows the judge to take into account the convictions already imposed against the merging entities or the demerged entity in order to configure recurrence, pursuant to Article 20 of Legislative Decree No. 231/2001, in relation to the offenses of the merged entity or beneficiary of the demerger, relating to crimes subsequently committed. For the cases sale and transfer of a company, there is a unified regulation (Art. 33 of Legislative Decree 231/2001), modeled on the general provision of Art. 2560 of the Civil Code; the transferee, in the case of transfer of the company in whose activity the crime was committed, is jointly and severally obliged to pay the fine imposed on the transferor, with the following limitations:

(i) Is subject to the benefit of the assignor's prior enforcement;
(ii) The liability of the transferee is limited to the value of the transferred business and the fines resulting from the statutory books of account or due for administrative offenses of which he was, however, aware.

On the contrary, the extension to the transferee of the disqualification penalties imposed on the transferor.

1.8 Crimes committed abroad

According to Article 4 of Legislative Decree 231/2001, the entity can be held liable in Italy in relation to crimes - covered by the same Legislative Decree 231/2001 - committed abroad. The Illustrative Report to Legislative Decree 231/2001 stresses the need not to leave a frequently occurring criminological situation without a sanction, also in order to avoid easy circumvention of the entire regulatory framework in question.
The prerequisites (provided for in the norm or inferable from the whole of Legislative Decree 231/2001) on which the entity's liability for crimes committed abroad is based are:

(i) The crime must be committed abroad by a person functionally related to the entity, pursuant to Article 5(1) of Legislative Decree 231/2001;
(ii) The entity must have its head office in the territory of the Italian state;
(iii) The entity can answer only in the cases and under the conditions stipulated in Articles 7, 8, 9, 10 of the Criminal Code (in cases where the law stipulates that the perpetrator--individual person--is punished at the request of the Minister of Justice, proceedings are brought against the entity only if the request is also made against the entity itself).

The referral to Articles 7-10 of the Criminal Code is to be coordinated with the provisions of Articles 24 to 25- *duodecies* of Legislative Decree 231/2001, so that - also in deference to the principle of legality set forth in Article 2 of Legislative Decree 231/2001 - in the face of the series offenses mentioned in Articles 7-10 of the Criminal Code, the company will only be able to answer for those for which its liability is provided for by an *ad hoc* legislative provision*;*

(iv) Subsisting the cases and conditions set forth in the aforementioned articles of the Criminal Code, against of the entity does not prosecute the state of the place where the act was committed.

1.9 Proceedings for determination of wrongdoing

Liability for administrative offenses arising from crimes is established in criminal proceedings. In this regard, Article 36 of Legislative Decree 231/2001 provides*, "The jurisdiction to hear administrative offenses of the entity belongs to the criminal court competent for the offenses on which the offenses depend. The provisions on the composition of the court and related procedural provisions relating to the crimes on which the administrative offence depends shall be observed in the proceedings for the administrative offence of the entity."*

Another rule, inspired by reasons of effectiveness, homogeneity and procedural economy, is that of the mandatory reunion of proceedings: the trial against the entity must remain reunited, as far as possible, with the criminal trial instituted against the natural person who is the perpetrator of the crime that is the basis of the entity's liability (Article 38 of Legislative Decree 231/2001). This rule is balanced by the dictate of Art. 38, paragraph 2, of Legislative Decree 231/2001, which, conversely, regulates cases in which the administrative offense is prosecuted separately.[(5)] The entity participates in the criminal proceedings its legal representative, the latter is charged with the crime on which the administrative offense depends[6]; when the legal representative does not appear, the incorporated entity is represented by the defense counsel (Art. 39, paragraphs 1 and 4, of Legislative Decree 231/2001).

1.10 Exempting value of organization, management and control models

A fundamental aspect of Legislative Decree 231/2001 is the attribution of an exempting value to the company's organization, management and control models. Indeed, in the case of an offense committed by a person in an apical position, the company is not liable if it proves that (Art. 6(1) of Leg. Dec. 231/2001):

---

[5] Art. 38, paragraph 2, Legislative Decree 231/2001: "*A separate proceeding for the administrative offence of the entity shall be carried out only when: a) the suspension of proceedings has been ordered pursuant to Article 71 of the Code of Criminal* Procedure [suspension of proceedings due to the inability of the defendant, ed.]*; b) the proceedings have been settled by abbreviated judgment or by the application of the penalty pursuant to Article 444 of the Code of Criminal Procedure* [application of the penalty on request, ed. note]*, or the criminal decree of conviction has been issued; c) compliance with the procedural provisions makes it necessary*." For the sake of completeness, reference is also made to Article 37 of Legislative Decree 231/2001, pursuant to which "*administrative offence of the entity shall not be prosecuted when criminal proceedings cannot be commenced or continued against the offender due to the lack of a condition of prosecution* " (i.e. those provided for in Title III of Book V c.P.P.: complaint, application for proceedings, request for proceedings or authorization to proceed, referred to, respectively, in Articles 336, 341, 342, 343 of the Code of Criminal Procedure).

[6] "*The rationale of the provision that excludes the possibility of the representative of the entity being the same person accused of the crime seems evident: given that the first person is responsible for ensuring the entity's defensive prerogatives in the proceedings related to the tort, the potential conflict between the interests of the two figures could make the lines of defense irreconcilable. If this is the case, there seems no doubt that the same prohibition should also operate when the legal representative of the entity is charged with a crime connected or related to the one on which the administrative offence depends*"; thus Ceresa- Gastaldo, *Il "processo alle società" nel d.lgs. 8 giugno 2001, n. 231*, Turin, 24.

a) The management body has adopted and effectively implemented, prior to the commission of the act, suitable organization and management models to prevent crimes of the kind that occurred;
b) The task supervising operation of and compliance with the models and ensuring they are updated has been entrusted to a body of the company with autonomous powers of initiative and control;
c) Persons committed the crime by fraudulently circumventing the organization and management models;
d) There was no failure or insufficient supervision by the supervisory body.

The company will, therefore, have to prove its extraneousness to the facts alleged against the apical person by proving the existence of the above-mentioned competing requirements and, by implication, the circumstance that the commission of the crime does not result from its own "organizational fault."

In the case, on the other hand, of an offense committed by individuals subject to the management or supervision of others, the company is liable if the commission of the offense was made possible by the violation of the management or supervisory obligations to which the company is bound.

In any , violation of management or supervisory obligations is excluded if the company, prior to the commission of the crime, adopted and effectively implemented an organization, management and control model suitable for preventing crimes of the kind that occurred.

Article 7(4) of Legislative Decree 231/2001 also defines the requirements for the effective implementation of organizational models:
- Periodic verification possible modification of the model when significant violations of the requirements are discovered or when changes occur in the organization and activity;
- An appropriate disciplinary system to punish non-compliance with the measures specified in the model.

There is here a reversal of the burden of proof on the prosecution. Indeed, it will be the judicial authority that will have to, in the hypothesis envisaged by the aforementioned Article 7, prove the failure to adopt and effectively implement an organizational, management and control model suitable for preventing crimes of the kind that occurred.

Legislative Decree 231/2001 outlines the content of organization and management models by stipulating that they must, in relation to the extent of delegated powers and the risk of crimes being committed:
- Identify the activities within the scope of which crimes may be committed;
- Provide specific protocols aimed at planning formation and implementation of the decisions of the company in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable for preventing the commission of crimes;
- Provide for reporting requirements to the body responsible for supervising the operation and compliance with the models;
- Introduce an appropriate disciplinary system to punish non-compliance with the measures specified in the model.

1.11 Code of Conduct (Guidelines)

Art. 6, paragraph 3, of Legislative Decree No. 231/2001 provides, "*Organizational and management models may be adopted, ensuring the requirements of paragraph 2, on the basis of codes of conduct drawn up by associations representing the entities, communicated to the Ministry of Justice, which, in consultation with the relevant ministries, may make observations, within thirty days, on the suitability of the models to prevent crimes*."

Confindustria has defined the Guidelines[7] for the construction of organization, management and control models (hereinafter, "Confindustria Guidelines") providing, among other things, methodological indications for the identification of risk areas (sector/activity in which crimes may be committed), the design of a control system (the so-called protocols for planning the formation and implementation of the entity's decisions) and the contents of the organization, management and control model.

Specifically, the Confindustria Guidelines suggest that member companies use *risk assessment* and *risk management* processes and provide the following steps for defining the model:

- Identification of risks and protocols;
- Adoption of some general tools among which the main ones are EY Global Code of Conduct, the Conduct Guidelines with reference to crimes under Legislative Decree 231/2001 and a disciplinary system;
- Identification of criteria for the selection of the supervisory body, indication of its requirements, duties and powers and reporting requirements.

The Confindustria Guidelines were transmitted, prior to their dissemination, to the Ministry of Justice, pursuant to Art. 6, paragraph 3, of Legislative Decree 231/2001, so that the latter could express its observations within 30 days, as provided for in Art. 6, paragraph 3, of Legislative Decree 231/2001, mentioned above.
The latest version was published in March 2014.
The Company was also inspired by the 2012 Assoconsult Guidelines when drafting Model 231.

1.12 Eligibility Syndicate

The determination of the company's liability, which is assigned to the criminal court, takes place Through:

- The verification of the existence of the predicate offense for the liability of the company; and
- The suitability review of adopted organizational models.

The judge's review of abstract suitability of the organizational model to prevent crimes under Legislative Decree 231/2001 is conducted according to the criterion of the so-called "posthumous prognosis."

[7] It should be noted that reference to the Guidelines of the said trade association is made because of the Company's registration, and/or secondary offices thereof, with both Confcommercio and Confindustria. However, since the Confindustria Guidelines present a more complete and organic treatment of topics pertaining to the implementation of Leg. 231/2001 than the more restricted "Code of Ethics" issued by Confcommercio (and moreover largely inspired in its contents by the Confindustria Guidelines whose first version predates that of the aforementioned Code of Ethics), it was deemed preferable to use as the primary reference within the scope of this document the reference to the provisions of the Confindustria Guidelines, without prejudice to the constant verification of the compatibility of the references made with the corresponding principles expressed in the Confcommercio Code of Ethics.

The judgment of suitability should be made according to an essentially *ex ante* criterion whereby the judge ideally situates himself in the business reality at the time when the offence occurred in order to essay the congruity of the model adopted.

In other words, an organizational model that, prior to the commission of the crime, could and should be judged to be "fit to prevent crimes" should be judged to zero out or, at least, minimize, with reasonable certainty, the risk of the crime subsequently occurring.

CHAPTER 2
DESCRIPTION OF THE COMPANY REALITY - ELEMENTS OF GOVERNANCE MODEL AND GENERAL ORGANIZATIONAL STRUCTURE OF THE COMPANY

2.1 EY Advisory S.p.A.

EY Advisory S.p.A. (hereinafter also "EYA" or the "Company"), a company under Italian law with registered office in Milan, is part of the *EY Network*, a global multiprofessional organization in which *leading* companies in *audit* services (hereinafter also "audit" or simply "audit") participate, as well as companies dedicated strategic, extraordinary finance, legal and tax assistance and consulting, with presence in 150 countries and about
280,000 professionals.

The purpose of the Company is to carry out the activities set forth in the corporate purpose in Art.2 of the

Articles of Association. adoption and implementation of an organization, management and control model

pursuant to Legislative Decree.
231/2001 by EYA represents a choice made in full consistency with the principles of
integrity and the value system adopted by EY globally.

2.2 Organizational Structure

The organizational structure of the Company is shown in the latest organizational chart approved by the Company's Board of Directors.

2.3 Quality control

2.3.1 The procedures independence

EY provides quality professional activities while adhering to high *standards* independence and professional ethics. To achieve these goals, specific quality control procedures have been developed to ensure that work is carried out in accordance with these *standards*.

An example of this is the *EY* Independence *Policy* (hereafter "*EY Global Independence Policy*"), which sets even stricter rules and limits than the *SEC* and professional *standards* require in this regard.

The Company has implemented a procedure compliance with the rules set forth in the *EY Global Independence Policy* that includes the following activities:

- Make the *EY Global Independence Policy* accessible to all professionals;[8]
- Take care of the training of all professionals on the rules of independence through courses *online* about independence;

[8] The *EY Global Independence Policy* is available to all staff in a special area of the *intranet* shared by the network.

- Helping to update a *Global Independence* List listing securities whose holding by professionals is prohibited;[9]
- Provide professionals with a copy of the *EY Global Independence Policy* at the time of hiring and obtain a signed declaration of knowledge of the *policy* and independence;
- Obtain, on an annual basis, the signing of a declaration of compliance of the *EY Global Independence Policy* by all professionals;
- Require all members and *managers* to use the *Global Monitoring System*[10] to release Of a statement regarding its financial investments;
- Indicate to all professionals the people with whom they can consult on matters related *independence* (*Independence Coordinator*);
- Monitor the completion of the above activities.

In addition to what is listed above, a procedure is in operation that provides for the computerized management of verifications of non-existence of causes of incompatibility through *databases* managed through computerized procedures.

2.3.2 Risk Management Processes

The quality of each professional intervention is the responsibility of EYA members and each member of work *teams*. Personal commitment to adherence to the highest ethical and professional *standards*, coupled with the controls put in place on the quality of work performed, are the foundation of EYA's commitment to professional excellence and alignment with best practices.

With this in mind, the Risk Management function and the Service Line Quality Leaders are supported by the GCO on all aspects of Policy compliance regarding customer contracts and, more generally, consultation on contractual and regulatory issues.

a) The Company provides a multiplicity of services through professional groups specialized by area of expertise. Thereforeassignments are made by adopting criteria that take into consideration the following elements:
   - Complexity and size of the assignment;
   - Available resources and time required to carry out the assignment;
   - Personnel evaluation that takes into : , position held, training and skills;
   - Planned supervision activities and involvement of supervisors;
   - Time availability planning of personnel assigned to the assignment;
   - Situations that may lead to independence issues and potential conflicts of interest (e.g., a previous working relationship between the client and Company personnel assigned to the assignment);

[9] The *Global Independence List* is available to all staff in a special area of the *intranet* shared by the network.

[10] *EY* has adopted a computer procedure called the *Global Monitoring System* whereby each partner, *executive director, senior manager*, and *manager* is required to make a statement regarding their financial investments. If a professional enters the name of a prohibited security into the system, the system informs him or her that the security is precisely prohibited and cannot, therefore, be purchased. Similarly, when a security is added to the list of prohibited securities, all members, *senior managers*, and *managers* who hold that security receive message informing them that they must dispose of the security in question.
The system operates globally. However, each country has a person responsible for managing and monitoring the system who works under the direction of that country's *Independence Coordinator*.

- Continuity and periodic rotation in the deployment of staff for the efficient conduct of the assignment and possibility of involving staff with different experience and training;
- Approval by a qualified member of the team of the intervention program and personnel employed in relation to the complexity of the assignment and other requirements of the assignment.

b) The Company has adopted procedures related to the direction, supervision and review of work. Said procedures require the following.

– The staff responsible for supervision, in the course of activity, must:
  - Monitor progress of the activity by checking whether:
    ✓ Employees have the necessary skills and competencies to carry out their assigned tasks;
    ✓ Employees understand the directives given;
    ✓ The work is carried out as planned and according to the intervention schedule;
  - Be informed of significant issues that arise during the course of the activity, ascertain their significance, and modify the plan and program of action accordingly;
  - Resolve any differences of judgment that have arisen staff and consider an appropriate level of consultation.

– The work done by each staff member is reviewed by personnel with at least equivalent skills to see if:
  - The work was carried out as planned in the intervention program;
  - The work done and the results obtained have been adequately documented;
  - Any significant issues that arose during the course of activity were resolved and considered in the conclusions;
  - The objectives of the procedures have been achieved;
  - The conclusions expressed are consistent with the results of the work done.

– The periodic review of the following:
  - Intervention plan and program;
  - Ascertainment of control risks, including the results of control *tests* and any changes that have occurred to the plan and intervention program as a result of them;
  - Documentation of the attestations obtained according to the procedures used and the conclusions derived from them, including the results of consultations;
  - Accounting records, proposed corrections, and final report.

Procedures relating to the direction, supervision and review of work include rules with reference to:

– To the professional responsibilities of staff according to level: i) staff are adequately informed of the nature and extent of their responsibilities, including supervision of the work of others; ii) associates, *executive directors*, and *senior managers* with defined leadership roles are directly involved in the work; iii) standardized *forms*, *checklists, tools*, and questionnaires are provided; and iv) rules are defined for resolving differences of professional judgment on the assignment;

– To job review: (i) each job, including all related documents, is reviewed in detail; (ii) *managers*, *senior managers*, or associates ensure that appropriate review procedures are followed; (iii) the job is normally subject to two levels of review, whereas if the job (or the review of the same) is done by an associate, only one level of review is considered sufficient; (iv) if the job is done by a

member, the review is handled by a *senior manager* or another member (usually another member in charge of the assignment or the member in charge of the *Independent Review*); v) the member in charge of the assignment formulates conclusions on the final report of the intervention;

- To the planning of assignments: in fact, provision is made for (i) prior estimation of costs related to the assignment; (ii) planning the work in such a way as to allow direct participation in the activity of partners and *senior managers*; and (iii) assistance in the proper allocation of resources in terms of time and personnel with reference to the complexity of the assigned tasks;
- To supervision over the work in the performance of the assignment: this includes: i) adequate communication of instructions to employees; ii) approval of the work program; iii) periodic review of the work in the performance of the assignment; iv) time controls in relation to the budgeted *budget*; and v) review of work documents and reports to be prepared;
- To the completion of the assignment: in fact, it is expected to prepare and/or review the work done in the areas of greatest risk of the working documents related to the conclusions, the adequacy of the final report, the accounting documents used or subject of the intervention;
- To an "independent" review (the so-called *Independent Review*): i) for certain assignments[11] there is a review conducted by a partner other than the one in charge of the assignment.

c) The Company adopts procedures regarding consultations with internal or external professionals when special expertise is required in the performance of the activity. Such procedures:

- Identify areas and situations for which consultation is required and encourage staff to consult authoritative sources for particularly complex or unusual subjects;
- Identify specialists who can represent authoritative sources for consultation and define their authority in the subject matter being consulted;
- Specify the type of documentation to be provided at the end of the consultation;
- Establish rules for discussing, resolving, and documenting situations regarding which professional differences of opinion have arisen, including between members of the work *team*.

d) The Company has developed an electronic customer acceptance and retention procedure. The procedure is based on the following principles:

- A new client can only be accepted by a Partner;
- Acceptance is always done with the authorization of the Service Line Leader and possibly by other parties depending on the different risk profiles identified (Ex. Independence, GCSP, etc.);
- The proposing Partner completes the "*Client Acceptance*" form and obtains the necessary internal approvals before issuing the proposal;
- Each member is required to make an assessment whether each client should be retained depending on significant events likely to change the level of risk associated with that client.

[11] These are, for example, assignments related to listed companies, state-owned companies, companies that must meet professional *standards of* other countries.

e) The Company also adopts a program for the ongoing evaluation the adequacy and operational effectiveness of quality control procedures related to professional assignments.

2.4 Procedure for compliance with anti-money laundering requirements

Following the imposition by anti-money laundering regulations of certain obligations to identify customers, record and keep documents, data and information, the Company has adopted the "Procedure for Compliance with Anti-Money Laundering Regulations" (Anti-Money Laundering Procedure). This procedure is aimed at:

- To establish uniform patterns of behavior in order to comply with legal obligations to identify clients and services provided and to report suspicious transactions;
- To identify roles and responsibilities in fulfilling obligations;
- To identify how the documents, data and other information acquired will be stored;
- To define reportable services, anomaly indices and reportable transactions;
- To the fulfillment of obligations in compliance with *privacy* regulations. The Anti-

Money Laundering Procedure is stored in the company's intranet database*.*

2.5 Market Abuse and Insider Trading Policy

EYA complies with the relevant regulations on Market Abuse and Insider Trading in accordance with the indications contained in *MAR - Market Abuse Regulation*, *Consob Guidelines - Management of Inside Information*, *Issuers' Regulations (Adopted by Resolution No. 11971 of May 14, 1999; Updated with the amendments made by Resolution No. 21359 of May 13, 2020),* Articles of the TUF *(Consolidated Law on Finance).*

At the international level, the Insider *Trading Global Policy* has also been developed, which defines the general principles governing the use of confidential information relating to EY clients and enshrines a commitment by all not to trade in securities with inside information.

2.6 International standards and certifications

The Company has defined, implemented and maintains active the Quality Management System as a set of "organizational structure, procedures, processes and resources necessary to implement Quality Management in compliance with the requirements defined by UNI EN ISO 9001:2015," with aim of ensuring to customers, the organization and all stakeholders as a whole, that all necessary activities are put in place to ensure the full satisfaction their demands and expectations in terms of the quality of the product/service offered with a view to continuous improvement.
This Quality Management System is structured and certified in accordance with the requirements of UNI EN ISO 9001:2015.

To complement the above, EY ADVISORY S.p.A. is committed to adopting, implementing and maintaining an active Management System for social responsibility, anti-corruption as well as information security and IT services respectively in accordance with SA 8000, ISO 37001, ISO 27001, ISO 20000 standards.

2.7 Occupational health and safety and environmental protection management system

EY has defined a system for managing occupational health and safety aspects in order to minimize the potential risks associated with the activities carried out at all Italian offices of the legal entities in the EY Italy network.
The Occupational Health and Safety Management System aims to manage activities and behaviors that generate possible occupational health and safety risks, in compliance with applicable current regulations.
The System is based on the identification and assessment of risks associated with the activities performed and the definition of necessary control measures. The System aims to manage all identified and assessed risks, setting objectives and related programs aimed at their achievement in line with EY *policy*.
The System provides for the definition of the documentation necessary to describe the operating methods for the proper management of activities, so as to keep under control any relevant risk to the health and safety of EY personnel.
Personnel are informed about the System and related EY policies appropriate
of information

The Company has adopted an Integrated Management System for occupational health and safety and environmental management in accordance with ISO 45001 and ISO 14001 standards.

2.8 EY Global Code of Conduct, Conduct Guidelines, and the EY Global Anti-Corruption Policy

The EY Global Code of Conduct, adopted in the EY network (Global Code of , translated into Italian and distributed to all employees upon hiring under the title EY Global Code of Conduct), is intended to provide the ethical framework on which every decision is based, both individually and as members of the global organization. The EY Global Code of Conduct is divided into five categories comprising guiding principles that should be applied by all EY people in order to guide their behavior in different areas of activity:

1. Working with each other
2. Working with clients and other parties
3. Acting with professional integrity
4. Maintaining objectivity and independence
5. Protecting data, information and intellectual capital

Compliance with the rules of the EY Global Code of Conduct is a specific fulfillment arising from the employment relationship.

The Behavior Guidelines are intended to express and better articulate the principles of
"corporate ethics" that the Company recognizes as its own, in line with the principles and values

fundamentals expressed in the EY Global Code of Conduct. These guidelines must be categorically observed by of all Recipients and constitute an essential junction of the Organizational Model adopted by EYA.

Specifically, the Conduct Guidelines consist of the following essential elements:

- The principles of business ethics;
- Ethical standards for relations with all stakeholders of the Company;
- The ethical standards of behavior;
- Internal sanctions in case of violation of the indicated rules.

The EY Global Code of Conduct and the Conduct Guidelines, which are an integral part of the Model adopted by the Company, are attached as an appendix to the 231 Model approved by the Company.

The EY Global Anti-Corruption Policy adopted in the EY network supports the EY Global Code of Conduct and Conduct Guidelines by instituting a prohibition on bribery in all forms, including facilitation payments. The policy identifies an obligation to comply with anti-bribery laws, provides greater detail in defining what is bribery, and identifies reporting responsibilities regarding the discovery of corrupt practices both by EY staff and with clients.
The prohibition against bribery applies to all EY personnel and related activities in the public and private sectors.
Recipients of the EY Global Anti-Bribery Policy, in addition to the EY Global Code of Conduct and the Conduct Guidelines, are required to comply with the Procurement Global Policy, the Business Relationships Global Policy, and the Hospitality and Gifts Global Policy. In this regard, the Hospitality and Gifts Policy can assist in identifying circumstances which hospitality or a gift to a customer, regulators, or other third parties (e.g., suppliers) in the business environment may be acceptable and not constitute bribery.

2.9 Effectiveness, for the purposes of Legislative Decree 231/2001, of the tools and resources the existing control system

It is emphasized that the tools and resources of the Integrated Quality and Social Responsibility Management System, the procedures related to independence, the Risk Management processes, the EY Global Anti-Bribery Policy, the adoption of the Occupational Health and Safety Management System, the procedures for anti-money laundering compliance, the Market Abuse procedure, the Global Policy on Insider Trading, the adoption of the EY Global Code of Conduct and the Guidelines of Conduct, illustrated above, are functional not only to the pursuit of their own purposes, i.e., the achievement of the highest quality standards, but also for the purposes of the prevention of the crimes referred to in d.lgs. 231/2001 insofar as they are susceptible, by their nature, to hinder both culpable and wilful conducts that characterize the commission of crimes involving the administrative liability of the company.
The particular value of the above-mentioned safeguards for the purposes of preventing the crimes referred to in Legislative Decree 231/2001 will be specifically highlighted, with reference to each type of crime relevant for this purpose, in the Special Parts of the Model approved by the Board of Directors.

