Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Document approved by the Board of Directors
of Cifra S.r.l.
at its meeting of 12 May 2025

HISTORY

Edition	Date	Subject
1	29 July 2019	First draft
2	28 December 2021	Regulatory update: Decree-Law 124/2019 converted into Law 157/2019 and Legislative Decree 75/2020: introduction of Article 25-quinquiesdecies of Legislative Decree 231/2001: Tax Offences; amendment of Article 24 of Legislative Decree 231/2001: extension of the catalogue of offences against the Public Administration.
3	26 February 2024	Regulatory update: Legislative Decree 184/2021: introduction of Article 25-octies.1 of Legislative Decree 231/2001 "Offences concerning non-cash payment instruments"; Legislative Decree 195/2021: Article 25-octies of Legislative Decree 231/2001, extension of the predicate offences of handling stolen goods, money laundering, self-laundering and use of goods or benefits of unlawful origin to include contraventions and, in the case of money laundering and self-laundering, negligent offences as well. Law 238/2021: amendment of Article 24-bis of Legislative Decree 231/2001: amendment of certain computer offences and unlawful data processing; amendment of Article 25-sexies of Legislative Decree 231/2001: amendment of market abuse offences. Law 22/2022: introduction of Article 25-septiesdecies "Offences against cultural heritage" and Article 25-duodevicies "Laundering of cultural assets and devastation and pillage of cultural and landscape assets" of Legislative Decree 231/2001. Legislative Decree 156/2022: amendment of Article 25-quinquiesdecies, paragraph 1-bis, of Legislative Decree 231/2001, applicable only where the offences are committed within the framework of "cross-border fraudulent schemes". Law 17/2023: disqualification sanctions under Legislative Decree 231/2001 may not be applied where they would prejudice the continuity of business activity in industrial establishments or parts thereof declared of national strategic interest. Legislative Decree 24/2023: implementation of EU Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, and containing provisions concerning the protection of persons who report breaches of national regulatory provisions (Whistleblowing); amendment of Article 6 of Legislative Decree 231/2001. Law 93/2023: amendment of Article 171-ter of Law 633/1941, referred to in Article 25-novies of Legislative Decree 231/2001: extension of the liability of legal entities also to cases of persons who unlawfully make an audio, video or audiovisual recording, in whole or in part, of a cinematographic, audiovisual or editorial work, or who reproduce, perform or communicate to the public the unlawfully made recording. Law 137/2023: amendment of Article 24 of Legislative Decree 231/2001: introduction of the offences of unlawful restraint of trade at auctions (Article 353 of the Criminal Code) and unlawful restraint of trade in the contractor-selection process (Article 353-bis of the Criminal Code); amendment of Article 25-octies.1 of Legislative Decree 231/2001: introduction, among the offences concerning non-cash payment instruments, of the offence of fraudulent transfer of assets (Article 512-bis of the Criminal Code).
4	12 May 2025	Update of the Company's legal form and governance system. Regulatory update: Law No. 56 of 29 April 2024 "Further urgent provisions for the implementation of the National Recovery and Resilience Plan", converting with amendments Decree-Law No. 19 of 2 March 2024. Article 512-bis of the Criminal Code, "Fraudulent transfer of assets", already included among the predicate offences under Article 25-octies.1 of Legislative Decree 231/01, is amended, broadening its scope of application. Law No. 90 of 28 June 2024 "Provisions to strengthen national cybersecurity and on computer offences", introduces substantive and procedural amendments concerning computer offences: it provides for an increase in penalties, extends the scope of specific intent, introduces new aggravating circumstances and/or precludes mitigating circumstances for various offences committed through the use of computer equipment for the purpose of obtaining undue advantages to the detriment of others, or unlawfully accessing computer systems and/or intercepting or interrupting computer and telematic communications. Law No. 112 of 8 August 2024 "Urgent measures on prison matters, civil and criminal justice and Ministry of Justice personnel", converting with amendments Decree-Law No. 92 of 4 July 2024, introduced a new offence into the Criminal Code and into the list of predicate offences. This concerns the offence of misappropriation of money or movable property, which is added to the offences against the Public Administration under Article 314-bis of the Criminal Code. Law No. 114 of 9 August 2024 "Amendments to the Criminal Code, the Code of Criminal Procedure and the Judicial System", provides for the repeal of the offence of abuse of office (Article 323 of the Criminal Code) and the reformulation of the offence of unlawful trading in influence (Article 346-bis of the Criminal Code). Legislative Decree No. 129 of 5 September 2024 "Adaptation of national legislation to EU Regulation

		2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No. 1093/2010 and (EU) No. 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937". Legislative Decree No. 141 of 26 September 2024 "National supplementary provisions to the Union Customs Code and revision of the sanctioning system relating to excise duties and other indirect taxes on production and consumption", amended the text of Article 25-sexiesdecies of Legislative Decree No. 231/2001, dedicated to Smuggling offences. Law No. 166 of 14 November 2024 "Urgent provisions for the implementation of obligations arising from European Union acts and pending infringement and pre-infringement procedures against the Italian State", converting with amendments Decree-Law No. 131 of 16 September 2024. The legislature deemed it appropriate to amend the provisions of Law No. 633 of 1941 (Copyright Law), introducing necessary and urgent measures concerning various aspects of copyright law.

CONTENTS

General Part **6**

Chapter 1 - Introduction and Definitions **7**
1.1 Introduction 7
1.2 Definitions 8
1.3 Structure of the Document 10

Chapter 2 – Administrative Liability of Legal Entities under Legislative Decree 231/01 ..... **12**
2.1 Foreword 12
2.2 Precondition for the "Criminal" Liability of Entities 12
2.3 Sanctions Provided for by the Decree 17

Chapter 3 – Management and Organisational Structure of Cifra S.r.l. **19**
3.1 Description of the Company 19
3.2 Governance Model 19
3.3 Organisational Structure 20
3.4 Code of Ethics 21

Chapter 4 – Organisation, Management and Control Model of Cifra S.r.l. **22**
4.1 Introduction 22
4.2 Purposes of Cifra S.r.l. in Adopting the Model 22
4.3 Relationship between the Model and the Code of Ethics 23
4.4 Adoption of the Model and the Guidelines 24
4.5 Phases in the Construction of the Model 24
4.6 Structure of the Cifra S.r.l. Model 25
4.7 The Concept of Acceptable Risk 28
4.8 Amendments and Additions to the Model 28
4.9 Addressees of the Model 28
4.10 Protocols 29

Chapter 5 – Communication, dissemination and training **30**
5.1 Communication and dissemination 30
5.2 Training 30

Chapter 6 – Supervisory Body **32**
6.1 Internal control system 32
6.2 Supervisory Body 32
6.3 Supervisory functions and powers of the SB 35
6.4 General principles governing the functioning of the SB 231 35
6.5 Reports and information flows to the SB 36

6.6 Reporting activity of the SB to the corporate bodies 37

Chapter 7 – Whistleblowing 38
7.1 Introduction 38
7.2 Protection of the Identity of the "Whistleblower" 39

Chapter 8 – Disciplinary System 41
8.1 Function of the Disciplinary System 41
8.2 General Criteria for the Imposition of Sanctions 41
8.3 Sanctions for Middle Managers and Employees 42
8.4 Sanctions for Executives 43
8.5 Sanctions for Senior Corporate Management 44
8.6 Sanctions for Collaborators, Agents, Consultants and Third Parties 45
8.7 Sanctions Applicable Pursuant to the Legislation on the Protection of Persons Who Report Violations 46

Special Part 47

Introduction to the Special Part 48

Title 1 – Offences against the Public Administration and the Offence of Inducement Not to Make Statements 49
1.1 Introduction 49
1.2 The Offences Referred to in Articles 24 and 25 of Legislative Decree 231/2001 52
1.3 The Offence Referred to in Article 25-decies of Legislative Decree 231/2001 60
1.4 At-Risk Areas 61
1.5 General Principles of Conduct and Control Systems 62

Title 2 – Corporate Offences 68
The Corporate Offences under Article 25-ter of Legislative Decree 231/2001 68
2.1 Introduction 68
2.2 The Offences Referred to under Article 25-ter of Legislative Decree 231/01 68
2.3 Risk Areas 74
2.4 General Principles of Conduct and Control Systems 76

Title 3 – Computer Offences 79
3.1 Introduction 79
3.2 Offences referred to in Article 24-bis of Legislative Decree 231/2001 79
3.3 Risk areas 84
3.4 General principles of conduct and control systems 84

Title 4 – Handling Stolen Goods, Money Laundering and Self-Laundering Offences 89
4.1 Introduction 89
4.2 The Offences Referred to in Art. 25-octies of Legislative Decree 231/2001 89
4.3 Risk Areas 92
4.4 General Principles of Conduct and Control Systems 92

Title 5 – Offences Concerning Non-Cash Payment Instruments 96
5.1 Introduction 96
5.2 The Offences Referred to in Art. 25-octies.1 of Legislative Decree 231/2001 96
5.3 Risk Areas 99
5.4 General Principles of Conduct and Control Systems 99

Title 6 – Offences against Industry and Commerce 101
6.1 Introduction 101
6.2 The offences referred to in art. 25-bis of Legislative Decree 231/2001 101

6.3 The offences referred to in art. 25-bis of Legislative Decree 231/2001 104
6.4 Risk areas 105
6.5 General principles of conduct and control systems 105

Title 7 – Offences for Violation of Workplace Health and Safety Regulations 107
7.1 Introduction 107
7.2 The offences referred to in art. 25-septies of Legislative Decree 231/2001 107
7.3 Risk areas 108
7.4 General principles of conduct and control systems 109

Title 8 – Environmental Offences 111
8.1 Introduction 111
8.2 The Offences Referred to under Article 25-undecies of Legislative Decree 231/2001 111
8.3 Risk Areas 114
8.4 General Principles of Conduct and Control Systems 114

Title 9 – Offences against the Individual Personality 116
9.1 Introduction 116
9.2 The Offences Referred to under Article 25-quinquies of Legislative Decree 231/2001 116
9.3 Risk Areas 118
9.4 General Principles of Conduct and Control Systems 118

Title 10 – Offences Concerning the Employment of Third-Country Nationals 120
10.1 Introduction 120
10.2 The Offences Referred to under Article 25-duodecies of Legislative Decree 231/2001 120
10.3 Risk Areas 120
10.4 General Principles of Conduct and Control Systems 121

Title 11 – Tax Offences 123
11.1 Introduction 123
11.2 The Offences Referred to in Art. 25-quinquiesdecies of Legislative Decree 231/2001 123
11.3 Risk Areas 126
11.4 General Principles of Conduct and Control Systems 130

ANNEXES

General Documents

Annex 1 - Catalogue of Offences and Administrative Violations

Annex 2 – Cifra S.r.l. Organisation Chart

Annex 3 - Code of Ethics

Annex 4 - Whistleblowing Procedure

Protocols

Annex 5 - PT1 Relations with the Public Administration

Annex 6 - PT2 Management of financial and monetary flows

Annex 7 - PT3 Management of bookkeeping and preparation of financial statements

Annex 8 - PT4 Management of purchases of goods, services and consultancy

Annex 9 – PT5 Management of gifts, entertainment expenses, sponsorships, and charitable contributions

Annex 10 – PT6 Personnel management

Annex 11 – PT7 Management of commercial activities

Annex 12 – PT8 Management of trademarks and patents

Annex 13 – PT9 Management of the corporate information system

Annex 14 – PT10 Management of health and safety in the workplace

Annex 15 – PT11 Environmental management

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

General Part

Chapter 1 - Introduction and Definitions

1.1 Introduction

Legislative Decree 8 June 2001, No. 231 (hereinafter, "**Legislative Decree 231/2001**") – enacted under the delegated authority of Law 300/2000, a law which, among other things, ratifies a series of international treaties also concerning the fight against corruption – introduced into our legal system the principle of liability of legal entities for offences committed by certain persons in the exercise of activities carried out for the benefit of the legal entities to which they belong.

This is a new and broader form of liability, which is added to that of the natural person who is the material perpetrator of the criminally relevant unlawful act, and which affects the Entity for offences committed in its interest or to its advantage by persons functionally connected to it.

This is a hybrid form of liability, situated halfway between liability under criminal law in the strict sense, still anchored to the natural person, and liability arising from an administrative offence as governed by Law 689/1981. The Explanatory Report to Legislative Decree 231/2001 itself speaks of the *birth of a tertium genus that combines the essential features of the criminal system and of the administrative system*, since *such liability, although arising from an offence and linked (by the express intent of the enabling law) to the guarantees of criminal proceedings, diverges in a good many respects from the paradigm of administrative unlawfulness* prevailing in our legal system.

With the legislation under discussion, it therefore became possible for the first time to impose sanctions directly on the company to which the natural person who committed the offence is attributable. The company can no longer, therefore, a priori consider itself unconnected with offences committed by its own personnel.

Legislative Decree 231/2001 sets out the rules governing the principles that determine or exclude the liability of the entity. In particular, it identifies in detail the offences for which liability also extends to the company, the applicable sanctions, the impact on the company's assets, the effects of corporate reorganisation events, as well as the procedure for ascertaining and imposing sanctions.

Since the objective of Legislative Decree 231/2001 is not to punish, but to prevent the commission of offences, the legislature has established a system aimed at limiting and/or excluding the company's liability even for unlawful acts committed by its own employees, where the company demonstrates that it has adopted and effectively implemented organisation and management models suitable for preventing the offences in question; this is the purpose of this Organisation, Management and Control Model (hereinafter, the "**Model**" or "**MOG**").

This Model, adopted by resolution of the Board of Directors of the company Cifra S.r.l. (hereinafter, the "**Company**"), in accordance with Article 6, paragraph 1, letter a), of the Decree, represents a coherent body of principles, procedures and provisions which:

- affect the internal functioning of the Company and the manner in which it relates to the outside world;
- govern the diligent management of a system for controlling sensitive activities, aimed at preventing the commission, or attempted commission, of the so-called predicate offences (as defined below).

Under its own exclusive responsibility, Cifra S.r.l. implements the Model within its own organisational structure in relation to its own characteristics and to the activities it actually carries out in the areas at risk.

The adoption of the Model, in addition to representing a ground for exemption from liability with reference to the commission of certain types of offence, is an act of social responsibility, giving rise to benefits for a multiplicity of parties: shareholders, managers, employees, creditors and all other parties whose interests are linked to the life of the Company. The existence of a system for controlling business conduct, together with the establishment and dissemination of ethical principles, improves the standards of conduct adopted by the Company, increasing the trust and reputation which it enjoys among third parties and, above all, performing a regulatory function governing the conduct and decisions of those who are daily called upon to act on behalf of the Company, in accordance with the aforementioned ethical principles and standards of conduct.

The Company has, moreover, extended its preventive objective also with reference to the offences referred to in Law 6 November 2012, No. 190, concerning *Provisions for the prevention and repression of corruption and illegality in public administration*. Although not required to do so, the Company has in fact decided to strengthen its compliance system, with a view to avoiding the possibility of corrupt conduct being carried out that would undermine its reputation.

1.2 Definitions

In order to facilitate the reading of the Model, in addition to the further definitions set out from time to time in the text, the following terms, indicated with a capital letter, shall have, both in the singular and in the plural, the meaning set out below:

Authority	Indicates, by way of example, the Judicial Authority, the Court of Auditors, the National Anti-Corruption Authority (ANAC), the Financial Police (*Guardia di Finanza*), the Revenue Agency, the Labour Inspectorate, Public Administrations, the Data Protection Authority (*Garante*), the local health authority (ATS).
Sensitive Activity	Indicates the corporate areas and activities within which the occasions, conditions and instruments for the commission of Predicate Offences (as defined below) could potentially and abstractly arise.
Clients	Indicates the persons to whom the Company supplies goods and provides services.
Code of Ethics	Is the code of ethics and conduct adopted by the Company with reference to the conduct of its activities and its business, in order to define the guiding principles, laws and regulations, as well as internal rules, within a framework of ethical values of fairness, confidentiality, transparency and compliance with applicable provisions (of external or internal origin). The Code of Ethics forms an integral part of the Model.
Collaborators	Indicates persons who have relationships of coordinated and continuous collaboration, agency, representation, occasional work, etc. with the Company, mainly of a personal nature and without a subordination relationship.
Consultants	Indicates persons engaged to assist the Company in carrying out its activities, on a continuous or occasional basis, under a mandate or other professional collaboration relationship.
Leg. Decree	Stands for Legislative Decree.
Legislative Decree 231/2001 or the Decree	Indicates Legislative Decree No. 231 of 8 June 2001, containing the "Regulation of the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000", as amended from time to time.
Addressees	

	Indicates the persons to whom the provisions of this Model apply and, in particular, Directors, Employees, Collaborators, Consultants, Suppliers, Clients, Partners.
Employees	Indicates persons who have an employment relationship with the Company, of any nature, whether part-time or full-time, fixed-term, or under a semi-subordinate employment contract. Directors and seconded workers are also included in the definition.
Directorate/Division	Indicates the functional units into which the Company's organisational structure is divided, further described in the Company Organisation Chart (Annex 2 to the Model).
Entity	Indicates the persons subject to the discipline set out in Legislative Decree 231/2001, i.e. entities endowed with legal personality, companies, associations even without legal personality, excluding the State, territorial public bodies, other non-economic public bodies, and entities performing functions of constitutional relevance.
Suppliers	Indicates those who supply goods or provide services or carry out works in favour of the Company. Subcontractors and companies engaged by Cifra S.r.l. to carry out services on behalf of a Client are also included within this definition.
Guidelines	Indicates the Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree 231/2001, which were mainly taken into consideration for the purposes of preparing and adopting this Model, adopted by Confindustria for the preparation of organisation, management and control models in a first version dated 7 March 2002, subsequently revised on 31 March 2008 and updated as of March 2014, and finally updated in the June 2021 version.
Model or MOG	Indicates this Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 of the Company and, in particular, together with its annexes and subsequent amendments and additions, along with all the procedures, instructions, circulars, and other documents referred to therein.
Supervisory Body or SB 231 or SB	Indicates the Supervisory Body, endowed with autonomous powers of initiative and control in accordance with Legislative Decree 231/2001, established by the Company pursuant to Article 6, paragraph 1, letter b) of the Decree.
Public Administration or P.A.	Indicates the public administration and any other public entity, such as, for example, a publicly-owned company, a contracting administration, a body governed by public law, a public economic entity, a public undertaking, etc.
Partner	Indicates the Company's contractual counterparts, including Suppliers, Collaborators, sales agents, distributors, sponsored parties and any other party with whom the Company enters into any form of contractually regulated collaboration (temporary business association, joint venture, consortium, licence, agency, collaboration in general), intended to cooperate with the Company in the context of the Sensitive Activities.
Senior Person or Apical Subject or Apical	The person referred to in Article 5, paragraph 1, letter a) of the Decree, i.e. the person who holds functions of representation, administration or management of the Company; in particular, the Managing Director and first-level management (executives and function heads) and proxy-holders.

Person Subject to the Direction of Others or Subordinate	The person referred to in Article 5, paragraph 1, letter b) of the Decree, i.e. all Personnel operating under the direction or supervision of a Senior Person.
Principles of Conduct	General principles of conduct, set out in the Special Part, which Addressees must comply with in carrying out the activities envisaged by the Organisational Model.
Procedures	Indicates the procedures adopted by the Company to manage sensitive activities and prevent the commission of Predicate Offences.
At-Risk Processes	Corporate processes or phases thereof, the conduct of which could give rise to unlawful conduct (offences or administrative offences) under the Legislative Decree.
Protocol (PT)	Specific procedure, containing the operating arrangements and the persons involved in the At-Risk Processes.
Predicate Offence	Indicates the types of offence referred to in Legislative Decree 231/2001 or in other legislation which expressly refers to that Decree (Annex 1 to the Model).
Disciplinary System	The set of sanctioning measures against Addressees who fail to comply with the Principles of Conduct and the operating arrangements of the Organisational Model and/or the Code of Ethics.
Company	Indicates the company Cifra S.r.l., with registered office in Verano Brianza (MB), Via Sabbionette No. 7; VAT No.: 03075660963; certified email (PEC): legalmail@pec.cifra-spa.net.