2.10 Activities, services and SORT

The Company may only provide the services provided within the **Service Offering Reference Tool (**hereinafter also referred to as "SORT")**.**

SORT is a comprehensive tool that provides information regarding all EY services-Global services and Region-specific services-for all the different service lines. allows identification of all possible services that can be provided to the customer to better meet their needs, interests, or issues.
For each type of service, SORT provides:

- ✓ Description and value proposition;
- ✓ Recipient subjects of the activity;
- ✓ Any limitations on customers and detailed guides for Risk Management / Quality in order to reduce the risk of violations at Independence. The tool clearly lists the Prohibited services/not in line with the business strategy for each client.

SORT can be accessed through the corporate intranet[12].

CHAPTER 3
ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY FOLLOWED IN ITS PREPARATION

3.1 Foreword

In order to adapt its control system to the requirements expressed by Legislative Decree 231/2001, EYA launched a project aimed at creating a risk prevention and management system inspired by both the provisions of Legislative Decree 231/2001 and the principles already rooted in *EY*'s *governance* culture as well as the indications contained in the Confindustria Guidelines (hereinafter the "Project").

Through the Project, therefore, the Company has come draft and adopt its own "organization, management and control model" *pursuant to* Legislative Decree 231/2001, further strengthening its *governance* systems.

3.2 EY Advisory's Project to define its organization, management and control model pursuant to Legislative Decree 231/2001

The methodology chosen to execute the Project, in terms of organization, definition of operating methods, structuring into phases, and allocation of responsibilities among the various business functions, was developed in order to ensure quality and authority of the results.

The Project is divided into the five phases briefly summarized in the table below.

Phases	***Activities***
Stage 1	*Initiation of the Project and identification of processes and activities within the scope of which the crimes referred to in Legislative Decree 231/2001 may be committed*. Presentation to the Company's *Top Management* of the Project in its complexity, collection and analysis of documentation, and preliminary identification of processes/activities in the scope of which the crimes referred to in Legislative Decree 231/2001 may abstractly be committed (so-called "sensitive" processes/activities).
Stage 2	*Identification of key officers*. Identification of *key officers*, i.e., people who, based on functions and responsibilities, have in-depth knowledge of the Sensitive Areas/Activities, as well as the control mechanisms currently in place, in order to determine the areas of intervention and a detailed interview plan.
Stage 3	*Analysis of Sensitive Processes and Activities*. Identification and analysis of processes and Sensitive Activities and the control mechanisms in place, with a focus on preventive controls and other *compliance* elements/activities.
Stage 4	*Gap analysis* Identification of organizational requirements characterizing a suitable organization, management and control model *under* Legislative Decree 231/2001 and actions to "strengthen" the current control system (processes and procedures).
	Definition of the organization, management and control model.

Phases	Activities
Step 5	Assisting the Company in defining its organizational model *under* Leg. 231/2001 articulated in all its components and rules of operation and consistent with the guidelines developed by the various trade associations.

3.3 The organization, management and control model of EY Advisory

The construction by EYA of its own organizational and management model *pursuant to* Legislative Decree 231/2001 and its updating over time, therefore, entails an activity of adjustment of the existing organizational model in order to make it consistent with the control principles introduced by Legislative Decree 231/2001 and, consequently, suitable to prevent the commission of the offenses referred to in the decree itself.

Legislative Decree 231/2001, in fact, attributes, together with the occurrence of the other circumstances provided for in Articles 6 and 7 of the decree, a deeming value to the adoption and effective implementation of organization and management models to the extent that the latter are suitable to prevent, with reasonable certainty, the commission, or attempted commission, of the crimes referred to in the decree.

Specifically, according to paragraph 2 of Article 6 of Legislative Decree 231/2001, an organizational and management model must meet the following requirements:
- Identify the activities within the scope of which crimes may be committed;
- Provide specific protocols aimed at planning formation and implementation the entity's decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable for preventing the commission of crimes;
- Provide for information obligations to the body responsible for supervising operation of and compliance with the models;
- Introduce an appropriate disciplinary system to punish non-compliance with the measures specified in the model.

In light of the above considerations, EYA aimed to prepare a Model that, based on the indications provided by the codes of conduct drawn up by the various associations representing companies, would take into account its own peculiar corporate reality, consistent with its *governance* model and capable of enhancing the existing controls and bodies.

The Model, therefore, represents a coherent set of principles, procedures and provisions that:
i) affect the internal functioning of the Company and the ways in which it relates to the outside world, and ii) regulate the diligent management of a control system of Sensitive Activities, aimed at preventing the commission, or attempted commission, of the crimes referred to in Legislative Decree 231/2001.

The Model, as approved by EYA's Board of Directors, includes the following constituent elements:
- Process of identifying company activities in the scope of which the crimes referred to in Legislative Decree 231/2001 may be committed;
- Provision of control *standards* in relation to the identified Sensitive Activities;
- Process of identifying ways of managing financial resources suitable for preventing the commission of crimes;

- Ethical and behavioral principles set forth in the EY Global Code of Conduct and the Conduct Guidelines;
- Supervisory body;
- Information flows to and from the supervisory body and specific reporting obligations to the supervisory body;
- Program of periodic audits of Sensitive Activities and related control *standards;*
- Disciplinary system designed to punish the violation of the provisions contained Model 231;
- Training and communication plan to employees and others interact with the Company;
- Criteria for updating and adapting Model 231.

The above constituent elements are represented in the following documents:
- Model 231;
- EY Global Code of Conduct;
- Behavior Guidelines.

The Model 231 document contains:

i) In the general part, a related description:
   - To the regulatory ;
   - To the business reality, governance system and organizational structure EYA and the Consortium;
   - To the methodology adopted for the gap analysis activity;
   - To the identification and appointment EYA's supervisory body, with specification of its powers, duties and information flows concerning it;
   - To the function of the disciplinary system and the related penalty system;
   - To the training and communication plan to be adopted in order to ensure awareness of the measures and provisions of Model 231;
   - To the criteria for updating and adapting Model 231;

ii) In the special part, a related description:
   - To the types of offenses referred to in Legislative Decree 231/2001 that the Company has determined to take into consideration because of the characteristics of its activities (offenses in dealings with the PA, corporate offenses, organized crime offenses, employment of third-country nationals whose stay is irregular, transnational offenses, offenses of receiving, laundering and use of money, goods or utilities of illegal origin, as well as self-laundering, market abuse offenses and misdemeanors, crimes of manslaughter and serious and very serious injuries committed in violation of accident prevention regulations and the protection of health and safety at work, crimes in violation of copyright law, crimes of inducement not to make false statements to the judicial authority, computer crimes and illegal data processing, crimes of bribery among private individuals and incitement to bribery among private individuals, tax crimes, crimes against individual personality and racism and xenophobia);
   - To Sensitive Activities and related control standards.

CHAPTER 4
THE SUPERVISORY BODY UNDER LEGISLATIVE DECREE 231/2001

4.1 The supervisory body of EY Advisory S.p.A.

According to the provisions of Legislative Decree 231/2001-Article 6(1)(a) and (b)-the entity may be exonerated from liability resulting from the commission of crimes by qualified persons *under* Article 5 of Legislative Decree 231/2001 if the management body has, other things:

- Adopted and effectively implemented organization, management and control models suitable for preventing the crimes under consideration;
- Entrusted the task of supervising operation of and compliance with the Model and keeping it up to date to a body of the entity with autonomous powers of initiative and control[13]

The entrusting of the aforementioned tasks to a body endowed with autonomous powers of initiative and control, together with the proper and effective performance of the same, therefore, represent indispensable prerequisites for exemption from liability under Legislative Decree 231/2001.

---

[13] The Illustrative Report to Legislative Decree. 231/2001 states, in this regard: "The entity (...) will also have to supervise the effective operation of the models, and therefore their compliance: to this end, in order to ensure the maximum effectiveness of the system, it is provided that the societas avail itself of a structure that must be established internally (in order to avoid easy maneuvers aimed at pre-establishing a license of legitimacy to the work of the societas through the use of compliant bodies, and above all to found a real fault of the entity), endowed with autonomous powers and specifically assigned to these tasks (...) of particular importance is the provision of a burden of information towards the aforementioned internal control body, functional to ensure its own operational capacity (...)." Iannini, Le misure organizzative di prevenzione, in proceedings of the conference Codici di comportamento aziendale tra diritto pubblico e privato, Milan, June 16, 2003, 4 ff.

The following is reported from the Director General of Criminal Justice at the Ministry of Justice:

– "the body should be in as high a hierarchical position as possible (it should be placed at the level of operating president, chief executive officer, board of directors as a whole, board of auditors)."

– "will not have to participate in any operational decisions."

– "must be constituted of special professionalism to carry out the assigned activity, both at the preventive stage (with the contribution also of investigative and technical-legal professionalism) and any subsequent analysis of the reasons for the commission of crimes, despite the adoption of preventive models."

– "Each company will have to consider whether to rely on already existing control structures, such as, for example, Internal Auditing, which, suitably integrated, could meet the requirements indicated by the law." According to the opinion of the Association of Italian Joint Stock Companies (Assonime), the solutions that can be adopted by companies with regard to the establishment of the Supervisory Board could be diversified, contemplating, as an alternative to the use - where existing - of the internal control "function," other options. According to this view, however, no single ideal model of Supervisory Board would be found. The Legislator, in fact, would not have intended to provide precise indications in this regard but, expressing itself in generic terms, would have preferred to defer the definition of the Supervisory Board to individual and concrete corporate organizational choices, suitable for identifying the most efficient and at same time effective solution with respect to each operational reality (see Assonime Circular, cit, 9, according to which "Due to the characteristics operational efficiency that the supervisory body must possess in relation to the tasks entrusted to it and the need for the supervisory body to be established within the entity, it is not believed that the supervisory body can be identified in the Board of Directors nor in the Board of Statutory Auditors.").

The Confindustria Guidelines indicate what options are possible for the entity when identifying and configuring the Supervisory Board:

– the assignment of the role of supervisory body to the audit committee, where it exists, provided that it is composed exclusively of nonexecutive or independent directors;

– The assignment of the role of supervisory body to the internal auditing function, where it exists;

– the creation of an ad hoc body, with single-subject or multi-subject composition, made up, in the latter case, of individuals from the entity (e.g., head of internal audit, legal department, etc., and/or nonexecutive and/or independent director and/or auditor) and/or external individuals (e.g., Consultants, experts, etc.);

– for small entities, it would be possible to assign the role of supervisory body to the management body.

Confindustria, Guidelines, cited above, in the final version updated March 31, 2008, 39.

The Confindustria Guidelines identify autonomy and independence, professionalism and continuity of action as the main requirements of the supervisory body.

In particular, according to Confindustria i) the requirements of autonomy and independence require: the inclusion of the supervisory body "*as a staff unit in as high a hierarchical position as possible*," the provision of a "*reporting*" of the supervisory body to the highest operational corporate management, the absence, at the head of supervisory body, of operational tasks that - by making it a participant in operational decisions and activities - would jeopardize its objectivity of judgment; ii) the connotation of professionalism must refer to the "*baggage of tools and techniques*"[14] necessary to effectively carry out the activity of the supervisory body; iii) continuity of action, which guarantees an effective and constant implementation of the organizational model *ex* d.lgs. 231/2001 that is particularly articulated and complex in large and medium-sized companies, is favored by the presence of a structure dedicated exclusively and full-time to the model's supervisory activity and "*devoid of operational tasks that could lead it to take decisions with economic-financial effects*."

Legislative Decree 231/2001 does not provide any indications regarding the composition of the supervisory body.[15] In the absence of such indications, EYA has opted for a solution that, taking into account the purposes pursued by the law, is able to ensure, in relation to its size organizational complexity, the effectiveness of the controls to which the supervisory body is charged.

In compliance with the provisions Article 6(1)(b) of Legislative Decree No. 231/2001 and in light of the aforementioned indications of Confindustria, EYA has identified its supervisory body (hereinafter, "Supervisory Board" or "SB") as a multi-subjective body.

4.1.1 General principles on the establishment, appointment and replacement of the Body of Vigilance

---

[14] These are specialized techniques peculiar to those who carry out "inspection" activities, but also consultative analysis of control systems and of a legal and, more specifically, criminal law type." Confindustria, Guidelines, cit. in the final version updated March 31, 2008, 36. Specifically, these are techniques that can be used:

– in advance, to adopt-at the time of the design of the organizational model and subsequent changes

- The most appropriate measures to prevent, with reasonable certainty, the commission of the crimes in question;

– current, to verify that daily behaviors actually comply with those codified;

– a posteriori, to ascertain how a crime of the species under consideration could have occurred and who committed it.

By way of example, the Confindustria Guidelines mention the following techniques:

– statistical sampling;

– Techniques for analyzing and assessing risks and measures for their containment (authorization procedures; mechanisms for task juxtaposition);

– Flow-charting of procedures and processes to identify weaknesses;

– Interview techniques and questionnaire design;

– elements of psychology;

– Methods for fraud detection.

See, again, Confindustria, Guidelines, cited above, in the final version updated March 31, 2008, 36.

(15) The Confindustria Guidelines specify that the regulations dictated by Legislative Decree 231/2001 "*do not provide indications regarding the composition of the Supervisory Board (SB). This makes it possible to opt for both mono- and multi-subjective composition. In the multi-subjective composition internal and external members of the SB can be called upon* (...). Although in principle the composition seems indifferent to the legislator, however, the choice between one or the other solution must take into account the purposes pursued by the law and, therefore, must ensure the profile of effectiveness of controls in relation to the size and organizational complexity of the entity." Confindustria, *Guidelines, cited above*, in the final version updated May 24, 2004, 21 s.

EYA's Supervisory Board is established by resolution of the Board of Directors. In the case of a multi-person body, individual members remain in office until revoked.

Appointment to the Supervisory Board is conditional on the presence of the subjective requirements of honorability, integrity and respectability, as well as the absence of causes of incompatibility with the appointment itself such as kinship relations with members of the Corporate Bodies and top management and potential conflicts of interest with the role and tasks that would be performed[16].
In particular, upon appointment, the person appointed to serve as the Supervisory Board must make a statement in which he or she certifies the absence of reasons for incompatibility such as, but not limited to:

- Relationships of kinship, marriage or affinity within the fourth degree with members of the Board of Directors, senior persons in general, auditors of the Company and auditors appointed by the auditing firm, if appointed;
- Conflicts of interest, even potential ones, with the Company such as to impair the independence required by the role and duties of the Supervisory Board;
- Ownership, direct or indirect, of shareholdings of such magnitude as to enable it to exercise significant influence over the Company;
- Administrative functions - in the three fiscal years preceding the appointment within the Supervisory Board or the establishment of the consulting/collaboration relationship with the same Board - of companies subject to bankruptcy, compulsory liquidation or other insolvency procedures;
- Public employment relationship with central or local government during the three years preceding the appointment to the Supervisory Board or the establishment of the consulting/collaboration relationship with the same Board;
- Conviction, even if not res judicata, or sentence on request (so-called plea bargaining), in Italy or abroad, for the crimes referred to in Legislative Decree 231/2001 or similar crimes;
- Conviction, whether or not res judicata, or as a result of criminal proceedings concluded through so-called "plea bargaining," to a penalty that entails disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and enterprises.

The Supervisory Board may avail itself - under its direct supervision and responsibility - in the performance of the tasks entrusted to it, of the cooperation of the operational support of existing resources within the *network* (Technical Secretariat).

[16] "For the purpose of ensuring the effective existence of the described requirements, both in the case of a Supervisory Board composed of one or more internal resources and in the event that it is composed, exclusively or also, of several external figures, it will be appropriate that the members possess, in addition to the described professional skills, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g., honorability, absence of conflicts of interest and kinship relations with the Corporate Bodies and with top management, etc.). These requirements should be specified in the Organizational Model. The requirements of autonomy, honorability and professionalism may also be defined by reference to what is provided for other areas of corporate regulations. This applies, in particular, when a multi-subjective composition of the Supervisory Board is opted for and all the different professional skills that contribute to the control of corporate management in the traditional model of corporate governance are concentrated in it (e.g., a non-executive or independent director who is a member of the internal control committee; a member of the Board of Statutory Auditors; the person in charge of internal control). In these cases, the existence of the requirements referred to is already ensured, even in the absence of further indications, by the personal and professional characteristics required by law independent directors, auditors and the person in charge of internal controls." Confindustria, Guidelines, cited above, in the final version updated March 31, 2008, 37 s.

The above-mentioned subjective requirements and grounds for incompatibility must also be considered with reference to any External Consultants involved in the activity and performance of the tasks proper to the Supervisory Board.

Specifically, upon appointment, the external consultant must make a special statement in which he or she certifies:
- The absence of the above-listed reasons for incompatibility or reasons preventing the appointment (e.g., conflicts of interest; family relationships with members of the Board of Directors, senior persons in general, auditors of the Company and auditors appointed by the auditing firm, if appointed, etc.);
- The circumstance of having been adequately informed of the provisions and rules of conduct set forth in the Model.

In order to ensure the necessary stability of the Supervisory Board, they are, below,
Indicated how the powers associated with such the assignment are to be revoked.

The revocation of the powers proper to the Supervisory Board and the attribution of such powers to another person, may take place only for just cause, including those related to organizational restructuring measures of the Company, through a special resolution of the Board of Directors and with the approval of the Board of Auditors.

In this regard, "just cause" for revocation of the powers associated with office within the Supervisory Board may mean, by way of example only:
- The loss of the subjective requirements of honorability, integrity, respectability and independence present at the time of appointment;
- The occurrence of a reason for incompatibility;
- Gross negligence in the performance of the duties associated with position such as (by way of example only): failure to report semi-annually or annually on the activities carried out to the Board of Directors and the Board of Statutory Auditors as set out in paragraph 4.3.2 below; failure to draw up the supervisory program as set out in paragraph 7.1 below;
- The "*omitted or insufficient supervision*" on the part of the Supervisory Board - in accordance with the provisions of Article 6, paragraph 1, lett. d), Legislative Decree 231/2001 - resulting from a conviction, which has become final, issued against the Company pursuant to Legislative Decree 231/2001 or from a judgment of application of the penalty on request (so-called plea bargaining);
- The assignment of operational functions and responsibilities within the corporate organization that are incompatible with the requirements of "autonomy and independence" and "continuity of action" proper to Supervisory Board.

However, in cases of particular seriousness, the Board of Directors may - after hearing the opinion of the Board of Auditors - order the suspension of the powers of the Supervisory Board and the appointment of an *interim* Board.

4.2 Functions and powers of the Supervisory Board

The activities put in place by the Supervisory Board cannot be reviewed by any other body or structure of the Company, it being understood, however, that the management body is in any case called upon to carry out a supervisory activity on the adequacy of its work, as

it is the governing body that has ultimate responsibility for operation and effectiveness of the Model.

The Supervisory Board is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning and observance of the Model in accordance with the provisions of Article 6 of Legislative Decree 231/2001.

In particular, the Supervisory Board is entrusted, for performance and exercise of the own functions, the following duties and powers:

- To verify the efficiency and effectiveness of the Model also in terms of the correspondence between the operating methods adopted in practice and the procedures formally provided for in the Model itself;
- Verify the persistence of the Model's requirements for efficiency and effectiveness over time;
- Take care of, develop and promote the constant updating of the Model, formulating, where necessary, proposals to the management body for any updates and adjustments to be made by means of the amendments and/or additions that may be necessary as a result : i) significant violations of the requirements of the Model; ii) significant changes in the internal structure of the Company and/or the way in which business activities are carried out; iii) regulatory changes;
- Ensure the periodic updating of the system of identification, mapping and classification of Sensitive Activities;
- Maintain constant liaison with the auditing firm, where appointed, safeguarding its necessary independence, and with other Consultants and collaborators involved in the activities of effective implementation of the Model;
- Detect any behavioral deviations that may emerge from the analysis of information flows and reports to which the heads of the various functions are bound;
- Promptly report to the management body, for appropriate action, any ascertained violations of the Model that may result in the emergence of liability on the part of the Company;
- Taking care of relations and ensuring the relevant information flows to the Board of Directors, as well as to the Board of Auditors;
- Regulate its operation also through the introduction of a regulation of its activities that provides for: the scheduling of activities, the determination of the time cadences of controls, the identification of criteria and procedures for analysis, the verbalization of meetings, and the regulation of information flows from corporate structures;
- Promote and define initiatives to disseminate knowledge and understanding of the Model, as well as to train personnel and raise their awareness of compliance with the principles contained in the Model;
- Promote and develop communication and training interventions on the contents of Legislative Decree 231/2001, the impacts of the regulations on the company's activities and behavioral norms;
- Provide clarification regarding meaning and application of the provisions contained in In the Model;
- Set up an effective internal communication system to enable the transmission of news relevant to Legislative Decree 231/2001 while ensuring the protection and confidentiality of the reporter;
- Formulate and submit to governing body for approval the expenditure forecast necessary for the proper performance of the assigned tasks. This expenditure forecast shall

be, in any case, the most extensive in order to ensure the full and proper performance of its activities;
- To freely access any function of the Company-without the need for any prior consent-to request and acquire information, documentation and data, deemed necessary for the performance of the duties under Legislative Decree 231/2001, from all employees and managers;
- Requesting relevant information from collaborators, Consultants and representatives external to the Company;
- Promote the initiation of any disciplinary proceedings and propose any sanctions set forth in Chapter 5 of this Model;
- Verify and evaluate the suitability of the disciplinary system pursuant to and for the purposes of Leg. 231/2001;
- In case of controls, investigations, requests for information by competent authorities aimed at verifying the compliance of the Model with the provisions of Legislative Decree No. 231/2001, take care of the relationship with the persons in charge of the inspection activity, providing them with adequate information support;
- To carry out the specific tasks provided for in the Special Parts of the Model approved by the Board of Directors.
- As part of the supervision of the application of the Model by the subsidiaries, the Company's Supervisory Board is assigned the power to acquire relevant documentation and information with its counterparts, where they exist, Supervisory Boards.

The EYA Board of Directors will see to appropriate communication to the facilities company of the duties of the Supervisory Board and its powers.

4.3 Reporting obligations to the Supervisory Board - Information flows

The Supervisory Board must be promptly informed, through a special internal communication system, of those acts, behaviors or events that may result in a violation of the Model or that, more generally, are relevant for the purposes of Legislative Decree 231/2001.

Obligations to inform about any conduct contrary to the provisions contained in the Model are part of the broader duty of care and duty of loyalty of the employee under Articles 2104 and 2105 of the Civil Code [17]

The proper fulfillment of information obligation by the employee cannot give rise to the application of disciplinary sanctions.[18]

[17] These rules state, respectively: "[1] The employee must use the diligence required by the nature of the work due, the interest of the enterprise and the higher interest of national production. [2] He must also observe the instructions for the execution and discipline of work given by the entrepreneur and the entrepreneur's collaborators on whom he is hierarchically dependent" (art. 2104 civil code) and "The employee must not deal in business, on his own account or on behalf of third parties, in competition with entrepreneur, nor divulge information pertaining to the organization and methods of production of the enterprise, or make use of it in such a way that could be prejudicial to it." (art. 2105 Civil Code).

[18] "By regulating the way in which the obligation to inform is fulfilled, the intention is not to incentivize the phenomenon of the reporting of so-called internal rumors (whistleblowing), but rather to implement that system of reporting real facts and/or conduct that does not follow the hierarchical line and that allows personnel to report cases of violation of rules by others within the entity, without fear of retaliation. In this sense, the Body also comes to assume the characteristics of the Ethics Officer, without - however - giving him disciplinary powers that will be appropriate to allocate to a special committee or, finally, in the most sensitive cases to the Board of Directors." Confindustria, Guidelines, cit. in the final version updated March 31, 2008, 46.

The following general requirements apply in this regard:

- Any reports must be collected concerning: i) the commission, or the reasonable danger of commission, of the offenses referred to in Legislative Decree 231/2001; ii) "practices" that are not in line with the standards of conduct issued by the Company; iii) conduct that, in any , may result in a violation of the Model;
- An employee who wishes to report a violation (or alleged violation) of the Model may contact his or her immediate supervisor or, if the report is unsuccessful or the employee feels uncomfortable in contacting his or her immediate supervisor to make the report, report directly to the Supervisory Board;
- Associates, business *partners*, Consultants, external collaborators, so called para-subordinates in general, with regard to the relationships and activities carried out in respect of EYA, may make directly to the Supervisory Board the possible reporting of situations in which they receive, directly or indirectly, from an employee/representative of the Company a request for conduct that could result in a violation of the Model;
- In order to effectively collect the reports described above, the Supervisory Board will promptly and extensively notify all relevant parties of the ways and means of making them;
- The Supervisory Board discretionally and under its responsibility evaluates the reports received and the cases in which it is necessary to take action.

Bona fide whistleblowers are guaranteed against any form of retaliation, discrimination or penalization, and in all cases the confidentiality of the whistleblower's identity is ensured, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly accused and/or in bad faith.

In addition to the reports on violations of a general nature described above, information concerning: i) the periodic findings of the control activities carried out by them to implement the Model (summary *reports* of the activities carried out, monitoring activities, final indices, etc.) must be transmitted to the Supervisory Board by the company functions operating within Sensitive Activities.); ii) the anomalies or atypicalities found within the available information (a fact that is not relevant if considered individually, could assume a different evaluation in the presence of repetitiveness or extension of the area of occurrence).

Such information may , but is not limited to:

- Transactions perceived as "at risk" (e.g., decisions related to the application for, disbursement and use of public financing; summary statements of public contracts obtained as a result of national and international tenders; news about contracts awarded by public agencies; etc.);
- Measures and/or news coming from judicial police organs, or any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the crimes covered by Legislative Decree 231/2001 and which may involve the Company;
- Requests for legal assistance made by partners and employees in the event of the initiation of legal proceedings against them and in relation to offenses under Legislative Decree 231/2001, unless expressly prohibited by the judicial authority;
- Reports prepared by the heads of other company functions as part of their control activities and from which facts, acts, events or omissions with critical profiles with respect compliance with the norms and provisions of the Model might emerge;
- News of disciplinary proceedings held and any sanctions imposed (including measures taken against members and employees) or of the orders dismissing such proceedings with the reasons for them;

- Any other information that, although not included in the above list, is relevant to the proper and complete supervision and updating of the Model.

4.3.1 Collection and storage information

Any, reports, reports provided for in the Model are kept
by the Supervisory Board in a special file (computer or paper).

4.3.2 *Reporting* by the Supervisory Board to corporate bodies

The Oversight Board reports on the implementation of the Model, the emergence of any critical aspects, and the need for amending actions. Two separate *reporting* lines are provided:
- The first, on an ongoing basis, directly to the president;
- The second, on a periodic basis at least every six months, to the Board of Directors with the presence of the Board of Auditors.

Meetings with corporate bodies to which the Supervisory Board reports must be documented. The Supervisory Board takes care of the archiving of the relevant documentation.

The Supervisory Board:

- On a semi-annual basis, inform the Board of Directors and the Board of Statutory Auditors, in About the activity carried out ;
- On an annual basis, informs the Board of Directors and the Board of Auditors, about the activities carried out in the current year and a plan of activities planned for the following year;
- Immediately, upon the occurrence of extraordinary situations (e.g.: significant violations of the principles contained in the Model, legislative innovations regarding the administrative liability of entities, significant changes in the organizational structure of the Company, etc.) and in the case of reports received that are of an urgent nature, inform the Board of Directors.

4.4. Whistleblowing

Pursuant to Article 6, paragraph 2-bis[19] of the Decree, recipients this 231 Model, in addition to the traditional communication system, are provided with an additional channel of

[19] In this regard, see also: Law No. 179/2017 by which this article was introduced and paragraph 2-ter, pursuant to which "*The adoption of discriminatory measures against persons who make the reports referred to in paragraph 2-bis may be reported to the National Labor Inspectorate, for the measures within its [sic!] competence, not only by the reporter, but also by the trade union organization indicated by reporter.";* paragraph 2-quater [first sentence], pursuant to which "*Retaliatory or discriminatory dismissal of the reporting person is null and void. Also null and void is the change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures taken against the reporting person.";* paragraph 2-quater [second sentence], pursuant to which "*It is the employer's burden, in the event of disputes related to the imposition of disciplinary sanctions, or to sizing, dismissals, transfers, or subjecting the reporter to other organizational measures having direct or indirect negative effects on working conditions, subsequent to the submission of the report, to prove that such measures are based on reasons unrelated to the report itself."*

reporting in order to highlight unlawful conduct, based on precise and concordant factual elements. This tool, is an online platform that complies with the requirements of the Decree and has a specific function reporting under Legislative Decree 231.

The illegal conduct that is the subject of the reports may concern possible violations, or inducement to violate, with respect to the provisions of Legislative Decree 231/01 and/or violations of the model and the Code of Conduct, to be understood not necessarily as hypotheses of crime, but also as conduct that is not in line with company procedures and policies of which the reporting parties have become aware by reason of the functions performed.

Reports will be handled in line with the provisions of the policy adopted by the Company on Whistleblowing.

Regardless of the channels used, the Company guarantees the confidentiality of the reporter' identity and an alternative reporting channel that is suitable for ensuring, by means of information technology, the confidentiality of the reporter in the report handling activities.

Retaliatory or discriminatory acts, whether direct or indirect, against the reporter for reasons directly or indirectly related to the report are also prohibited.

It should also be noted that, pursuant Article 6, paragraph 2-bis, letter d), of Legislative Decree 231/01, in addition to the provisions of Chapter 5 "Disciplinary System," there are additional sanctions "against those who violate the measures for the protection of the reporter, as well as those who make with malice or gross negligence reports that are found to be unfounded."

For further details on the different reporting channels, please refer to the "Behavior Guidelines."

CHAPTER 5
DISCIPLINARY SYSTEM

5.1 Function of the disciplinary system

Art. 6, paragraph 2, lett. e) and art. 7, paragraph 4, lett. b) of Legislative Decree 231/2001 indicate, as a condition for effective implementation of the organization, management and control model, the introduction of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model itself.

Therefore, the establishment of an adequate disciplinary system is an essential prerequisite of the discriminating value of the organizational, management and control model *under* Legislative Decree 231/2001 with respect to the administrative liability of entities.[20]

The sanctions provided for in the disciplinary system will be applied to any violation of the provisions contained in the Model regardless of the conduct and outcome of any criminal proceedings initiated by the judicial authorities, in the event that the conduct to be censured integrates the extremes of a crime relevant under Legislative Decree 231/2001.[21]

---

[20] The Italian Association of Internal Auditors, Position Paper - Legislative Decree 231/2001 - Administrative Liability of Companies: organizational models of prevention and control, October 2001, 27 s., reviewing the seven requirements that, according to the U.S. Federal Sentencing Guidelines (1997 Federal Sentencing Guidelines Manual - ch. 8: Sentencing of organizations), compliance programs must present in order to constitute an effective model aimed at preventing and detecting violations, as such suitable for mitigating the company's liability, reports requirement No. 6 (disciplinary mechanisms) commenting on it as follows:
"The standards must have been consistently enforced through appropriate disciplinary mechanism, including, as appropriate, discipline of individuals responsible for the failure to detect an offense. Adequate discipline of individuals responsible for an offense is a necessary component of enforcement; however, the form of discipline that will be appropriate will be case specific."
"The standards must have been consistently enforced through appropriate disciplinary mechanisms, including, when appropriate, punishment of persons responsible for failing to discover a violation. Appropriate punishment of persons responsible for a violation is a necessary component of enforcement effectiveness, however, the appropriateness of the punishment will have to refer to the specific case examined." The Italian standard contains repeated Art. 6, point 2(e) and Art. 7, point 4(b)-to the need for model's effectiveness to have "an appropriate disciplinary system to punish non-compliance with the measures indicated in the model." In describing the characteristics that the disciplinary system must possess in order to be considered effective, the doctrine expresses the fear that disciplinary measures may, in fact, be applied only to those who operate in a low-level position or are already marginal or "disgraced" figures, leaving the Executive Top Management immune. International doctrine points to fairness and consistency essential requirements for the effectiveness of disciplinary mechanisms. It also sees desirability of the presence of a centralized review body or mechanism to ensure that these requirements are met. The requirement examined here also emphasizes the responsibility of managers to supervise the behavior of their employees, with activities aimed at verifying their actions within the risk areas."
See, also, Propper, Corporate fraud investigations and compliance programs, Oceana Publications, 2000, 140 f., who, about the code of conduct (defined as "a centerpiece of a compliance program"), states, "(...) the code should announce that employees who violate code provisions will be sanctioned for their misconduct, and it should indicate the range of sanctions that may be applied. The sanctions may range from a reprimand for minor or unintentional violations up to termination for cause for serious violations. The Sentencing Guidelines recognize that "the form of discipline that will be appropriate will be case specific." If the company is serious about its code of conduct, then it must be prepared to enforce it and to impose serious sanctions for significant misconduct. Furthermore, the Guidelines note that disciplinary actions sometimes may need to be taken not only against the offender but also against individual responsible for the failure to detect an offense."

[21] "The disciplinary assessment of conduct carried out by employers, subject, of course, any subsequent review by the labor judge, need not, in fact, necessarily coincide with the judge's assessment in criminal proceedings, given the autonomy of the violation of the code of ethics and internal procedures from the violation of the law involving the commission of a crime. Therefore, the employer is not required to wait until the end of any criminal proceedings that may be underway before taking action. The principles of timeliness and immediacy of the sanction

5.2 Measures against employees

Compliance with the provisions and rules of conduct set forth in the Model constitutes fulfillment by EYA employees of the obligations set forth in Article 2104, paragraph 2, of the Civil Code; obligations of which the content of the same Model is a substantial and integral part.

Violation of the individual provisions and rules of conduct set forth in the Model by EYA employees always constitutes a disciplinary offense.

It should be noted that, within the said employees, those of non-managerial qualification are subject to the National Collective Labor Agreement for employees of tertiary distribution and service companies (hereinafter simply "CCNL Commerce") and those of managerial qualification are subject to the CCNL of industrial companies (hereinafter simply "CCNL Industrial Executives").

The measures specified in the Model, non-compliance with which is intended to be sanctioned, are communicated by internal circular to all employees, posted in a place accessible to all and binding on all employees of the Company.

Disciplinary measures may be imposed on EYA employees in accordance with provisions of Article 7 of Law No. 300 of May 20, 1970 (the so-called "Workers' Statute") and any applicable special regulations.

For non-management level employees subject to the Commerce Collective Bargaining Agreement (CCNL), these measures are those provided for in the disciplinary rules of the current CCNL, namely, depending on the seriousness of the infractions:

- Verbally inflicted reprimand minor failures;
- Written reprimand imposed in cases of recurrence of the infractions mentioned in the preceding point;
- Fine in an amount not exceeding the amount of 4 hours of normal pay;
- Suspension from pay and service for up to 10 days;
- Disciplinary dismissal without notice.

Upon each report of a violation of the Model, disciplinary action will be initiated aimed at ascertaining the violation. In particular, in the investigation phase, the employee will be notified in advance of the charge and will also be granted a reasonable period of time to respond in order to defend himself. Once the violation is ascertained, a disciplinary sanction proportionate to the seriousness of the violation committed will be imposed on the perpetrator.

It is understood that the procedures, provisions, and guarantees provided for Article 7 of the Workers' Statute and, as for workers of non-management status subject to it, in the current CCNL, regarding disciplinary measures, will be respected.

---

in fact make it not only not necessary, but also inadvisable to delay the imposition of the disciplinary sanction pending the outcome of the trial possibly instituted before the criminal court." Confindustria, Guidelines, cited above, in the final version updated March 31, 2008 , 30.

With regard to the investigation of infractions, disciplinary proceedings and the imposition of sanctions, the powers already granted, within the limits of their respective delegated powers and competencies, to EYA's *management* remain valid.

5.2.1 Violations of the Model and related sanctions

In accordance with the provisions of the relevant legislation and in deference to the principles of typicality of violations and typicality of sanctions, EYA intends to bring to the attention of its employees the provisions and rules of conduct contained in the Model, the violation of which constitutes a disciplinary offence, as well as the applicable sanctioning measures, taking into account the seriousness of the violations.[22]

Without prejudice to EYA's obligations under the Workers' Statute, the behaviors that constitute violations of Model 231, accompanied by the corresponding sanctions, are as follows:

1. Incurs the measure of "verbally inflicted reprimand" the worker who violates any of the internal procedures set forth in the 231 Model (e.g., who fails to observe the prescribed procedures, fails to notify the Supervisory Board of the prescribed information, fails to carry out controls, etc.), or adopts in the performance of activities in sensitive areas a behavior that does not comply with the requirements of the 231 Model itself. Such conduct constitutes non-compliance with the provisions issued by the Company;

---

[22] This is in compliance with Article 7 of the Workers' Statute, according to which "Disciplinary rules relating to sanctions, the offenses in relation to which each of them may be applied and the procedures for challenging them, shall be brought to the attention of workers by posting them in a place accessible to all." According to doctrine and case law, it follows from the aforementioned Article 7 of the Workers' Statute that the legitimate exercise of disciplinary power cannot disregard the prior preparation the disciplinary code and its publication. The duty to publicize the code, by means of posting, is considered as the only valid form for bringing disciplinary rules to the attention of the public.

The United Sections of the Supreme Court, in Judgment No. 1208 of February 5, 1988, in settling the contrast that had arisen on the subject, affirmed the indefectibility of the duty of posting and the exclusion of different forms of communication to individual workers. Thereforeposting constitutes the one and only appropriate instrument for the legitimate exercise of disciplinary power and cannot be replaced, for example, by the material and individual delivery of disciplinary regulations. It follows that, for the purpose of fulfilling the requirements to which Legislative Decree 231/2001 subordinates the company's exemption from administrative liability, it is necessary and sufficient to prepare a document containing the disciplinary regulations, subject to publicity the form of posting.

Confindustria, too, in its guidelines reiterated the need to adopt a code of ethics and a system of disciplinary sanctions, applicable in case of non-compliance with the measures provided for in the model, in order to preserve its effectiveness, specifying that:

- important requirements of the model are communication to personnel and their training: communication must cover the code of ethics and other tools (authoritative powers, procedures, etc.) and must be clear, detailed and periodically repeated; alongside communication, an appropriate training program must be developed for personnel in risk areas, aimed at illustrating their rules and purposes;
- codes of ethics (official documents of the entity, desired and approved by the top management of the entity itself) "aim to recommend, promote or prohibit certain behaviors, beyond and independently of what is provided for at the regulatory level, and may provide for sanctions proportionate to the seriousness of any violations committed."
- "a qualifying point in the construction of the model is constituted by the provision of an adequate system of sanctions for the violation of the rules of the code of ethics, as well as the procedures provided by the model (...) Because of their disciplinary value, the code of ethics and the procedures whose non-compliance is intended to be sanctioned should be expressly included in the company disciplinary regulations, if any, or in any case, formally declared binding for all employees (for example, by means of an internal circular or a formal communication), as well as displayed, as provided for Art. 7, co. 1, l. no. 300/1970, by posting in a place accessible all."

2. Incurs the measure of "reprimand inflicted in writing" the worker who is a repeat offender in violating the procedures set forth in the 231 Model or in adopting, in the performance of activities in sensitive areas, behavior that does not comply with the requirements of the 231 Model. Such behavior constitutes repeated failure to comply with the provisions issued by the Company;
3. Incurs the measure of "fine", not exceeding the amount of 4 hours of normal pay, the worker who in violating the internal procedures provided by the Model, or adopting in the performance of activities in sensitive areas a behavior that does not comply with the requirements of the Model 231, exposes the integrity of corporate assets to a situation of objective danger. Such conduct, carried out with failure to comply with the provisions issued by the Company, results in a situation of danger to the integrity of the Company's assets and/or constitutes acts contrary to the interests of the Company;
4. Incurs the measure of "suspension" from service and salary for a period not exceeding 10 days the worker who in violating the internal procedures set forth in Model 231, or adopting in the performance activities in sensitive areas a behavior that does not comply with the requirements of Model 231, causes damage to the Company by performing acts contrary to the interests of the same, or the worker who is recidivist more than the third time in the calendar year in the failures referred to in points 1, 2 and 3. Such conduct, put in place due to failure to comply with the instructions given by the Company, causes damage to the Company's assets and/or constitutes acts contrary to the interests of the Company;
5. Incurs the measure of "dismissal with notice" the worker who adopts, in the performance of activities in sensitive areas, a behavior that does not comply with the requirements of the Model and unambiguously directed to the commission of an offense sanctioned by Legislative Decree 231/2001. Such behavior constitutes a serious failure to comply with the provisions issued by the Company and/or a serious violation of the worker's obligation to cooperate in the Company's prosperity;
6. Incurs the measure of "dismissal without notice" the worker who adopts in the performance of activities in sensitive areas a behavior in violation of the prescriptions of the Model, such as to determine the concrete application against the Company of the measures provided for by Legislative Decree 231/2001, as well as the worker who is recidivist more than the third time in the calendar year in the failures referred to in point 4. Such behavior radically undermines the Company's trust in the worker, constituting serious moral and/or material harm to Company.

type and extent of each of above penalties, will also be applied taking into account account:

- Of the intentionality of the behavior or the degree of negligence, recklessness or inexperience with regard also to the foreseeability of the event;
- Of the worker's overall behavior with particular regard to whether or not worker has a disciplinary record, to the extent permitted by law;
- Of the worker's duties;
- Of the functional position of the persons involved in the facts constituting the failure;
- Of the other special circumstances accompanying the disciplinary offense.

This is without prejudice to EYA's prerogative to seek compensation for damages resulting from an employee's violation of Model 231. Any damages claimed will be commensurate:

- To the level of responsibility and autonomy of the employee, the perpetrator of the disciplinary offense;
- To the possible existence of any disciplinary record against him/her;

- To the degree of intentionality of his behavior;
- To the severity of effects, by which is meant the level of risk to which the Company reasonably believes it has been exposed - pursuant to and for the purposes of Legislative Decree 231/2001 - as a result of the conduct complained of.

The person ultimately responsible for the concrete application of the disciplinary measures described above is the Personnel Manager, who will impose the sanctions upon any report by the Supervisory Board, after hearing, also, the opinion of the hierarchical superior of the author of censured conduct. However, it is assigned to the Supervisory Board, in collaboration with the Personnel Manager, the task of verifying and evaluating the suitability of the disciplinary system pursuant to and for the purposes of Legislative Decree 231/2001.

In the event of violation of the provisions and rules of conduct contained in the Model, EYA shall impose against the perpetrators of the censured conduct the most appropriate disciplinary measures, and - with regard to employees of non-managerial qualification - the disciplinary measures in accordance with the provisions of the CCNL Commerce in relation to these company figures.

5.3 Measures directors and partners required to provide fringe benefits

Upon notice of a violation of the provisions and rules of conduct of the Model by members of the Board of Directors and/or shareholders required to provide ancillary services under the relevant provision of the Bylaws[23], the Supervisory Board must promptly inform the Board of Statutory Auditors and the entire Board of Directors of the incident. The recipients of the information from the Supervisory Board may, in accordance with the provisions of the Articles of Association, take appropriate measures including, for example, convening the shareholders' meeting in order to take the most appropriate measures provided by law.

5.4 Measures against mayors

Upon notice of violation of the provisions and rules of conduct of the Model by one or more auditors, the Supervisory Board must promptly inform the entire Board of Auditors and the Board of Directors of the incident. The recipients of the information from the Supervisory Board may, in accordance with the provisions of the Articles of Association, take appropriate measures including, for example, calling a shareholders' meeting in order to take the most appropriate measures provided by law.

5.5 Measures towards business partners, Consultants, external collaborators

Violation by business *partners*, Consultants, external collaborators, or other parties having contractual relations with the Company of the provisions and rules of conduct set forth in Model 231 applicable to them, or the possible commission of the offenses covered by Legislative Decree 231/2001 by them, will be sanctioned in accordance with the provisions of the specific contractual clauses that will be included in the relevant contracts.
These clauses, making explicit reference to compliance with the provisions and rules of conduct set forth in the Model, may provide, for example, for an obligation on the part of these third parties not to engage in acts or entertain conduct that would lead to

[23] See in this regard Art. 7 et seq. of the EYA Bylaws.

A violation of the Model by EYA. In case of violation of this obligation, termination of the contract should be provided.
This is, of course, without prejudice to EYA's prerogative to claim compensation for damages resulting from the violation of the provisions and rules of conduct set forth in the Model by the aforementioned third parties.

CHAPTER 6
TRAINING AND COMMUNICATION PLAN

6.1 Foreword

EYA, in order to effectively implement the Model, intends to ensure proper dissemination of its contents and principles within and outside its organization.[24]

In particular, the Company's goal is to extend communication of the contents and principles of the Model not only to its own employees but also to individuals who, while not formally qualified as employees, work-even occasionally-to achieve EYA's objectives by virtue of contractual relationships.

The communication and training activity will be diversified according to the Recipients to whom it is addressed, but it must be, in any , marked by principles of completeness, clarity, accessibility and continuity in order to enable the various Recipients to be fully aware of those corporate provisions they are required to comply with and of the ethical standards that must inspire their behavior.

Communication and training on the principles and contents of the Model are provided by the heads of individual units and functions who, in accordance with the instructions and plans of the Supervisory Board, identify the best way to use these services (for example: training programs, *staff meetings*, etc.).

The communication and training activities are supervised and supplemented by the Supervisory Board, which is assigned, among others, the tasks of "promoting and defining initiatives for the dissemination of knowledge and understanding of the Model, as well as for the training personnel and raising their awareness of compliance with the principles contained in the Model" and "promoting and developing communication and training interventions on the contents of Legislative Decree 231/2001, the impacts of the regulations on the company's activities and the norms of behavior."

6.2 Target audience

Each Recipient is required : i) acquire awareness of the principles and contents of the Model;
(ii) to know the operating methods by which their activities must be carried out; (iii) to contribute actively, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any deficiencies found in it.

---

[24] It is noted that within the U.S. Federal Sentencing Guidelines §8B2.1. on the point, it is specified that: "(A) The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program, to the individuals referred to in subparagraph
(B) by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities. (B) The individuals referred to in subparagraph (A) are the members of the governing authority, high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents." In English translation: "(A) The organization shall take reasonable steps to periodically and practically communicate its standards and procedures, and other aspects of the compliance and ethics program, to the individuals referred to in subparagraph (B) by conducting effective training programs and disseminating the information in a manner appropriate to the roles and responsibilities of such individuals. (B) The persons referred to in (A) are members of governmental authority, personnel, substantive authority personnel, employees of the organization, and, as appropriate, agents of the organization."

In order to ensure an effective and rational communication activity, EYA intends to promote and facilitate employees' knowledge of the contents and principles of the Model, with the degree in-depth knowledge varying according to the position and role held by them.

It is ensured that employees can access and consult the documentation constituting the Model (Model 231, EY Global Code of Conduct, Conduct Guidelines, information on the Company's organizational structures, business activities and procedures) directly on the corporate *intranet* in a dedicated area.

Employees will be given a copy of the Principles of Model 231 and the EY Global Code of Conduct, Conduct Guidelines. For new employees, such delivery will take place upon hiring.

Members of the Corporate Bodies, partners, management and staff with representative functions of EYA will be made available a hard copy of the full version of Model 231. Specularmene to the provisions for employees, new managers and new members of the Corporate Bodies and new partners will be given a hard copy of the full version of Model 231 upon acceptance of the office conferred on them and will be made to sign a declaration of compliance with the principles of the Model itself.

Suitable communication tools will be adopted to update Recipients about any changes made to Model 231, as well as any relevant procedural, regulatory or organizational changes.

6.3 Other Recipients

The activity of communicating the contents and principles of the Model must also be addressed to those third parties who have contractually regulated collaborative relationships with EYA or who represent the Company without ties of dependence (for example: business *partners*, Consultants and other independent collaborators).

EYA, taking into account the purposes of the Model, will consider the appropriateness of communicating the contents and principles of the Model itself to third parties, not referable to the figures indicated above by way of example.

CHAPTER 7
ADOPTION OF THE MODEL - CRITERIA FOR UPDATING AND ADJUSTING THE MODEL

7.1 Audits and checks on the Model

The Supervisory Board must annually draw up a supervisory program through which it plans, in principle, its activities by providing for: a calendar of activities to be carried out during year, the determination of the time cadences of controls, the identification of criteria and procedures for analysis, and the possibility of carrying out unscheduled checks and controls.

In carrying out its activities, the Supervisory Board may make use both of the support of functions and structures within the Company with specific expertise in the corporate sectors from time to time subject to control and, with reference to the execution of technical operations necessary for the performance of the control function, external Consultants. In this case, the Consultants must always report the results of their work to the Supervisory Board.

The Supervisory Board is granted, in the course of audits and inspections, the broadest powers in order to effectively carry out the tasks entrusted to him.[25]

7.2 Update and adjustment

The Board of Directors deliberates on the updating of the Model and its adjustment in relation to changes and/or additions that may become necessary as a result of: i) violations of the requirements of the Model; ii) changes in the internal structure of the Company and/or the way in which business activities are carried out; iii) regulatory changes; and iv) findings of controls.

Once approved, the changes and instructions for their immediate implementation are communicated to the Supervisory Board, which, in turn, will, without delay, make the same changes operational and take care of the proper communication of the contents within and outside the Company.

The Supervisory Board will, likewise, inform the Board of Directors about the outcome of the activity undertaken in compliance with the resolution ordering the updating and/or adjustment of the Model.