The definitions set out in this document also apply where used in the Special Part and in the Protocols.

1.3 Structure of the Document

The Organisational Model of Cifra S.r.l. essentially consists of a:

- **General Part** - (**Chapters 1 to 8**) - illustrating the relevant regulatory framework, the objectives of the 231 Model, the description of the Company, of the Supervisory Body and of the disciplinary system for violations of the Model;
- **Special Part** - (**Titles 1 to 11**) - relating to the Predicate Offences.

This structure was chosen in order to ensure a more efficient and streamlined updating process.

The Special Part has been enriched by an in-depth examination of the predicate offences through dedicated case studies, with the aim not only of addressing the new types of predicate offence, but also of introducing a more schematic and user-friendly method of analysis.

In this regard, it should be noted that the Guidelines have over time constituted an important point of reference in the drafting of this Model.

In summary, the Organisational Model can be represented as follows:

General Part	• illustrates the content of Legislative Decree 231/01 and subsequent amendments and additions, in order to provide all Addressees of the document with an overall picture of the regulatory system within which the Company's Organisational Model is situated; • describes the structure of the Organisational Model and defines its contents: description of the Company, identification of at-risk activities, information and training activities, characteristics and functioning of the Supervisory Body and information flows; • sets out the disciplinary system to be activated against Addressees who fail to comply with the rules of conduct contained in the Organisational Model.
Special Part	• contains the Special Part and the rules of conduct established for the individual predicate offences deemed relevant to the Company.
Annexes	• contains the annexes, including the Code of Ethics and the Whistleblowing Procedure.
Protocols	• contains the Protocols to be observed in order to eliminate, or at least reduce to an acceptable level, the risk of conduct constituting one of the offences whose commission may result in the application of the sanctions provided for under Legislative Decree 231/01.

Chapter 2 – Administrative Liability of Legal Entities under Legislative Decree 231/01

2.1 Foreword

As reported in the preceding Chapter 1, Legislative Decree 231/2001 introduced into the Italian legal system the regime governing the liability of Entities for Predicate Offences committed by a person, whether a Subordinate or a Senior Person (Apical Subject), in the interest of or to the advantage of those same Entities.

This is a new and broader form of liability, which is added to that of the natural person who is the material perpetrator of the criminally relevant unlawful act, and which affects the Entity for offences committed in its interest or to its advantage by persons functionally connected to it.

The Decree provides that Entities may be held liable, and consequently sanctioned, exclusively in relation to the commission of specific Predicate Offences exhaustively listed by the aforementioned legislation. The list of offences, moreover, is subject to amendment and supplementation by the Legislature.

The liability provided for by the Decree also arises (in the cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Italian Criminal Code) in relation to Predicate Offences committed abroad by the Entity, provided that the State of the place where the unlawful act was committed does not proceed against them.

The administrative liability of the Entity also arises where one of the Predicate Offences is committed only in the form of an attempt (Article 56 of the Italian Criminal Code and Article 26 of Legislative Decree 231/2001).

2.2 Precondition for the "Criminal" Liability of Entities

The "criminal" liability of the Entity arises in the presence of specific subjective and objective criteria of attribution and where an offence is committed in the course of business activity.

2.2.1 Persons Who Are the Perpetrators of the Offence

The first fundamental criterion of attribution consists in identifying the persons who are the perpetrators of the offence, from whom administrative liability may derive on the part of the Entity.

Under Articles 6 and 7 of Legislative Decree 231/2001, the Legislature considered that a mere objective connection between the offence and the Entity's activity was not sufficient, but that some form of specific reproach to the Entity itself was also necessary. These forms have been identified in the fact that the offence was committed as an expression of corporate policy and is therefore attributable to persons in a senior position, or that the offence derives from an organisational fault and is therefore objectively attributable to subordinates.

In particular, the Entity is liable where the Predicate Offence has been committed in its interest or to its advantage by one of the following persons:

a. persons who hold functions of representation, administration or management of the Entity or of one of its organisational units having financial and functional autonomy (the so-called "Senior Persons" or "Apical Subjects");
b. persons subject to the direction or supervision of one of the persons referred to in letter a) above (the so-called "Subordinates" or "Persons Subject to the Direction of Others").

The Decree governs the burden of proof differently depending on whether the offence was committed by a Senior Person or by a Subordinate. In particular, the Decree allocates the burden of proof on the basis of «the position occupied in the corporate hierarchy by the person to whom the predicate offence is attributed».

Where the offence has been committed by a person in a senior position within the Entity, the law presumes that the commission of the offence is an expression of the Entity's own corporate policy and therefore presumes its liability, unless proven otherwise. In such a case, it is the Entity, and not the prosecution, that bears the burden of proving the so-called facts precluding the Entity's liability. Such precluding facts are: the existence of a suitable organisation, management and control model; the effective operation of controls by the Supervisory Body; and the fraudulent circumvention of the organisation and management models by the persons who committed the Predicate Offence.

In other words, the Entity's exemption from liability applies if it is shown that the Senior Person acted by fraudulently circumventing the control and prevention mechanisms put in place by the Entity and, therefore, that he or she acted for the sole purpose of obtaining personal profit, without thereby embodying an unlawful business policy.

In other words, for Senior Persons (Apical Subjects):

in order to exclude the liability of the Entity, it will be necessary to demonstrate
- the effective adoption of an organisational and management model suitable for preventing the offence itself - the establishment of an internal control body vested with autonomy - the fraudulent circumvention of the model by the perpetrator of the offence - the proper performance, by the supervisory body, of its control duties

in order to be suitable for excluding the liability of the Entity, the Organisational Model must contain
- the identification of the corporate activities exposed to the risk of the offence being committed - the establishment of specific protocols governing the formation and implementation of the Entity's decisions - the identification of the methods for managing financial resources - the establishment of reporting obligations towards the supervisory body - the introduction of a disciplinary system for failure to comply with the procedures

If, on the other hand, the Predicate Offence is committed by a Subordinate, no reversal of the burden of proof is provided for, so that the burden of demonstrating the failure to adopt, or the ineffective implementation of, the required organisational models rests with the public prosecution. Furthermore, for the case in which the collective entity is not organisationally at fault, confiscation of the profit that the entity derived from the offence is not provided for. Contrary to what has been examined in relation to persons in a senior position, the adoption of the organisational model, in itself, constitutes a presumption of compliance in favour of the Entity, since the burden of proving the model's unsuitability rests, instead, with the prosecution.

In other words, for Subordinates (Persons Subject to the Direction of Others):

in order to exclude the liability of the Entity, it will be necessary to demonstrate
- the effective adoption of an organisational and management model suitable for preventing the offence itself

in order to exclude liability, the Organisational Model must provide for
- measures suitable for carrying out the activity in compliance with the law - measures suitable for detecting and eliminating situations of risk - periodic checks and structural amendments in the event of violations or changes in the corporate organisation - a disciplinary system for failure to comply with the procedures

Where several persons participate in the commission of the Predicate Offence (pursuant to Article 110 of the Italian Criminal Code), it is not necessary for the "qualified" person to directly carry out the act, but it is sufficient that he or she provides a conscious causal contribution to the commission of the offence itself.

It should be noted that the Entity is liable under Legislative Decree 231/2001 even if the perpetrator of the Predicate Offence has not been identified or is not chargeable, and also where the Predicate Offence is extinguished for reasons other than amnesty.

2.2.2 Interest or Advantage of the Entity

The second fundamental criterion of attribution consists in the fact that the Predicate Offence must have been committed by one of the persons indicated above in the interest of or to the advantage of the Entity: this means that liability arises where the act was committed in order to favour the Entity, without it being necessary for the objective to have been actually and concretely achieved.

The criterion under examination sets out two alternative conditions for the attribution of liability, unified by the common relevance of the benefit that the Entity could have obtained or actually obtained. The first condition concerns the purposes that the perpetrator of the offence intended to achieve by committing it, that is, the possible benefit to the Entity (interest); the second concerns the actual benefit obtained by the Entity (advantage). In other words, the criteria for finding that the administrative liability of Entities for an offence is established are the interest in, or the advantage from, the predicate unlawful conduct. These are distinct criteria, to be regarded as concurrent but alternative. "Interest" is to be understood as the purposive projection of the action, and must be assessed *ex ante*. "Advantage", on the other hand, constitutes the potential utility, even if non-pecuniary, which is objectively ascertainable, and must be assessed *ex post*. Since the two conditions are alternative, the obtaining of an advantage by the Entity, even where the perpetrator of the offence did not specifically intend to act for the Entity's profit, nonetheless results in the attribution of liability.

In the case of offences committed through negligence (*reati colposi*), the interest or advantage must be read, from the Entity's financial perspective, as the saving of economic resources resulting from the failure to put in place safety equipment, or as an economic gain resulting from an increase in productivity not hindered by slavish compliance with accident-prevention regulations.

The Entity is not, however, liable if the unlawful act was committed by a Senior Person or a Subordinate in the exclusive interest of that person or of a third party. If, therefore, the perpetrator of the Predicate Offence pursued purposes other than the profit of the Entity, the link between the Predicate Offence and the Entity itself is broken, and with it the Entity's "reproachability". However, if the perpetrator of the Predicate Offence acted even only in part in the interest of the Entity, the latter nonetheless remains liable for the Predicate Offence.

2.2.3 Predicate Offences

The third fundamental criterion consists in the fact that not every offence gives rise to the liability under examination, but only those specifically indicated in Legislative Decree 231/2001, referred to as Predicate Offences.

The offences from which the administrative liability of Entities may arise are exhaustively set out in Legislative Decree 231/2001, as supplemented and amended over time.

In particular, the offences for which the Entity may be held liable pursuant to Legislative Decree 231/2001, as at the date of approval of the Model – if committed in its interest or to its advantage by Senior Persons or Subordinates – may be grouped as follows:

No.	Predicate Offence	Reference	Legislative History
1	Undue receipt of disbursements, fraud to the detriment of the State, of a public body or of the European Union, or for the purpose of obtaining public disbursements, computer fraud to the detriment of the State or of a public body, and fraud in public supplies	Article 24, Legislative Decree No. 231/2001	article amended by: Law 161/2017, Legislative Decree No. 75/2020, Law 137/2023
2	Computer crimes and unlawful data processing	Article 24-*bis*, Legislative Decree No. 231/2001	article added by Law No. 48/2008; amended by: Legislative Decrees No. 7 and 8/2016, Law 133/2019, Law 238/2021, Law 90/2024
3	Organised crime offences	Article 24-*ter*, Legislative Decree No. 231/2001	article added by Law No. 94/2009; amended by Law 69/2015
4	Embezzlement (*peculato*), unlawful appropriation of money or movable property, extortion by a public official (*concussione*), undue inducement to give or promise benefits, and bribery/corruption	Article 25, Legislative Decree No. 231/2001	article amended by: Law No. 190/2012, Law 3/2019, Legislative Decree No. 75/2020, Law 112/2024, Law 114/2024
5	Counterfeiting of currency, public credit instruments, revenue stamps and instruments or signs of authentication/identification	Article 25-*bis*, Legislative Decree No. 231/2001	article added by Decree-Law No. 350/2001, converted with amendments by Law No. 409/2001; amended by Law No. 99/2009; amended by Legislative Decree 125/2016
6	Offences against industry and commerce	Article 25-*bis*.1, Legislative Decree No. 231/2001	article added by Law No. 99/2009
7	Corporate offences	Article 25-*ter*, Legislative Decree No. 231/2001	article added by Legislative Decree No. 61/2002; amended by Law No. 190/2012, by Law 69/2015 and by Legislative Decree No. 38/2017
8	Offences with terrorist aims or aims of subverting the democratic order, provided for by the Italian Criminal Code and by special laws	Article 25-*quater*, Legislative Decree No. 231/2001	article added by Law No. 7/2003
9	Practices of female genital mutilation	Article 25-*quater*.1, Legislative Decree No. 231/2001	article added by Law No. 7/2006
10	Offences against individual personality	Article 25-*quinquies*, Legislative Decree No. 231/2001	article added by Law No. 228/2003; amended by Law No. 199/2016
11	Market abuse offences	Article 25-*sexies*, Legislative Decree No. 231/2001	article added by Law No. 62/2005; amended by Law 238/2021

12	Other cases involving market abuse	Article 187-*quinquies* of the Consolidated Law on Finance (TUF)	article amended by Legislative Decree No. 107/2018
13	Offences of manslaughter and serious or very serious bodily injury caused through negligence, committed in violation of occupational accident-prevention regulations and of the rules on the protection of hygiene and health in the workplace	Article 25-*septies*, Legislative Decree No. 231/2001	article added by Law No. 123/2007; amended by Law No. 3/2018
14	Handling of stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering	Article 25-*octies*, Legislative Decree No. 231/2001	article added by Legislative Decree No. 231/2007; amended by: Law No. 186/2014, Legislative Decree 195/2021
15	Offences relating to non-cash payment instruments	Article 25-*octies*.1, Legislative Decree No. 231/2001	article added by Legislative Decree No. 184/2021; supplemented by Law No. 137/2023; amended by Law 56/2024
16	Offences relating to infringement of copyright	Article 25-*novies*, Legislative Decree No. 231/2001	article added by Law No. 99/2009; amended by: Law No. 93/2023, Law 166/2024
17	Inducement not to make statements, or to make false statements, to the judicial authority	Article 25-*decies*, Legislative Decree No. 231/2001	article added by Law No. 116/2009
18	Environmental offences	Article 25-*undecies*, Legislative Decree No. 231/2001	article added by Legislative Decree No. 121/2011; amended by: Law No. 68/2015, Legislative Decree No. 21/2018
19	Employment of third-country nationals whose residence is irregular	Article 25-*duodecies*, Legislative Decree No. 231/2001	article added by Legislative Decree No. 109/2012; amended by Law No. 161 of 17 October 2017
20	Racism and xenophobia	Article 25-*terdecies*, Legislative Decree No. 231/2001	article added by Law No. 167 of 20 November 2017; amended by Legislative Decree No. 21/2018
21	Fraud in sporting competitions, unlawful exercise of gaming or betting activities, and gambling carried out by means of prohibited devices	Article 25-*quaterdecies*, Legislative Decree No. 231/2001	article added by Law No. 39/2019
22	Tax Offences	Article 25-*quinquesdecies*, Legislative Decree No. 231/2001	article added by Law No. 157/2019 and by Legislative Decree No. 75/2020; amended by Legislative Decree 156/2022
23	Smuggling	Article 25-*sexiesdecies*, Legislative Decree No. 231/2001	article added by Legislative Decree No. 75/2020; amended by Legislative Decree 141/2024
24	Liability of entities for administrative offences arising from a crime	Article 12, Law No. 9/2013	These constitute a predicate for entities operating within the virgin olive oil supply chain
25	Transnational offences	Law No. 146/2006	The following offences constitute a predicate for the administrative liability of entities where committed in a transnational manner

26	Offences against cultural heritage	Article 25-*septiesdecies* and Article 25-*duodevicies*, Legislative Decree No. 231/2001	articles added by Law No. 22/2022

Annex 1 contains the "Catalogue of Offences and Administrative Violations".

2.3 Sanctions Provided for by the Decree

The legislation under discussion provides for the applicability of the following sanctions:

Pecuniary sanctions

They are applied by way of units ("*quote*") numbering not less than 100 and not more than 1,000. The value of each unit is set at a minimum of €258 and a maximum of €1,549.

In assessing the amount of the pecuniary sanction, the judge determines:

- the number of units, 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 offences;
- the amount of each individual unit, on the basis of the company's economic and financial conditions.

Disqualification sanctions

The disqualification sanctions are the following:

- disqualification from carrying on the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition on contracting with the public administration (in this regard, Article 80 of Legislative Decree No. 50 of 18 April 2016 provides for the exclusion from tender procedures of persons to whom a sanction has been applied pursuant to Legislative Decree 231/2001);
- exclusion from tax relief, financing, grants or subsidies, and possible revocation of those already granted;
- prohibition on advertising goods or services.

Disqualification sanctions have a minimum duration of 3 months and a maximum duration of 2 years.

Other sanctions

Confiscation of the price or profit of the offence.

Publication of the judgment of conviction in the media.

As regards the pecuniary sanction, it is mandatorily applied, pursuant to Article 10, paragraph 1, of the Decree, in every case of administrative liability arising from an offence, whereas the other sanctions are ancillary to the pecuniary sanction and are applied, where applicable, depending on the offence actually committed or attempted.

The criteria for assessing the amount of the pecuniary sanction are of two types:

objective, linked to the seriousness of the act and the degree of the Entity's responsibility, as well as to the activities carried out to eliminate or limit the harmful consequences of the act and to prevent the commission of further offences, which affect the determination of the number of units applied	**subjective**, linked to the economic and financial conditions of the Entity, which affect the determination of the monetary value of the unit, in order to ensure the effectiveness of the sanction

The pecuniary sanction is, moreover, subject to a reduction regime, ranging from one third to one half, by virtue of certain facts, which could be described as mitigating circumstances of an objective nature.

Disqualification sanctions, on the other hand, apply where one of the following conditions is met:

the Entity has derived a profit of significant amount;	the Predicate Offence was committed by a Senior Person or by a Subordinate, provided that, in the latter case, the commission of the offence was facilitated by serious organisational deficiencies;	reiteration of the unlawful conduct

The law provides for the possibility that, in place of the sanction of disqualification from the activity, the judge may order the continuation of the activity through a specially appointed judicial receiver (*commissario giudiziale*), for the overriding purpose of avoiding serious harm to the community or significant repercussions for employment. In such a case, the profit deriving from the continuation of the activity is confiscated.

Article 17 of the Decree excludes the application of disqualification sanctions where, prior to the declaration of the opening of the first-instance trial (*dibattimento*), the organisational deficiencies that gave rise to the offence are eliminated through the adoption of suitable organisational models, and provided that the damage has been compensated and the profit obtained has been made available for the purposes of confiscation.

Finally, Law No. 17 of 3 March 2023 amended Article 17 of the Decree, introducing paragraph 1-*bis* and providing that "In any case, disqualification sanctions may not be applied where they would prejudice the continuity of the activity carried out in industrial establishments, or parts thereof, declared to be of national strategic interest, if the entity has eliminated the organisational deficiencies that gave rise to the offence through the adoption and implementation of organisational models suitable for preventing offences of the type that occurred."

Pursuant to Articles 9-11 of Presidential Decree No. 313 of 14 November 2002 (formerly Article 80 of the Decree), provision was made for the establishment, at the central criminal records office (*casellario giudiziale centrale*), of the national register of administrative sanctions imposed on Entities. This register collects the sanctioning measures that have become final, which remain on record for five years from the application of the pecuniary sanction or for ten years from the application of the disqualification sanction, provided that no further administrative offence has been committed within those periods.

Chapter 3 – Management and Organisational Structure of Cifra S.r.l.

3.1 Description of the Company

Cifra S.r.l. is a limited liability company (Società a responsabilità limitata) that commenced its business activity in January 1993.

The Company's corporate purpose is the weaving of yarns and the processing, on its own account and on behalf of third parties, of wool, nylon, rayon, silk and derivative yarns; the retail and wholesale trade of its own and third parties' textile products.

Cifra S.r.l. is today an international leader in the production of seamless garments for sportswear and underwear.

The Company may carry out all commercial, industrial, financial, movable and real estate transactions deemed expedient for the achievement of its corporate purpose (excluding the raising of savings and the exercise of credit activities).

In order to achieve its corporate purpose, and with the exclusion of activity carried out towards the public, the Company may directly or indirectly acquire equity interests or joint interests in other companies or entities, consortia and undertakings having a purpose similar, related or complementary to its own, whether based in Italy or abroad, and may also obtain financing and grant security interests and personal guarantees in favour of third parties.

The Company's registered office is located in Verano Brianza (MB), Via Sabbionette n. 7.

3.2 Governance Model

The Company has adopted the traditional *governance* system consisting of a Board of Directors.

Pursuant to the By-laws, the Company is managed by a Board of Directors, which remains in office for the term set by the shareholders' resolution appointing it, or until resignation or removal by the Shareholders' Meeting, without prejudice to the causes of termination and forfeiture provided for by law and by the By-laws. Directors may also be appointed from among non-shareholders.

The Board of Directors is the body exclusively vested with the power to resolve which persons are to be granted the power to represent the Company vis-à-vis third parties, the limits within which such persons may make use of the Company's financial resources, and the persons who perform functions in support of the Board of Directors' decisions.

The management body is vested with the broadest powers for the ordinary and extraordinary management of the Company, with the authority to carry out all acts deemed appropriate for the achievement of the corporate purpose, with the sole exception of those reserved to the Shareholders' Meeting by law and by the By-laws.

The Chairman of the Board of Directors, subject to a prior board resolution, or the individual directors, within the scope of their respective powers, also have the authority to appoint proxies *ad negotia* for specific acts or categories of acts, determining their powers.

The power to represent the Company is exercised by the Chairman of the Board of Directors.

The power to represent the Company may also be vested in managers, institori (managing agents) and proxies, within the limits of the powers conferred upon them in the instrument of appointment.

The shareholders may appoint a Board of Statutory Auditors (Collegio Sindacale) and an auditor, including an audit firm.

A Statutory Auditor (Revisore Legale) is currently appointed.

The above-mentioned system of internal powers (so-called delegations of authority) and external powers (so-called signing powers) is extensively described in documents held in the Company's records and accessible to anyone with a legitimate interest.

Delegations of authority and powers of attorney are formalised in writing.

In particular, powers of attorney are granted by notarial deed, communicated to the recipient and registered with the competent Companies' Register office.

The body of documentation referred to above is maintained and updated by the Administration Function.

The financial resource management system, in addition to being expressed through the protocols that implement the principles of traceability and segregation of activities (the latter relating to the separation of duties and the counterbalancing of functions), is also reflected in the delegations of authority formalised by the Company.

The Company adopts procedures for authorising the execution of any payment to or from the Company, based on the general principle that the function which authorises the execution of the payment or collection, after verifying the existence of adequate grounds and documentary evidence, must be different from the function which decides on the relevant transaction.

3.3 Organisational Structure

As at the date of approval of the Model, the Company is managed by a Board of Directors composed of two members.

The Board of Directors is composed as follows:

- Citterio Cesare Guido, Chairman of the Board of Directors and Managing Director; Legal Representative of the Company;
- Del Moro Elena, Director.

There is one further person vested with powers and delegations of authority.

Accounting control is entrusted to a Statutory Auditor.

In order to clarify the role and responsibilities of each person within the corporate decision-making process, the Company has prepared a summary chart setting out its organisational structure. As at the date of approval of the Model, the document in force is the "Organization Chart Cifra S.r.l.".

The organisation chart specifies:

- the areas into which the Company's business is divided;
- the lines of hierarchical reporting of the individual corporate units;
- the job title of the persons operating within each area.

The Organization Chart is constantly reviewed and updated by the Administration Function.

The organisation chart is disseminated within the Company (via the intranet and individual communication) by the Head of Human Resources.

The Company's current Organisation Chart is attached to the Model (**Annex 2**).

Job Descriptions are also in place setting out the roles, tasks and responsibilities assigned to the Collaborators operating within the various corporate Functions.

3.4 Code of Ethics

Cifra S.r.l. has always conducted its activities in compliance with the principles of loyalty, fairness, responsibility, freedom, human dignity and respect for diversity, repudiating any form of discrimination, whether based on race, sex, religion, political belief, or personal and social condition.

For this reason, Cifra S.r.l. has adopted the above-mentioned Code of Ethics, updated in connection with this Model (**Annex 3**), which sets out the values that inspire the Company in carrying out its activities.

The Code of Ethics contains the ethical principles and rules of conduct that the Company's Senior Management, employees, consultants, collaborators and all those who act in the name of or on behalf of Cifra S.r.l. are required to comply with and/or share.

The provisions of the Organisational Model are inspired by the ethical principles and rules of conduct contained in the Code of Ethics, and are integrated with, and compatible with, the same.

Chapter 4 – Organisation, Management and Control Model of Cifra S.r.l.

4.1 Introduction

The Model under examination is aimed at avoiding and preventing the commission of the Predicate Offences referred to in the Decree by Senior Persons (Apical Subjects) and Addressees. The Decree indeed provides for a form of exemption from liability that holds the Entity harmless from any form of sanction, consisting in the adoption and effective implementation of a Model suitable for preventing the Predicate Offences contemplated by the Decree.

The term "model" is, to a certain extent, potentially misleading: in essence, beyond the content of the "model" as identified by law, the concept refers to a set of components ranging from the actual corporate organisation, to the internal procedures for the organisation, management and control of the business, to the company's conduct policies; all of these components, taken together, must be oriented towards the prevention of the offences for which the Entity's liability is provided. In other words, the actual structure that each individual undertaking has given itself must no longer be aimed solely at maximising revenues, which is inherent in the very concept of business, but must also be aimed at protection against conduct at odds with the relevant criminal law provisions. This concept is probably better conveyed by the term "compliance programs", literally "programmi di conformità", which defines an executive project for directing corporate activity towards the correct application of certain legal and behavioural rules.

An indispensable requirement for the adoption of the Model to result in an exemption from liability is that, in preparing it, the Entity must have:

- precisely identified the activities within the scope of which offences may be committed;
- entrusted the task of supervising the functioning of, and compliance with, the Model to an independent body, vested with autonomous powers of initiative and control, which also carries out the task of ensuring that it is kept up to date;
- adopted a code of conduct, containing specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- put in place a disciplinary code suitable for punishing failure to comply with the measures provided for in the Model.

In order to be exempted, the Entity must also demonstrate that the offence was committed by fraudulently circumventing its own Model and that the Supervisory Body diligently performed its duties.

4.2 Purposes of Cifra S.r.l. in Adopting the Model

The organisation and management model provided for by Legislative Decree 231/2001 expresses the entirety of the rights, duties and responsibilities of the Company and its collaborators. It contains principles and rules of conduct, through which effect is given to the principles that enrich the decision-making processes and guide the conduct of Cifra S.r.l.

More specifically, the Model pursues the following purposes:

a. to put in place a *structured and organic system of prevention and control*, aimed at reducing the risk of the commission of offences connected with the Company's business and at preventing/countering any unlawful conduct;
b. to instil, in all those acting in the name and/or on behalf of the Company, especially in the "at-risk activity areas", the *awareness that they may incur*, in the event of a violation of the provisions set out therein, *an unlawful act punishable by sanctions*, potentially also of a criminal nature, and which may also give rise to sanctions against the Company itself;

c. to inform the Addressees that a violation of the requirements contained in the Model with which they are obliged to comply will result in the *application of specific sanctions and, in the most serious cases, termination of the contractual relationship*;

d. to reaffirm that *the Company does not tolerate unlawful conduct* of any kind and regardless of its purpose, since such conduct (even where the Company might apparently stand to benefit from it) is in any event contrary to the ethical principles to which the Company intends to adhere.

The Organisational Model prepared by Cifra S.r.l. is aimed at defining a system of preventive control, directed in the first instance at planning the formation and implementation of the Company's decisions in relation to the risks/offences to be prevented, and is comprised, in particular, of:

- the Code of Ethics, which identifies the primary values to which the Company intends to conform and thus sets the general guidelines for corporate activity;
- an up-to-date, formalised and clear organisational system, which ensures an organic allocation of duties and an adequate level of segregation of functions;
- Special Parts and Protocols aimed at regulating the carrying out of activities, in particular with regard to at-risk processes, providing for appropriate control points, as well as the separation of duties among those who carry out crucial phases or activities within such processes;
- a clear allocation of authorisation and signing powers, consistent with organisational and management responsibilities;
- control safeguards, relating in the first instance to the potential commission of "predicate offences", capable of providing timely notice of the existence and emergence of general and/or specific critical situations.

4.3 Relationship between the Model and the Code of Ethics

Cifra S.r.l. has always paid particular attention to the objective of social commitment, in the belief that competitiveness among undertakings must be inextricably accompanied not only by ethical sensitivity, but also by social engagement and respect for the environment.

In confirmation of the importance attached to ethical matters, and in order to emphasise the significance of conduct based on rigour and integrity, which constitute some of the main values underlying the Company's cultural model, the Company has adopted a Code of Ethics and Corporate Conduct.

This document constitutes a tool of corporate culture aimed at avoiding ambiguous or incorrect conduct through the clear identification of the main rules to be observed, with the warning that non-compliant conduct may be sanctioned; in particular, it reaffirms the principle that the Company requires its employees, collaborators and external consultants to act in accordance with principles of strict honesty.

An ethical orientation indeed represents, in an economic context characterised by strong and ever-increasing competitiveness, a highly useful tool for meeting present and future challenges and for making a concrete contribution to the achievement of corporate objectives, transforming the market's knowledge and appreciation of the Company's way of operating into a competitive advantage and into improved business relationships.

The Code of Ethics is an instrument that differs in nature, function and content from this Model. However, the Code of Ethics contains the basic principles of conduct and ethical values that inspire the Company in the pursuit of its objectives, and these principles must be observed by all those who interact with it.

From this standpoint, the Code of Ethics must be regarded as an essential foundation of the Model, since the provisions contained in the latter presuppose compliance with those set out in the former, together forming a systematic corpus of internal rules aimed at fostering a culture of ethics and corporate transparency.

The Code of Ethics and Corporate Conduct, which is hereby fully incorporated by reference, is attached to the Model (**Annex 3**).

4.4 Adoption of the Model and the Guidelines

Legislative Decree 231/2001 provides that organisation and management models may be adopted on the basis of codes of conduct drawn up by trade associations representing entities, subject to review by the Ministry of Justice.

In order to ensure the preparation of an effective and efficient Model useful for averting the commission of the offences referred to in the Decree, Cifra S.r.l. has drawn inspiration, to the extent relevant to its specific circumstances, from the Guidelines issued by Confindustria, first published on 7 March 2002 and subsequently updated, most recently on 30 June 2021.

The Guidelines define the essential characteristics of the process of constructing the organisational model as a typical risk management and risk assessment process. The obligation set out in Article 6, second paragraph, letters a) and b), of Legislative Decree 231/2001 would indeed include «the analysis of the corporate context in order to highlight where (in which area/sector of activity) and in what manner» the offences that the organisational model must prevent may occur, and «the assessment of the system existing within the entity and its possible adjustment, in terms of the capacity to effectively counter, that is, to reduce to an acceptable level, the risks identified».

In this context, the definition of "acceptable risk" becomes crucial. In this regard, the Guidelines expressly state that «the economic cost-based rationale (according to which a risk is deemed acceptable when additional controls are more costly than the resource to be protected) cannot be used as an exclusive point of reference». The economic cost of the system is therefore in itself secondary to the interest being protected. Conversely, "acceptable risk" is identified as a «prevention system that cannot be circumvented except fraudulently», in line with the statutory provision that establishes fraudulent circumvention of the organisational model as the objective criterion for the attribution of liability.

Consequently, the risk threshold must be such as to exclude the possibility that a person acting in the name and on behalf of the Company is unaware of the corporate directives, and that the offence could be committed as a result of a misjudgement of those same directives.

4.5 Phases in the Construction of the Model

The objective of the process is «the establishment of formal procedures for activities entailing a risk of offence, in order to prevent their commission». To this end, a preliminary analysis of the activities was essential in order to define their proper procedural framework.

The adoption of this Model was therefore preceded by a specific mapping of the activities at risk of offences and of corrupt practices.

In particular, the central points in the construction of the Model, including in the subsequent phases of updating and implementation, were arrived at through the following phases:

1. mapping of the Company's Organisation Chart (**Annex 2**);

2. collection and analysis of existing documentation. In particular, the Company's by-laws, the system of delegations of authority and powers of attorney, and the existing protocols and procedures were collected and examined;
3. identification of the corporate activities within the scope of which the Predicate Offences may be committed, through analysis of company documentation and historical analysis of any cases that emerged in the past with reference to criminal, civil and administrative proceedings;
4. analysis of the internal control system: for each at-risk activity, the network of controls, existing procedures and practice were considered, assessing the appropriateness or otherwise of reinforcing the controls and procedures in place, and planning a series of improvement measures (adoption/integration of procedures, etc.). The objective of this phase was to analyse corporate practice in order to identify "sensitive" areas/activities and relate them to the quality of the safeguards in place. The result of this analysis led to the identification, for those processes that the Company considered to be "at risk of offence" or "at risk of corruption" (and therefore, as noted, deemed "Sensitive"), of the existing controls and the related critical issues, also with a view to satisfying the requirements of the Model and of Law No. 190/2012, as well as to the specification of general and special Principles of Conduct;
5. incorporation of the Code of Ethics and Conduct, containing the fundamental principles of conduct;
6. establishment of a Supervisory Body entrusted with the functions provided for by the Decree;
7. definition of the transmission of information flows to and from the Supervisory Body;
8. a programme of periodic checks on the Sensitive Activities and on the control protocols;
9. a disciplinary system suitable for sanctioning violations of the provisions contained in the Model;
10. a training and communication plan for employee personnel and for other persons who, in any capacity, interact with the Company;
11. criteria for updating and adapting the Model.

4.6 Structure of the Cifra S.r.l. Model

The Cifra S.r.l. Model is composed of

General Part – (Chapters 1 to 8)	• illustrating the relevant regulatory framework, the objectives, and the description of the Company, of the Supervisory Body and of the disciplinary system for violations of the Model
Special Part – (Titles 1 to 11)	• relating to the Predicate Offences

The Special Part is composed of the following Titles, referring to the categories of offences abstractly applicable:

Title	Offences	Legislative Decree 231/2001
1	Offences against the Public Administration, and inducement not to make statements or to make false statements to judicial authorities	Articles 24, 25 and 25-decies
2	Corporate offences, including "corruption between private parties" and "incitement to corruption between private parties"	Article 25-ter
3	Computer crimes and unlawful data processing	Article 24-bis

4	Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering	Article 25-octies
5	Offences relating to non-cash payment instruments	Article 25-octies.1
6	Offences against industry and commerce and offences of counterfeiting instruments or identifying signs	Articles 25-bis.1 and 25-bis
7	Offences relating to workplace health and safety	Article 25-septies
8	Environmental offences	Article 25-undecies
9	Offences against individual personality, including "unlawful intermediation and labour exploitation"	Article 25-quinquies
10	Offences concerning the employment of third-country nationals, including illegal immigration	Article 25-duodecies
11	Tax offences	Article 25-quinquiesdecies

The analysis carried out, however, excluded or identified as not significant certain Predicate Offences whose conduct and protected legal interests do not directly interfere with the purposes of the organisation and of the corporate activities. Consequently, their assessment for the purposes of this Model was deemed appropriate with regard to the indirect protection of the legal interests concerned and the prevention of prohibited conduct through the imposition of compliance with the principles and values of the Company's Code of Ethics, as well as through the overall system of procedures structured for the other predicate offences.

These are, in particular, the offences governed by:

Legislative Decree 231/01	**Offences**
Article 24-ter	Organised crime offences
Article 25-bis	Counterfeiting of currency, public credit instruments and revenue stamps
Article 25-quater	Offences for the purposes of terrorism or subversion of democratic order
Article 25-quater.1	Practices of female genital mutilation
Article 25-quinquies	Offences against individual personality, with the exception of certain offences
Article 25-sexies	Market abuse
Article 25-novies	Offences relating to copyright infringement
Article 25-terdecies	Offences of racism and xenophobia
Article 25-quaterdecies	Fraud in sporting competitions, unlawful gaming or betting, and gambling
Article 25-sexiesdecies	Smuggling
Articles 25-septiesdecies and 25-duodevicies	Offences against cultural heritage

for which it was judged that the commission of the offence, whether concretely or in the abstract, could not be envisaged in connection with the activities carried out by Cifra S.r.l.

Set out below is the summary table.

Article	Offence	Applicable	Not Applicable	Special Part Title
24	Offences against the Public Administration	X		Title 1
24-bis	Computer crimes and unlawful data processing	X		Title 3
24-ter	Organised crime offences		X	
25	Offences against the Public Administration	X		Title 1
25-bis	Offences against industry and commerce and offences of counterfeiting instruments or identifying signs	X		Title 6
	Counterfeiting of currency, public credit instruments and revenue stamps		X	
25-ter	Corporate offences, including "corruption between private parties" and "incitement to corruption between private parties"	X		Title 2
25-quater	Offences for the purposes of terrorism or subversion of democratic order		X	
25-quater.1	Practices of female genital mutilation		X	
25-quinquies	Offences against individual personality, including "unlawful intermediation and labour exploitation"	X		Title 9
25-sexies	Market abuse		X	
25-septies	Offences relating to workplace health and safety	X		Title 7
25-octies	Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering	X		Title 4
25-octies.1	Offences relating to non-cash payment instruments	X		Title 5
25-novies	Offences relating to copyright infringement		X	
25-decies	Inducement not to make statements or to make false statements to judicial authorities	X		Title 1
25-undecies	Environmental offences	X		Title 8
25-duodecies	Offences concerning the employment of third-country nationals, including illegal immigration	X		Title 10
25-terdecies	Offences of racism and xenophobia		X	
25-quaterdecies	Fraud in sporting competitions, unlawful gaming or betting, and gambling conducted by means of prohibited devices		X	
25-quinquiesdecies	Tax offences	X		Title 11
25-sexiesdecies	Smuggling		X	
25-septiesdecies	Offences against cultural heritage		X	
25-duodevicies	Laundering of cultural property, and devastation and pillaging of cultural and landscape heritage		X	

4.7 The Concept of Acceptable Risk

A critical concept taken into account in the construction of the Model was that of "acceptable risk".

Therefore, also for the purposes of applying the provisions of Legislative Decree 231/2001, it becomes important to define a threshold that makes it possible to set a limit on the quantity and quality of the preventive measures to be introduced in order to inhibit the commission of the offence.

In relation to the risk of the commission of the offences referred to in Legislative Decree 231/2001, the threshold of acceptability must be such as to allow for the construction of a preventive system that cannot be circumvented except fraudulently, thereby intentionally violating the Model adopted.

Therefore, by virtue of its characteristics, an effective preventive control system must be capable of:

- excluding the possibility that any person operating within the Company could justify their conduct by claiming ignorance of the corporate directives;
- preventing the offence, in the ordinary run of cases, from being caused by human error, including error due to negligence or lack of skill, in the assessment of the corporate directives.

4.8 Amendments and Additions to the Model

This Model was approved, in its first version, by the Board of Directors of Cifra S.r.l. on 29 July 2019. It was subsequently updated on:

- 28 December 2021;
- 26 February 2024.

This is edition number four.

Given, therefore, that the Model is an act of the Board of Directors, subsequent amendments and additions of a substantive nature are, and will remain, within the competence of the aforesaid body, including upon a proposal by the Supervisory Body 231.