The Supervisory Board retains, in any case, precise duties and powers regarding the care, development and promotion of constant updating of the Model. To this end, it makes observations and proposals, pertaining to the organization and the control system, to the relevant corporate structures or, in cases of particular importance, to the Board of Directors.

In particular, in order to ensure that changes to the Model are made with the necessary timeliness and effectiveness, while at the same time not incurring defects in coordination between operational processes, requirements contained in the Model, and the dissemination of the same, the Board

[25] See in this regard Section 4.2.

of Directors decided to delegate to the Supervisory Board task of making periodic amendments to the Model that pertain to descriptive aspects, when necessary.

It should be noted that the expression descriptive aspects refers to elements and information that derive from acts deliberated by the Board of Directors (such as, for example, the redefinition of the organizational chart) or from corporate functions with specific delegated authority (e.g., new corporate procedures).

At the time of the presentation of the annual summary report, the Supervisory Board shall submit to the Board of Directors a special information note of the changes made in the implementation of the delegation of authority received in order for the Board of Directors to ratify it.

It remains, in any case, the sole responsibility of the Board of Directors to resolve on updates and/or adjustments to the Model due to the following factors:

- Intervention of regulatory changes the area of administrative liability of entities;
- Identification of new Sensitive Activities, or variation of those previously identified, including possibly related to the start-up of new business activities;
- Commission of the crimes referred to in Legislative Decree 231/2001 by the Recipients of the provisions of the Model or, more generally, significant violations of the Model;
- Finding of deficiencies and/or gaps in the Model's provisions as a result of audits On its effectiveness.

The Model will, in any case, undergo periodic review proceedings every three years to be arranged by resolution of the Board of Directors.

SPECIAL MODEL PARTS

PREFACE

The articulation of the "Special Parts" allows for highlighting of specific sensitive areas with reference to the crimes provided for in Legislative Decree No. 231/2001. The structure of the Model with the provision of "Special Parts" allows for timely updating, through any appropriate additions, should the Legislature intend to include additional relevant criminal offenses.
Under each of the macro areas considered, sensitive activities are described to which the control tools adopted for prevention are, subsequently, associated.
These instruments are binding on the recipients of the Model and are substantiated by obligations to do (compliance with procedures, reporting to control bodies) and obligations not to do (compliance with prohibitions), which are also given explicit mention.

Compliance with these obligations, as already stated in the "General Section" and as is intended to be reaffirmed here, has a precise legal value; in fact, in case of violation of these obligations, the Company will react by applying the disciplinary and sanctions system described above.

The following "Special Parts" should, in addition, be related to the behavioral principles contained in company procedures and in the EY Global Code of Conduct that direct the behavior of recipients in the various operational areas, with the aim of preventing misconduct or behavior that is not in line with the Company's directives.
In the following "Special Parts" the following offenses are analyzed:

- Special Part "A": Crimes in dealings with the public administration
- Special Part "B": Corporate crimes
- Special Part "C": Crimes of organized crime, employment of third-country nationals whose stay is irregular, transnational crimes, crimes of receiving stolen goods, money laundering, use of money, goods or utilities of illicit origin, and self-money laundering
- Special Part "D": Offenses of Market Abuse
- Special Part "E": Health and Safety
- Special Part "F": Copyright infringement crimes
- Special Part "G": Inducement not to make statements or to make statements mendacious to the Judicial Authority
- Special Part "H": Computer crimes and unlawful processing of data
- Special Part "I": Crimes of bribery among private individuals
- Special Part "L": Tax offenses
- Special Part "M": Crimes against individual personality and of racism and xenophobia

With reference to the other "predicate crimes" for the administrative liability of entities under the Decree (counterfeiting crimes, crimes against industry and commerce, crimes for the purpose of terrorism or subversion of the democratic order, female genital mutilation practices, environmental crimes, crimes of fraud in sports competitions, smuggling crimes, etc.) it is considered appropriate to specify that in relation to the same, although taken into account in the preliminary analysis phase, no sensitive activities have been identified. However, the control tools prepared can constitute, together with the indications of the EY Global Code of Conduct, the Conduct Guidelines, the system of

quality control, procedures related to independence and Risk Management processes, procedures adopted in order to comply with obligations under anti-money laundering regulations, policies related to Market Abuse and Insider Trading, EY Global Anti-Bribery Policy and in general EY Network policies a safeguard also for the prevention of such crimes.
A summary of the sensitive activities attributable to the Company as well as details of the control protocols applicable to them is contained in the integral Model 231 approved by the Board of Directors.

1. The System Controls adopted by the Company

The Company's control system is based on the following elements, in accordance with the provisions of Legislative Decree 231/2001 and the Confindustria Guidelines:

a) The General Organizational System
b) The System of Powers of Attorney and Proxies
c) The principles of behavior specific to each Special Part
d) The general control standards
e) The specific control standards

Points (a), (b) and (d) are presented below, while for points (c) and (e) please refer to the provisions within the individual Special Parts of the Model.

1.1 The General Organizational System

All instances of Sensitive Activities must be carried out in compliance with applicable laws, the EY Global Code of Conduct, the Conduct Guidelines, the Company's values and policies, and the rules contained in this 231 Model.
Generally speaking, the Company's system of organization must comply with the basic requirements of formalization and clarity, communication, and separation of roles particularly with regard to the allocation of responsibilities, representation, definition of hierarchical lines, and operational activities. The company must have organizational tools (organizational charts, organizational communications, procedures, etc.) marked by general principles of:

- Clear description of carryover lines;
- Knowability, transparency and publicity of the powers granted (within the company and in the against interested third parties);
- Clear and formal delineation of roles, with a full description of each function's duties, powers and responsibilities.

Internal procedures should be characterized by the following elements:

(i) Separateness, within each process, between the person making the decision (decision-making impetus), the person executing that decision, and the person entrusted with controlling the process (so-called "segregation of duties");
(ii) Written record of each relevant step in the process (so-called "traceability");
(iii) Adequate level of formalization.

In particular:

- corporate organizational chart and the scope and responsibilities of corporate functions must be clearly defined, collected and communicated to the Company in a structured manner;
- Appropriate operating policies and procedures must be defined to regulate, other things, the processes of selection and qualification of the company's main suppliers, the processes of entrusting assignments on the basis of appropriate evaluation criteria, the processes of commercial activities with respect to public customers, the management of institutional or occasional relations with P.A. entities, the management of donations, etc;
- The activities of selecting suppliers in a broad sense, using goods and services, verifying compliance with contractual conditions (assets and liabilities) when preparing/receiving invoices, managing entertainment expenses, gifts and gratuities, and other activities at risk of crime must be segregated by stages and distributed among several functions;

- The roles and duties of the internal managers of each risk area, who are to be given the power to direct, drive and coordinate the underlying functions, must be clearly and precisely provided for.

In the performance of all operations pertaining to the management of the Company, the rules pertaining to the administrative, accounting, financial and management control system must also be complied with.

1.2 The System of Powers of Attorney and Proxies

The system of proxies and powers of attorney must be characterized by elements of "certainty" for the purpose of
of crime prevention and enable the efficient management of the company's business.
"Delegation" is understood to mean that internal act of assigning functions and tasks, reflected in the organizational communication system. "Power of attorney" is understood to mean the unilateral legal transaction by which the company grants an individual person the power to act as its representative.

The essential requirements of the proxy and power of attorney system are as follows:

- All those who have dealings with the P.A. on behalf of the Company must be provided with a formal proxy to that effect and - where necessary - also with power of attorney;
- Each power of attorney involving the power to represent the company vis-à-vis third parties must be matched by an internal power of attorney describing the relevant management power;
- Delegations must combine each power with the corresponding responsibility and position appropriate in the organizational chart;
- Each proxy must specifically and unambiguously define:
  - The powers of the delegate, specifying their limits;
  - The entity (body or individual) to whom the delegate reports hierarchically;
- The delegate must be granted spending powers appropriate to the functions conferred.

The Supervisory Board periodically checks, with the support of the other competent functions, the system of delegated and proxy powers in force and their consistency with the entire system of organizational communications, recommending any changes if the management power and/or qualification does not correspond to the powers representation conferred on the delegate or there are other anomalies.
The system of proxies and powers of attorney constitutes control protocol applicable to all Sensitive Activities.

1.3 The general control standards

Summarizing what has been indicated in the previous paragraphs and consistent with the indications provided by the Confindustria Guidelines for the preparation of Models 231, the general control standards to be considered and applied with reference to all the Sensitive Activities identified are as follows:

- ***Regulation***: the standard is based on the existence of formalized internal organizational documentation (such as: company policies / provisions and/or procedures and/or structured operating methods governed in this MOG and/or management support tools) suitable for providing the principles of behavior, operating methods for carrying out sensitive activities as well as the way in which relevant documentation is stored.

- ***Segregation of duties***: the standard is based on the separation of activities between those who authorize, those who execute and those who control[26].
- ***Traceability***: the standard is based on the principle that: i) each operation related to the sensitive activity is, where possible, adequately recorded; ii) the process of decision-making, authorization and performance of the sensitive activity is verifiable ex post, including by means of appropriate documentary supports; iii) in any , the possibility of deleting or destroying the records made is regulated in detail.
- ***Powers*** of ***attorney and proxies***: the standard is based on the principle that the authorizing and signing powers assigned must be: i) consistent with the organizational and managerial responsibilities assigned, providing, where required, indication of the approval thresholds for expenses; ii) clearly defined and known within the Company. The corporate roles assigned the power to commit the Company to certain expenditures must be defined, specifying the limits and nature of the expenditures.
- **EY Global Code of Conduct and Conduct Guidelines**: the standards are based on the presence of principles of business conduct/ethics to be followed during the performance of business activities.

The general control standards will be spelled out, within the various Special Parts attached to the Model approved by the Company's Board of Directors, in specific control standards relating to the individual sensitive activities identified.

[26] With reference to application of this standard, it is specified that:
The principle of segregation must subsist by considering the sensitive activity in the context of the specific process to which it belongs; segregation subsists in the presence of codified and structured systems where the individual phases are consistently identified and regulated in management, resulting in a limitation of application discretion, as well as tracked in the decisions made.
For organizational situations/activities for which the segregation of activities (authorization, execution and control) into three entities is not feasible, implementation methods of the standard are defined, which provide for use of alternative preventive and subsequent controls such as to ensure the validity of the control standard in question.

SPECIAL PART A - CRIMES IN RELATIONS WITH THE PUBLIC ADMINISTRATION

1. The offenses in relations with the Public Administration referred to in Legislative Decree 231/2001

Knowledge of the structure and methods of realization of crimes, to the commission of which by the persons qualified under Article 5 of Legislative Decree 231/2001 is connected with the liability regime borne by the company, is functional to the prevention of the crimes themselves and thus to the entire control system provided by the decree.
To this end, we give, below, a brief description of the crimes referred to in Articles 24 (Undue receipt of disbursements, fraud to the detriment of the State or a public body or for the attainment of public disbursements, and computer fraud to the detriment of the State or a public body) and 25 (Extortion and bribery) of Legislative Decree 231/2001.

Embezzlement (Art. 314 Penal Code)

This offense punishes the public official or person in charge of a public service, who, having by reason of his office or service the possession or otherwise the availability of money or other movable property of others, appropriates it.

The penalty is relevant, pursuant to Article 25 paragraph 1 of Legislative Decree 231/01, when the act offends the European Union's financial interests.

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

This offense punishes a public official or a 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, unduly receives or retains, for himself or herself or for a third party, money or other benefit.

The penalty is relevant, pursuant to Article 25 paragraph 1 of Legislative Decree 231/01, when the act offends the European Union's financial interests.

Misappropriation of public funds (Article 316-bis of the Criminal Code).

This crime consists in making a change in the destination of contributions, grants or loans, subsidized loans or other disbursements of the same type obtained from the state, other public bodies or the European Communities.
The crime is consummated even if only part of the funds are misappropriated, and even if the part properly used has exhausted work or initiative for which the entire sum was intended.
The criminal conduct is irrespective of how the funds were obtained and is only carried out in
A time obtaining the funds themselves.
The penalty is imprisonment from six months to four years.

Undue receipt of public disbursements (Article 316-ter of the Criminal Code).

The crime is committed if the company - through anyone (including those external to the company itself) - obtains for itself or for others contributions, grants, financing, subsidized loans or other disbursements from the State, other public bodies or the European Communities, through conduct consisting of any kind of use (e.g., presentation) of statements (written or oral) or other materially and/or ideologically false documentation or through the omission of due information.

The crime is consummated when the disbursements, contributions, grants, financing, subsidized loans (which is the typical event of the crime) are obtained.
This case constitutes a "special hypothesis" with respect to the broader case of aggravated fraud for the obtainment of public disbursements under Article 640-bis of the Criminal Code. The rule under consideration here (i.e., Article 316-ter of the Criminal Code) will be applied whenever the specific requirements contemplated by it are met; falling, on the other hand, into the hypothesis of the more general (and more serious) case only if the deceptive means used to obtain public disbursements are different from those considered in Article 316-ter of the Criminal Code but nevertheless referable to the notion of "artifice or deception" referred to in Article 640-bis of the Criminal Code.
The crime under consideration here (art. 316-ter of the Criminal Code) is also configured as a special hypothesis with respect to art. 640, paragraph 2, no. 1, of the Criminal Code (aggravated fraud to the detriment of the State), with respect to which the "specializing" element is no longer given by the type of artifice or deception employed, but rather by the type of profit achieved to the detriment of the deceived public entity. Profit that in the more general case, referred to above, does not consist in obtaining a disbursement but in a generic advantage of any other nature.
The penalty is imprisonment from six months to three years. When the sum unduly received is 3,999.96 euros or less, only the administrative penalty of paying a sum of money from 5,164 euros to 25,822 euros shall apply. However, this penalty may not exceed three times the benefit earned.

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

This is the crime of fraud (Article 640 of the Criminal Code), aggravated by the fact that the economic damage resulting from the offender's deceptive activity falls on the state or other public entity or the European Union.
The conduct consists, in essence, of any kind of lie (including undue silence about circumstances that must be disclosed) by which it results in someone falling into error and consequently performing an act of disposition that he or she would not have performed had he or she known the truth.
For the consummation of the crime, there must be, in addition to such conduct, the consequent profit of someone (albeit other than the deceiver) as well as damage to state or public entity. Anyone who procures for himself or others an unjust profit to the detriment of others shall be punished imprisonment from six months to three years and a fine from 51 euros to 1,032 euros. The punishment shall imprisonment from one to five years and a fine from 309 euros to 1,549 euros: 1) if the act is committed to the detriment of the state or another public body or under the pretext of having someone exempted from military service; 2) if the act is committed by engendering in the offended person the fear of an imaginary danger or the erroneous belief that he or she must carry out an order of the Authority.

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

The offence is committed if the act provided for in Article 640 of the Criminal Code (i.e. fraud) concerns contributions, grants, financing, subsidized loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Communities. The penalty is imprisonment from two to seven years.

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

This criminal offence occurs when a person, by altering in any way the operation of a computer or telematic system or intervening without right in any manner on data, information or programs contained in or pertaining to a computer or telematic system, procures for himself or others an unfair profit to the detriment of others.

The crime has almost identical constituent elements to those of fraud, except the fraudulent activity does not involve a person, but a computer system through its manipulation.
The offense affects interventions consist of using the computer equipment for other purposes from those for which it was intended or in arbitrarily manipulating its contents.
Malicious intent consists of the will to alter the operation of systems or to intervene in data, programs, and information, with the expectation of unjust profit and harm to others, without any intention to mislead or deceive others.
In order for the aggravating circumstance of abuse of system operator status to be integrated, an abstract qualification of the active party is not relevant, but legitimacy on the grounds of performance of work.

The crime is consummated with the realization of the unjust profit to the detriment of the state or other public entity or European Union.

It constitutes a case of the crime, as an example, fraud carried out through telematic connections or transmission of data on computer media to public Administrations or public bodies or Supervisory Authorities.
The penalty is imprisonment from six months to three years and a fine from 51 euros to 1,032 euros. The penalty is imprisonment from one to five years and a fine from 309 euros to 1,549 euros if any of the circumstances set forth in number 1 of second paragraph of Article 640 apply, or if the act is committed with abuse of the quality of system operator.

Concussion (art. 317 c.p.)

This offense occurs when "the public official, abusing his position or powers, compels someone to give or promise unduly, to him or a third party, money or other benefit."
The difference from corruption lies in the existence of a situation suitable for result in a state of subjection of the private party to the public official. The penalty is imprisonment for six to twelve years.

Bribery for the performance of official duties and bribery for an act contrary to official duties (Articles 318, 319 and 319-bis of the Criminal Code).

The case provided for Article 318 of the Criminal Code (bribery for the exercise of office) is committed when the public official, for the exercise of his functions or powers, unduly receives, for himself or a third party, money or other benefits or accepts the promise thereof. The public official is punished by imprisonment of three to eight years.
The case under Article 319 of the Criminal Code (bribery for an act contrary to official duties), on the other hand, occurs when the public official, in order to omit or delay or to have omitted or delayed an act of his office, or to perform or to have performed an act contrary to official duties, receives, for himself or for a third party, money or other benefits, or accepts the promise thereof. The public official shall be punished by imprisonment of six to ten years.
There is an aggravating circumstance if the act referred to in Article 319 of the Criminal Code has as its object the conferral of public employment or salaries or pensions or the conclusion of contracts in which the administration to which the public official belongs is involved (Article 319-bis of the Criminal Code).

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

This offence occurs if the acts specified in Articles 318 and 319 of the Criminal Code are committed by the public official to favor or harm a party in civil, criminal or administrative proceedings. The rule applies, without distinction, to all public officials and not only to magistrates.

The penalty shall be imprisonment of six to twelve years. If the act results in the wrongful conviction of any person to imprisonment for not more than five years, the penalty shall be imprisonment for six to fourteen years; if the act results in the wrongful conviction to imprisonment for more than five years or life imprisonment, the penalty shall be imprisonment for eight to twenty years.

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

This offense is committed if public official or public service , abusing his or her position or powers, induces someone to wrongfully give or promise, to him or a third party, money or other benefit. The penalty is imprisonment from six to ten years.

Bribery of a person in charge of a public service (art. 320, Criminal Code)

The provisions of Articles 318 and 319 of the Criminal Code also apply to the person in charge of a public service.

Penalties for the corruptor (Article 321 of the Criminal Code).

The punishments established in the first paragraph of Article 318 of Criminal , Article 319 of the Criminal , Article 319-bis of the Criminal , Article 319-ter of the Criminal Code and Article 320 of the Criminal Code in relation to the aforementioned hypotheses of Articles 318 of the Criminal Code and 319 of the Criminal Code, are also applied, by the provision of the rule under consideration here, to a person who gives or promises to the public official or the person in charge of a public service the money or other benefit.
In other words, the one who bribes commits an independent offense with respect to the offense committed by public official (or public service appointee) who has allowed himself to be bribed in the manner and by engaging in the conduct contemplated in the above articles.

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

This criminal case occurs when the private party engages in the conduct incriminated by Article 321 of the Criminal Code (i.e., engages in corruptive activity) but the public official (or public service appointee) refuses the illicit offer made to him.
Anyone who offers or promises money or other benefits not due to a public official or a person in charge of a public service, for the exercise of his or her functions or powers, shall be subject, if the offer or promise is not accepted, to the punishment established in the first paragraph of Article 318, reduced by one third.
If the offer or promise is made to induce a public official or a person in charge of a public service to omit or delay an act of his or her office, or to do an act contrary to his or her duties, the offender shall be subject, if the offer or promise is not accepted, to the punishment established in Article 319, reduced by one third.
The punishment referred to in the first paragraph shall apply to a public official or a person in charge of a public service who solicits a promise or gift of money or other benefit for the exercise of his or her functions or powers.
The punishment referred to in the second paragraph shall apply to a public official or person in charge of a public service who solicits a promise or giving of money or other benefit from a private individual for the purposes specified in Article 319.

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

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

1) to members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;

2) to officials and servants employed under contract under the Staff Regulations of Officials of the European Communities or the Conditions of Employment of Servants of the European Communities;

3) to persons seconded by the member states or any public or private entity to the European Communities, who perform functions corresponding to those of officials or agents of the European Communities;

4) to members and employees of bodies established on the basis of the Treaties establishing the European Communities;

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

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

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

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

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

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

1) People reported to the previous list;

2) persons performing functions or activities corresponding to those of public officials and persons in charge of a public service within other foreign states or international public organizations, if the act is committed in order to procure for oneself or others an undue advantage in international economic transactions or in order to obtain or maintain financial economic activity.

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

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

This case punishes the public official or public service appointee who, in the performance of his or her functions or service, in violation of specific rules of conduct expressly provided for by law or by acts having the force of law and from which no margin of discretion remains, or by failing to abstain in the presence of his or her own interest or that of a close relative or in other prescribed cases, intentionally procures for himself or herself or others an unfair pecuniary advantage or causes others unfair damage.

The penalty is relevant, pursuant to Article 25 paragraph 1 of Legislative Decree 231/01, when the act offends the European Union's financial interests.

Trafficking in unlawful influence (art 346 bis c.p.)

This case punishes with imprisonment from one year to four years and six months anyone who, outside the cases of complicity in the crimes referred to in Articles 318, 319, 319-ter and in the corruption crimes referred to Article 322-bis, by exploiting or boasting of existing or alleged relations with a public official or a person in charge of a public service or one of the other persons referred to Article 322- bis unduly causes to give or promise, to himself or others, money or other benefits, as the price of his own unlawful mediation towards a public official or a person in charge of a public service or one of the other persons referred to in Article 322-bis, or to remunerate him in relation to the exercise of his functions or powers.

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

This case punishes anyone who commits fraud in the performance of supply contracts or in the fulfillment of other contractual obligations specified Article 355 of the Criminal Code (which refers to obligations arising from a supply contract concluded with the state, or another public entity or the European Union, or with an enterprise exercising public services or public necessity).

Fraud to the detriment of the European Agricultural Guarantee Fund and European Agricultural Development Fund (Article 2, paragraph 1, Law 898/1986)

Unless the act constitutes the more serious offense provided for in Article 640-bis of the Criminal Code - anyone who, by means of the exposure of false data or information, unduly obtains, for himself or others, aid, premiums, allowances, refunds, contributions or other disbursements charged in whole or in part to the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development.

Following , for clarity, the definitions of Public Official and Person in Charge of a Public Service as defined by the Penal Code and the definition of Public Administration as explicated in Council of State Opinion 11482/2004.

- ***Public official (art. 357 c.p.)***

"For the purposes of criminal law, public officials are those who exercise a legislative, judicial or administrative public function. For the same purposes, an administrative function governed by rules of public law and authoritative acts and characterized by the formation and manifestation of the will of the public administration or its performance by means of authoritative or certifying powers is public."

- ***Person in Charge of a Public Service (art. 358, Criminal Code)***

"For the purposes of criminal law, those who, in any capacity, perform a public service are entrusted with a public service. Public service must be understood to mean an activity regulated in the same forms as public office, but characterized by the lack of the powers typical of the latter, and to the exclusion of the performance of simple tasks of order and the performance of merely material work."

- ***Public Administration (Council of State, Opinion No. 11482/2004)***

"The notion of public administration .... thus seems to have to be understood in a broad sense and such as to encompass all entities, including private concessionaires of public services, public enterprises and bodies governed by public law according to EU terminology, which are called upon to operate, in relation to the scope of activity under consideration, in the context of a public function."

2. The principles of behavior in dealing with the P.A.

The Corporate Bodies, and managers - directly - employees, Consultants and Business Partners - limited respectively to the obligations covered in the specific procedures and codes of conduct and in the specific clauses included in the contracts implementing the following principles - are required to observe the following general principles:

- Strict compliance with all laws and regulations and policies governing the company's activities, with particular reference to activities involving contacts and relations with the P.A;
- Establishment and maintenance of any relationship with the P.A. on the basis of criteria utmost fairness and transparency;
- Compliance with the principles of Law 190/2012 and mandatory measures for the prevention of corruption introduced by the National Anticorruption Plan that have direct impacts on third parties who have relations with the PA (e.g., conflict of interest);
- Compliance with the standards of conduct described within the Code of Ethics adopted by the Public Entity and/or the Integrity Pacts/Protocols of Legality
- Establishment and maintenance of any relationship with third parties in all activities related to the performance of a public function or public service on the basis of criteria of fairness and transparency that ensure the proper performance of the function or service and impartiality in their performance.

Consequently, it is prohibited:

- In, collaborating in, or giving cause for the commission of conduct such that - considered individually or collectively - directly or indirectly integrates the offenses included among those considered above (Articles 24 and 25 of Legislative Decree);
- Violate the rules contained in the procedures, Model 231, EY Global Code of Conduct, Conduct Guidelines, EY Global Anti-Bribery Policy, Hospitality and Gifts Global Policy, and documentation adopted in implementation of the reference principles set forth in this Special Section.