To this end, the Supervisory Body 231 is called upon to appropriately promote risk analysis activity, as a preliminary step towards the adoption, by the Board of Directors, of an organisational model that keeps pace with legislative developments, it being specified that the Supervisory Body is not responsible for updating the Model, but only for reporting to the Board of Directors on the need for action.

It is specified that all procedures and protocols, practices and company rules attached to the Model are adapted by Company Management.

4.9 Addressees of the Model

The Addressees of the Model are all those who act for the achievement of the Company's purpose and objectives. This Model therefore applies to all those who perform, even de facto, functions of management, administration, direction or control of the Company, as well as to all of the Company's Employees.

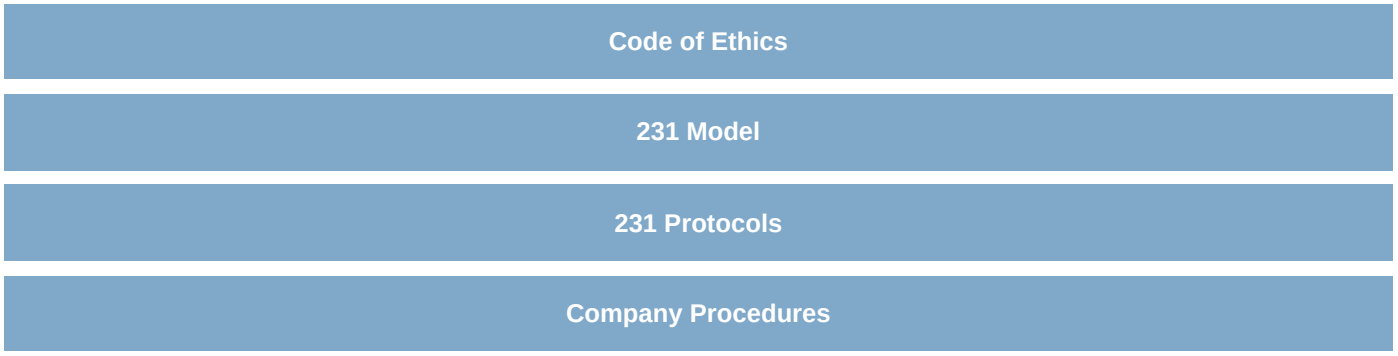
With regard to Partners, as they are persons external to the Company, in order to render this Model applicable to them, Cifra S.r.l. ensures that they are made aware of the Model through appropriate means, thereby providing them with the information necessary to comply with the rules and principles contained therein. As a safeguard, the Company includes in its contracts with Partners specific clauses requiring Partners to comply with the Model, providing for a sanction (penalty clause or termination) in the event of non-compliance.

4.10 Protocols

Article 6, paragraph 2, letter b), of the Decree provides that organisational models must "provide for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented".

In this regard, and in support of its internal control system, Cifra S.r.l. has adopted a series of specific Protocols in conjunction with the Model.

As a result, the body of documentation of Cifra S.r.l.'s 231 system is structured as follows:



The approval of the Protocols is entrusted to the Board of Directors, without prejudice to the competence of the relevant Function Heads for their drafting and revision.

The responsibility for approving additions to and any amendments of the Protocols likewise rests with the Board of Directors. The Function Heads must cooperate in this activity, reporting the need for, or advisability of, amendments and additions.

New Protocols relevant for the purposes of this Model (including those resulting from additions or amendments made to previously approved Protocols) must be submitted to the Supervisory Body 231 for prior assessment.

The Protocols are disseminated to the Addressees in the most appropriate manner, either directly or through the Senior Persons (Apical Subjects), and also through specific training activities.

Chapter 5 – Communication, dissemination and training

5.1 Communication and dissemination

The constant/periodic information of personnel and adequate training regarding the principles and requirements contained in the Organisational Model represent factors of great importance for the correct and effective implementation of the corporate prevention system.

The Addressees are required to have full knowledge of the objectives of fairness and transparency that are intended to be pursued through the Organisational Model and of the methods by which the Company has intended to pursue them, by preparing an adequate system of procedures and controls.

The adoption of this Organisational Model is communicated to the Addressees by delivery of a copy of the same (in paper and/or electronic format), which shall be accompanied by a signed acknowledgement of receipt and by posting the document in a place accessible to all Addressees. In addition, the Company will publish the Model on the corporate intranet.

New hires will be given notice of the adoption of the Organisational Model by delivery of a copy of the same and of the Code of Ethics (in paper and/or electronic format).

Every amendment to the Organisational Model must be communicated to the Addressees, with an explanation of the amendments themselves, by means – including electronic means – suitable to demonstrate effective and informed receipt of the communication.

5.2 Training

The training activity aimed at disseminating knowledge of the legislation referred to in the Legislative Decree is differentiated, in terms of content and delivery methods, according to the qualification of the Addressees, the level of risk of the area in which they operate and whether or not they hold representative functions of the Company.

In particular, the level of training and information of the Company's personnel will be of a greater degree of depth with regard to those who operate in at-risk areas of activity.

In addition to specific courses, training also includes the use of dissemination tools, such as, by way of example, occasional update e-mails or internal information notes.

In any case, following the formal adoption of the Organisational Model by the Board of Directors, a general introductory course is held, aimed at illustrating the reference regulatory framework, the reference principles of the Organisational Model, the information obligations and the rules of conduct to be followed in the at-risk areas.

The training programme may be implemented in ways that make it possible, among other things, to update all Addressees on developments and on amendments to the legislation and to the Organisational Model.

For new hires operating in the areas of at-risk activity, specific training sessions will be arranged, by prior agreement with the relevant hierarchical manager.

Mandatory participation in training sessions will be formalised through the request, potentially also in electronic form, of a signature of attendance.

Within the scope of its own duties, the Supervisory Body 231 may provide for specific checks aimed at verifying the quality of the content of the training programmes and the actual effectiveness of the training provided.

Non-participation without justified reason may be assessed by the Company as a violation of the Organisational Model.

Cifra S.r.l. promotes knowledge of and compliance with the Organisational Model also among external Collaborators and other third parties identified by the Supervisory Body. These will therefore be provided with appropriate information on the principles, policies and procedures that the Company has adopted on the basis of this Model, as well as the texts of the contractual clauses which, consistently with the principles, policies and Protocols contained in the Organisational Model and in the Code of Ethics, will be adopted by the Company.

Chapter 6 – Supervisory Body

6.1 Internal control system

Cifra S.r.l. has equipped itself with an internal control system in order to contribute to constant compliance with the rules governing the regular and lawful conduct of the Company's activities.

This control system consists of a set of rules of conduct, procedures and methodologies that make it possible to adequately counter errors, fraud and all risk factors that hinder the correct performance of the activities themselves, with the objective of providing adequate protection to the shareholders and to all persons who interact, in any capacity, with the Company.

One of the fundamental points of the control system, of which this Model 231 constitutes a point of reference, is the "culture of control", which Cifra S.r.l. undertakes to transmit and disseminate among all Addressees, as identified above, to whom, according to and in awareness of the tasks assigned to them within the corporate organisation, together with the Supervisory Body, the task of ensuring its functioning is entrusted.

6.2 Supervisory Body

Pursuant to Article 6 of Legislative Decree 231/2001, an entity may be exempt from administrative liability where, notwithstanding the commission of a predicate offence by one of its senior persons, prior to the commission of the act it had adopted an organisational model that was fraudulently circumvented and that it has a Supervisory Body in accordance with the provisions of the law: such assessment must be carried out with an "ex ante" evaluation and with reference to the time of adoption and implementation of the model, which may be considered effective in preventing the corporate offences that it is intended to prevent.

Therefore, the establishment of an effective Supervisory Body is an essential requirement, together with the adoption of a valid Model, in order for it to serve as grounds for exemption from the Entity's administrative liability.

6.2.1 Appointment of the members of the SB

The appointment of the SB falls within the competence of the Board of Directors, which establishes:

- the composition (number and qualification of the members, internal or external);
- the duration of the term of office;
- the remuneration;
- the autonomy of expenditure.

As regards the duration of the term of office, the members of the SB normally remain in office for 3 years, save for a different provision decided by the Board of Directors at the time of appointment, on a reasoned basis.

6.2.2 Requirements of the SB

The Supervisory Body must possess the following requirements:

Autonomy

It must have decision-making autonomy, which may be described as the indispensable freedom of self-determination and action, with full exercise of technical discretion in carrying out its functions.

As indicated in the Guidelines adopted by Confindustria, this requirement is to be understood in the sense that the position of the SB within the Entity must guarantee the autonomy of its control initiative from any form of interference or conditioning on the part of any component of the Entity and, in particular, of the management body. This is also because the management body is one of the parties controlled by the Supervisory Body.

Case law has coupled the requirement of autonomy with that of independence. The first requirement would, in fact, be emptied of meaning if the members of the Supervisory Body were found to be conditioned at an economic or personal level or to be in a situation of potential conflict of interest.

Independence with respect to the Company

This requirement reinforces and complements that of autonomy. Specifically, the SB must be free from conditioning arising from relationships of subordination with respect to the controlled apex, and must be a third-party body, positioned in a position of independence also from a hierarchical standpoint, capable of adopting measures and initiatives autonomously. In particular, from the standpoint of independence, the members of the SB must not be in a conflict of interest with the company: they must therefore prove to be independent from the company itself and from its management (cf. Articles 2398 and 2399 of the Italian Civil Code).

Autonomy and independence are satisfied by:

- positioning the Supervisory Body at as high a hierarchical level as possible;
- providing that the Supervisory Body report exclusively to the Board of Directors;
- excluding operational and management duties from the Supervisory Body's remit.

Professionalism

The members must be professionally capable and reliable. As a body, it must have available the technical knowledge and professional skills necessary in order to best perform the functions assigned to it.

Continuity of action

Together with these requirements, the SB must also guarantee continuity of action, that is, it must monitor on a constant basis, albeit not on a continuous basis, the consistency between the conduct provided for by the model and the activities actually carried out by the Addressees.

6.2.3 Composition of the SB

As regards the composition of the SB, the law does not identify or impose any specific model: it may have an external composition or a mixed composition, that is, with external and internal members.

In principle, the Supervisory Body of Cifra S.r.l. is composed of a variable number of members, from one to three:

- if it is a single-member body, that member must be external;
- if it is composed of two members, at least one of the two must be external and must hold the role of Chairman;
- if it is composed of three members, at least two must be external, and one of these must hold the role of Chairman.

If a mixed composition is chosen, it is necessary that the internal members be, to some extent, compliant with the principles of autonomy and independence.

It follows that, in such a composition, in order to preserve the autonomous powers of initiative and control, the Managing Director, an Attorney-in-fact (Procuratore), or a Manager with executive functions must not be part of the SB, as they are possible perpetrators of offences for which the Entity may be held liable; it is in fact necessary to consider that simultaneously undertaking the company's management activity together with the controller's activity would result in the loss of the requirement of independence.

In compliance with the provisions of the Decree and taking into account the particular characteristics of its own organisational structure, the Company, by resolution of the Board of Directors, has entrusted the function of Supervisory Body, responsible for overseeing the functioning of and compliance with this Model and for updating it, to a body composed of two members, one external and one internal.

The Body, as constituted above, is endowed, as required by the Decree, with autonomous powers of initiative and control, and operates in a position of independence and autonomy.

The requirement of autonomy and independence is guaranteed by the recognised positioning of the Supervisory Body, as well as by the reporting lines toward the operational corporate apex attributed to the Supervisory Body pursuant to the Model.

Professionalism is ensured by the specific expertise gained by the external members of the Supervisory Body with reference to the sector in which the Company operates, as well as by the faculty recognised to the Supervisory Body to avail itself of the specific professional skills of both the heads of various corporate Functions and of external consultants for carrying out the technical operations necessary for performing its functions.

Continuity of action is guaranteed by the fact that the Supervisory Body is dedicated primarily to supervisory activity and is devoid of operational powers within the Company.

6.2.4 Requirements and disqualification (decadenza) of the SB

The following persons may not hold the position of member of the SB (and, if appointed, shall be disqualified from office) who have:

- relationships of kinship, marriage (or situations of de facto cohabitation equivalent to marriage) or affinity within the fourth degree with members of the Shareholders' Meeting, statutory auditors and auditors engaged by the legal auditing firm, as well as senior persons (soggetti apicali) of the Company;
- conflicts of interest, even potential ones, with the Company such as to prejudice the independence required by the role and duties proper to the Supervisory Body, as well as coincidences of interest with the Company itself that go beyond ordinary ones based on any employment relationship or relationship for the performance of intellectual services;
- direct or indirect ownership of shareholdings of such an extent as to allow the exercise of a dominant or significant influence over the Company, within the meaning of Article 2359 of the Italian Civil Code;
- administrative functions with executive powers of attorney at the Company;
- a relationship of public employment with central or local administrations in the two years preceding the appointment as member/representative of the Supervisory Body;
- a conviction, or an application of the sentence upon request (pursuant to Article 444 of the Italian Code of Criminal Procedure), even if not final, or a measure that in any case establishes liability, in Italy or abroad, for the offences referred to in the Decree or offences assimilated thereto;
- a conviction, or an application of the sentence upon request (pursuant to Article 444 of the Italian Code of Criminal Procedure), with a sentence even if not final, or a measure that in any case establishes liability, to a penalty entailing

disqualification, even temporary, from holding public office, or temporary disqualification from the executive offices of legal persons and undertakings.

Should any of the above-mentioned grounds for ineligibility arise with respect to a member/representative of the Body, that person must immediately give notice thereof to the Board of Directors and shall automatically be disqualified from office.

The appointment, in addition to the reasons mentioned above, may also be revoked by the Company, in the face of any of the following reasons:

- serious and ascertained grounds of incompatibility that nullify independence and autonomy;
- serious negligence in carrying out the duties connected with the appointment;
- violation of the confidentiality obligations imposed on the Supervisory Body.

Revocation/disqualification of the Supervisory Body falls within the competence of the Board of Directors; the resolution of revocation must be adopted by a majority of two-thirds of the votes of the Directors present with voting rights.

The Board of Directors, at the meeting at which it resolves to revoke a member of the Supervisory Body, shall also make provision for their replacement.

6.3 Supervisory functions and powers of the SB

The following tasks are assigned to the Supervisory Body:

- to give full effect to Legislative Decree 231/2001, overseeing the correct functioning of and compliance with the Model by the Addressees;
- to express opinions regarding the revision of the protocols and corporate procedures attached to the Model;
- to suggest the revision of the Model, also in line with legislative reforms, and to carry out a constant survey of corporate activities in order to monitor and, where necessary, integrate the at-risk-of-offence areas within the meaning of Legislative Decree 231/2001.

It should be noted that the autonomous powers of initiative and control provided for by Article 6, paragraph 1, letter b) of Legislative Decree 231/2001 do not entail the attribution to the SB of preventive, disciplinary or sanctioning powers and do not allow it to directly carry out amendments to the Model in order to update it, but concern only powers of proposal and initiative, as well as advisory duties.

6.4 General principles governing the functioning of the SB 231

The Supervisory Body draws up and approves its own "Rules of Procedure of the SB 231". The said Rules of Procedure are transmitted to the Board of Directors for information.

The Supervisory Body prepares its own annual programme of activities, checks and controls, referred to as the "Operational Plan". The Operational Plan is sent for information to the Board of Directors.

The Supervisory Body meets periodically, normally every quarter, except in cases of urgency.

The SB 231 equips itself with its own Minute Book. Minutes are drawn up of the meetings of the SB 231, transcribed in the dedicated Minute Book, kept under the responsibility of the Supervisory Body with the assistance of a secretary, if appointed.

The Supervisory Body may be convened at any time by the corporate bodies for the purpose of reporting on significant circumstances relating to compliance with and the preventive suitability of the Model.

Further specifications regarding the operation of the Supervisory Body may be contained in the dedicated Rules of Procedure approved by it.

The Supervisory Body has full financial autonomy for carrying out its own duties; to this end, it communicates annually to the Board of Directors the allocation of financial resources deemed necessary, without prejudice to any requests for additional funds for unforeseen needs. Consequently, the Board of Directors, by its own resolution, allocates an annual expenditure budget to the SB 231.

The Supervisory Body has the power to request from the Board of Directors, as well as from any other Addressee, news, information and documents relating to the activity carried out, and has free access to the corporate documentation necessary for the performance of its duties. The Supervisory Body also has the power to request the Board of Directors to impose sanctions on anyone who violates the Model or fails to comply with the related information obligations.

The Board of Directors and the Managing Director are required to provide full information to the Supervisory Body on matters falling within the competence of that Body.

The Supervisory Body, should the need arise to make use of specialisations not available internally, may avail itself of the technical contribution of external consultants to whom it may delegate specific areas of investigation. External consultants are required to report the results of their work directly to the Supervisory Body.

In order to oversee the correct functioning of and compliance with the Organisational Model by the Addressees, the Supervisory Body coordinates with the competent functions present at Cifra S.r.l. and identifies, for each Function of the Company, one or more "Contact Persons" (Referenti).

The Contact Persons chosen by the Supervisory Body have – each within their own area of competence – the task of providing periodic information to the Supervisory Body regarding matters of possible interest to the Supervisory Body, and of promptly reporting any violation or conduct inconsistent with the Model.

6.5 Reports and information flows to the SB

All Addressees are required to report, in writing and not anonymously, every hypothesis of violation of the Model and of the Code of Ethics to the Supervisory Body, which shall ensure the confidentiality of the identity of the reporting person, as well as the protection of the reputation of the person reported, without prejudice to legal obligations and the rights of the Company or of the persons involved.

Each Addressee has the obligation to report to the Supervisory Body any information relating to the commission of offences within the Company, as well as any conduct inconsistent with the principles and procedures provided for by the Organisational Model.

Reports must be communicated to the Supervisory Body either directly or, for employees, through the Function Managers, who must promptly forward in original form what they have received to the Supervisory Body, using confidentiality criteria to protect the effectiveness of the investigations and the good reputation of the persons concerned by the report.

In addition to event-based reports, the Supervisory Body 231 shall establish, by means of a specific procedure, the continuous information flows of which it must be the recipient, the persons concerned, and the periodicity and methods of transmission. This procedure must be subject to approval by the Board of Directors.

For contact with the SB 231, Cifra S.r.l. has established the following dedicated mailbox for the SB, to which reports and information flows should be sent: **odv@wks-cifra.com**.

6.6 Reporting activity of the SB to the corporate bodies

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

In particular, the SB reports to the Board of Directors of the Company.

The reporting activity always relates, in any case, to:

- the activity carried out by the SB;
- any critical issues (and, where applicable, suggestions for improvement) that have emerged, both in terms of conduct or events internal to the Company, and in terms of the effectiveness of the Model.

Communications sent to the corporate bodies must be kept in original copy in the SB's archive. Meetings with the bodies to which the SB reports must be recorded in minutes, and copies of the minutes must be kept by the SB.

Both the Board of Directors and the Managing Director have the power to convene the SB 231 at any time, and the SB, in turn, has the power to request, through the competent Functions or persons:

- the convening of the Board of Directors;
- a meeting with the Managing Director.

On an annual basis, the SB 231 draws up its own Report, which it transmits to the Board of Directors for acknowledgement (presa d'atto). The report contains:

- the activity carried out by the SB 231 during the current year;
- a summary of the audits carried out;
- a summary of the checks carried out;
- any critical issues that have emerged;
- any violations of the Model and the sanctions consequently imposed;
- proposals for improvement;
- the state of updating of the Model and proposals for adaptation to the legislation in force;
- the programme of activities for the following year.

Chapter 7 – Whistleblowing

7.1 Introduction

Reports are handled by Cifra S.r.l. in compliance with the statutory and regulatory requirements on Whistleblowing concerning the protection of persons making reports; in particular:

- Legislative Decree 24/2023 "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national statutory provisions";
- the "Guidelines on the protection of persons who report breaches of Union law and the protection of persons who report breaches of national statutory provisions. Procedure for the submission and handling of external reports" of the National Anti-Corruption Authority (ANAC), approved by Resolution No. 311 of 12 July 2023;
- the "New 'Whistleblowing' Regulation – Operational Guide for Private Entities", adopted by Confindustria in October 2023.

Reports concern information on violations consisting of:

a. administrative, accounting, civil or criminal offences (not falling within subsequent points 3, 4, 5, 6);
b. unlawful conduct relevant under Legislative Decree No. 231 of 8 June 2001, or violations of the organisation and management models provided for therein (not falling within subsequent points 3, 4, 5, 6);
c. offences falling within the scope of application of European Union or national acts listed in the annex to Legislative Decree No. 24 of 10 March 2023, or of national acts implementing European Union acts relating to the following sectors: public procurement; financial services, products and markets, and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and personal data, and security of network and information systems;
d. acts or omissions harming the financial interests of the European Union referred to in Article 325 TFEU;
e. acts or omissions concerning the internal market (goods, persons, services and capital) referred to in Article 26, paragraph 2 TFEU, including violations of EU competition and State aid rules, as well as violations concerning the internal market connected with acts that infringe corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that defeats the object or purpose of the applicable corporate tax law;
f. acts or conduct that defeat the purposes of European Union provisions in the sectors indicated in points (3), (4) and (5).

The persons referred to in Article 3 of Legislative Decree 24/23 (workers, collaborators, self-employed professionals, consultants, volunteers, trainees, shareholders, and persons holding administrative, management, control, supervisory or representative functions) who, in the course of their work within Cifra S.r.l., have become aware of information on the above-mentioned violations, shall make reports through the channels established by the Company:

Channel	Description
IT Platform	Accessible at the link **https://www.programmaazienda.com/segnalazioni/** available in both desktop and mobile versions, managed by a specialised service provider.

	This platform is structured so as to ensure that: - during the reporting process, the information acquired complies with the principles of personal data protection and maximum confidentiality. This is achieved through the adoption of encryption techniques and the implementation of technical and organisational security measures, defined, assessed and implemented also in light of a data protection impact assessment pursuant to Article 35 of the GDPR; - the relevant information is accessible exclusively to the Reports Manager; - it is available continuously, 24 hours a day, 7 days a week.
Voice Messaging	Voice messaging system at the number **351.3620441** which likewise provides for measures to protect confidentiality: - access is reserved exclusively to the Reports Manager; - it is available continuously, 24 hours a day, 7 days a week.
Direct Meeting	By requesting a direct meeting with the Reports Manager, submitted via the Company's certified email (PEC) **legalmail@pec.cifra-SpA.net** with the subject line "Request for a direct meeting with the Reports Manager", without indicating the reasons or any other reference relating to the subject matter of the Report.

These channels guarantee the confidentiality of the identity of the reporting person, of the person involved, of any person otherwise mentioned in the report, as well as of the content of the report and the related documentation.

The handling of Reports is entrusted to the Chairman of the SB 231, appointed as "Reports Manager". Where a report relates to matters concerning the Model or conduct relevant under Decree 231/01, it shall be handled with the involvement of the Supervisory Body 231.

All information relating to Reports is retained for a period not exceeding five years.

For matters not expressly addressed in this paragraph, reference is made to the "Whistleblowing Procedure – Management of the Violation Reporting System", Rev. 00 of 21 November 2023 (**Annex 4**).

7.2 Protection of the Identity of the "Whistleblower"

Cifra S.r.l. ensures the protective measures provided for by Decree 24/2023, taking into account the conditions and specifications contained therein.

Cifra S.r.l. prohibits any act of retaliation or discrimination, direct or indirect, against the reporting person for reasons connected, directly or indirectly, to the Report made (for example, dismissal, mobbing, demotion, etc.). In any case, the retaliatory or discriminatory dismissal of the reporting person is null and void. The change of duties under Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure adopted against the reporting person, is likewise null and void.

It is the employer's burden, in the event of disputes relating to the imposition of disciplinary sanctions, or to demotions, dismissals, transfers, or the subjection of the reporting person to any other organisational measure having negative direct or

indirect effects on working conditions, occurring after the submission of the report, to demonstrate that such measures are based on grounds unrelated to the report itself. Where, following the checks carried out, the facts reported are found to be well-founded, the Reports Manager, with the involvement of the SB in the circumstances described above, shall communicate the outcome of the investigations carried out to the competent corporate functions, so that the most appropriate sanctioning measures may be taken, in accordance with what is described in the "Disciplinary System" paragraph of this document.

Where the criminal liability of the reporting person for the offences of defamation or malicious accusation, or the reporting person's civil liability on the same grounds in cases of wilful misconduct or gross negligence, is established, including by a first-instance judgment, a disciplinary sanction shall be imposed on that person.

Chapter 8 – Disciplinary System

8.1 Function of the Disciplinary System

The establishment of a system of sanctions (proportionate to the violation and possessing deterrent effect) applicable in the event of violation of the rules set out in the Model makes the supervisory action of the Supervisory Body more effective. The establishment of such a sanctioning system constitutes, in fact, pursuant to Article 6, paragraph 1, letter (e), of Legislative Decree 231/2001, an essential requirement of the Model for the purposes of its exempting effectiveness with respect to the liability of the entity.

The system itself is aimed at sanctioning failure to comply with the Principles of Conduct and the Protocols of the Model and, pursuant to Article 2106 of the Civil Code ("Disciplinary sanctions"), supplements, for matters not otherwise provided for and limited to the cases contemplated, the National Collective Labour Agreements (CCNL) applicable to the category of employed personnel.

The imposition of disciplinary sanctions for violation of the Principles of Conduct and the Protocols of the Model is independent of any criminal proceedings that may be initiated and of the outcome of the resulting judgment for the commission of one of the offences provided for by the Legislative Decree.

Pursuant to the provisions of the above-mentioned Whistleblowing Law and with reference to any Addressee of the Model, it is specified that the conduct subject to sanction must also be deemed to include the violation, in any manner, of the measures protecting the reporting person, as well as the making, with wilful misconduct or gross negligence, of reports that prove to be unfounded.

8.2 General Criteria for the Imposition of Sanctions

Any failures to comply with or violations of the Model are reported by the SB, in addition to the hierarchical superior of the person concerned, to the Managing Director responsible for imposing the sanctions provided for by law.

In individual cases, the type and extent of the specific sanctions shall be applied in proportion to the seriousness of the misconduct and, in any event, having regard to the following elements:

- the subjective element of the conduct, depending on wilful misconduct or negligence;
- the significance of the obligations violated;
- the level of hierarchical and/or technical responsibility;
- the presence of aggravating or mitigating circumstances, with particular regard to professional standing, previous work experience, the circumstances in which the act was committed and any repeat offences;
- any involvement, jointly with persons holding functions of responsibility, of other persons who contributed to the misconduct;
- conduct that may compromise, even only potentially, the effectiveness of the Model.

Where a single act constitutes multiple infringements punishable by different sanctions, the more severe sanction shall be applied.

The imposition of a disciplinary sanction, irrespective of the initiation of proceedings and/or the outcome of any criminal judgment, must, as far as possible, be guided by the principle of timeliness.

8.3 Sanctions for Middle Managers and Employees

Pursuant to the combined provisions of Articles 5, letter (b), and 7 of the Legislative Decree, without prejudice to the prior notification of charges and the procedure prescribed by Article 7 of Law No. 300 of 20 May 1970 (the so-called "Workers' Statute"), the sanctions provided for in this paragraph may be applied, having regard to the general criteria set out above, to middle managers and employees.

8.3.1 Violations

Sanctions may be applied in the event of violations consisting of:

a. failure to comply with the Principles of Conduct and the Protocols of the Model;

b. the absence, or untruthful representation, of evidence of the activity carried out with regard to the manner of documenting, retaining and controlling the acts relating to the Protocols, so as to prevent the transparency and verifiability thereof;

c. the violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Protocols, or by preventing the persons responsible and the SB from carrying out controls or accessing the information and documentation requested;

d. non-compliance with the provisions concerning signing powers and the system of delegations;

e. the failure of hierarchical superiors to supervise their subordinates as regards the correct and effective application of the Principles of Conduct and the Protocols of the Organisational Model.

The list of cases is illustrative and not exhaustive.

8.3.2 Sanctions

The commission of disciplinary offences referred to in the preceding paragraph is sanctioned by the following disciplinary measures, according to the seriousness of the non-compliance:

- verbal reprimand;
- written reprimand;
- a fine of up to four hours' base pay;
- suspension from pay and duties for up to 10 days;
- dismissal without notice.

Where the above-mentioned employees hold a power of attorney enabling them to represent the Company externally, the imposition of the sanction may result in the revocation of that power of attorney.

Verbal reprimand

The sanction of verbal reprimand may be imposed in cases of a minor negligent violation of the Principles of Conduct and/or the Protocols provided for by the Organisational Model, or of procedural errors due to negligence.

Written reprimand

The sanction of written reprimand may be imposed in cases of repeat violations of the type referred to in letter (a).

Fine

In addition to cases of repeated infringements that could give rise to the application of a written reprimand, a fine may be applied in cases where, owing to the level of hierarchical or technical responsibility, or in the presence of aggravating circumstances, negligent and/or careless conduct may compromise, even only potentially, the effectiveness of the Organisational Model.

Suspension from pay and duties

The sanction of suspension from pay and duties, for up to a maximum of 10 days, may be imposed in cases of serious violations of the Principles of Conduct and/or the Protocols, such as to expose the Company to liability towards third parties, as well as in cases of repeated infringements that could give rise to the application of a fine.

Dismissal without notice

The sanction of dismissal without notice may be imposed for misconduct so serious as to undermine the relationship of trust with the Company and thus not permit the continuation, even provisional, of the employment relationship, such as, by way of example and not exhaustively:

- violation of the Principles of Conduct and the Protocols having external relevance and/or fraudulent circumvention thereof, carried out through conduct directed at the commission of an offence relevant under the Legislative Decree;
- violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Protocols, or by preventing the persons responsible and the SB from carrying out controls or accessing the information and documentation requested.

Where a worker has committed one of the acts of misconduct that may give rise to dismissal, the Company may order the worker's precautionary suspension with immediate effect.

Should the Company decide to proceed with dismissal, this shall take effect from the day on which the precautionary suspension began.

8.4 Sanctions for Executives

Pursuant to the combined provisions of Articles 5, letter (b), and 7 of the Legislative Decree and the applicable statutory and contractual provisions in force, the sanctions indicated in this section may be applied to executives, observing the general criteria for imposition, including those of a formal nature (written notification of charges and request for justifications).

8.4.1 Violations

Sanctions may be applied in the event of violations consisting of:

a. failure to comply with the Principles of Conduct and the Protocols in the Model;

b. the absence, or untruthful representation, of evidence of the activity carried out with regard to the manner of documenting, retaining and controlling the acts relating to the Protocols, so as to prevent the transparency and verifiability thereof;

c. the violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Protocols, or by preventing the persons responsible and the SB from carrying out controls

or accessing the information and documentation requested;

d. non-compliance with the provisions concerning signing powers and the system of delegations, save in cases of extreme necessity and urgency, of which timely notice must be given to the hierarchical superior;

e. the failure of hierarchical superiors to supervise, control and oversee their subordinates as regards the correct and effective application of the Principles of Conduct and the Protocols indicated in the Organisational Model;

f. failure to comply with the obligation to inform the SB and/or the direct hierarchical superior of any violations of the Organisational Model committed by other employees, of which the person has direct and certain proof;

g. where within their competence, failure to provide training and/or updates and/or failure to communicate with personnel operating within the processes governed by the Protocols.

The list of cases is illustrative and not exhaustive.

8.4.2 Sanctions

The commission of disciplinary offences referred to in the preceding paragraph by executives is sanctioned by the following disciplinary measures, according to the seriousness of the non-compliance, taking into account the particularly fiduciary nature of the employment relationship:

- written censure;
- dismissal without notice.

Where executives hold a power of attorney enabling them to represent the Company externally, the imposition of a written censure may also result in the revocation of that power of attorney.

Written censure

The sanction of written censure may be imposed in cases of negligent violation of the Principles of Conduct and the Protocols indicated in the Model.

Dismissal without notice

The sanction of dismissal without notice may be imposed in cases giving rise to a breach of the relationship of trust such as not to permit the continuation, even provisional, of the employment relationship, such as, by way of example and not exhaustively:

- violation of the Principles of Conduct and the Protocols having external relevance and/or fraudulent circumvention thereof, carried out through conduct directed at the commission of an offence relevant under the Legislative Decree;
- violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Protocols, or by preventing the persons responsible and the SB from carrying out controls or accessing the information and documentation requested.

Where the executive has committed one of the acts of misconduct that may give rise to dismissal, the Company may order the executive's precautionary suspension with immediate effect.

Should the Company decide to proceed with dismissal, this shall take effect from the day on which the precautionary suspension began.

8.5 Sanctions for Senior Corporate Management

The sanctions indicated in this section may be applied to senior corporate management, as defined above: the Managing Director.

8.5.1 Violations

Sanctions may be applied in the event of violations consisting of:

a. failure to comply with the Principles of Conduct and the Protocols of the Model;

b. the violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Protocols, or by preventing the persons responsible and the SB from carrying out controls or accessing the information and documentation requested;

c. violation of the provisions concerning signing powers and, in general, the system of delegations, save in cases of necessity and urgency;

d. violation of the obligation to inform the SB and/or any superior body regarding conduct directed at the commission of an offence included among those provided for by the Legislative Decree.

The list of cases is illustrative and not exhaustive.

8.5.2 Protective Measures

Depending on the seriousness of the infringement and upon a corresponding decision of the Board of Directors, protective measures may be applied, within the scope of those provided for by the applicable legislation, including the revocation of the delegation and/or office conferred on the person concerned.

Irrespective of the application of the protective measure, the Company's right to bring liability and/or compensation actions is, in any event, reserved.

In the case of violations committed by a person referred to in this paragraph who also holds the status of subordinate employee, the sanctions established by the Managing Director shall be applied, without prejudice, in any event, to the applicability of the various disciplinary actions available under the subordinate employment relationship with the Company and in compliance with the statutory procedures, insofar as applicable.

8.6 Sanctions for Collaborators, Agents, Consultants and Third Parties

Non-compliance by collaborators, agents, consultants or other persons having contractual relationships with the Company (also referred to as "Third Parties") with the contractual clauses aimed at preventing conduct or behaviour that could give rise to the application of sanctions under the Legislative Decree shall be sanctioned in accordance with the provisions of the specific contractual clauses to be included in the relevant contracts, and may result – where permitted by the applicable legislation – in the immediate termination of the relationship, without prejudice in any case to compensation for damage that may be suffered by the Company or that the Company may be called upon to pay, and without prejudice to Cifra S.r.l.'s exercise of all further statutory prerogatives.

8.6.1 Violations

In particular, termination of the contractual relationship by operation of law pursuant to Article 1456 of the Civil Code may be declared by Cifra S.r.l. where Third Parties have:

a. violated the principles, including those contained in the Company's Code of Ethics, relating to the subject matter of the engagement, or engaged in conduct directed at the commission of an offence relevant under the Legislative Decree;

b. violated and/or circumvented Cifra S.r.l.'s control system, including through the removal, destruction or alteration of documentation relating to the engagement, or prevented the persons responsible and the SB from carrying out controls and/or accessing the information and documentation requested;

c. failed to provide Cifra S.r.l. and/or its control bodies with documentation attesting to the activity carried out, or provided it incomplete or untruthful, thereby preventing the transparency and verifiability thereof;

d. violated, including through omissive conduct, rules, regulations and/or other corporate provisions on the protection of health and safety at work.

8.7 Sanctions Applicable Pursuant to the Legislation on the Protection of Persons Who Report Violations

Pursuant to and for the purposes of the legislation on the protection of persons who report violations of EU and national law (the so-called "Whistleblowing"), the sanctions provided for above apply, using the graduated criteria referred to therein, also in the following cases:

- the commission of any act of retaliation – to be understood as conduct, an act or an omission, even merely attempted or threatened, carried out on account of the report (of the complaint to the judicial or accounting authority or of the public disclosure) – which causes or may cause, directly or indirectly, unjust damage to the reporting person (or to the person who lodged the complaint or made a public disclosure) and/or to other persons specifically identified by the relevant legislation;
- the failure to establish reporting channels, the failure to adopt a Whistleblowing procedure compliant with the applicable legislation, or also the failure to carry out activities or verification and analysis with regard to reports received;
- the carrying out of actions or conduct by which the report is obstructed or an attempt is made to obstruct it;
- the violation of the obligation of confidentiality;
- the establishment of the reporting person's liability, including by a first-instance judgment, for the offences of defamation or malicious accusation (or, in any event, for the same offences committed in connection with a complaint), or the reporting person's civil liability in cases of wilful misconduct or gross negligence.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Special Part

Introduction to the Special Part

This Special Part is composed of eleven Titles. Each is dedicated to a category of violations relevant for the purposes of the administrative liability of Entities, which the Company has determined to take into consideration in light of the characteristics of its own activity.

The structure of each Title is characterised by the description of the offence and by the association between the types of offence and the Sensitive Activities identified by the Company with reference to the aforementioned types of offence, together with the specific protocols.

It is specified that where a Sensitive Activity identified by the Company is carried out, in whole or in part, by third parties in the name and/or on behalf of the Company, the following protocols shall apply – in substitution for and/or in addition to the specific protocols provided for the individual activities:

- ad hoc clauses: any contract entered into with Partners must contain express references to the Model for the carrying out of the sensitive activity, and express termination clauses shall be included aimed at sanctioning conduct, on the part of third parties, contrary to the provisions contained in the Model;
- control safeguards: any contract entered into with Partners must provide that the Partners undertake to adopt measures suitable to prevent the risk of the commission of violations relevant for the purposes of administrative liability under Legislative Decree 231/2001 that could be attributed to the Company;
- any contract entered into with Partners must set out, in a detailed and analytical manner, the activities falling within the competence of the Company and those falling within the competence of the Partner and, where possible, the service level agreements (SLAs).

Title 1 – Offences against the Public Administration and the Offence of Inducement Not to Make Statements

OFFENCES AGAINST THE PUBLIC ADMINISTRATION UNDER ARTICLES 24 AND 25 OF LEGISLATIVE DECREE 231/2001, AS ALSO SUPPLEMENTED PURSUANT TO LAW 190/2012

THE OFFENCE OF INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY UNDER ARTICLE 25-*DECIES* OF LEGISLATIVE DECREE 231/2001

1.1 Introduction

As specified in Chapter 1 of the General Part of the Model, pursuant to Legislative Decree 231/2001 the Company is held administratively liable where certain persons commit certain specific offences.

The Decree and other legislative provisions – issued to date in the ongoing evolution of the original legislation – expressly indicate the exhaustive cases of offence constituting the predicate for the application of the sanctions provided for by the Decree itself.

This Title 1 deals, in particular, with the so-called offences relating to relations with the public administration.

To this end, it is essential to examine in detail the notions of public administration, public official and person in charge of a public service.

The subject matter of the criminal-law protection relevant here is, in fact, the proper functioning as well as the prestige of the public administration (in its broadest sense) and, in general, that "sound administration" (*buon andamento*) of the administration referred to in Article 97 of the Constitution or, in the case of fraud offences, public assets.