More specifically, it is prohibited to:

a) Make donations of money, goods or other benefits to Italian or foreign public officials;
b) Distributing gifts and gratuities outside the provisions of the EY Global Code of Conduct, the Conduct Guidelines, the EY Global Anti-Corruption Policy and the implementing procedures (Hospitality & Gifts Global Policy). In particular, any form of gifts to Italian and foreign public officials (including in those countries where the giving of gifts is a common practice), or to their family members, that may influence independence of judgment or induce them to secure any advantage for EYA is prohibited. Permitted gifts, contributions and sponsorships must always be characterized by the smallness of their value or because they are intended to promote initiatives of a charitable or cultural nature (for more details, see the EY Global Anti-Corruption Policy);
c) Granting advantages of any kind (e.g., promises of employment, consulting) in favor of representatives of the P.A. that may result in the same consequences as those set forth in point b) above;
d) Induce officials, public employees and public service officers to violate the EY Global Code of Conduct adopted by the Entities to which they belong (ex art. 56 Legislative Decree 165/2001)
e) Perform services or recognize fees of any kind in favor of Consultants, Business Partners that do not find adequate justification in the context of the contractual relationship established with them or in relation to the type of assignment to be carried out and current local practices;

f) Receive free gifts, presents or advantages of any other nature, where they exceed normal business practices and courtesy; anyone who receives free gifts or advantages of any other nature not included in the permitted cases is required, in accordance with established procedures, to notify the Supervisory Board;

g) Allocate sums received from public bodies by way of disbursements, contributions or financing for purposes other than those for which they were intended;

h) Alter the operation of computer and telecommunications systems or manipulate the data contained therein.

SPECIAL PART B - CORPORATE OFFENCES

1. The cases of Corporate Crimes

Knowledge of the structure and implementation methods of the crimes, to the commission of which by qualified individuals under Art. 5 of Legislative Decree 231/2001 is connected with the liability regime borne by the entity, is functional to the prevention of the crimes themselves and thus to the entire control system provided by the decree.
To this end, the following is a description of the offenses referred to Article 25-ter of Legislative Decree No. 231/2001, according to which, "In relation to corporate offenses provided for in the Civil Code, if committed in the interest of the company, by directors, general managers or liquidators or by persons subject to their supervision, if the act would not have been committed if they had supervised in accordance with the obligations inherent in their office," the following financial penalties established therein shall apply."

False corporate communications (art.2621 c.c.)
Outside the cases provided for in Art. 2622, directors, general managers, managers in charge of drafting corporate accounting documents, auditors, and liquidators, who, in order to obtain an unjust profit for themselves or others, in financial statements, reports, or other corporate communications addressed to shareholders or the public, required by law knowingly expose material facts that are untrue or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or the group to which it belongs, in a way that is concretely likely to mislead others, shall be punished by imprisonment of one to five years. The same punishment also applies if the falsehoods or omissions concern assets owned or administered by the company on behalf of third parties.

Misdemeanors (Article 2621 bis of the Civil Code).
Unless they constitute a more serious crime, a punishment of six months to three years' imprisonment shall be applied if the facts referred to in Article 2621 are minor, taking into account the nature and size of the company and of the modalities or of the effects of the conduct. Unless they constitute a more serious crime, the same punishment as in the preceding paragraph shall apply when the acts referred to Article 2621 concern companies that do not exceed the limits indicated in the second paragraph Article 1 of Royal Decree No. 267 of March 16, 1942. In such case, the crime is prosecutable on complaint by the company, shareholders, creditors or other recipients of corporate communications.

False corporate communications of listed companies (Article 2622 Civil Code).
Directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators of companies issuing financial instruments admitted to trading on a regulated market in Italy or another European Union country, who, in order to obtain unjust profit for themselves or others, in financial statements in reports or other corporate communications addressed to shareholders or the public, knowingly state material facts that are not true or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or the group to which it belongs, in a way that is concretely likely to mislead others, shall be punished by imprisonment of three to eight years. The companies specified in the preceding paragraph shall be equated with:

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

2) Companies issuing financial instruments admitted to trading on an Italian multilateral trading facility;
3) Companies that control companies issuing financial instruments admitted to trading on a regulated market in Italy or another European Union country;
4) Companies that appeal to or otherwise manage public savings.

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

Non-punishability due to particular tenuousness (art. 2621b c.c.)

For the purpose of non-punishability due to particular tenuousness of the act, referred to in Article 131-bis of the CodePenal , the court shall evaluate, in a preponderant manner, the extent of any damage caused to the company, shareholders or creditors resulting from the acts referred to in Articles 2621 and 2621-bis.

Obstruction of control (art. 2625 civil code).

1. Directors who, by concealing documents or using other suitable artifices, prevent or otherwise obstruct the performance of control activities legally assigned to shareholders or other corporate bodies shall be punished with a fine of up to €10,329.

2. If the conduct has caused harm to members, imprisonment of up to one year shall be applied, and the offended person shall be sued.

The penalty is doubled if they are companies with securities listed on regulated markets in Italy or other European Union states or widely circulated among the public pursuant to Article 116 of the Consolidated Text referred to in Legislative Decree No. 58 of February 24, 1998.

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

"Typical conduct" includes, outside the cases of legitimate reduction of share capital, returning, even simulated, contributions to shareholders or releasing them from the obligation to make them.
It should be noted that active subjects are the administrators.
Directors who return, even simulatenously, contributions to shareholders or release them from the obligation to perform them, shall be punished by imprisonment of up to one year.
The case under consideration, as well as the subsequent case under Article 2627, punishes conduct that is likely to cause harm to the company, resulting in a form of aggression against share capital, to the benefit of shareholders.
From an abstract standpoint, it seems indeed difficult that the crime under consideration could be committed by the directors in the interest or to the advantage of the company, thus implying a liability of the entity. The problem is more delicate in relation to intra-group relations, since it is possible that a company, being in urgent need of financial resources, may have its contributions unduly returned to the detriment of another company in the group. In such a case, in view of the position taken by the prevailing jurisprudence that disavows the autonomy of the corporate group understood as a unitary concept, it is quite possible that, all the prerequisites being met, the entity may be liable for the crime of undue return of contributions committed by its directors.

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

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

- Active subjects are the administrators;

- Configures a mode of extinction of the crime the return of profits or the reconstitution of reserves before deadline for approval of the budget.

Directors who distribute profits or advances on profits not actually earned or allocated by law to reserves, or who distribute reserves, including those not established with profits, which may not be distributed by law, shall be punished by imprisonment of up to one year.

Unlawful Transactions in Corporate Shares or Shares of the Parent Company (Art. 2628, Civil Code) This offense is committed purchasing or subscribing, outside the cases permitted by law, to the company's own shares or shares or shares of the parent company, which causes an injury to the integrity of the company's capital or reserves that cannot be distributed by law. The penalty for directors who purchase or subscribe for company shares or stock, causing injury to the integrity of the company's share capital or non-distributable reserves, is imprisonment of up to one year. It is noted that:

- Active subjects are the administrators;
- Configures a mode of extinction of the crime the reconstitution of the share capital or reserves before the deadline for the approval of the financial statements, relating to the fiscal year in relation to which the conduct took place.

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

The offense is committed carrying out, in violation of legal provisions to protect creditors, reductions in share capital or mergers with another company or demergers, causing damage to creditors. Directors who, in violation of the provisions of the law protecting creditors, carry out reductions in share capital or mergers with another company or demergers, causing damage to creditors, shall be punished, on the complaint of the offended person, by imprisonment from six months to three years.

It is noted that:

- Active subjects are the administrators;
- Configures a mode of extinction of the crime the compensation of damages to creditors before the trial.

Failure to disclose conflict interest (art. 2629- bis c.c.)

Article 31 of Law No. 262 of Dec. 28, 2005, introduced into Book V, Title XI, Chapter III.

Of Civil Code before Article 2630, Article 2629- *bis*.

By criminalizing the conduct of the director or member of the management board, the rule aims to strengthen the civil sanction (of challenging the board resolution) provided by Article 2391 for cases in which a director of a listed company or a company with widespread securities or a company subject to supervision under the TUB and the laws on insurance and pension funds, has failed to disclose the presence of his or her own interest as opposed to that of the company in a given transaction.

The offense is committed if the director or member of the management board, by violating the obligations to disclose a conflict of interest to the directors and the board of auditors provided for in Article 2391, Paragraph 1 of the Civil Code, has caused damage to the company or third parties.

It is also pointed out that:

- Active subjects are the directors and members of the management board;
- Subject of the disclosure should be "any interest in a particular transaction of the company" and not only that which conflicts with the corporate interest;
- The interest referred to in the standard is both patrimonial and extrapatrimonial in nature.

Fictitious capital formation (art. 2632 civil code).

This offense can be consummated when:

- The capital of the company is fictitiously formed or increased by the allocation of shares or stock in the company in an amount that in total exceeds the amount of the share capital;
- Shares or units are mutually subscribed; contributions of assets in kind, receivables, or the assets of the company, in the case of transformation, are significantly overvalued.

The penalty is imprisonment of up to one year.

It should be noted that active parties are the directors and contributing members.

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

The offense is perfected by the distribution of corporate assets among shareholders before the payment of corporate creditors or the provision of sums necessary to satisfy them, which causes damage to creditors. The penalty is imprisonment from six months to three years.

It is noted that:

- Active subjects are the liquidators;
- It constitutes a mode of extinguishment of the crime to pay damages to creditors before trial.

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

The "typical conduct" involves determining, by simulated acts or fraud, a majority at a shareholders' meeting for the purpose of gaining, for oneself or others, an unfair profit. penalty is imprisonment from six months to three years.

Market rigging (art. 2637 Civil Code).

The realization of the crime involves spreading false news or carrying out simulated transactions or other artifices, which are concretely likely to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading in a regulated market has been submitted, or to significantly affect the public's reliance on the financial stability of banks or banking groups.

This is a common offense, that is, an offense that can be committed by anyone. The penalty of imprisonment from one to five years.

Obstructing the exercise of the functions of Public Supervisory Authorities (Article 2638 of the Civil Code)

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

The criminal conduct also occurs when they are, in any form, including by omission of due communications, intentionally obstructing the functions of the Supervisory Authorities. The penalty consists of imprisonment from one to four years

It should be noted that:

- Active parties are directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators of companies or entities, and other parties subject by law to the Public Supervisory Authorities, or bound by obligations to them;
- Liability also arises if the information relates to assets owned or administered by the company for third parties.

Article 39(2)(c) of Law No. 262 of December 28, 2005 added to Article 2638 of the Civil Code.
the following subparagraph:

"The punishment is doubled if they are companies with securities listed on regulated markets in Italy or other European Union states or widely circulated among the public pursuant to Article 116 of the Consolidated Text referred to in Legislative Decree No. 58 of February 24, 1998."

2. Principles of Conduct Related to Corporate Offenses

This Special Part provides for the express prohibition on Corporate Bodies, members and managers-indirectly-employees, and Consultants and Business Partners (limited respectively to the obligations contemplated in the specific procedures, the EY Global Code of Conduct, the Conduct Guidelines, and the obligations contemplated in the specific contractual clauses) to:

- Engage , collaborate in, or give cause to engage in conduct such that
  - considered individually or collectively-incorporate, directly or indirectly, the types of crimes included among those considered above (Art. 25- ter of Legislative Decree 231/2001);
- violate the corporate principles and procedures set forth in this special section.

Consequently, this Special Part entails the obligation of the above parties to
indicated to scrupulously comply with all applicable laws and in particular to:

1. To behave correctly, transparently and cooperatively, in compliance with the law and company procedures, in all activities aimed at the preparation of financial statements and other corporate communications, in order to provide shareholders and third parties with true and correct information on the company's economic, asset and financial situation;
2. Strictly observe all rules set by law to protect the integrity and effectiveness of share capital, so as not to harm the guarantees of creditors and third parties in general;
3. To ensure the smooth operation of the Company and the Corporate Bodies, guaranteeing and facilitating all forms of internal control over the Company's management provided for by law as well as the free and proper formation of the will of the shareholders' meeting;
4. Avoid engaging in sham transactions or spreading false news about the Company.

As part of the above behaviors, it is prohibited, in particular, to:

a) Representing or transmitting for processing and representation in financial statements or other corporate communications, false, deficient or, in any case, untrue data on the company's economic, asset and financial situation;
b) Omit data and information required by law on the company's economic, asset and financial situation;
c) Return contributions to shareholders or release them from the obligation to make them, outside the cases of
   Legitimate reduction of share capital;
d) Distribute profits or advances on profits not actually earned or allocated by law reserves;
e) Purchase or subscribe for treasury shares outside the cases provided by law, with injury
   To the integrity of the capital ;
f) Carry out reductions in share capital, mergers or demergers, in violation of legal provisions to protect creditors, causing damage to them;
g) Carry out fictitious formation or increase of share capital by allocating shares for less than their par value;
h) Engaging in conduct that materially impedes, through the concealment of documents or the use of other fraudulent means, the performance of control activities by shareholders and the Board of Statutory Auditors;

i) Publish or disseminate false news, or engage in simulated transactions or other conduct of a fraudulent or deceptive nature, concerning the Company's economic, financial, or asset situation;

j) Set forth untrue facts in the aforementioned communications and transmissions, or conceal material facts regarding the Company's economic, asset or financial condition.

SPECIAL PART C - ORGANIZED CRIME OFFENCES, EMPLOYMENT OF THIRD-COUNTRY NATIONALS WHOSE STAY IS IRREGULAR, TRANSNATIONAL OFFENCES, OFFENCES OF RECEIVING STOLEN GOODS, MONEY LAUNDERING, USE OF MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING

1. The cases of organized crime offenses (Art. 24b)

Criminal conspiracy (art. 416 c. p.)
When three or more persons associate for the purpose of committing multiple crimes, those who promote or constitute or organize the association shall be punished, for that alone, by imprisonment of three to seven years.
For merely participating in the association, the penalty is imprisonment from one to five years. Leaders shall be subject to the same punishment as established for promoters. If the associates run through the countryside or public streets in arms, imprisonment from five to 15 years shall be applied. The penalty is increased if the number of associates is ten or more.
If the association is aimed at committing any of the crimes referred to in Articles 600, 601 and 602, as well as Article 12, paragraph 3-bis, of the Consolidated Text of the provisions concerning the regulation of immigration and norms on the condition of foreigners, referred to in Legislative Decree No. 286 of July 25, 1998, the term of imprisonment from five to fifteen years in the cases provided for in the first paragraph and from four to nine years in the cases provided for in the second paragraph shall apply.

Mafia-type association including foreigners (Article 416-bis of the Criminal Code).
Anyone who is a member of a mafia-type association consisting of three or more persons shall be punished by imprisonment of ten to fifteen years.
Those who promote, direct or organize the association shall be punished, for that alone, by imprisonment of twelve to eighteen years.
The association is of the mafia type when those who are part of it make use of the intimidating force of the bond of association and the condition of subjugation and code of silence deriving therefrom to commit crimes, to directly or indirectly acquire the management or otherwise control of economic activities, concessions, authorizations, contracts and public services or to realize unjust profits or advantages for themselves or others or in order to prevent or hinder the free exercise of voting or to procure votes for themselves or others in electoral consultations.
If the association is armed, the punishment of imprisonment from twelve to twenty years in the cases provided for in the first paragraph and from fifteen to twenty-six years in the cases provided for in the second paragraph shall apply.
The association is considered armed when the participants have the availability, for the achievement of the purpose of the association, of weapons or explosive materials, even if concealed or kept in a storage place.
If the economic activities of which the associates intend to assume or maintain control are financed in whole or in part with the price, product, or profit crimes, the penalties established in the preceding paragraphs shall be increased by one-third to one-half. Confiscation of the things that served or were intended to commit the crime and the things are price, product, or profit thereof or constitute its use shall always be mandatory against the convicted person. The provisions of this article also apply to camorra, 'ndrangheta and other associations, however locally named, including foreign ones, which by availing themselves of the intimidating force of the associative bond pursue purposes corresponding to those of mafia-type associations.

Political-mafia electoral exchange (Article 416-ter of the Criminal Code).

1. Anyone who accepts, directly or through intermediaries, the promise to procure votes from persons belonging to the associations referred to Article 416-bis or through the methods referred to in the third paragraph Article 416-bis in exchange for the disbursement of money or any other utility or in exchange for the availability the interests or needs of the mafia association shall be punished by the punishment established in the first paragraph Article 416-bis.
2. The same punishment applies to a person who promises, directly or through intermediaries, to procure votes in the cases referred to in the first paragraph.
3. If the person who accepted the promise of votes, as a result of the agreement referred to in the first paragraph, was elected in the relevant election, the punishment provided for in the first paragraph of Article 416-bis, increased by half, shall apply.
4. In the event of conviction for the crimes referred to in this article, it always follows Perpetual disqualification from public office.

Kidnapping for the purpose of robbery or extortion (art. 630, Criminal Code)

Whoever kidnaps a person for the purpose of obtaining, for himself or others, an unjust profit as the price of release, shall be punished by imprisonment from twenty-five to thirty years. If the kidnapping nevertheless results in the death, as an unintended consequence of the offender, of the person kidnapped, the offender shall be punished by imprisonment of thirty years.

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

To the contestant who, disassociating himself from the others, endeavors in such a way that the passive subject regains his freedom, without this result being a consequence of the price of release, the punishments provided for in Article 605 shall be applied. If, however, the passive subject dies, as a result of the seizure, after release, the punishment shall be imprisonment for six to fifteen years.

With respect to the contestant who, disassociating himself from the others, takes steps, outside the case provided for in the preceding paragraph, to prevent the criminal activity from being carried to further consequences or concretely assists police or judicial authority in the collection of decisive evidence for the identification or capture of the contestants, the penalty of life imprisonment shall be replaced by that of imprisonment for twelve to twenty years, and the other penalties shall be decreased by one-third to two-thirds.

When an extenuating circumstance applies, the punishment provided for in the second paragraph shall be substituted with imprisonment of twenty to twenty-four years; the punishment provided for in the third paragraph shall be substituted with imprisonment of twenty-four to thirty years. If more than one mitigating circumstance concurs, the punishment to be applied as a result of the decreases cannot be less than ten years, in the case provided for in the second paragraph, and fifteen years, in the case provided for in the third paragraph.

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

Association for the purpose of illicit trafficking in narcotic drugs and psychotropic substances (art. 74 Presidential Decree 309/1990)

1. When three or more persons associate for the purpose of committing more than one of the crimes set forth in Article 73, the person who promotes, forms, directs, organizes or finances the association shall be punished for that alone by imprisonment of not less than twenty years.
2. Those who participate in the association shall be punished by imprisonment of not less than ten years.
3. The punishment is increased if the number of associates is ten or more or if the participants include persons engaged in the use of narcotic or psychotropic substances.
4. If the association is armed, the punishment, in the cases specified in paragraphs 1 and 3, may not be less than twenty-four years' imprisonment and, in the case specified in paragraph 2, twelve years' imprisonment. The association is considered armed when the participants have the availability of weapons or explosive materials, even if concealed or kept in a storage place.

5. The punishment is increased if the circumstance referred to in subparagraph (e) of paragraph 1 of Article 80 applies.
6. If the association is formed to commit the acts described in paragraph 5 Article 73, the first and second paragraphs Article 416 of the Criminal Code shall apply.
7. The punishments stipulated in paragraphs 1 to 6 shall be decreased by one-half to two-thirds for those who have effectively worked to secure evidence of the crime or to divert decisive resources from the association for the commission of the crimes.
8. When the offense provided for in Article 75 of Law No. 685 of December 22, 1975, repealed by Article 38, Paragraph 1 of Law No. 162 of June 26, 1990, is referred to in laws and decrees, the reference shall be understood as referring to this article.

Illicit production, trafficking and possession of narcotic or psychotropic substances (Article 73 Presidential Decree 309/1990)

1. Anyone who, without the authorization referred to Article 17, cultivates, produces, manufactures, extracts, refines, sells, offers or offers for sale, disposes of, distributes, trades in, transports, procures for others, sends, passes or ships in transit, delivers for any purpose narcotic or psychotropic substances listed in Table I provided for Article 14, shall be punished by imprisonment of six to twenty years and a fine of€ 26,000.00 to€ 260,000.00.
1a. With the same punishments as in Paragraph 1, anyone who, without the authorization referred to in Article 17, imports, exports, purchases, receives for any reason or otherwise unlawfully possesses: (a) narcotic or psychotropic substances that by quantity, in particular if exceeding the maximum limits indicated by decree of the Minister of Health issued in consultation with the Minister of Justice after consultation with the Presidency of the Council of Ministers - National Department for Anti-Drug Policies, or by the manner of presentation, having regard to the total gross weight or fractional packaging, or by other circumstances of the action, appear to be intended for use other than exclusively personal use;
(b) medicines containing narcotic or psychotropic substances listed in Table II, Section A, which exceed the prescribed amount. In the latter case, the above penalties are decreased by one-third to one-half.
2. Any person who, being in possession of the authorization referred to Article 17, unlawfully disposes of, places or procures that others place on the market the substances or preparations listed in Tables I and II referred to Article 14 , shall be punished by imprisonment for a term of six to twenty-two years and fine ranging from €26,000.00 to €300,000.00.
2a. The punishments referred to in Paragraph 2 shall also be applied in the case of illicit production or marketing of the basic chemicals and precursors referred to in Categories 1, 2 and 3 of Annex I to this Consolidated Text, which can be used in the clandestine production of the narcotic or psychotropic substances provided for in the tables in Article 14.
3. The same penalties apply to anyone who cultivates, produces or manufactures narcotic or psychotropic substances other than those established in the authorization decree.
4. When the conduct referred to in Paragraph 1 relates to the medicines included in Table II, Sections A, B and C, referred to in Article 14, and the conditions referred to in Article 17 are not met, the punishments stipulated therein shall be applied, decreased by one-third to one-half.
5. When, due to the means, manner or circumstances of the action or the quality and quantity of the substances, the acts provided for in this article are , the penalties of imprisonment of one to six years and a fine of€ 3,000.00 to€ 26,000.00 shall apply.
5. (omissis)
6. If the act is committed by three or more persons in conjunction with each , the punishment shall be increased.
7. The penalties stipulated in paragraphs 1 to 6 are decreased by one-half to two-thirds for those who take steps to prevent the criminal activity from being carried to further consequences, including by concretely assisting the police or judicial authority in the diversion of resources relevant to the commission of the crimes.

Maximum time limits for preliminary investigations (Article 407 of the Code of Criminal Procedure).

1. Except as provided Article 393, paragraph 4, the duration of the preliminary investigation shall not Can still exceed eighteen months.
2. However, the maximum duration shall be two years if the preliminary investigation concerns: a) following crimes: (omissis) 5) crimes of illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof, explosives, clandestine weapons as well as more common firing weapons excluding those provided for in Article 2, paragraph 3, of Law No. 110 of April 18, 1975. (omissis).

Common firearms and ammunition (Art. 2 Law No. 110 of April 18, 1975)
3. Lastly, those referred to as "room target" weapons, or gas-emitting weapons, as well as compressed air or compressed gas weapons, both long and short whose projectiles deliver a kinetic energy more than 7.5 joules, and rocket launchers are considered common firearms, unless they are weapons intended for fishing or weapons and instruments for which the advisory commission referred to in Article 6 excludes, in relation to their respective characteristics, the aptitude to cause offense to the person. (omissis)

Illegal manufacture, introduction into the state, offering for sale, transfer, possession and carrying in a public place or a place open to the public weapons of war or war-like weapons or parts , explosives, clandestine weapons as well as more common firearms (art. 407, para. 2 (a) (5), Criminal Code)
Article 24 ter of the Decree also recalls as predicate offenses the crimes of illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or open to the public of war or war-like weapons or parts of them, explosives, clandestine weapons as well as more common firing weapons excluding those provided for in Article 2, paragraph 3, of Law No. 110 of April 18, 1975, recalled by Article 407 of the Criminal Code, 2 paragraph, letter a), No. 5.

2. The cases of the crimes of Employment of third-country nationals whose stay is irregular (Art. 25 duodecies)

Provisions against illegal immigration (Art. 12, paras. 3, 3a, 3b, 5 d.lgs. 286/1998)
3. Unless the act constitutes a more serious crime, anyone who, in violation of provisions of this Unified Text, promotes, directs, organizes, finances or carries out the transportation of foreigners into the territory of the State or performs other acts aimed at illegally procuring entry into the territory of the State, or of another State of which the person is not a citizen or does not have the right of permanent residence, shall be punished by imprisonment for a term of five to fifteen years and fine of 15,000 euros for each person in the case where
a) the act concerns the illegal entry or stay in the territory of the state of five or more persons;
b) the person transported was exposed to danger to his life or safety in order to procure his illegal entry or stay;
c) the person was subjected to inhuman or degrading treatment to procure his or her illegal entry or stay.
d) the act is committed by three or more persons in complicity with each other or by using international transportation services or documents that are forged or altered or otherwise illegally obtained.
e) the perpetrators have the availability of weapons or explosive materials.

3-bis. If the acts referred to in Paragraph 3 are committed by recurring in two or more of the cases referred to in subparagraphs (a), (b), (c), (d) and (e) of the same Paragraph, the punishment therein shall be increased.

3-ter. The term of imprisonment shall be increased by one-third to one-half and a fine of€ 25,000 shall be imposed For each person if the facts in paragraphs 1 and 3:

a) are committed for the purpose of recruiting persons for prostitution or otherwise for sexual or labor exploitation or concern the entry of minors to be employed in illegal activities in order to facilitate their exploitation;

b) are committed for the purpose of profiting, even indirectly.

5. Outside the cases provided for in the preceding paragraphs, and unless the act constitutes a more serious crime, anyone who, in order to gain an unfair profit from the illegal condition of the foreigner or within the scope of the activities punishable under this article, facilitates the permanence of the foreigner in the territory of the State in violation of the provisions of this Consolidated Act, shall be punished by imprisonment of up to four years and a fine of up to thirty million lire. When the act is committed in complicity by two or more persons, or concerns the permanence of five or more persons, the punishment shall be increased from one third to one half.

Employment of third-country nationals whose stay is irregular (Article 22, paragraph 12-bis, Legislative Decree No. 286)

12. An employer who employs foreign workers without the residence permit provided for in this article, or whose permit has expired and whose renewal, revocation or cancellation has not been applied for within the legal terms, shall be punished by imprisonment from six months to three years and a fine of 5,000 euros for each worker employed.

12-bis. The penalties for the act provided for in paragraph 12 shall be increased from one-third to one-half:

a) If there are more than three workers employed;

b) If the employed workers are minors of non-working age;

c) Whether the employed workers are subjected to the other working conditions of special exploitation referred to in the third paragraph Article 603-bis of the Criminal Code.

3. The cases of transnational crimes

Criminal conspiracy (Article 416 of the Criminal

Code)

When three or more persons associate for the purpose of committing crimes, those promote or constitute or organize the association shall be punished, for that alone, by imprisonment of three to seven years. For merely participating in the association, the punishment shall be imprisonment from one to five years. Leaders shall be subject to the same punishment as established for promoters. If the associates run through the countryside or public streets in arms, imprisonment from five to fifteen years shall be applied. The punishment is increased if the number of associates is ten or more. If the association is aimed at committing any of the crimes referred to in Articles 600, 601 and 602, as well as in Article 12, paragraph 3-bis, of the Consolidated Text of the provisions concerning the regulation immigration and norms on the condition of the foreigner, referred to in Legislative Decree No. 286 of July 25, 1998, as well as in Articles 22, paragraphs 3 and 4, and 22-bis, paragraph 1, of Law No. 91 of April 1, 1999 imprisonment from five to fifteen years shall be applied in the cases provided for in the first paragraph and from four to nine years in the cases provided for in the second paragraph.

Mafia-type association (Article 416-bis of the Criminal Code).

Anyone who is a member of a mafia-type association consisting of three or more persons shall be punished by imprisonment of five to ten years. Those who promote, direct or organize the association are punished, therefore only, by imprisonment of seven to 12 years. An association is of the mafia type when those who are part of it make use of the intimidating force of the bond of association and the condition of subjugation and code of silence resulting from it to commit crimes, to directly or indirectly acquire the management or otherwise the

control of economic activities, concessions, authorizations, contracts and public services or to realize unjust profits or advantages for oneself or others or in order to prevent or hinder the free exercise of voting or to procure votes for oneself or others in electoral consultations. If the association is armed, the punishment of imprisonment from seven to fifteen years in the cases provided for in the first paragraph and from ten to twenty-four years in the cases provided for in the second paragraph shall apply. The association is considered armed when the participants have the availability, for the achievement of the purpose of the association, of weapons or explosive materials, even if concealed or kept in a storage place. If the economic activities of which the associates intend to assume or maintain control are financed in whole or in part with the price, product, or profit of crimes, the penalties established in the preceding paragraphs shall be increased by one-third to one-half. Confiscation of the things that served and were intended to commit the crime and the things that are the price, product, or profit thereof or that constitute use thereof shall always be mandatory against the convicted person. The provisions of this article shall also apply to the camorra and other associations, however locally named, which by availing themselves of the intimidating force of the bond of association pursue purposes corresponding to those of mafia-type associations.

Conspiracy to smuggle foreign tobacco (Article 291-quater Presidential Decree 43/73)

When three or more persons associate for the purpose of committing more crimes among those specified in Article 291-bis, those who promote, constitute, direct, organize or finance the association shall be punished, for that alone, by imprisonment of three to eight years. (2) Those who participate in the association shall be punished by imprisonment from one year to six years. 3. The punishment shall be increased if the number of associates is ten or more. 4. If the association is armed, or if the circumstances provided for in subparagraphs (d) or (e) of paragraph 2 Article 291-ter are met, the punishment of imprisonment from five to fifteen years shall be applied in the cases provided for in paragraph 1 this Article, and from four to ten years in the cases provided for in paragraph 2. The association shall be considered armed when the participants have the availability, for the achievement of the purposes of the association, of weapons or explosive materials, even if concealed or kept in a storage place. 5. The punishments provided for in Articles 291-bis, 291-ter and this article shall be decreased by one third to one half in respect of defendant who, disassociating from the others, takes steps to prevent the criminal activity from being carried to further consequences also by concretely helping police or judicial authority in the collection of decisive elements for the reconstruction of the facts and for the identification or capture of the perpetrators of the crime or for the identification of relevant resources for the commission of the crimes.

Association for the purpose of illicit trafficking in narcotic drugs and psychotropic substances (art. 74 Presidential Decree 309/90)

1. When three or more persons associate for the purpose of committing more crimes among those specified in Article 73, whoever promotes, constitutes, directs, organizes or finances the association shall be punished for that alone by imprisonment of not less than twenty years. A person who participates in the association shall be punished by imprisonment of not less than ten years. 3. The punishment shall be increased if the number of associates is ten or more or if the participants persons engaged in the use of narcotic or psychotropic substances. 4. If the association is armed, the punishment, in the cases indicated in paragraphs 1 and 3, may not be less than twenty-four years' imprisonment and, in the case provided for in paragraph 2, twelve years' imprisonment. The association is considered armed when the participants have the availability of weapons or explosive materials, even if concealed or kept in a storage place.
5. The punishment shall be increased if the circumstance referred to in subparagraph (e) of paragraph 1 Article 80. 6. If the association is formed to commit the acts described in paragraph 5 of Article 73, the first and second paragraphs Article 416 of the Criminal Code shall apply. 7. The punishments provided for in paragraphs 1 to 6 shall be decreased by one-half to two-thirds for those who have effectively worked to secure evidence of the crime or to take away from the association resources decisive for the

commission of the crimes. Where in laws and decrees the offense provided for Article 75 of Law No. 685 of December 22, 1975, repealed by Article 38, paragraph 1, of Law No. 162 of June 26, 1990, is referred to, the reference shall be understood as referring to this Article.

Provisions against illegal immigration (Art. 12, paras. 3, 3-bis, 3-ter, 5 d. lgs. 286/98)

Unless the deed constitutes a more serious crime, anyone who, in order to gain profit, even indirectly, performs acts aimed at procuring the entry of someone into the territory of the State in violation of the provisions of this Unified Text, or procuring the illegal entry into another State of which the person is not a citizen or does not have the right of permanent residence, shall be punished by imprisonment from four to fifteen years and a fine of €15,000.00 for each person. 3a. The punishments referred to in paragraphs 1 and 3 shall be increased if: a) the fact concerns the illegal entry or stay in the territory of the State of five or more persons; b) in order to procure the illegal entry or stay the person has been exposed to danger his life or safety; c) in order to procure the illegal entry or stay the person has been subjected to inhuman or degrading treatment. (ca) the act is committed by three or more persons in complicity with each other or by using international transportation services or documents that are forged or altered or otherwise illegally obtained. 3b. If the acts referred to in paragraph 3 are committed for the purpose of recruiting persons to be destined for prostitution or otherwise for sexual exploitation or concern the entry of minors to be employed in illegal activities in order to facilitate their exploitation, the term of imprisonment shall be increased by one-third to one-half and a fine of€ 25,000.00 euros shall be applied for each person. (omissis) 5. Outside the cases provided for in the preceding paragraphs, and unless the act constitutes a more serious crime, anyone who, in order to gain an unfair profit from the illegal condition of the foreigner or within the scope of the activities punished under this article, favors the permanence of the foreigner in the territory of the State in violation of the rules of this Consolidated Act, shall be punished by imprisonment of up to four years and a fine of up to€ 15,493.00. (omissis).

Inducement not to make statements or to make false statements to judicial authorities (Art. 377 bis)

Unless the act constitutes a more serious crime, anyone who, by means of violence or threats, or by offering or promising money or other benefits, induces a person called upon to make before the judicial authorities statements usable in criminal proceedings, when that person has the right to remain silent, not to make statements or to make false statements, shall be punished by imprisonment of two to six years.

Obstruction justice: aiding and abetting (art. 378 c.p.)

Whoever, after a crime was committed for which the law establishes the penalty of death or life imprisonment or imprisonment, and outside the cases of complicity in the same, aids any person in evading the investigations of the Authority, or in evading the searches of Authority, shall be punished by imprisonment of up to four years. When the crime committed is that provided for Article 416 bis, the punishment of imprisonment of not less than two years shall apply in each case. If these are crimes for which the law establishes a different penalty, or if they are contraventions, the penalty is a fine of up to €16.00. The provisions of this article shall also apply when the person aided is not chargeable or it appears that he did not commit the crime.

4. The cases of the crimes of receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering referred to in Legislative Decree 231/2001

Article 63, third paragraph, of Legislative Decree No. 231 of November 21, 2007introduced Article *25-octies* into the list of predicate offenses of administrative liability under Legislative Decree No. 231 of 2001providing for fines and prohibitory sanctions against the entity with reference to the crimes of receiving, laundering and using money, goods or utilities of illegal origin (crimes under Articles 648, *648-bis* and 648-ter of the Penal Code).

Art. 64, co. 1, lett. f), of the same regulation also repealed paragraphs 5 and 6 of Art. 10 of Law No. 146/2006, on combating transnational organized crime, which already provided for liability and sanctions against the entity under Leg. 231 of 2001 for the crimes of money laundering and use of money, goods or benefits of illicit origin (Articles *648-bis* and 648-ter of the Criminal Code), if characterized by the elements of transnationality, according to the definition contained in Article 3 of the same Law 146/2006.

As a result, Article *25-octies* of Legislative Decree No. 231 of 2001, the entity is now punishable for the crimes of receiving, laundering and using illicit capital, even if carried out in a purely "domestic" context, as long as an interest or advantage for the entity arises.

To this end, a description of the crimes referred to Article *25-octies* of Legislative Decree 231/2001 is given below.

Receiving stolen goods (art. 648 Penal Code)
Article 648 of the Criminal Code incriminates anyone who "outside the cases of complicity in the crime, purchases, receives or conceals money or things from any crime, or otherwise meddles in having them purchased, received or concealed." This is also provided for in relation to contraventions.
Acquisition should be understood to mean the effect of a negotiated activity, whether for free or for consideration, By which the agent achieves possession of the property.
The term receive would stand for any form of obtaining possession of the property from the crime, even if only temporarily or through mere complacency.
Concealment should mean hiding the property, after receiving it, from the crime.
Receiving stolen goods can also be accomplished by meddling in the purchase, receipt or concealment of the thing. Such conduct is externalized in any mediation activity, not to be understood in the civil law sense (as clarified by case law), between the principal offender and the third party purchaser.
The last paragraph of Article 648 of the Criminal Code extends punishability "even when the perpetrator of the crime, from which money or things come, cannot be charged or is not punishable, or when a condition of punishability referring to that crime is lacking."
The purpose of the incrimination of receiving stolen goods is to prevent the perpetration of the injury to property interests that began with the commission of the principal crime. Further aim of the incrimination is to prevent the commission of the main crimes, as a consequence of the limits placed on the circulation of the goods from these crimes.
Whoever acquires, receives or conceals money or things from any crime, or otherwise interferes in having them acquired, received or concealed, shall be punished by imprisonment of two to eight years and a fine of €516 to €10,329. The punishment shall be imprisonment of up to six years and a fine of up to €516 if the act is of particular tenuousness.

Money laundering (Article *648-bis* of the Criminal Code).
This crime consists of the act of anyone who "outside the cases of complicity in the crime, replaces or transfers money, goods or other utilities derived from crime; or performs in relation to them other transactions, so as to hinder the identification of their criminal origin." This offense is also provided for in relation to contraventions. The penalty consists of imprisonment from four to 12 years and a fine from€ 5,000 to€ 25,000.

The punishment is increased when the act is committed in the exercise of a professional activity and is decreased if the money, goods or other utilities come from a crime for which the punishment of imprisonment of less than a maximum of five years is established.
The provision is also applicable when the perpetrator of the crime, from which money or property originates, is not chargeable or punishable or when a condition of prosecution referring to that crime is missing. The act of a person who places obstacles in the way of the identification of the aforementioned property after it has been replaced or transferred is relevant.

Use of money, goods or utilities of illicit origin (Article 648-ter of the Criminal Code)
This is the crime committed by "anyone who, outside the cases of complicity in the crime and the cases provided for in Articles 648 of the Criminal Code (Receiving) and *648-bis* of the Criminal Code (Money Laundering), employs in economic or financial activities money or goods or other utilities crime." This crime is also provided for in relation to contravention cases.
Also in this case, the aggravating circumstance of carrying on a professional activity is provided for and the last paragraph of Article 648 is extended to the subjects, but the punishment is decreased if the act is of particular tenuousness.
The specific reference to the term "employ," which has a broader meaning than "invest," which presupposes use for particular purposes, expresses the meaning of "use anyway." Conversely, the reference to the concept of "activity" to indicate the area of investment (economics or finance) allows the exclusion of uses of money or other utilities that are occasional or sporadic in nature.
The specificity of the crime with respect to that of money laundering lies in the purpose of making the traces of the illicit origin of money, goods or other utilities disappear, pursued through the use of said resources in economic or financial activities.
The legislature intended to punish those mediated activities that, unlike money laundering, do not immediately replace assets from crime, but nevertheless contribute to the "cleaning up" of illicit capital.

Self-laundering (Article 648-ter-1 of the Criminal Code).
Art. 648 ter.1 of the Criminal Code incriminates "...anyone who, having committed or conspired to commit a crime, employs, substitutes, transfers, in economic, financial, entrepreneurial or speculative activities, the money, goods or other utilities from the commission of such crime, in such a way as to concretely hinder the identification of their criminal origin..." This offense is also provided for in relation to contraventions.
The punishment of imprisonment from two to eight years and a fine from 5,000 euros to 25,000 euros shall be applied to anyone who, having committed or conspired to commit a nonnegligent crime, employs, substitutes, transfers, in economic, financial, entrepreneurial or speculative activities, the money, goods or other utilities from the commission of such crime, in such a way as to concretely hinder the identification of their criminal origin. The punishment of imprisonment from one to four years and a fine from 2,500 euros to 12,500 euros shall apply when the act concerns money or things from a contravention punishable by imprisonment of more than one year in the maximum or six months in the minimum. The punishment is reduced if the money, goods or other utilities come from a crime for which the punishment of imprisonment of less than a maximum of five years is established. In any case, the punishments provided for in the first paragraph shall be applied if the money, goods or other utilities come from a crime committed with the conditions or purposes referred to in Article 416-bis 1. Outside the cases referred to in the preceding paragraphs, conduct whereby the money, goods or other utilities are intended for mere use or personal enjoyment shall not be punishable. The last paragraph Article 648 shall apply.

5. Anti-money laundering regulations

Legislative Decree 231/2007 stipulates specific obligations for those subject to anti-money laundering regulations, such as:

a. Of customer and beneficial owner due diligence with respect to relationships and Transactions inherent in the performance institutional or professional activity;
b. Storage of documents, data and information useful for preventing, detecting or ascertaining possible money laundering or terrorist financing activities;
c. Of refraining from establishing, performing or continuing the professional relationship or service in case of objective impossibility of customer due diligence;
d. Of reporting suspicious transactions to the Financial Intelligence Unit;
e. Of notification to the Ministry of Economy and Finance of breaches of the Provisions for limiting the use of cash;
f. Of continuing education for staff and associates
g. Information obligations with respect to the Financial Intelligence Unit and inspectors of the Ministry of Economy and Finance.

Article 46 of Legislative Decree 231/2007 (Reporting Obligations of Supervisory Bodies of Obligated Persons) stipulates that members of the Board of Statutory Auditors, Supervisory Board Management Control Committee at obligated persons shall compliance with the rules contained in the decree.

Such subjects must:

- Report, without delay to the legal representative or his delegate, potentially suspicious transactions of which they become aware in the course of their duties;
- Report, without delay, to the sector supervisory authorities and the administrations and bodies concerned, by reason of their respective attributions, facts that may constitute serious or repeated or systematic or multiple violations of the provisions of Title II of Legislative Decree 231/2007 and its implementing provisions, of which they become aware in the performance of their duties;
- To communicate, within thirty days, to the Ministry of Economy and Finance, infringements of the provisions Article 49, paragraphs 1, 5, 6, 7 and Article 50 of Legislative Decree No. 231/2007 of which they have notice and the other fulfillments provided for Article 14 of Law No. 689 of November 24, 1981, and for the immediate communication of the infringements also to the Guardia di Finanza, which, if it detects the usability of elements for purposes of assessment activities, promptly notifies the Revenue Agency.

6. Principles of behavior

The standard requires the existence of prohibition of:

- Maintain relationships, negotiate and/or enter into and/or execute contracts or acts with "at-risk" people;
- Granting utilities to "at-risk" people;
- Hiring "at-risk" people.

Persons "at risk" are defined as those natural and legal persons on the Reference Lists prepared by the European Union for the prevention of crimes with the purpose of terrorism and as a measure to prevent economic resources or services of any kind from being used to commit terrorist acts. These Lists: (a) are contained in Regulations of the European Union, published in the Official Bulletin of the European Union, and
(b) are disseminated by the Financial Intelligence Unit-FIFU established at the Bank Italy.

"Utilities" are defined as gifts, sponsorships, donations, social initiatives and entertainment expenses. The standard does not apply to acts of business courtesy that are of modest value and correspond to normal custom.

The above prohibitions can be waived if the two requirements mentioned below are formalized in a regulatory instrument:

- Authorization/approval by the relevant corporate functions and/or top management (or person delegated by them), with the formalization of the relevant justification;
- The preparation and filing of reports, detailed and substantiated for each and every transaction carried out with "at risk" persons and sent to top management and the Supervisory Board.

SPECIAL PART D - MARKET ABUSE

1. The cases of market abuse crimes and offenses referred to in Legislative Decree 231/2001

On September 29, 2018, Legislative Decree 107/2018, which brought our law into line with the provisions of EU Regulation 596/2014 on market abuse, came into force.

With specific reference to the administrative liability of entities under Legislative Decree 231/2001, the aforementioned legislative provision made changes to the articles of the TUF referred to Article 25 sexies (Market Abuse) with reference to both Criminal Sanctions (Chapter II TUF) namely, Art. 184 "Abuse of Information" and Art. 185 "Market Manipulation" and to Administrative Sanctions (Chapter III TUF), namely, Art. 187-bis "Abuse and Unlawful Communication of Inside Information" and Art. 187-ter "Market Manipulation."
In addition, Legislative Decree 107/2018, while not providing changes to Article 25-sexies of Legislative Decree 231/2001, amended the penalty regime applicable to entities under the TUF (former Article 187-quinquies).

In order to disclose knowledge of the essential elements of the individual offenses punishable under Legislative Decree No. 231/2001, the following is a brief description of the offenses set forth in Article 25-sexies of the Decree and the administrative offenses specified in Article 187-quinquies of Legislative Decree No. 58/1998 (hereinafter TUF, as amended by Legislative Decree Aug. 10, 2018,
No. 107, on "Rules for adapting national legislation to the provisions of EU Regulation No. 596/2014 (Market Abuse Regulation or "MAR"), attributable to so-called market abuse.

A) The crime of Insider Trading (ex Articles 184 and 187-bis of the T.U.F.).

Insider trading is regulated in the T.U.F. by Articles 184 as a crime and 187- *bis* as an administrative offense sanctioned by CONSOB. Under Article 184 T.U.F. ("*Abuse or unlawful communication of inside information. Recommendation or inducement of others to commit insider trading*."):

- It shall be punishable by imprisonment from two to twelve years and a fine from twenty thousand euros to three million euros for anyone who, being in possession of inside information by reason of his membership in the issuer's administrative, management or control bodies, participation in the issuer's capital, or the exercise of a job, profession or function, including public, or office:
  a) Buys, sells or engages in other transactions, directly or indirectly, for its own account or for the account of a third party, in financial instruments using the same information;
  b) Discloses such information to others outside the normal course of employment, profession, function or office or a market survey conducted pursuant Article 11 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014;
  c) Recommends or induces others, on the basis of them, to carry out any of the transactions specified in (a).

- The same punishment as in Paragraph 1 shall be applied to anyone who, being in possession of inside information by reason of the preparation or execution of criminal activities, commits any of the acts referred to in the same Paragraph 1.

- Outside the cases of complicity in the crimes referred to in paragraphs 1 and 2, it shall be punished imprisonment for a term of one year and six months to ten years and a fine of twenty thousand euros to two million euros and

five hundred thousand anyone who, being in possession of privileged information for reasons other than those specified in subsections 1 and 2 and knowing the privileged nature of such information, commits any of the acts referred to in subsection 1.

- In the cases referred to in paragraphs 1, 2 and 3, the penalty of a fine may be increased up to three times or up to the greater amount of ten times the proceeds or profit made from the offense when, due to the relevant offensiveness of the act, the personal qualities of the offender, or the amount of the proceeds or profit made from the offense, it appears inadequate even if applied in the maximum amount.

  The provisions of this Article shall also apply when the facts referred to in paragraphs 1, 2 and 3 relate to conduct or transactions, including bidding, related to auctions on an auction platform authorized as a regulated market for emission allowances or other related auctioned products, even when the auctioned products are not financial instruments within the meaning of Commission Regulation EU No. 1031/2010 of November 12, 2010.

Pursuant to Article 187-bis of the T.U.F ("Abuse and Unlawful Disclosure of Inside Information"):

- Without prejudice to criminal penalties when the act constitutes a crime, a fine ranging from twenty thousand euros to five million euros shall be on anyone who violates the prohibition against insider trading and unlawful disclosure of insider information set forth in Article 14 of Regulation (EU) No. 596/2014.
- The administrative pecuniary sanctions provided for in this article shall be increased up to three times or up to the greater amount of ten times the profit made or the losses avoided as a result of the offense when (taking into account the criteria listed in Article 194 bis of the T.U.F. and the magnitude of the product or profit of the offense) they appear inadequate even if applied in the maximum amount.
- For the cases provided for in this article, attempt is equated with consummation.

B) The crime of Market Manipulation (ex Articles 185 and 187-ter of the T.U.F.).

Pursuant Article 185 T.U.F. ("*Market Manipulation*"):

- Anyone who spreads false news or engages in simulated transactions or other artifices concretely capable of causing a significant alteration in the price of financial instruments shall be punished by imprisonment of two to twelve years and a fine of twenty thousand to five million euros.
- A person shall not be punishable who has committed the act by means of buy and sell orders or transactions made for legitimate reasons and in accordance with accepted market practices, pursuant Article 13 of Regulation (EU) No. 596/2014.
  The court may increase the fine up to three times or up to the greater amount of ten times the proceeds or profit made from the offense when, due to the relevant offensiveness of the act, the personal qualities of the offender, or amount of the proceeds or profit made from the offense, it appears inadequate even if applied in the maximum amount.

  Pursuant Article 187-ter T.U.F. ("Market Manipulation"):

- Without prejudice to criminal penalties when the act constitutes a crime, a fine of twenty thousand euros to five million euros shall be imposed on anyone who violates the prohibition against market manipulation set forth in Article 15 of Regulation (EU) No. 596/2014.
- The provision Article 187 bis, paragraph 5 of the T.U.F. shall apply, according to which the administrative pecuniary sanctions provided for in this article shall be increased up to three times or up to the greater amount of ten times the profit made or the losses

avoided as a result of the offense when they appear inadequate even when applied to the maximum extent.

- No administrative penalty may be imposed under this Article on a person who proves that he or she acted for legitimate reasons and in accordance with accepted market practices in the market concerned.

C) Administrative offenses under Article *187-quinquies* of the T.U.F.

Pursuant Article 187d of the T.U.F.:

1. The entity shall be punished with a fine of twenty thousand euros up to fifteen million euros, or up to fifteen percent of the turnover, when this amount is more than fifteen million euros and the turnover can be determined in accordance with Article 195, paragraph 1-bis, in the event that a violation of the prohibition set forth Article 14 or the prohibition set forth Article 15 of Regulation (EU) No. 596/2014 is committed in its interest or to its advantage:

a) By persons who hold positions of representation, administration or management of the entity or one of its organizational units with financial or functional autonomy as well as by persons who exercise, including de facto, the management and control of the entity;

b) By persons under the direction or supervision of one of the persons referred to in paragraph (a).