1.1.1 Definition of Public Administration

The Criminal Code does not contain a definition of "public administration"; however, taking into account what is set out in the Ministerial Report accompanying the Code itself in relation to the offences provided for therein, entities that carry out *all the activities of the State and of other public bodies* are considered to belong to the public administration.

In general, therefore, for the purposes of the criminal law, *a public administration entity* is commonly considered to be any legal person that has responsibility for public interests and that carries out legislative, judicial or administrative activity by virtue of rules of public law and authoritative acts.

For an illustrative list of the legal persons belonging to this category, reference may be made to Article 1, paragraph 2, of Legislative Decree No. 165 of 30 March 2001, containing "General rules on the organisation of work within public administrations", pursuant to which public administrations are:

all State administrations, including institutions and schools of every type and level and educational institutions, State enterprises and administrations with autonomous status, the Regions, the Provinces, the Municipalities, the Mountain Communities and their consortia and associations, university institutions, the autonomous public housing institutes (Istituti autonomi case popolari), the Chambers of Commerce, Industry, Craft Trades and Agriculture and their associations, all non-economic public bodies at national, regional and local level, the administrations, undertakings and bodies of the National Health Service, the National Agency for the Collective Bargaining Representation of Public Administrations (ARAN), and the Agencies referred to in Legislative Decree No. 300 of 30 July 1999

With specific reference to the scope of application of the rules governing public contracts for works, services and supplies (an area of particular relevance for present purposes), reference should also be made to the Public Contracts Code set out in Legislative Decree No. 36 of 31 March 2023 (hereinafter, "Legislative Decree 36/2023"), which considerably broadens the category of public entities, to the point that it appears problematic to exclude any operator acting with a view to producing or acquiring goods of public relevance.

In other words, any reference to the public administration includes, in addition to the State and its territorial administrations (municipalities, provinces and regions), also economic or non-economic public bodies, bodies governed by public law, undertakings with majority or minority public shareholding or controlled by the State or by territorial bodies, or, in any event, entities carrying out activities of public interest or public utility, or indeed other private entities whose representatives, corporate officers or employees may be classified as public officials or persons in charge of a public service under the applicable legislation.

While the above list is illustrative in nature, it should be noted that not all natural persons who act within, and in relation to, the aforementioned entities are subjects with respect to whom (or by whom) the offences under Article 25 of Legislative Decree 231/2001 are perfected.

In particular, the only figures relevant for this purpose are public officials and persons in charge of a public service.

In order to establish whether one is dealing with a public official or with a person in charge of a public service, the emphasis must be placed *not on the existence of an employment relationship between the person and the State or another public body, but rather on the characteristics qualifying the activity actually carried out by the persons concerned, which must be capable of being defined, depending on the case, as a public function or as a public service. It may be said, adopting a felicitous definition offered by a distinguished body of legal scholarship, that such subjective qualifications are acquired "not by virtue of what one is, but by virtue of what one does".*

Indeed, on the basis of Articles 357 and 358 of the Criminal Code, the qualifications of public official or of person in charge of a public service are linked to the activities carried out, which may be defined as a public administrative function or as a public service not by reason of the link between the person and a public body, but by reason of the rules of public law governing the activity, as well as the public-law content that characterises it; as regards public service, such content is quantitatively lesser (as compared with that of the public function), such as in any event to exclude from the category persons who carry out mere routine tasks or who perform purely manual work.

The two categories are thus brought together, from a functional-objective perspective, in the sense that both postulate the "external" delimiting criterion based on the public-law nature of the activity carried out. The element that differentiates them lies in the fact that the public official is vested with deliberative, authoritative or certifying powers, whereas the person in charge of a public service lacks such powers, even though his activity is in any event referable to the public sphere: in other words, it is the specific nature of the powers listed in Article 357 of the Criminal Code that grounds the distinction.

1.1.2 Definition of Public Official

Pursuant to Article 357, first paragraph, of the Criminal Code, "For the purposes of the criminal law, public officials are those persons who exercise a legislative, judicial or administrative public function".

The second paragraph of the same provision then defines the notion of "public administrative function", but does not, on the other hand, provide a definition of "legislative function" or "judicial function", since the identification of the persons who respectively exercise them has not, as a rule, given rise to particular problems.

The second paragraph of the article under examination thus specifies that, for the purposes of the criminal law, "an administrative function is public where it is governed by rules of public law and by authoritative acts and is characterised by the formation and expression of the will of the public administration or by its being carried out by means of authoritative or certifying powers".

Under the current statutory framework, what is relevant for the purpose of identifying the subjective qualification is not the legal nature (public or private) of the entity with which company representatives come into contact, but rather the activity actually carried out. Following the 1990 reform, an "objective" notion of public official and of person in charge of a public service was in fact adopted, which may create difficulties in identifying a person's legal classification (whether public official, person in charge of a public service, or simple private individual).

As a general indication, the qualification of public official must be recognised for all persons (whether they are public employees or private individuals) who, within the scope of a power governed by public law, may or must form and express the will of a Public Administration, or exercise authoritative or certifying powers. Persons who, while acting within activities governed in the same manner as a public function, lack the powers typical of that function are persons in charge of a public service (provided that they do not carry out mere routine tasks, nor perform purely manual work).

In other words, an administrative function is defined as public where it is governed by "rules of public law", that is, by rules aimed at pursuing a public purpose and at protecting a public interest and which, as such, are contrasted with rules of private law.

The provision now under discussion thus translates into normative terms some of the main general criteria identified by case law and legal scholarship for differentiating the notion of "public function" from that of "public service".

What has been set out so far may be summarised as follows:

Public Official	A person who exercises a legislative, judicial or administrative public function
Public administrative function	An administrative function that is: 1. governed by rules of public law and by authoritative acts; 2. characterised by: 1. the formation and expression of the will of the public administration, or 2. its being carried out by means of authoritative or certifying powers.
Rules of public law	Rules aimed at pursuing a public purpose and at protecting a public interest
Foreign public officials	1. Any person who exercises a legislative, administrative or judicial function in a foreign country. 2. Any person who exercises a public function for a foreign country or for a public body or a public undertaking of that country. 3. Any official or agent of a public international organisation.

1.1.3 Definition of Person in Charge of a Public Service

With regard to this figure as well, the reform introduced by Law No. 86 of 1990 adopted an objective notion. Article 358 of the Criminal Code, in fact, attributes this qualification to persons who, on whatever basis, perform a public service, regardless of the existence of an employment relationship with the public administration, and then sets out, in paragraph 2, the definition of public service, understood as an activity governed in the same forms as the public function, but without the powers typical of the latter, excluding activities amounting to mere routine tasks or purely manual work.

Accordingly, in order for the "service" to be classified as public, it must be governed (in the same way as the "public function") by rules of public law; in this case, however, without the certifying, authorising and deliberative powers proper to the public function.

Moreover, the law specifies that the performance of "mere routine tasks" or the "provision of purely manual work" can never constitute a "public service" (Article 358, paragraph 2, of the Criminal Code).

Case law has sought to identify the symptomatic indicators of the public nature of the activity carried out, referring to the public nature of the entity from which the person's activity derives, the pursuit of public purposes, the use of public funds, and subjection to public controls, in every case excluding, from among the criteria capable of qualifying the activity carried out as being of public relevance, the legal form of the entity and its incorporation under the rules of public law. Consequently, case law recognises the qualification of person in charge of a public service also in respect of an employee of a private company that carries out a public service, provided, of course, that the person has actually carried out an activity falling within that public service. In this regard, it should be noted that the case-law applications of the public classifications that have given rise to the greatest doubts, particularly in legal scholarship, have been those concerning business operators, especially in the sector of the so-called privatisations.

In this context, the criminal courts have in some cases extended the criminal-law status of public agents or of persons in charge of a public service to persons operating within privatised entities, recognising that the transformation of a public entity into a joint-stock company does not in itself erase the connotations proper to the entity's original public nature, in any event confirming that persons who are part of the organisational and working structure of a joint-stock company may be considered public officials or persons in charge of a public service where the company's activity is governed by public-law rules and pursues public purposes, albeit through instruments of private law.

In these cases, case law places weight, among the indicators for recognising the public relevance of the activity, on the management and financial control exercised by the State over privatised entities, also in light of what has been affirmed by the Constitutional Court, according to which the mere transformation of public economic entities cannot be regarded as sufficient grounds for excluding the jurisdiction of the Court of Auditors (*Corte dei Conti*), at least for as long as the State's financial contribution to the economic structure of the new entities remains unchanged, that is, for as long as majority State ownership of the share capital of such companies persists.

On the basis of the foregoing, it is therefore necessary to pay close attention to the nature of the client with which the Company interacts and towards which it carries out its activity, since a private company might have such a nature only in appearance and, consequently, in the relationship in question the protocols referred to in this Chapter must be complied with.

Should doubts of interpretation arise, in the course of carrying out the activity, as to the classification (public or private) of the counterparty, each of the Addressees must refer the matter to the Supervisory Body for appropriate clarification.

1.1.4 European Union

Following the publication of Legislative Decree No. 75 of 14 July 2020, "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law", which entered into force on 30 July 2020, the European Union is, for all purposes, to be regarded as a Public Administration relevant for the purposes of the provisions of Legislative Decree 231/2001.

1.2 The Offences Referred to in Articles 24 and 25 of Legislative Decree 231/2001

The "offences relating to relations with the Public Administration", regarded as the predicate for the application of the administrative liability of the Entity pursuant to Legislative Decree 231/2001, are identified by Articles 24 and 25 of the said Decree.

The criminal offences referred to in **Article 24**, "Wrongful receipt of disbursements, fraud to the detriment of the State, of a public body or of the European Union or for the purpose of obtaining public disbursements, computer fraud to the detriment of the State or of a public body, and fraud in public supplies", are the following:

- misappropriation of public funds (*malversazione di erogazioni pubbliche*) (Article 316-*bis* of the Italian Criminal Code);
- wrongful receipt of public disbursements (*indebita percezione di erogazioni pubbliche*) (Article 316-*ter* of the Italian Criminal Code);
- disturbance of the freedom of public tendering procedures (*turbata libertà degli incanti*) (Article 353 of the Italian Criminal Code);
- disturbance of the freedom of the procedure for selecting the contracting party (*turbata libertà del procedimento di scelta del contraente*) (Article 353-*bis* of the Italian Criminal Code);
- fraud in public supplies (*frode nelle pubbliche forniture*) (Article 356 of the Italian Criminal Code);
- fraud to the detriment of the State (*truffa a danno dello Stato*) (Article 640, paragraph 2, No. 1, of the Italian Criminal Code);
- aggravated fraud for the purpose of obtaining public disbursements (*truffa aggravata per il conseguimento di erogazioni pubbliche*) (Article 640-*bis* of the Italian Criminal Code);
- computer fraud (*frode informatica*) (Article 640-*ter* of the Italian Criminal Code).

The criminal offences referred to in **Article 25**, "Embezzlement, wrongful appropriation of money or movable property, extortion by a public official, undue inducement to give or promise benefits, corruption", are the following:

- bribery for the exercise of a function (*corruzione per l'esercizio della funzione*) (Article 318 of the Italian Criminal Code);
- penalties for the briber (*pene per il corruttore*) (Article 321 of the Italian Criminal Code);
- incitement to bribery (*istigazione alla corruzione*) (Article 322 of the Italian Criminal Code);
- unlawful trading in influence (*traffico di influenze illecite*) (Article 346-*bis* of the Italian Criminal Code);
- embezzlement (*peculato*) (Article 314 of the Italian Criminal Code);
- wrongful appropriation of money or movable property (*indebita destinazione di denaro o cose mobili*) (Article 314-*bis* of the Italian Criminal Code);
- embezzlement by taking advantage of another's error (*peculato mediante profitto dell'errore altrui*) (Article 316 of the Italian Criminal Code);
- bribery for an act contrary to official duties (*corruzione per un atto contrario ai doveri d'ufficio*) (Article 319 of the Italian Criminal Code);
- bribery in judicial acts (*corruzione in atti giudiziari*) (Article 319-*ter* of the Italian Criminal Code);
- extortion by a public official (*concussione*) (Article 317 of the Italian Criminal Code);
- aggravated bribery (*corruzione aggravata*) (Article 319-*bis* of the Italian Criminal Code, provided for under Article 25 of Legislative Decree 231/2001);

- undue inducement to give or promise benefits (*induzione indebita a dare o promettere utilità*) (Article 319-*quater* of the Italian Criminal Code);
- bribery of a person in charge of a public service (*corruzione di persona incaricata di un pubblico servizio*) (Article 320 of the Italian Criminal Code);
- embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of the International Criminal Court or of bodies of the European Communities and of officials of the European Communities and of foreign States (Article 322-*bis* of the Italian Criminal Code).

The following paragraphs will proceed to analyse the individual criminal offences.

With regard to the offences mentioned above, it should be noted that, where the Entity's liability is established, the pecuniary and disqualification sanctions specifically provided for by the Decree will be applied.

1.2.1 Misappropriation of Public Funds (Article 316-*bis* of the Italian Criminal Code)

This offence punishes anyone who, having obtained financing of whatever kind from the State, from another public body or from the European Union, intended to favour the carrying out of works or activities of public interest, fails to allocate it, even in part, to the purposes for which it was intended.

Since the conduct punished consists in the failure to allocate the financing granted to the intended purpose, the offence may also be constituted with reference to financing obtained in the past that is not now allocated to the purposes for which it was granted.

The offence may be constituted both where the disbursements are made in favour of the company and where the company acts as an intermediary, in the context of a tripartite relationship, for their distribution to private recipients of the disbursement. Specifically, the offence may be constituted where, having obtained financing from a public administration to implement hiring, workplace safety, etc., the sum is allocated to other purposes.

1.2.2 Wrongful Receipt of Public Disbursements (Article 316-*ter* of the Italian Criminal Code)

This offence is constituted in cases in which – by using or presenting false statements or documents or by omitting information that should have been provided – contributions, financing, subsidised loans or other disbursements of the same kind granted or disbursed by the State, by other public administrations or by the EU are obtained without entitlement thereto.

In this case, unlike what was seen with regard to the preceding paragraph 4.7 (Article 316-*bis* of the Italian Criminal Code), the allocation of the public funds disbursed is of no relevance, since the offence is completed at the moment they are wrongfully obtained.

Lastly, it should be noted that this offence, being residual in nature, is constituted only where the conduct does not satisfy the elements of the more serious offence of aggravated fraud to the detriment of the State (Article 640-*bis* of the Italian Criminal Code).

1.2.3 Disturbance of the Freedom of Public Tendering Procedures (Article 353 of the Italian Criminal Code)

The legal interest protected is the interest of the public administration in the free and orderly conduct of public tenders (*incanti*) and private tendering procedures (*licitazioni private*).

Notwithstanding the broad description of the ways in which this offence may be constituted, the phrase "other fraudulent means" suggests that this is an offence that may be committed by any means, the legislature having intended to encompass all means actually capable of disturbing the freedom of the tender, by altering the proper functioning of, and the free participation of bidders in, the tender.

Given its nature as an offence of danger, it is constituted regardless of the outcome of the tender, it being sufficient, on the other hand, that its proper conduct be diverted.

A precondition of the offence is the publication of the notice of tender (*bando*), there being no possibility of the offence being completed, not even in attempted form, prior to that moment.

The mens rea is generic, and consists in the intention to prevent or disturb the tender or to drive away bidders through the methods set out in the provision.

1.2.4 Disturbance of the Freedom of the Procedure for Selecting the Contracting Party (Article 353-*bis* of the Italian Criminal Code)

The provision under examination punishes conduct preparatory to the commission of acts capable of disturbing the freedom of the PA in selecting the contracting party, by disturbing the administrative procedure aimed at establishing the content of the tender notice or of another equivalent act.

This provision represents a case of an offence of danger, which is completed independently of the actual achievement of the result, and for whose completion it is therefore necessary that the correctness of the procedure for drawing up the tender notice be concretely endangered, but not also that the content of the notice of the competitive procedure actually be modified so as to interfere with the identification of the successful bidder.

1.2.5 Fraud in Public Supplies (Article 356 of the Italian Criminal Code)

This offence is constituted in the execution of public supply contracts or in the performance of the contractual obligations indicated in Article 355 of the Criminal Code.

The legal interest protected is the sound administration of the public administration and, specifically, the proper functioning of public services and public establishments.

This is an offence that may be committed only by a specific category of persons, given that it can be committed solely by a person who is contractually bound to the State, to a public body or to an undertaking providing a service of public necessity, and therefore by the supplier, the sub-supplier, the intermediary and the representative.

The supply contract stands as the precondition of the offence, it being understood, however, not as a specific type of contract but, more generally, as any contractual instrument intended to supply the Public Administration with goods or services deemed necessary.

The distinguishing element with respect to the offence under Article 355 of the Criminal Code is the fraud that characterises the subsequent non-performance, which, given the literal wording of the provision, can occur only in the performance phase of the contract.

1.2.6 Aggravated Fraud to the Detriment of the State, of Another Public Body or of the European Union (Article 640, paragraph 2, No. 1, of the Italian Criminal Code)

This offence is constituted where, by using artifice or deception and thereby inducing someone into error, an unjust profit is obtained to the detriment of the State, of another public body or of the European Union.

These are types of offence that may be committed in all corporate areas. It should be recalled that fraud is characterised by the misrepresentation of the truth in relation to circumstances whose existence, as falsely represented, is essential for the act of disposal of assets by the Public Administration.

Specifically, the offence in question could, by way of example, be committed by:

- altering the documentation transmitted to the competent PA offices with a view to inducing error as to the existence of essential conditions for obtaining the award of a tender or the issuance of licences, authorisations, concessions, etc.;
- adopting, in the preliminary phase of and contextually with the conclusion of commercial agreements with the PA, fraudulent conduct, or engaging in artifice and/or deception that induces the PA into error as to the company's financial and economic situation, or as to possession of the required technical-organisational requirements or the required quantitative and qualitative requirements. Particular consideration should be given to the case in which the PA intends to contract exclusively with companies having a certain number of employees or having registered offices in specific locations, and the company, being interested in the successful conclusion of the contract, provides, in the statements/information to be transmitted to the body, data different from the actual data, even where supported by altered documentation (e.g. falsified official statistics);
- failing to pay, or altering the documentation relating to, the payment of INPS and INAIL contributions for employees;
- altering the documentation to be provided to the PA when hiring personnel belonging to protected or facilitated categories with a view to obtaining wrongful contribution relief and tax credits, or providing untruthful information when drawing up the annual informational report concerning mandatory hiring.

1.2.7 Aggravated Fraud for the Purpose of Obtaining Public Disbursements (Article 640-*bis* of the Italian Criminal Code)

This offence is constituted where the fraudulent conduct described in paragraph 4.1 above has as its object contributions, subsidies, public financing, subsidised loans or other disbursements of whatever kind, granted or disbursed by the State, by other public bodies or by the European Union.

This is the case, for example, of a company that induces the granting body into error as to possession of the specific requirements for obtaining the financing by producing (or contributing to producing, in the case of a competitive procedure) false documentation attesting to possession of the aforementioned requirements demanded by the granting body.

1.2.8 Computer Fraud to the Detriment of the State or of Another Public Body (Article 640-*ter*, paragraph 1, of the Italian Criminal Code)

This offence, introduced among the Predicate Offences by Decree-Law 93/2013, is constituted where, by altering in any way the functioning of a computer or electronic system or by manipulating the data contained therein, an unjust profit is obtained, causing harm to the State or to another public body.

With this provision the legislature thus intended to implement the protection of digital identity, punishing more severely fraud carried out by means of unauthorised access to a computer system achieved through the wrongful use of another person's digital identity. The offence in question occurs where the computer fraud is committed through the substitution of the digital identity of one or more persons.