2. If, as a result of the commission of the offenses referred to in Paragraph 1, the product or profit made by the entity is significant, the penalty is increased up to ten times such product or profit.

3. The entity is not liable if it proves that the persons specified in Paragraph 1 acted solely in its own interest or that of third parties.

4. In relation to the offenses referred to in paragraph 1, Articles 6, 7, 8 and 12 of Legislative Decree No. 231 of June 8, 2001 shall apply, insofar as they are compatible. The Ministry of Justice shall make the observations referred to in Article 6 of Legislative Decree No. 231 of June 8, 2001, after consulting CONSOB, with regard to the offenses under this title.

2. Principles of conduct related to Market Abuse offenses

This document provides for the express prohibition of Corporate Bodies, members and managers-indirectly-employees, and Consultants and Business Partners-limited respectively to the obligations contemplated in the specific procedures and codes of conduct and in the specific clauses included in the contracts implementing the following principles of:

- Engage , collaborate in, or give cause to engage in conduct such that
  - considered individually or in combination-incorporate, directly or indirectly, the types of crimes and administrative offenses included among those considered above (*25-sexies* of Legislative Decree 231/2001 and *187-quinquies* of the T.U.F.);
- violate the corporate principles and procedures set forth or referred to in this document.

The above parties must scrupulously comply with all relevant laws and regulations and, in particular, to:

- Ensure the proper management of information, which can be defined as privileged
  Pursuant Article 181 T.U.F., concerning third parties.

In the context of the above behaviors, it is prohibited, in particular, to buy, sell or carry out other transactions on one's own behalf or on behalf of third parties using information, which can be defined as privileged within the meaning of Article 181 T.U.F., relating to clients or clients' financial instruments, and/or to recommend third parties to carry out such transactions, and/or to communicate such information to third parties outside the normal course of business.
For each of the significant operations identified in the "risk areas," the current system of delegation of authority, specific procedures and other control instruments under which:

- The formation of the acts and their authorization levels can be reconstructed;
- There is no subjective identity between those who make or implement decisions, those who are required to give accounting evidence of the transactions decided upon, and those who are required to carry out the controls on the same as required by law and control procedures;
- There is a security system for access to the Company's data must comply with the provisions of Legislative Decree 196 of 2003 and subsequent amendments and additions and implementing provisions;
- Documents pertaining to the Company's activities are filed and preserved in such a way that they cannot be subsequently modified, except with appropriate evidence; the same result must be pursued, by means of appropriate contractual provision, in cases in which the service of filing and/or preservation of documents is carried out, on behalf of the Company, by a person unrelated to it;
- Access to documents already archived, referred to in the previous two paragraphs, must be always justified and allowed only to authorized persons;
- Basic training activities are carried out, aimed at people who have or may have access to insider information, so that it is clear, and belongs to the heritage of each individual, that the misuse of an information acquired as part of a business function is contrary to the principles expressed in the EY Global Code of Conduct and the Conduct Guidelines.

SPECIAL PART E - HEALTH AND SAFETY

1. The cases of the crimes of manslaughter and grievous and very grievous bodily harm committed in violation of accident prevention and occupational hygiene and health protection regulations referred to in Legislative Decree 231/2001

Law No. 123 of August 3, 2007, Article *25-septies* into Legislative Decree 231/01, extending the entity's liability to crimes of manslaughter and serious and very serious negligent injury committed in violation of accident prevention regulations and the protection of hygiene and health at work.
The Council of Ministers On April 1, 2008, the Council of Ministers approved Legislative Decree No. 81/2008, implementing the delegation of authority in Article 1 of Law No. 123 of August 3, 2007, regarding the protection of health and safety in the workplace. The above decree was partially amended by Legislative Decree No. 106 of August 3, 2009.
The following is a brief description of the "predicate" offenses of the administrative responsibility of the company.

Manslaughter (Article 589 of the Criminal Code).
This case occurs when one culpably causes the death of a person with violation of the regulations for the prevention of accidents at work.

Grievous or very grievous bodily harm (Article 590, Paragraph 3, Criminal Code).
This case occurs when one negligently serious or very serious bodily injury to others with violation of the regulations for the prevention of accidents at work.
The crime, limited to acts committed in violation of regulations for the prevention of accidents at work or relating to occupational hygiene or which have resulted in an occupational disease, is prosecutable ex officio.
Under Article 583 of the Criminal Code, personal injury is:

- severe:
  - If an illness that endangers the life of the offended person results from the act, or an illness or inability to attend to ordinary occupations for a period exceeding forty days;
  - if the act produces the permanent impairment of a sense or organ;
- Most serious if it follows from the fact:
  - A disease that is certainly or probably incurable;
  - The loss of meaning;
  - The loss of a limb, or a mutilation that renders the limb useless, or the loss of the use of an organ or the ability to procreate, or a permanent and severe difficulty of speech;
  - Deformation, or permanent disfigurement of the face.

Exclusion of administrative liability of the company
Legislative Decree 81/2008, in Article 30, has indicated the characteristics and requirements that an organization and management model suitable for the exemption from administrative liability of legal persons, companies and associations, including those without legal personality, referred to in Legislative Decree No. 231 of June 8, 2001, must possess.
According to Art. 30 of Legislative Decree 81/2008, the organization and management model suitable to be effective in exempting legal persons from administrative liability under Leg.

231/2001 must be adopted and effectively implemented, ensuring a corporate system
For the fulfillment of all legal obligations related :

- Compliance with legal technical and structural standards related to equipment, facilities, workplaces, chemical, physical and biological agents;
- Activities of risk assessment and preparation of consequent prevention and protection measures;
- Activities of an organizational nature, such as emergencies, first aid, contract management, periodic safety meetings, and consultation with workers' safety representatives;
- Health surveillance activities;
- Worker information and training activities;
- Supervisory activities with reference to workers' compliance with safe work procedures and instructions;
- Acquisition of legally required documentation and certifications;
- Periodic reviews of application and effectiveness of the procedures adopted.

In addition, the organizational and management model must include:

- Appropriate systems for recording that the above activities have been carried out;
- An appropriate disciplinary system to punish non-compliance with the measures specified in the same;
- An autonomous system of supervision and control over the performance of the above activities. Finally, paragraph 5 of the same Article 30 provides that: "Upon first application, the business organization models defined in accordance with the UNI-INAIL Guidelines for an occupational health and safety management system (SGSL) of Sept. 28, 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements of the preceding paragraphs for the corresponding parts."

2. Principles of conduct related to occupational health and safety offenses

Members, Corporate Bodies, employees, consultants, and all recipients of the Model must comply with the fulfillments and obligations imposed by regulations to protect safety and hygiene at work.
The prevention of accidents and the protection of health and safety in the workplace is a fundamentally important requirement to protect its own human resources and third parties.
In this context, the Company is also committed to preventing and suppressing behaviors and practices that may have the effect of mortifying the employee in his or her professional abilities and expectations, or that result in his or her marginalization in the work environment, discrediting or harming his or her image.

Specifically, the basic principles and criteria on the basis of which decisions, regarding health and safety, are made are:

- Avoid risks
- Assess risks that cannot be avoided;
- Combat risks at the source;
- Adapt work to man, particularly in the design of workplaces and the choice of work equipment and work and production methods, especially to mitigate monotonous and repetitive work and to reduce the health effects of such work;
- Take into account the degree to which the technique has evolved;
- Replace what is dangerous with what is not dangerous or is less dangerous;

- Planning prevention, aiming for a coherent whole that integrates in the same technique, work organization, working conditions, social relations the influence of factors in the work environment;
- Give collective protective measures priority over individual protective measures;
- Give appropriate instructions to workers.

This special part provides for the express prohibition of Corporate Bodies, members and managers-indirectly-employees and Consultants and Business Partners and business brokers-limited, respectively, to the obligations contemplated in the specific procedures and codes of conduct and in the specific clauses included in the contracts implementing the following principles of:

- Engage , collaborate in, or give cause to engage in conduct such that
  - considered individually or collectively-incorporate, directly or indirectly, the types of crimes included among those considered above (Art. 25- *septies* of Legislative Decree 231/2001);
- Engage in conduct in violation of the corporate principles and procedures set forth in this special section.

SPECIAL PART F - COPYRIGHT INFRINGEMENT OFFENCES

1. The cases of copyright infringement crimes referred to in Legislative Decree no. 231/2001

Knowledge of the structure and methods of realization of the crimes, to the commission of which by the persons qualified under Art. 5 of Legislative Decree No. 231/2001 is connected with the regime of liability borne by the Company, is functional to the prevention of the crimes themselves and thus to the entire control system provided for by the Decree.

In order to divulge knowledge of the essential elements of the individual offenses punishable under Legislative Decree No. 231/2001, we provide below a brief description of the offenses referred to in Article 25-novies of Legislative Decree No. 231/2001:

Making available to the public, in a system of telematic networks, through connections of any kind, a protected intellectual work, or part of it (art. 171, l. 633/1941 paragraph 1 letter a) bis)
The incriminating provision punishes anyone who, without having the right to do so, for any purpose and in any form makes a protected intellectual work, or part thereof, available to the public by entering it into a system of telematic networks through connections of any kind.

Offenses under art.171, paragraph 1 committed on others' works not intended for publication if their honor or reputation is offended (art. 171, l. 633/1941 paragraph 3)
The punishment is imprisonment of up to one year or a fine of not less than 516 euros if the offenses referred to in Article 171, Paragraph 1 are committed over another person's work not intended for publicity, or with usurpation of the authorship of the work, or with deformation, mutilation or other modification of the work, if the honor or reputation of the author is offended.

Abusive duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or leasing of programs contained in media not marked by the SIAE; preparation of means to remove or circumvent the protection devices of computer programs (art. 171-bis, c. 1, l. 633/1941)
The offense punishes anyone who abusively duplicates, for profit, computer programs or for the same purposes imports, distributes, sells, possesses for commercial or business purposes or leases programs contained in media not marked by the Italian Society of Authors and Publishers (SIAE), even if the act concerns any means intended solely to allow or facilitate arbitrary removal or functional circumvention devices applied to protect a computer program

Reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public, of the contents a database; extraction or reuse of the ; distribution, sale or lease databases (Art. 171-bis, c. 2, l. 633/1941)
The offense punishes anyone who, for the purpose of profiting, on media not marked SIAE reproduces, transfers to another medium, distributes, communicates, presents or demonstrates in public the contents of a database in violation of the provisions of Articles 64-quinquies and 64-sexies, or performs the extraction or reuse of the database of

data in violation of the provisions of Articles 102-bis and 102-ter, or distributes, sells or leases a .

Abusive duplication, reproduction, transmission or public dissemination of intellectual works (*Art. 171-ter, L. 633/1941)*

It shall be punished, if the act is committed for non-personal use, with imprisonment from six months to three years and a fine from 2,582 to 15,493 euros for anyone for profit:

a) Unlawfully duplicates, reproduces, transmits or disseminates in public by any process, in whole or in part, an original work intended for the television, film, sale or rental circuit, discs, tapes or similar media or any other media containing phonograms or videograms of musical, cinematographic or audiovisual works assimilated or sequences of moving images;

b) Unlawfully reproduces, transmits or disseminates in public, by any process, works or parts of literary, dramatic, scientific or educational, musical or dramatic-musical, or multimedia works, even if included in collective or composite works or databases;

c) While not having taken part in the duplication or reproduction, introduces into the territory of the State, holds for sale or distribution, distributes, places on the market, rents or otherwise disposes of for any reason, projects in public, broadcasts by means of television by any process, broadcasts by means of radio, plays in public the illegal duplications or reproductions referred to in subparagraphs (a) and (b);

d) Holds for sale or distribution, places on the market, sells, rents, disposes of for any reason, projects in public, by radio or television by any process, videotapes, music cassettes, any media containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of moving images, or other media for which the affixing of a mark by the Italian Society of Authors and Publishers (S.I.A.E.), lacking the said mark or having a counterfeit or altered mark ;

e) In the absence of agreement with the lawful distributor, retransmits or disseminates by any means an encrypted service received by means of apparatus or parts of apparatus suitable for decoding conditional access transmissions;

f) Introduces into the territory of the State, holds for sale or distribution, distributes, sells, leases, transfers for any reason, commercially promotes, installs special decoding devices or elements that allow access to an encrypted service without payment of the due fee.

f-bis) Manufactures, imports, distributes, sells, rents, disposes of for any reason, advertises for sale or rent, or holds for commercial purposes, equipment, products or components or provides services that have predominant purpose or commercial use of circumventing effective technological measures referred to in Article 102-quater or are principally designed, produced, adapted or made for the purpose of enabling or facilitating the circumvention of said measures. Technological measures include those applied, or remaining, as a result of the removal of such measures as a result of the voluntary initiative of the rights holders or agreements between them and the beneficiaries of exceptions, or as a result of the enforcement of administrative or judicial authority orders;

(h) Unlawfully removes or alters the electronic information referred to in Article 102- quinquies, or distributes, imports for distribution, broadcasts by radio or television, communicates or makes available to the public works or other protected materials from which such electronic information has been removed or altered.

A term of imprisonment of one to four years and a fine of 2,582 to 15,493 euros shall be imposed on any person who:

a) Unlawfully reproduces, duplicates, transmits or disseminates, sells or otherwise places on the market, transfers for any reason or unlawfully imports more than fifty copies or specimens of works protected by copyright and related rights;

a-bis) In violation of Article 16 l. 633/1941, for profit, communicates to the public by placing it in a system of telematic networks, through connections of any kind, an original work protected by copyright, or part of it;
b) Exercising in an entrepreneurial form activities of reproduction, distribution, sale or marketing, importation of works protected by copyright and related rights, is guilty of the acts provided for in Paragraph 1;
c) Promotes or organizes the illegal activities referred to in paragraph 1. The punishment is lessened if the act is of particular tenuousness.

Conviction for any of the offenses stipulated in Paragraph 1 entails:
a) The application of the ancillary penalties in Articles 30 and 32-bis of the Criminal Code;
b) The publication of the judgment in one or more newspapers, at least one of which has a national circulation, and in one or more specialized periodicals;
c) The suspension for a period of one year of the radio and television broadcasting concession or authorization to engage in production or commercial activity.

The amounts resulting from the application of the fines provided for in the preceding paragraphs shall be paid to the National Welfare and Assistance Board for Painters and Sculptors, Musicians, Writers and Dramatic Authors.

Failure to notify the SIAE of the identification data unmarked media or false declaration *(Art. 171-septies, L. 633/1941)*
The penalty Article 171-ter, paragraph 1 also applies:
a) To the producers or importers of the media not subject to the marking referred to Article 181- bis l. 633/1941, who do not communicate to the SIAE within thirty days from the date of placing on the market in the national territory or importing the data necessary for the unambiguous identification of the media;
b) Unless the act constitutes a more serious crime, to anyone who falsely declares that he has fulfilled the obligations set forth in Article 181-bis, paragraph 2 of this law.

Fraudulent production, sale, import, promotion, installation, modification, and use for public and private use of equipment or parts of equipment suitable for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analog and digital form (Art. 171-octies, L. 633/1941)
If the act does not constitute a more serious crime, a term of imprisonment from six months to three years and a fine from 2,582 euros to 25,822 euros shall be imposed on anyone who, for fraudulent purposes, manufactures, offers for sale, imports, promotes, installs, modifies, or uses for public and private use equipment or parts of equipment suitable for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analog and digital form. Conditional access is understood to mean all audiovisual signals transmitted by Italian or foreign broadcasters in such a form as to make the same visible exclusively to closed groups of users selected by the subject making the signal emission, regardless of the imposition of a fee for the use of such service.
The punishment is not less than two years' imprisonment and a fine of 15,493 euros if the act is of significant gravity.

SPECIAL PART G - INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKING FALSE STATEMENTS JUDICIAL AUTHORITIES

1. The crime of inducing not to make statements or to make False statements to the Judicial Authority referred to in Legislative Decree No. 231/2001

Knowledge of the structure and methods of realization of the crimes, to the commission of which by the persons qualified under Art. 5 of Legislative Decree No. 231/2001 is connected with the regime of liability borne by the Company, is functional to the prevention of the crimes themselves and thus to the entire control system provided for by the Decree.

In order to divulge knowledge of the essential elements of the individual cases of crimes punishable under Legislative Decree No. 231/2001, we give below a brief description of the crimes referred to Article 25-decies introduced into Legislative Decree No. 231/2001 by Law 116/09 of August 3, 2009 (Article 4).

Inducement not to make statements or to make false statements to the authority judicial (art. 377-bis c.p.)

Unless the act constitutes a more serious crime, anyone who, by violence, or threat, or by offering or promising money or other benefits, induces a person called upon to make, before the judicial authority, statements usable in criminal proceedings, or to make false statements, when the person has the right to remain silent, shall be punished by imprisonment of two to six years.

SPECIAL PART H - COMPUTER CRIMES AND UNLAWFUL DATA PROCESSING

1. The cases computer crimes referred to Legislative Decree No. 231/2001

Law No. 48 of March 18, 2008 introduced Article 24 bis into the text of Legislative Decree 231/01, according to which
Which:

1. In relation to the commission of the crimes set forth in Articles 615-ter, 617-quater, 617- quinquies, 635-bis, 635-ter, 635-quater and 635-quinquies of the Penal Code, a fine of one hundred to five hundred quotas shall be imposed on the entity.
2. In relation to the commission of the crimes referred to in Articles 615-quater and 615-quinquies of the Criminal Code, a fine of up to three hundred quotas shall be imposed on the entity.
3. In relation to the commission of the crimes referred to in Articles 491-bis and 640-quinquies of the Criminal Code, except as provided Article 24 of this Decree for cases of computer fraud to the detriment of the State or other public entity, a fine of up to four hundred quotas shall be imposed on the entity.
4. In cases of conviction for one of the crimes indicated in paragraph 1, the disqualification sanctions provided for in Article 9, paragraph 2, letters a), b) and e) apply. In cases of conviction for one of the crimes indicated in paragraph 2, the disqualification sanctions provided for in Article 9, paragraph 2, letters b) and e) apply. In cases of conviction for one of the crimes indicated in paragraph 3, the disqualification penalties provided for in Article 9, paragraph 2, letters c), d) and e) shall apply."

The following is a description of the offenses referred to Article 24-bis.

Computer documents (Article 491 -bis of the Criminal Code)
"If any of the forgeries provided for in this Chapter concerns a public or private computer document having evidentiary effect, the provisions of this Chapter concerning public deeds and private contracts, respectively, shall apply."
The above-mentioned standard gives criminal value to the commission of crimes of forgery through
The use of computer documents; the forgery crimes referred to are as follows:

- *Material forgery committed by public official in public deeds (art. 476, Criminal Code*): "A public official who, in the performance of his duties, forms, in whole or in part, a false deed or alters a true deed, shall be punished by imprisonment from one to six years. If the forgery relates to a deed or part of a deed, which is authentic until a false claim is made, the imprisonment shall be from three to ten years."
- *Material forgery committed by a public official in certificates or administrative authorizations (Article 477 of the Criminal Code)*: "A public official who, in the performance of his duties, forges or alters certificates or administrative authorizations, or, by means of forgery or alteration, makes it appear that the conditions required for their validity have been fulfilled, shall be punished by imprisonment from six months to three years."
- *Material forgery committed by a public official in certified copies of public or private deeds and in attestations of the contents of deeds (Article 478 of the Criminal Code)*: "A public official who, in the performance of his duties, supposing a public or private deed to exist, simulates a copy and issues it in a legal form, or issues a copy of a public or private deed different from the original, shall be punished by imprisonment from one to four years. If the forgery relates to a deed or part of a deed, which is authentic until suit is filed, imprisonment shall be from three to eight years. If the forgery is committed by the public official in an attestation on the contents of acts, public or private, the punishment shall be imprisonment from one to three years."

- *Ideological forgery committed by public official in public deeds (Article 479 of the Criminal Code)*: "A public official who, when receiving or forming a deed in the performance of his duties, falsely attests that a fact was performed by him or took place in his presence, or attests as having been received by him statements not made to him, or omits or alters statements received by him, or otherwise falsely attests to facts of which the deed is intended to prove the truth, shall be subject to the penalties set forth Article 476."
- *Ideological forgery committed by a public official in certificates or administrative authorizations (Art. 480, Criminal Code)*: "A public official who, in the performance of his duties, falsely attests, in certificates or administrative authorizations, facts of which the act is intended to prove the truth, shall be punished by imprisonment from three months to two years."
- *Ideological forgery in certificates committed by persons exercising a service of public necessity (Article 481 of the Criminal Code)*: "Whoever, in the exercise of a health or forensic profession, or of another service of public necessity, falsely attests, in a certificate, facts of which the act is intended to prove the truth, shall be punished by imprisonment of up to one year or a fine of€ 51.00 to€ 516.00. These penalties shall be applied jointly if the act is committed for profit."
- *Material forgery committed by a private individual (Article 482 of the Criminal Code):* "If any of the facts provided for in Articles 476, 477 and 478 are committed by a private individual, or by a public official outside the performance of his duties, the penalties established in the said articles, reduced by one third, shall be applied respectively."
- *Ideological forgery committed by a private individual in a public* deed *(Article 483 of the Criminal Code):* "Whoever falsely attests to a public official, in a public deed, facts of which the deed is intended to prove the truth, shall be punished by imprisonment for a term of up to two years. If it is a matter of false attestation in civil status records, the imprisonment may not be less than three months."
- *Forgery of records and notifications (Article 484 of the Criminal Code):* "Whoever, being obliged by law to make records subject to the inspection of the Public Security Authority, or to make notifications to the same Authority about his industrial, commercial or professional operations, writes or allows to be written false information shall be punished by imprisonment of up to six months or a fine of up to €309.00."
- *Forgery of a private writing (Article 485 of the Criminal Code):* "Whoever, in order to procure for himself or others an advantage or to cause damage to others, forms, in whole or in part, a false private writing, or alters a true private writing, shall be punished, if he makes use of it or allows others to make use of it, with imprisonment from six months to three years. Additions falsely made to a true writing after it was finally formed shall also be considered alterations."
- *Forgery of a signed blank sheet of paper. Private deed (Article 486 of the Criminal Code)*: "Whoever, in order to procure for himself or others an advantage or to cause damage to others, abusing a signed blank sheet of paper, of which he has possession by a title that implies obligation or power to fill it in, writes or causes to be written thereon a private deed productive of legal effects, other than that to which he was obligated or authorized, shall be punished, if he makes use of the sheet or allows others to make use of it, by imprisonment from six months to three years. A paper on which the subscriber has left blank any space intended to be filled in shall be deemed to be signed in blank."
- *Forgery of a signed blank sheet of paper. Public Act (Article 487 of the Criminal Code):* "A public official, who, abusing a signed blank sheet of paper, of which he has possession by reason of his office and by a title importing the obligation or power to fill it, writes or causes to be written on it a public act other than that to which he was obliged or authorized, shall be subject to the penalties respectively established in Articles 479 and 480."
- *Other forgeries on blank signed sheet. Applicability of provisions on material falsity (Article 488 of the Criminal Code)*: "To cases of forgery on a signed blank sheet other than those

provided for in the preceding two articles, the provisions on material falsities shall apply In public deeds or private writings."

- *Use of a false* deed *(art. 489 Penal Code):* "Whoever, without being an accomplice in the forgery, makes use of a false deed is subject to the penalties established in the preceding articles, reduced by one third. In the case of private writing, whoever commits the act is punishable only if he has acted in order to procure for himself or others an advantage or to cause damage to others."
- *Suppression, destruction and concealment of true deeds (Article 490 of the Criminal Code)*: "Whoever, in whole or in part, destroys, suppresses or conceals a true public deed or private writing shall be subject respectively to the punishments set forth in Articles 476, 477, 482 and 485, according to the distinctions therein. The provision of the paragraph of the preceding article shall apply."
- *Authentic copies that take the place of missing originals (art. 492, Criminal Code)*: "For the purposes of the preceding provisions, the designation 'public deeds' and 'private writings' shall include original deeds and authentic copies thereof, when by law they take the place of missing originals."
- *Falsehoods committed by public employees in charge of a public service (Article 493 of the Criminal Code)*: "The provisions of the preceding articles on falsehoods committed by public officials shall also apply to employees of the State, or of another public entity, in charge of a public service with respect to the acts they draw up in the exercise of their powers."

Unauthorized access to a computer or telematic system (Article 615-ter of the Criminal Code).
The crime is committed by anyone who illegally enters a computer or telematic system protected by security measures or remains there against the express or tacit will of those who have the right to exclude him.

Unauthorized possession, dissemination, and installation of equipment, codes, and other means designed to Access to computer or telematic systems (Article 615-quater of the Criminal Code).
Whoever, in order to procure for himself or others a profit or to cause damage to others, illegally procures, possesses, produces, reproduces, disseminates, imports, communicates, delivers, otherwise makes available to others or installs apparatus, instruments, parts of apparatus or instruments codes, passwords or other means suitable for access to a computer or telematic system, protected by security measures, or otherwise provides indications or instructions suitable for the aforementioned purpose, shall be punished by imprisonment of up to two years and a fine of up to 5.164 euros.
The penalty is imprisonment of one to three years and a fine of 5,164 euros to 10,329 euros if any of the circumstances referred to in the fourth paragraph Article 617-quater are met.