The case under examination may be regarded as a special form of fraud, characterised by the fact that, instead of the artifice and deception used to induce a natural person into error by creating a false representation of reality for that person, the fraudulent conduct has as its direct target a computer or electronic system, whose functioning or data are altered.

In concrete terms, the offence in question could also be constituted where, once financing has been obtained, the computer system of the Public Administration is breached in order to enter an amount higher than that legitimately obtained. It could also be committed by means of an alteration of the PA's computer records so as to make it appear that essential conditions for participation in tenders exist (registration in registers, etc.), or for the subsequent production of documents attesting to facts and circumstances that do not exist, or, again, to modify tax/social-security data of interest to the company (e.g. Form 770) already transmitted to the Administration.

1.2.9 Bribery for the Exercise of a Function or for an Act Contrary to Official Duties (Articles 318, 319, 319-*bis* and 321 of the Italian Criminal Code) – Incitement to Bribery (Article 322 of the Italian Criminal Code)

The offence provided for by Article 318 of the Criminal Code (*bribery for an official act*) occurs where the public official, in order to perform an act within his office, receives, for himself or for a third party, a payment that is not owed to him, or accepts the promise thereof, in money or other benefit. These are acts that are not contrary to official duties.

The offence provided for by Article 319 of the Criminal Code occurs, instead, where the public official, in order to omit or delay, or for having omitted or delayed, an act of his office, or in order to perform, or for having performed, an act contrary to official duties, receives, for himself or for a third party, money or other benefit, or accepts the promise thereof.

In substance, the object of the corrupt agreement may be either an act that is owed (so-called "*corruzione propria*", e.g. expediting a matter within the competence of the qualified person, who would in any event have had to carry out that act: Article 318 of the Criminal Code), or an act contrary to his duties (so-called "*corruzione impropria*", for example: guaranteeing the award of a tender by falsifying its outcome: Article 319 of the Criminal Code).

Both offences under Articles 318 and 319 of the Criminal Code are constituted also where the wrongful offer or promise relates to acts – whether in conformity with or contrary to official duties – already performed by the public agent.

The cases of offence dealt with in this paragraph differ from extortion by a public official (cf. paragraph 4.6) in that between the person bribed and the briber there is an agreement aimed at achieving a reciprocal advantage, whereas in extortion by a public official the private party is subject to the conduct of the public official or of the person in charge of a public service. In the offence of extortion by a public official, in other words, there is no agreement between the official and the private party; rather, the former, availing himself of his position of pre-eminence, compels the private party to give or promise money or other advantages.

The payment or promise made to the public official may consist not only of money, but also of any other advantage or benefit.

Under Article 321 of the Criminal Code, the penalties provided for public officials and persons in charge of a public service also apply to private individuals who give or promise money or other benefits to the former. Moreover, pursuant to Article 319-*bis* of the Criminal Code, the penalty is increased if the conduct referred to in Article 319 relates to the conferral of public employment or salaries or pensions, or to the conclusion of contracts in which the administration to which the public official belongs is interested.

The offence of bribery, in the form of incitement to bribery under Article 322 of the Criminal Code, is also constituted where the offer or promise of money or other benefit is refused.

1.2.10 Unlawful Trading in Influence (Article 346-*bis* of the Italian Criminal Code)

This provision, introduced by Law No. 190/2012, is aimed at punishing conduct involving the intermediation of third parties in the corrupt dealings between the person bribed and the briber.

The legal interest protected is the prestige of the Public Administration.

The two cases of offence governed by the first paragraph are distinguished on the basis of the recipient of the money or of the economic advantage, that is, the intermediary (as the price of his own mediation) or the Public Official himself.

In any event, in both cases it is necessary that the intermediation be carried out in relation to the performance of an act contrary to official duties or to the omission or delay of an act of the office, referring to an activity already carried out or yet to be carried out.

Unlike the offence of misrepresentation of influence (*millantato credito*) (Article 346 of the Criminal Code), a precondition of the conduct is that the intermediary actually intends to use the money or the economic advantage to remunerate the public official.

Given the strong anticipation of protection, the provision represents a case of an offence of danger, since it is completed already at the moment the payment is made or the promise of remuneration to corrupt the public official is accepted.

As regards the subjective element, generic mens rea is required, consisting in the intention to obtain the remuneration or the promise thereof in exchange for the intermediation activity carried out or to be carried out, the actual unlawful conduct of the corrupted public official being irrelevant.

1.2.11 Embezzlement (Article 314 of the Italian Criminal Code)

This offence is constituted where a Public Official or a person in charge of a public service, having possession of, or in any event having availability of, money or other movable property belonging to another by reason of his office or service, appropriates it.

Embezzlement essentially represents the offence of wrongful appropriation committed by the public official or by the person in charge of a public service.

It must be regarded as an offence harming multiple legal interests, in the sense that the conduct injures not only the proper and sound functioning of the Public Administration, but also, and above all, the patrimonial interests of the latter and of private parties, giving rise to conduct wholly incompatible with the title under which the property is held and resulting in the total removal of the asset from the patrimony of the person entitled to it.

Embezzlement is clearly an offence that may be committed only by a specific category of persons and, as such, can be committed solely by the public official or by the person in charge of a public service.

A precondition of the conduct is, first of all, possession or availability of the property, where, by this latter term, embezzlement is also constituted in cases of mediated possession, in which the agent has availability of the property by means of another person's detention of it, in such a way that the agent may nevertheless recover possession of it at any time.

1.2.12 Wrongful Appropriation of Money or Movable Property (Article 314-*bis* of the Italian Criminal Code)

This offence is constituted outside the cases provided for by Article 314, where the public official or the person in charge of a public service, having possession of, or in any event having availability of, money or other movable property belonging to another by reason of his office or service, allocates it to a use other than that provided for by specific legislative provisions or by acts having force of law which leave no margin of discretion, and intentionally procures for himself or for others an unjust patrimonial advantage or for others an unjust harm.

Like the embezzlement offences under Articles 314 and 316 of the Criminal Code, the offence of wrongful appropriation of money or movable property will also be relevant for the purposes of the Entity's liability in cases where it harms the financial interests of the European Union.

1.2.13 Embezzlement by Taking Advantage of Another's Error (Article 316 of the Italian Criminal Code)

This offence is constituted where a Public Official or a person in charge of a public service, in the exercise of his functions or service, taking advantage of another's error, wrongfully receives or retains, for himself or for others, money or other benefit.

In this case too we are dealing with an offence that may be committed only by a specific category of persons, since it can be committed solely by the public official or by the person in charge of a public service, in the exercise of his functions or service.

1.2.14 Extortion by a Public Official (Article 317 of the Italian Criminal Code)

This offence is constituted where a public official or a person in charge of a public service, abusing his position or his power, compels someone to wrongfully give or promise, to himself or to others, money or other benefit.

The offence in question presents risk profiles that are contained for the purposes of the Decree: since it is an offence that may be committed only by qualified persons, the Company's liability could be found solely in cases where an employee or collaborator, in the interest or to the advantage of the Company itself, participates in the offence of the public official who, taking advantage of his position, demands undue performance.

For example, this could be constituted where an Employee of the Company acts as the bearer of a message involving extortion by a public official directed at a third party.

1.2.15 Bribery in Judicial Acts (Article 319-*ter* of the Italian Criminal Code)

This offence is constituted where a public official or a person in charge of a public service receives money or other benefit for the purpose of favouring or damaging a party in civil, criminal or administrative proceedings.

The Company may therefore be held liable for the offence where, being a party to judicial proceedings, it bribes a public official (judges, members of an arbitration panel, court clerks or other officers) in order to obtain a favourable outcome for the proceedings.

For example, the Company could be held liable for the offence under examination where, being involved in proceedings whose negative outcome could cause it serious financial harm, it decides to bribe the judge in order to obtain a favourable result.

1.2.16 Undue Inducement to Give or Promise Benefits (Article 319-quater of the Criminal Code)

The offence is made out where the public official or the person in charge of a public service (*incaricato di pubblico servizio*), abusing his or her position (by reference to his or her capacity and powers), induces someone to give and/or promise, unduly, money and/or other benefits to himself or herself or to third parties. Unlike extortion by a public official (*concussione*), the person who promises or gives money and/or other benefits to the public official or to the person in charge of a public service is likewise punished.

1.2.17 Bribery of a Person in Charge of a Public Service (Article 320 of the Criminal Code)

Pursuant to the provisions of Article 320 of the Criminal Code, the provisions of Articles 318 and 319 also apply to a person in charge of a public service, but only where that person holds the status of a public employee.

In both cases, the penalty is reduced by not more than one third.

1.2.18 Embezzlement (*peculato*), Extortion by a Public Official (*concussione*), Undue Inducement to Give or Promise Benefits, Bribery and Incitement to Bribery of Members of the International Criminal Court or of the Bodies of the European Communities and of Officials of the European Communities and of 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 to members of the European Community Institutions, as well as to officials of those Institutions and of the entire Community administrative structure, and to persons seconded to the Community with special functions or assigned to bodies provided for under the treaties. The same provisions also apply to persons who, within the Member States of the European Union, carry out activities corresponding to those which, under our legal system, are carried out by public officials or by persons in charge of a public service, as well as to judges, the Prosecutor, the Deputy Prosecutors, the officials and agents of the International Criminal Court, to persons seconded by States party to the Treaty establishing the International Criminal Court who exercise

functions corresponding to those of the officials or agents of that Court, and to the members of, and persons assigned to, bodies established under the Treaty establishing the International Criminal Court.

This having been established, it must also be noted that Article 322-bis of the Criminal Code further criminalises – and this is of interest to private parties who have dealings with the persons listed above – all those who carry out the activities covered by Articles 319-quater, second paragraph, 321 and 322, first and second paragraph, of the Criminal Code (i.e. corrupt activities) vis-à-vis those same persons, and not only the passive subjects of bribery. Furthermore, Article 322-bis of the Criminal Code also criminalises the offer or promise of money or other benefits "to persons who exercise functions or activities corresponding to those of public officials and of persons in charge of a public service within the ambit of other foreign States [other than those of the European Union, editor's note] or international public organisations, where the act is committed in order to procure for oneself or others an undue advantage in international economic operations" (Article 322-bis).

Specifically, the bribery offences referred to above could, by way of example, be committed by offering/promising money or other benefits:

- to the public official or person in charge of a public service in order to conclude commercial agreements – by means of negotiated procedures or public tender procedures – with the PA to which the Company relates;
- to the public official or person in charge of a public service in order to: obtain the expedited issuance of authorisations; prevent the detection of matters that would impede the issuance of authorisations; guarantee that authorisations will be issued;
- to the public official or person in charge of a public service in order not to receive sanctioning measures following ascertained breaches of compliance requirements;
- to representatives of public authorities in order to: omit from the inspection report findings or irregularities that emerged during the inspection; delay or fail to carry out the inspection itself; disregard delays, or the failure to send communications or responses to specific requests from the authorities;
- to the public official or person in charge of a public service in order to: avoid sanctions for the failure to forward, or the delayed forwarding of, responses to requests for information sent by the Revenue Agency (*Agenzia delle Entrate*); avoid sanctions for the failure to pay, or the delayed payment of, taxes and duties; avoid tax investigations; prevent the detection of irregularities found in the course of an inspection/investigation.

The benefit promised or offered to the public official or person in charge of a public service in order to obtain an undue advantage could consist, by way of example, of:

- the hiring of persons connected to the public official or person in charge of a public service by family ties or the like;
- gifts or presents that are not of modest value and are not directly attributable to normal courtesy relations;
- the granting of products and services on particularly advantageous economic terms;
- the conclusion of contracts for the supply of goods and services with counterparties recommended by the public official or person in charge of a public service;
- the conclusion of sponsorship agreements with counterparties recommended by the public official or person in charge of a public service.

1.3 The Offence Referred to in Article 25-decies of Legislative Decree 231/2001

The criminal offence referred to in **Article 25-decies** "Inducement not to make statements, or to make false statements, to the judicial authority" is as follows:

Inducement Not to Make Statements, or to Make False Statements, to the Judicial Authority (Article 377-bis of the Criminal Code)

The penalty prescribed for this offence applies to anyone who, by violence or threat, or by the offer or promise of money or other benefits, induces a person called upon to make statements before the judicial authority that are usable in criminal proceedings not to make such statements, or to make false statements, where that person has the right to remain silent.

This offence was inserted among the offences against the administration of justice by Law No. 63/2001, as part of the amendments to the Criminal Code connected with the implementation of Article 111 of the Constitution, on the subject of due process (*giusto processo*).

The purpose of the provision is to protect the genuineness of a person's choice as to whether or not to make statements to the judicial Authority, in order to prevent serious acts from tainting the formation of evidence; the offence is made out through two different modes of commission: coercion of the person concerned, by means of violence or threat, or inducement of that person to make particular statements through the offer, or promise, of money or other benefits.

A *"threat"* is understood to mean any representation of an unjust harm that depends on the will of the person acting, which manifests itself in, and consists of, disturbance of the psyche of the person to whom the threat is directed, and which is expressed in a more or less precise depiction of a future harm. In this regard, the Supreme Court (*Corte Suprema*) stresses the need to define the contours of the concept of threat by reference to the concrete circumstances of time and place in which it manifests itself.

The victims of the offence under Article 377-bis of the Criminal Code can only be those persons who are in a position to be entitled to refuse to make statements to the judicial Authority (a co-defendant in the same offence, a witness who is a close relative of the accused, etc.).

1.4 At-Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this chapter, which presuppose the establishment of relations with the Public Administration (understood in its broadest sense), could in the abstract be committed.

Within the Model, it was considered appropriate to distinguish between Sensitive Activities and activities instrumental to those Sensitive Activities:

- Sensitive Activities are those whose performance is associated with the risk of the commission of a relevant offence, in light of the existence of direct relationships or contacts between the Company and the Public Administration;
- instrumental activities are those whose performance supports the Sensitive Activities, in a preparatory or executive capacity.

Set out below are the so-called Sensitive Activities and instrumental activities identified with reference to the offences covered by this chapter.

1.4.1 Sensitive Activities

In particular, following the *risk assessment* carried out by the Company, the following activities have been identified as sensitive "at risk":

A	acquisition (drafting and/or preparation of applications/requests) and/or management/allocation of public contributions/grants/funding (received nationally and/or internationally, for example, for training activities, staff recruitment, building refurbishment, etc.)
B	management of applications and relations with Public Administrations, State-owned companies, public bodies and offices for obtaining concessions, authorisations and licences and other administrative measures relating to the conduct of the Company's business activities (e.g. fire-prevention certification, etc.)
C	negotiation, execution and performance of contracts and/or agreements with the Public Administration, including through participation in public tender procedures (open, negotiated or restricted) or direct awards by public bodies
D	management of contracts with the Public Administration
E	management of litigation and judicial disputes of any kind, level or jurisdiction in which the Company is involved in any capacity
F	management of relations with Authorities in the ordinary course of business activities (e.g. Local Public Bodies, the Revenue Agency (*Agenzia delle Entrate*), the Financial Police (*Guardia di Finanza*), INPS, INAIL, the Labour Inspectorate, Authorities competent in the field of occupational health and safety, the Fire Brigade, the Immigration One-Stop Shop (*Sportello Unico per l'Immigrazione*), Prefectures, Police Headquarters (*Questure*), the Provincial Labour Department, ATS (local health authorities), Chambers of Commerce, the Customs Agency, land registry and property registry offices, university institutions, etc.) and in the context of cooperation in the event of investigations and inspections
G	management of relations with other public supervisory or regulatory Authorities (e.g. the Italian Competition Authority (AGCM), the Italian Data Protection Authority, Ministries, government authorities, etc.)
H	management of incoming and outgoing financial flows
I	management of activities relating to actions for the recovery of unpaid receivables

1.4.2 Instrumental Activities

The following are instrumental activities:

A	selection and management of relations with Suppliers, Collaborators and Consultants, agents and distributors
B	management of gifts and representation expenses/management of charitable disbursements
C	selection, recruitment and promotion of employed personnel (including personnel belonging to protected categories or whose recruitment is subsidised)
D	management of matters governed by Legislative Decree 81/2008 and by data protection legislation
E	management of registered movable assets connected with the Company's business

1.5 General Principles of Conduct and Control Systems

1.5.1 Introduction

In implementation of the foregoing paragraphs, the following Principles of Conduct are set out for the Addressees, which they must observe in carrying out their professional activities, on pain of the application of the disciplinary sanctions referred to in Chapter 7 of the General Part of the Model.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in the:

- Code of Ethics (**Annex 3**);
- Protocol PT1 "Relations with the Public Administration" (**Annex 5**);

- Protocol PT4 "Management of the Procurement of Goods, Services and Consultancy Services" (**Annex 8**);
- Protocol PT6 "Personnel Management" (**Annex 10**)

1.5.2 The Rules of Conduct

Subordinates (Persons Subject to the Direction of Others), Senior Persons (Apical Subjects), *Partners* and Suppliers are required to observe the following Principles of Conduct.

With reference to *Partners* and Suppliers and, in any event, any other person not incorporated within the Company's organisational structure, compliance with the following rules constitutes a specific contractual clause, and any breach thereof shall result in termination of the contract for material breach (*grave inadempimento*), pursuant to Article 1456 of the Italian Civil Code, without the need for prior formal notice.

As a general rule, Addressees are prohibited from improperly or unlawfully influencing the decisions of the Public Administration.

Furthermore, relations with the Public Administration as well as with the judicial authorities (in the context of proceedings of any nature) are managed exclusively by persons vested with appropriate powers or by those formally delegated by them.

In particular, Addressees are prohibited from:

A	engaging in conduct such as to satisfy the elements of the Predicate Offences examined in this chapter, nor may they engage in conduct that could constitute the basis for the commission of such offences
B	engaging in conduct that could create situations of conflict with a public administration
C	engaging in conduct that obstructs justice by any means
D	failing to promptly inform the Company of any critical issues that arise in the course of dealings with the PA
E	promising, offering or paying to public employees and/or public officials and/or persons in charge of a public service, whether at the instigation of the latter and directly or through third parties, sums of money or other benefits in exchange for favours, compensation or other advantages for the Company
F	distributing gifts and presents outside of normal commercial or courtesy practices, or which are in any event aimed at securing advantages for the Company's business. In particular, any form of gift to Italian or foreign public officials, or their family members, is prohibited where it is not of modest value and whenever it is in any way aimed at influencing independence of judgment or inducing the securing of any advantage for the Company. Permitted gifts are always characterised by the modesty of their value or by the fact that they are aimed at promoting initiatives of an artistic or ethical nature. Gifts offered must be adequately documented so as to allow for the required verifications
G	granting a public employee other advantages of any nature having the effect described in the preceding point, for the benefit of the Company's business
H	receiving money or other benefits in order to influence the decision-making process of a public administration
I	favouring, in recruitment processes, employees and collaborators upon the specific recommendation of representatives of the Public Administration, in exchange for favours, compensation or other advantages for themselves and/or for the Company
L	granting to *Partners*, Suppliers, Collaborators and Consultants compensation without adequate justification in the context of the contractual relationship established with them or the engagement entrusted to them
M	granting Suppliers bonuses/rebates that are not consistent with market practice
N	granting a public employee an attendance fee or services in connection with conferences, congresses or other events, or consideration for a professional service, outside of the cases and limits permitted by law and by company procedures
O	submitting untruthful declarations to national or Community public bodies in order to derive an unjustified advantage or to obtain public disbursements, grants or subsidised financing

P	allocating sums received from national or Community public bodies by way of disbursements, grants or financing for purposes other than those for which they were intended
Q	resorting to forms of pressure, deception, inducement or currying the favour of a public official, such as to influence the outcome of administrative activity
R	entering into agreements with competitors to fix the sale prices of products
S	exchanging information relating to product sale prices with competitors
T	acting unlawfully by setting prices and competitive methods inconsistent with fair competition
U	acting fraudulently in order to obtain information that could give the Company a competitive advantage

1.5.3 Control Systems

In addition to the general behavioural rules set out above, further operational control safeguards to prevent the commission of offences against the Public Administration are set out below, with particular reference to those processes that could be instrumental to the commission of the offences, namely: the management of public funding, the management of purchases, services and consultancy engagements, monetary and financial flows, and personnel management.