Possession, dissemination and abusive installation of computer equipment, devices or programs aimed at damaging or disrupting a computer or telecommunications system (Article 615-quinquies of the Criminal Code)
The crime is committed by anyone who, for the purpose of unlawfully damaging a computer or telecommunications system, the information, data or programs contained therein or pertaining to it, or to facilitate the total or partial interruption or alteration of its operation, unlawfully obtains, possesses, produces, reproduces, imports, disseminates, communicates, delivers orotherwise, makes available to others or installs computer equipment, devices or programs.

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

Whoever fraudulently intercepts communications relating to a computer or telecommunications system or between several systems, or prevents or interrupts them, shall be punished by imprisonment of six months to four years from one year and six months to five years.

Unless the act constitutes a more serious crime, the same punishment shall apply to anyone who discloses by any means of information to the public, in whole or in part, the contents of the communications referred to in the first paragraph.

The crimes referred to in the first and second paragraphs are punishable on complaint by the offended person. However, they shall be prosecuted ex officio and the punishment shall be imprisonment for one to five years from three to eight years if the act is committed:

1) to the detriment of a computer or telematic system used by the State or other public entity or enterprise exercising public services or public necessity;

2) by a public official or a person in charge of a public service, with abuse of power or with violation of the duties inherent in the function or service, or with abuse of the capacity of a system operator;

3) By those who also illegally practice as private investigators.

Unauthorized possession, dissemination and installation of equipment and other means to intercept, prevent or interrupt computer or telematic communications **(Article 617- quinquies of the Criminal Code)**

Whoever, outside the cases permitted by law, installs equipment suitable for the purpose of intercepting communications relating to a computer or telematic system or between several systems, or to prevent or interrupt them, procures, possesses, produces, reproduces, disseminates, imports, communicates, delivers otherwise makes available to others or installs equipment, programs, codes, passwords or other means for intercepting, preventing or interrupting communications relating to a computer or telecommunications system or between several systems, shall be punished by imprisonment of one to four years.

The punishment shall be imprisonment from one to five years in the cases provided for in fourth paragraph of Article
617-quater.

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

The crime, unless the act constitutes a more serious offence, consists in the destruction, deterioration, deletion, alteration or suppression of information, data or computer programs of others, by anyone carried out.

Damage to information, data and computer programs used by the State or other Public Entity or otherwise of public utility (Article 635-ter of the Criminal Code)

The crime, which may be committed by anyone, consists, unless the act constitutes a more serious crime, in the commission of an act directed at destroying, deteriorating, erasing, altering or suppressing information, data or computer programs used the State or other public entity or pertaining to them, or otherwise of public utility.

Damage to computer and information systems (Article 635-quater of the Criminal Code).

The crime, unless the act constitutes a more serious offense, is committed by anyone who, through the conduct referred to Article 635 - bis of the Criminal Code, or through the introduction or transmission of data, information or programs, destroys, damages, renders, in whole or in part, unserviceable computer or telematic systems of others or seriously hinders their operation.

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

The crime is committed if the act referred to in Article 635-quater of the Criminal Code is aimed at destroying, damaging, making, in whole or in part, unserviceable computer or telematic systems of public utility or seriously hindering their operation.

Computer fraud of the person providing electronic signature certification services (Article 640-quinquies of the Criminal Code)
The crime is committed by the person who provides electronic signature certification services, who, in order to procure for himself or others an unjust profit or to cause damage to others, violates the obligations prescribed by law for the issuance of a qualified certificate.

Art. 1 paragraph 11 Decree Law 105/2019 Urgent provisions on the perimeter of national cybersecurity[27]
Whoever, for the purpose of hindering or conditioning the performance of the procedures provided for in paragraph 2 (b) (census of networks, information systems and information technology services including architecture and components), or paragraph 6 (a) (procurement of ICT goods and services and related testing), or of the inspection and supervisory activities provided for in paragraph 6 (b)
(c) (implemented by the Presidency of the Council of Ministers or the Ministry of Economic Development), provides untrue information, data or factual elements relevant for the preparation or updating of the lists referred to in paragraph 2), letter b) (networks, information systems and computer services) or for the purposes of the required communications or for carrying out the inspection and supervisory activities referred to in paragraph 6), letter c) or fails to communicate within the prescribed time limits the aforementioned data, information or factual elements, shall be punished by imprisonment from one to three years and the entity, responsible under Legislative Decree June 8, 2001, no. 231, shall be subject to a fine of up to four hundred quotas.

[27] The full assessment regarding applicability of this offence will be subject to the publication, by a decree of Prime Minister, adopted on the proposal of the Interministerial Committee for Security of the Republic (CISR), of the list of public administrations, entities and national operators, included in the perimeter of national cybersecurity and required to comply with the measures and obligations provided for in Decree-Law No. 105

SPECIAL PART I - CRIMES OF CORRUPTION BETWEEN PRIVATE INDIVIDUALS

1. The cases of offenses related to corruption in the private sector referred to Legislative Decree No. 231/2001

Knowledge of the structure and methods of realization of the crimes, to the commission of which by the persons qualified under Art. 5 of Legislative Decree No. 231/2001 is connected with the regime of liability borne by the Company, is functional to the prevention of the crimes themselves and thus to the entire control system provided for by the Decree.

In order to divulge knowledge of the essential elements of the individual cases of crimes punishable under Legislative Decree No. 231/2001, we provide below a brief description of the crimes referred to in Article 25 ter (corporate crimes with reference to bribery among private individuals).

Bribery among private individuals (art. 2635 civil code).
Unless the act constitutes a more serious crime, directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators of companies or private entities, who, including through third parties, solicit or receive, for themselves or others, undue money or other benefits, or accept the promise thereof, in order to perform or omit an act in violation of the obligations inherent in their office or obligations of loyalty, shall be punished by imprisonment of one to three years.
The same punishment shall be applied if the act is committed by a person who in the organizational sphere of company or private entity exercises management functions other than those proper to the persons referred to in the preceding sentence.
The punishment of imprisonment of up to one year and six months shall apply if the act is committed by a person who is subject to the direction or supervision of one of the persons specified in the first paragraph.
A who, including through an intermediary, offers, promises or gives money or other benefits not due to the persons specified in the first and second paragraphs shall be punished by the penalties specified therein.
The penalties established in the preceding paragraphs shall be doubled if they are companies with securities listed on regulated markets in Italy or other European Union states or widely circulated among the public pursuant to Article 116 of the Consolidated Text of Provisions on Financial Intermediation, referred to in Legislative Decree No. 58 of February 24, 1998, as amended.
Notwithstanding the provisions Article 2641, the measure of confiscation for equivalent value may not be less than the value of the utilities given, promised or offered.

Incitement to bribery among private individuals (Article 2635-bis of the Civil Code).
Anyone who offers or promises undue money or other benefits to directors, general managers, managers in charge of drafting corporate accounting documents, auditors liquidators, of companies or private entities, as well as to those who perform work in them with the exercise of management functions, so that they perform or omit an act in violation of the obligations inherent to their office or obligations of loyalty, shall be subject, if the offer or promise is not accepted, to the penalty established in the first paragraph Article 2635, reduced by one third. The punishment set forth in the first paragraph shall apply to directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of private companies or entities, as well as to those who work in them with exercise of management functions, who solicit for themselves or others, including through a third , a promise or giving of money or other benefits, to perform or omit an act in violation of the obligations inherent to their office or obligations of loyalty, if the solicitation is not accepted.

2. Principles of anti-corruption behavior

In carrying out all activities on behalf of EY Advisory S.p.A. the Corporate Bodies, managers and employees are required to comply with the provisions contained in the corporate procedures applicable to them, the EY Global Code of Conduct and the Conduct Guidelines, with particular reference to the prohibition of corrupt practices.
In this sense, the Global Anticorruption Policy, already referred to in Section 2.9 of the General Part, must be considered a priority guiding tool in the fight against corruption, including in the private sphere, as:

- Defines the concepts of bribery and facilitation payments;
- Identifies as prohibited the offer, payment, donation, request or acceptance, directly or indirectly, of bribes in any form, including facilitation payments, by EY personnel and working for EY;
- Provides an obligation for any person belonging to EY to immediately report any request for a bribe to the national or regional General Counsel;
- Prohibits the making of false, misleading or artificial records, including concealment of the purpose or nature of payments, gifts or acts of representation, whether given or received;
- Provides that when employing agents, consultants or other third parties, it is the responsibility of EY staff:
    - Ensure that agents consultants and other third parties acting on behalf of EY understand and comply with the EY Anti-Bribery Policy;
    - Carry out an appropriate verification process so as to make sure that commissions or fees are not used to commit corrupt acts;
- Provides reporting requirements to the domestic or international General Counsel in the event that:
    - Suspects that another EY employee, or another person acting for or on behalf of EY, may be engaging in conduct in violation of the EY Global Anti-Corruption Policy;
    - Receives an inappropriate request for payment, or an inappropriate offer of payment, in violation of the EY Global Anti-Bribery Policy.

SPECIAL PART L - TAX OFFENCES

1. The cases Tax Crimes referred to Legislative Decree No. 231/2001.

Law No. 157/2019 introduced into text of Legislative Decree 231/01 Article 25 *quinquiesdecies*, which provides for new tax crimes in the list of predicate offenses from which the administrative liability of Entities derives
We give below a brief description of the crimes referred to in Article 25- quinquesdecies of Legislative Decree No. 231/2001:

Fraudulent declaration through the use of invoices or other documents for nonexistent transactions (Article 2 of Legislative Decree No. 74/2000)

1. A term of imprisonment of four to eight years shall be imposed on anyone who, for the purpose of evading income or value-added taxes, using invoices or other documents for nonexistent transactions, indicates fictitious taxable items in one of the returns relating to such taxes.

2. The act is considered committed by using invoices or other documents for nonexistent transactions when such invoices or documents are recorded in mandatory accounting records, or are held for evidence against the tax authorities.

2-bis. If the amount of the fictitious passive elements is less than one hundred thousand euros, imprisonment from one year and six months to six years apply.

Fraudulent declaration by means of other artifices (Art. 3 Legislative Decree No. 74/2000)

1. Apart from the cases provided for Article 2, a term of imprisonment of three to eight years shall be punished by imprisonment for anyone who, in order to evade income tax or value-added tax, by carrying out simulated transactions objectively or subjectively or by making use of false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities, indicates in one of the declarations relating said taxes assets in an amount lower than the actual amount or fictitious liabilities or fictitious credits and deductions, when, jointly

a) The tax evaded exceeds, with reference to any of the individual taxes, thirty thousand euros;

b) The total amount of assets deducted from taxation, including through the indication of fictitious passive elements, is more than five percent of the total amount of the assets indicated in the declaration, or in any case, is more than one million five hundred thousand euros, or if the total amount of fictitious credits and deductions from tax, is more than five percent of the amount of the tax itself or in any case, is more than thirty thousand euros.

2. The act shall be deemed committed by using false documents when such documents are recorded in mandatory accounting records or are held for evidence against the tax authorities.

3. For purpose of the application of the provision of Paragraph 1, mere violation of the obligations to invoice and record assets in accounting records or mere indication in invoices or records of less than actual assets do not constitute fraudulent means.

Misrepresentation (Article 4 of Legislative Decree 74/2000).

Outside the cases provided for in Articles 2 and 3, a term of imprisonment from two years to four years and six months shall be imposed on anyone who, for the purpose of evading income or value-added taxes, indicates in one of the annual returns relating to such taxes assets in an amount less than the actual amount or non-existent liability items, when, jointly

a) the tax evaded is more than, with reference to some of the individual taxes, one hundred thousand euros;

b) the total amount of assets from taxation, including through the indication of non-existent passive elements, is more than ten percent of the total amount of assets indicated in the declaration, or, in any case, is more than two million euros.
For the purpose of application of the provision of paragraph 1, incorrect classification, valuation of objectively existing assets or liabilities, with respect to which the criteria concretely applied were nevertheless indicated in the financial statements or other documentation relevant for tax purposes, violation of the criteria for determining the accrual year, non-inherence, non-deductibility of real passive elements are not taken into account.
Outside the cases referred to in paragraph 1-bis, assessments that taken together, differ by less than 10 percent from the correct assessments do not give rise to punishable acts. Amounts included in this percentage shall not be taken into account when verifying that the punishability thresholds provided for in subsection 1(a) and (b) are exceeded.

If committed as part of cross-border fraudulent schemes and for the purpose of evading value-added tax for a total amount of not less than ten million euros, a fine of up to three hundred shares shall be imposed on the entity.

There is also punishability to the hypothesis of attempt, when carried out transnationally (within the European Union) and if committed for the purpose of evading value-added tax for an amount of not less than ten million euros.

Failure to declare (Art. 5 of Legislative Decree 74/2000)
Punishable by imprisonment for a term of two to five years shall be anyone who, for the purpose of evading income or value-added taxes, fails to file, being obligated to do so, one of the returns relating to such taxes, when the tax evaded is more, with reference to any of the individual taxes, than fifty thousand euros.
A penalty of imprisonment from two to five years shall be imposed on anyone who fails to file, being obligated to do so, a withholding tax return, when the amount of unpaid withholding taxes exceeds fifty thousand euros.
For the purposes of the provision of paragraphs 1 and 1-bis, a declaration submitted within ninety days of the deadline or not signed or not made on a printout conforming to the prescribed form shall not be considered omitted.

If committed as part of cross-border fraudulent schemes and for the purpose of evading value-added tax for a total amount of not less than ten million euros, a fine of up to three hundred shares shall be imposed on the entity.

Issuance of invoices or other documents for nonexistent transactions (Article 8 of Legislative Decree No. 74/2000)
1. A term of imprisonment of four to eight years shall be imposed on anyone who, in order to enable third parties to evade income tax or value-added tax, issues or issues invoices or other documents for nonexistent transactions.
2. For purpose of the application of the provision under Paragraph 1, the issuance or issuance of multiple invoices or documents for nonexistent transactions during the same tax period shall be considered as one offense.
2-bis. If the untrue amount stated in the invoices or documents, per tax period, is less than one hundred thousand euros, imprisonment from one year and six months to six years shall apply.

Concealment or destruction of accounting documents (Art. 10 Legislative Decree No. 74/2000)
1. Unless the act constitutes a more serious crime, it shall be punished by imprisonment for a term of three to seven years for anyone who, in order to evade income tax or value-added tax, or to enable evasion by third parties, conceals or destroys all or part of the accounting records or documents of

whose storage is mandatory, so that income or turnover cannot be reconstructed.

Undue compensation (Art.10-quater of Legislative Decree 74/2000)
A penalty of imprisonment from six months to two years shall be imposed on any person who fails to pay the amounts due by , pursuant to Article 17 of Legislative Decree No. 241 of July 9, 1997, undue credits in excess of fifty thousand euros annually as compensation.
A penalty of imprisonment from one year and six months to six years shall be imposed on anyone who fails to pay the amounts due by using non-existent credits in compensation, pursuant to Article 17 of Legislative Decree No. 241 of July 9, 1997, for an annual amount exceeding fifty thousand euros.

If committed as part of cross-border fraudulent schemes and for the purpose of evading value-added tax for a total amount of not less than ten million euros, a fine of up to three hundred shares shall be imposed on the entity.

Fraudulent evasion of tax payment (Art. 11 Legislative Decree No. 74/2000)
1. Punishment shall be imprisonment from six months to four years for anyone who, in order to evade the payment of income or value-added taxes or interest or administrative penalties relating to said taxes in the total amount exceeding fifty thousand euros, simulously alienates or performs other fraudulent acts on his own or others' property suitable to render the compulsory collection procedure ineffective in whole or in part. If the amount of taxes, penalties and interest exceeds two hundred thousand euros, imprisonment from one year to six years shall apply.
2. A punishment of imprisonment from six months to four years shall be imposed on anyone who, in order to obtain for himself or others a partial payment of taxes and related accessories, indicates in the documentation submitted for the purposes of the tax settlement procedure assets in an amount lower than the actual amount or fictitious liabilities in a total amount exceeding fifty thousand euros. If the amount referred to in the previous period exceeds two hundred thousand euros, imprisonment from one year to six years shall be applied.

SPECIAL PART M - CRIMES AGAINST THE INDIVIDUAL PERSONALITY AND OF RACISM AND XENOPHOBIA

1. The cases of crimes against the individual personality referred to in Legislative Decree No. 231/2001

Knowledge of the structure and methods of realization of the crimes, to the commission of which by the persons qualified *under* Art. 5 of Legislative Decree No. 231/2001 is connected with the regime of liability borne by the Company, is functional to the prevention of the crimes themselves and thus to the entire control system provided for by the Decree.

In order to divulge knowledge of the essential elements of the individual offenses punishable under Legislative Decree No. 231/2001, we provide below a brief description of the offenses referred to in Article 25-quinquies of Legislative Decree No. 231/2001.

Reduction or maintenance in slavery (Article 600 of the Criminal Code).
Consists of the conduct of exercising over a person powers corresponding to those of the right to property or reducing or maintaining a person in a state of continuous subjection, forcing him or her to labor or sexual services or to begging or otherwise to services involving exploitation. The reduction or maintenance in the state of subjection takes place when the conduct is carried out by means of violence, threat, deception, abuse of authority or taking advantage of a situation of physical or mental inferiority or a situation of need, or by the promise or giving of sums of money or other benefits to those in authority over the person.

Child prostitution (Article 600-bis of the Criminal Code).
It is punishable by imprisonment for a term of six to twelve years and a fine of€ 15,000.00 to€ 150,000.00 anyone:
1) Recruits or induces into prostitution a person under the age of eighteen years;
2) Aids, exploits, manages, organizes, or controls the prostitution of a person under the age of eighteen years, or otherwise profits from it.
Unless the act constitutes a more serious crime, anyone who engages in sexual acts with a minor between the ages of fourteen and eighteen years, in exchange for consideration in money or other benefits, even if only promised, shall be punished by imprisonment for a term of one to six years and a fine of €1,500.00 to €6,000.00.

Child pornography (Article 600-ter, paragraphs 1 and 2, Criminal Code).
A term of imprisonment of six to twelve years and a fine of €24,000.00 to €240,000.00 shall be imposed on anyone who:
1) using minors under the age of eighteen, performs pornographic performances or shows or produces pornographic material;
2) recruits or induces minors under the age of eighteen to participate in pornographic performances or shows or from the said shows otherwise profits.
The same punishment shall be imposed on anyone who trades in the pornographic material referred to in the first paragraph. Whoever, outside the cases referred to in the first and second paragraphs, by any means, including by telematic means, distributes, disseminates disseminates or publicizes the pornographic material referred to in the first paragraph, or distributes or disseminates news or information aimed at the solicitation or sexual exploitation of minors under the age of eighteen years, shall be punished by imprisonment of one to five years and a fine of€ 2,582.00 to€ 51,645.00.
Whoever, outside the cases referred to in the first, second and third paragraphs, offers or gives to others, even free of charge, the pornographic material referred to in the first paragraph, shall be punished by imprisonment of up to three years and a fine of€ 1,549.00 to€ 5,164.00.

In the cases provided for in the third and fourth paragraphs, the punishment shall be increased by amount not exceeding two-thirds where the material is of large quantity.
Administrative offense dependent on crime Administrative offense description Offense description
Unless the act constitutes a more serious crime, anyone who attends pornographic performances or shows involving minors under the age of 18 shall be punished by imprisonment of up to three years and a fine of€ 1,500.00 to€ 6,000.00.
For the purposes of this article, child pornography means any depiction, by whatever means, of a child under the age of eighteen involved in sexually explicit activities, real or simulated, or any depiction of the sexual organs of a child under the age of eighteen for sexual purposes.

Possession of or access to pornographic material (Article 600-quater of the Criminal Code).
Whoever, outside the cases provided for in Article 600-ter, knowingly procures or possesses pornographic material made using minors under eighteen years of age, shall be punished by imprisonment of up to three years and a fine of not less than 1,549 euros. The punishment shall be increased by an amount not exceeding two-thirds where the material possessed is of large quantity. The offense also punishes those who through the use of the Internet or other networks or means of communication, intentionally and without justified reason access pornographic material made using minors under the age of eighteen years with imprisonment of up to two years and a fine of not less than €1,000.

Virtual pornography (Article 600-quater1 of the Criminal Code).
The provisions of Articles 600-ter and 600-quater also apply when the pornographic material depicts virtual images made using images of children under the age of eighteen or parts thereof.
Virtual images are defined as images made by graphic processing techniques that are not associated in whole or in part with real situations, whose quality of representation makes non-real situations appear to be real.

Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code)
The criminal offense punishes anyone who organizes or propagates trips aimed at the enjoyment of prostitution activities to the detriment of minors or otherwise including such activities, with imprisonment from six to 12 years and a fine from 15,493 euros to 154,937 euros.

Trafficking in persons (Article 601 of the Criminal Code).
It shall be punished by imprisonment from eight to twenty years for anyone who recruits, introduces into the territory of the State, also transfers out of it, transports, relinquishes authority over the person, harbors one or more persons who are in the conditions referred to in Article 600, or, carries out the same conduct on one or more persons, by means of deception, violence, threat abuse of authority or taking advantage of a situation of vulnerability, physical or mental inferiority or necessity, or by promising or giving money or other benefits to the person in authority over them, in order to induce or compel them to work, sexual services or begging or otherwise to engage in illegal activities involving their exploitation or to submit to the removal of organs.
The same punishment shall be imposed on anyone who, even outside the manner set forth in the first paragraph, carries out the conduct provided for therein against a person under the age of 18.
The punishment for master or officer of the domestic or foreign ship, who commits any of the acts provided for in the first or second paragraph or contributes to them, shall be increased by up to one third.
A member of the crew of a domestic or foreign ship destined, prior to departure or in the course of navigation, for trafficking shall be punished, even if no act provided for in the first or second paragraph or of slave trading has been committed, by imprisonment from three to ten years.

Alienation and purchase of slaves (Article 602 of the Criminal Code).
Anyone who, outside the cases specified in Article 601, purchases or alienates or disposes of a person who in one of the conditions specified in Article 600 shall be punished by imprisonment for a term of eight to twenty years.

Illicit intermediation and exploitation of labor (art 603 bis c.p.)
Unless the act constitutes a more serious crime, it shall be punished by imprisonment for a term of one to six years and a fine of 500 to 1,000 euros for each worker recruited, whoever:

1. Recruits labor for the purpose of assigning them to work for third parties under exploitative conditions, taking advantage of the workers' state of need;
2. Uses, hires or employs labor, including through the brokering activity referred to in No. 1), subjecting workers to exploitative conditions and taking advantage of their state of need.

If the acts are committed by means of violence or threats, penalty is imprisonment for five to eight years and a fine of 1,000 to 2,000 euros for each recruited worker.
For the purposes of this article, the existence of one or more of the following conditions shall constitute an indication of exploitation:
1) The repeated payment of wages and salaries in a manner manifestly inconsistent with the national or territorial collective bargaining agreements entered into by the most representative labor organizations at the national level, or otherwise disproportionate to the quantity and quality of work performed;
2) Repeated violation of regulations on working hours, rest periodsweekly rest, compulsory leave, vacations;
3) The existence of violations of workplace safety and hygiene regulations;
4) The subjecting of the worker to degrading working conditions, surveillance methods or housing situations.
They constitute a specific aggravating circumstance and carry a penalty increase of one-third to one-half:
1) The fact that the number of recruited workers is more than three;
2) The fact that one or more of the recruited subjects are minors of nonworking age;
3) Having committed the act by exposing the exploited workers to situations of serious danger, having regard to the characteristics of the services to be performed and the working conditions.

Solicitation of minors (Article 609-undecies of the Criminal Code).
"Whoever, for the purpose of committing the offenses referred to in Articles 600, 600-bis, 600-ter, and 600- quater, including those relating to pornographic material referred to Article 600-quater.1, 600- quinquies, 609-bis, 609-quater, 609-quinquies, and 609-octies, solicits a minor under the age of sixteen years, shall be punished, if the act does not constitute a more serious crime, by imprisonment of one to three years. Solicitation is defined as any act aimed at gaining the trust of a minor through artifice, flattery or threats also carried out through the use of the Internet or other networks or means of communication. The punishment is increased: 1) if the crime is committed by several persons united; 2) if the crime is committed by a person who is a member of a criminal association and for purpose of facilitating its activity; 3) if, due to the repetition of the conduct, serious harm is caused to the minor; 4) if the life-threatening danger to the minor derives from the act."

2. The offenses of racism and xenophobia referred to in Legislative Decree No. 231/2001

Racism and xenophobia (L 167/2017, Art. 5, para. 2)
The punishment of imprisonment from two to six years shall apply if the propaganda or incitement and incitement, committed in such a way that concrete danger of dissemination arises, is based in whole or part on the denial, gross minimization or apologia, of the Shoah or crimes of genocide, crimes against humanity and war crimes, as defined by the

Articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to Act No. 232 of July 12, 1999.