These safeguards support the procedures adopted by the Company.

The cornerstone principle, in every Function, is to ensure compliance with the principle of segregation of duties. Accordingly, with reference, for example, to a request for funding from public bodies, the principle of segregation requires that (i) the person who proposes the request for subsidised financing, (ii) the person who carries out the feasibility study to assess the possibility of obtaining the financing, (iii) the person who gathers and prepares the documentation necessary for the request, and (iv) the person who approves and signs the request, be different persons. The same rule applies to requests for authorisations and/or licences from a public administration, distinguishing between (i) the person who prepares the documentation necessary for the request for an authorisation/licence, (ii) the person who checks it, and (iii) the person who signs the request. Or, in the consultancy management phase, between (i) the person who requests a consultancy engagement, (ii) the person who authorises it, and (iii) the person who executes payment for the service.

In particular:

A. <u>Provision of Goods and Services – Relations with the Public Administration – Assignment of Consultancy Engagements and Assignments</u>

a. in order to ensure criteria of competition, cost-effectiveness, transparency, fairness and professionalism, the identification of the Supplier must take place through a comparative assessment of multiple offers in accordance with the criteria set out in company procedures;

b. in the process of selecting the Supplier and/or the *Partner*, the documentability of the checks carried out on the Supplier and/or the *Partner*, with regard to their good standing and commercial reliability, is ensured;

c. the purchase of goods/services must be documented by a contract/letter of engagement or by a purchase order as well as a contract/letter of engagement formally approved by persons vested with appropriate powers;

d. purchase orders/contracts must be signed by persons vested with appropriate powers of attorney;

e. the Supplier and *Partner* master data are managed in compliance with the segregation of duties and are periodically monitored in order to verify the accuracy of the data entered;

f. contracts/purchase orders and letters of engagement with Suppliers, Collaborators, Consultants and *Partners* contain information on the behavioural rules adopted by the Company in relation to the Code of Ethics, as well as on the

consequences that conduct contrary to the provisions of the Code of Ethics, to the principles that inspire the Company, and to applicable legislation may have with regard to the contractual relationship;

g. in order to ensure segregation of duties, a distinction is drawn between the persons who issue the purchase order or contract, the persons who verify the correct receipt of goods or the actual provision of the service, and the persons who authorise the invoice for payment;

h. the Administration Function carries out consistency checks between the purchase order and the supporting documents. Approval of the invoice and the subsequent payment take place in accordance with the roles and responsibilities of personnel vested with the relevant powers;

i. every contract with a *Partner* or a Supplier must be drawn up in writing and must state the compensation agreed;

j. communications, filings and relations with the Public Administration must be managed in compliance with the behavioural principles adopted by the Company and in compliance with the areas of competence, signing authorities and segregation of powers;

k. Employees and Collaborators of the Company ordinarily maintain relations with the Public Administration in relation to the content and responsibilities specific to their role. The company roles empowered to undertake commitments on behalf of the Company vis-à-vis the Public Administration are:
   - Chairman of the Board of Directors – Legal Representative;
   - Chief Executive Officer – Legal Representative;
   - Attorneys-in-fact (*Procuratori*), where specified within the power of attorney granted.

l. meetings with the Public Administration or with an Authority must be attended by two representatives, and a record of such meetings must be kept, with the documentation requested and delivered attached thereto, and such information must be duly filed and retained;

m. each employee is required to file and retain all documentation produced in the course of his or her activity, including a copy of documentation transmitted to the competent offices, including electronically;

n. it must always be ensured, as a matter of principle, that the person who maintains relations with the Public Administration may not, alone and at his or her own discretion:
   - access financial resources and authorise payment instructions;
   - award consultancy engagements/professional services assignments or enter into contracts;
   - proceed with the recruitment of personnel;

o. in the event of an inspection by an Authority, the related minutes/reports must be retained;

p. during any judicial, tax, administrative and/or supervisory inspections, and those carried out by sector Supervisory Authorities, including the authorities responsible for verifying compliance with Legislative Decree 81/2008, and INPS inspections carried out by the Labour Inspectorate, at least two persons expressly delegated for that purpose must take part. Appropriate internal minutes/reports of the entire inspection process must be drawn up and retained;

q. the competent company functions are required to verify that any requirements following inspection visits by the relevant bodies (NAS, ASL, etc.) have been acknowledged and implemented;

r. the awarding of professional engagements and/or consultancy assignments is based on criteria of transparency and rationality. In particular, external engagements are awarded to meet needs that cannot be met with in-house personnel, or where engaging external parties enables a better outcome to be achieved. The subject matter of the services entrusted must be compatible with the corporate purpose and by-laws of the Company and with specific and defined objectives and

projects, the achievement of which requires the contribution of specific expertise or of qualified professional input, and must be consistent with the entity's operational needs;

s. engagements are awarded to persons possessing particular and proven specialisation and adequate work experience relevant to the services to be performed. Without prejudice to the requirements of the law for the exercise of specific intellectual professions for which enrolment in the relevant professional register is also required, candidates must therefore hold an appropriate educational qualification and have gained adequate work experience in the field relevant to the engagement to be awarded. Engagements are, as a rule, awarded through procedures involving the comparison of professional curricula, containing a description of the experience gained in relation to the type of engagement to be awarded, followed by a possible interview with the candidates.

B. Management of Public Funding and of Monetary and Financial Flows

a. the principle of segregation of duties must be observed;

b. documentation for requests for public funding must be signed by persons vested with appropriate powers of attorney;

c. the Administration Function defines the procedures for managing petty cash, with reference to the following aspects: the size of the petty cash fund at all sites and establishments, identification of the categories of eligible expenses, reporting and reconciliation, and authorisation of expenses;

d. the Administration Function is responsible for verifying the existence of authorisation for expenditure, and where doubts arise as to the relevance of expenses or the nature of the service provided, the Function must carry out appropriate further inquiries and request authorisation;

e. the opening/closing of bank accounts is authorised in advance by persons vested with appropriate powers;

f. the Administration Function carries out periodic reconciliation and balancing checks on accounting data (e.g. bank reconciliations), in compliance with segregation of duties (e.g.: segregation of roles between those who manage bank accounts, those who carry out bank reconciliations, and those who approve them);

g. the granting of expense reimbursements to persons who are not employees of the Company is prohibited, unless provided for in the contract/letter of engagement (e.g.: consultants/collaborators); such reimbursements may be paid only upon presentation of an invoice by the person concerned or by the company on whose behalf he or she performs the professional service;

h. all payments, by whatever means of payment made, must be traceable and verifiable ex post through adequate documentary/information support; the person who maintains relations or conducts negotiations with the PA may not, alone and at his or her own discretion, access financial resources and authorise payment instructions.

C. Personnel Selection and Management

a. depending on the specific assignment, the personnel selection process is normally carried out by the Human Resources Function with the assistance of the head of the area in which the person to be recruited will operate;

b. in general, personnel selection and the procedures for access to employment with the Company are based on criteria of openness and transparency, suitable for demonstrating the criteria adopted in the selection of the human resources to be acquired. See in this regard Protocol PT6 "Personnel Management" (**Annex 10**). In particular, the search for candidates must be organised so as to enable the selection of the resource best suited to the position sought;

c. in the personnel selection phase, candidate evaluation criteria are used that meet requirements of objectivity and transparency;

d. selectivity parameters do not have regard to conditions of gender, culture or origin, or any other discriminatory criterion;

e. selection is based exclusively on an examination of the most relevant capabilities and aptitudes, supplemented by an overall assessment thereof, for the purpose of performing the required duties;

f. interviews and any tests required, together with the *curriculum*, must provide the opportunity to assess: the candidate's capabilities, competencies, aptitudes and reliability, together with the added professional value that can be inferred from the combination of these characteristics, in relation to the company's objectives;

g. the outcome of selection interviews is formalised in writing, duly signed by the persons conducting the selection, and documented through dedicated interview forms;

h. personnel are not recruited otherwise than in accordance with the types of employment contract provided for by applicable legislation and by the applicable national collective bargaining agreements;

i. letters of engagement/employment are signed by the Chief Executive Officer;

j. letters of engagement/employment contain information on the behavioural rules adopted by the Company in relation to the Model and the related Code of Ethics, as well as on the consequences that conduct contrary to the provisions of the Code of Ethics, to the behavioural principles that inspire the Company, and to applicable legislation may have with regard to the Addressees of the Model;

k. reimbursement of expenses incurred by personnel is made only upon presentation of supporting documentation of the expense, the relevance and consistency of which must be verified through a control activity on expense reports submitted for reimbursement;

l. expense reports are settled following the successful outcome of checks carried out as to the correctness and appropriateness of the data entered by employees, as well as the required authorisation;

D. <u>Litigation Management</u>

a. definition of the roles and responsibilities of the persons involved;

b. procedures for filing relevant documentation;

c. only persons vested with a specific power of attorney are authorised to maintain relations with the Judicial Authority (of any kind, level or jurisdiction);

d. the fees, including the amount of expenses, to be paid to legal counsel must be itemised and accepted in advance;

e. periodic *reporting* activity on the progress of pending cases is to be carried out by legal counsel;

f. internal monitoring of the *status* of litigation and *reporting* to company management is to be maintained, including with regard to expenses incurred and to be incurred;

g. there must be documentary evidence of the checks carried out on the service received and on the related expenses.

Title 2 – Corporate Offences

The Corporate Offences under Article 25-*ter* of Legislative Decree 231/2001

2.1 Introduction

This Special Part concerns the corporate offences envisaged under Article 25-*ter* of the Decree.

Article 25-*ter* of Legislative Decree 231/2001 addresses a number of corporate offences, as reformulated over time (most recently by Legislative Decree No. 38 of 15 March 2017), contained in Title XI of Book V of the Italian Civil Code.

Article 1, paragraph 77, letter b) of Law No. 190/2012 inserted into Article 25-*ter* of the Decree in question letter s-*bis*), which refers to the cases provided for under the third paragraph of Article 2635 of the Civil Code, "Private-to-private corruption" (*Corruzione tra privati*), and – following the amendments introduced by Legislative Decree No. 38 of 15 March 2017 – to the cases provided for under the first paragraph of Article 2635-*bis* of the Civil Code, "Incitement to private-to-private corruption" (*Istigazione alla corruzione tra privati*).

In relation to the commission of any of these offences by Senior Persons (Apical Subjects) or Subordinates, in the interest of or to the advantage of the Company, only pecuniary sanctions are envisaged as applicable to the Company, with the exception of the offence of private-to-private corruption, to which the following disqualifying sanctions apply:

- disqualification from carrying on the business activity;
- suspension or revocation of the authorisations, licences or concessions instrumental to the commission of the offence;
- a prohibition on contracting with the Public Administration, except to obtain the performance of a public service;
- exclusion from grants, financing, contributions or subsidies, and revocation of any already granted;
- a prohibition on advertising goods and services.

2.2 The Offences Referred to under Article 25-*ter* of Legislative Decree 231/01

The "corporate offences" that constitute predicate offences for the application of administrative liability under Legislative Decree 231/2001, which could in the abstract arise in relation to the Company, are:

- false corporate communications (Article 2621 of the Civil Code);
- false corporate communications to the detriment of shareholders or creditors (Article 2622 of the Civil Code);
- falsity in the reports or communications of auditing firms (Article 2624 of the Civil Code). This article has, however, been repealed pursuant to Article 37, paragraph 34, of Legislative Decree No. 39/2010, implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts. The Company can therefore no longer be held liable should such an unlawful act occur;
- obstruction of the exercise of supervisory functions (*impedito controllo*) (Article 2625 of the Civil Code);
- unlawful return of contributions (Article 2626 of the Civil Code);
- unlawful distribution of profits and reserves (Article 2627 of the Civil Code);

- unlawful transactions in shares or corporate units of the company or of its parent company (Article 2628 of the Civil Code);
- transactions to the detriment of creditors (Article 2629 of the Civil Code);
- fictitious formation of capital (Article 2632 of the Civil Code);
- unlawful distribution of company assets by liquidators (Article 2633 of the Civil Code);
- private-to-private corruption (Article 2635 of the Civil Code);
- incitement to private-to-private corruption (Article 2635-*bis* of the Civil Code);
- unlawful influence over the shareholders' meeting (Article 2636 of the Civil Code);
- market manipulation (*aggiotaggio*) (Article 2637 of the Civil Code);
- obstruction of the exercise of the functions of public supervisory authorities (Article 2638 of the Civil Code).

The following paragraphs will proceed to identify each individual offence in greater detail.

2.2.1 False Corporate Communications (Article 2621 of the Civil Code) and False Corporate Communications to the Detriment of the Company, Shareholders or Creditors (Article 2622 of the Civil Code)

Falsity in corporate communications is sanctioned by two different provisions whose typical conduct coincides; they differ according to whether or not financial harm to shareholders or creditors occurs. Article 2621 of the Civil Code is, in fact, an offence of danger (*reato di pericolo*), whereas Article 2622 of the Civil Code is an offence of harm (*reato di danno*). Both offences are committed through the presentation, in the financial statements, reports or other corporate communications required by law and addressed to the shareholders or the public, of material facts that do not correspond to the truth, or through the omission of material facts whose disclosure is required by law, in either case in a manner concretely capable of misleading the addressees as to the economic, financial or asset position of the company or of the group to which it belongs, with the intention of deceiving the shareholders, the creditors or the public.

It should be noted that:

- the conduct must be aimed at securing an unjust profit for oneself or for others;
- the conduct must be such as to be capable of misleading the addressees of the communications;
- with the introduction of Article 2621-*bis* of the Civil Code – by Law No. 69 of 27 May 2015 – liability (in a more attenuated form, ranging from one hundred to two hundred units) also arises where the facts (false information or the omission of facts) that alter the presentation of the economic, financial or asset position of the company or of the group to which it belongs are of minor significance, having regard to the nature and size of the company and to the manner or effects of the conduct;
- liability also arises where the information concerns assets held or managed by the company on behalf of third parties;
- the perpetrators of the offence can only be directors, general managers, statutory auditors and liquidators; this is, therefore, a "special-subject" offence (*reato proprio*).

Similarly, Article 2622 of the Civil Code (as rewritten by Law No. 69 of 27 May 2015) punishes the same conduct referred to in Article 2621 of the Civil Code where such conduct is carried out within companies that issue financial instruments on regulated markets in Italy and/or in an EU Member State.

It therefore appears essential to remind those responsible for preparing the financial statements to comply with the principles governing the drafting of the documents comprising them.

Particular attention is required when estimating accounting items: those responsible must comply with the principle of reasonableness and clearly set out the valuation parameters applied, providing any additional information necessary to ensure the truthfulness of the document.

The financial statements must, moreover, be complete from the standpoint of corporate disclosure and must, in particular, contain all the elements required by law, such as, for example, those provided for under Article 2425 of the Civil Code, for the income statement, and Article 2427 of the Civil Code, for the explanatory notes.

The same degree of correctness must be required of directors, general managers, statutory auditors and liquidators (as well as of persons who de facto exercise such functions) in preparing the other communications required or otherwise provided for by law and addressed to the shareholders or the public, so that such communications contain clear, precise, truthful and complete information.

2.2.2 Obstruction of the Exercise of Supervisory Functions (*impedito controllo*) (Article 2625 of the Civil Code)

The offence consists in hindering or preventing the performance of supervisory activities – legally vested in the shareholders or in other corporate bodies – through the concealment of documents or other suitable artifices.

It constitutes a criminal offence, prosecutable upon complaint of the injured party, if the conduct has caused harm to the shareholders.

The offence of obstruction of supervisory functions does not arise in the case of omissive conduct: the offence governed by Article 2625 of the Civil Code is constituted only by necessarily active conduct on the part of the directors, consisting in concealing documents or engaging in other artifices in order to prevent or hinder the performance of supervisory activities.

It should be noted that:

- there must be awareness of the falsity and the intention to deceive the addressees of the communications;
- the conduct must be aimed at securing an unjust profit for oneself or for others;
- the offence in question is classified as a *delitto* (more serious crime) or as a *contravvenzione* (minor offence) depending on whether or not it has caused financial harm to the addressees of the communications.

The wording of Article 2625 of the Civil Code identifies directors alone as the possible perpetrators of the offence.

2.2.3 Unlawful Return of Contributions (Article 2626 of the Civil Code)

This offence is committed where, outside the cases of a lawful reduction of share capital, provision is made for the return, even if simulated, of contributions to shareholders, or for their release from the obligation to make such contributions.

For example: the Company's shareholders' meeting, on a proposal of the Board of Directors, resolves to set off a debt owed by the Company to a shareholder against the Company's credit arising from that shareholder's contribution obligation, thereby effecting, in substance, an unlawful return of the contribution.

The legislature, already under the previous regime, characterised the offence of unlawful return of contributions as a special-subject offence (*reato proprio*), which can be committed only by directors, as the parties bearing the duty to safeguard the integrity of the share capital. This does not mean, however, that a shareholder cannot incur liability for the offence in all cases in which that shareholder has engaged in conduct that is different from, and additional to, the conduct as statutorily defined and not itself subject to punishment, amounting to an atypical contribution of participation in relation to the conduct declared punishable. In such a case – in the view of the Court of Cassation, in judgment No. 53832 of 29 November 2017 – the provisions on incidental participation of persons in an offence apply where the shareholder does not merely derive an

advantage from the return or release, but provides an actual contribution of will, qualifiable in terms of instigation, incitement, or reinforcement of the criminal intent of the holder of the management powers.

2.2.4 Unlawful Distribution of Profits or Reserves (Article 2627 of the Civil Code)

The criminally relevant conduct consists in distributing profits or advances that have not actually been earned, or that are required by law to be allocated to reserve, or in distributing reserves — even those not formed from profits — that may not lawfully be distributed.

Example: the Company's shareholders' meeting, on a proposal of the Board of Directors, resolves to distribute dividends that do not constitute profit for the year but non-distributable funds, because they are allocated by law to the legal reserve.

It should be noted that the return of the profits or the reconstitution of the reserves prior to the deadline set for the approval of the financial statements constitute statutory grounds for the extinction of the offence.

The perpetrators of the offence are the directors. However, the shareholders who benefit from the distribution of profits or reserves may be held liable as participants in the offence, pursuant to Article 110 of the Criminal Code, where they have engaged in conduct instigating or inciting the unlawful conduct of the directors.

2.2.5 Unlawful Transactions in Shares or Corporate Units of the Company or of Its Parent Company (Article 2628 of the Civil Code)

This offence is completed by the purchase or subscription, outside the cases permitted by law, of the company's own shares or corporate units, or those of its parent company, causing an impairment of the integrity of the share capital or of the reserves that are non-distributable by law.

If the share capital or the reserves are reconstituted before the deadline set for the approval of the financial statements for the financial year in relation to which the conduct occurred, the offence is extinguished.

The perpetrators of the offence can only be directors; this is, therefore, a "special-subject" offence (*reato proprio*).

2.2.6 Transactions to the Detriment of Creditors (Article 2629 of the Civil Code)

The offence is committed through reductions of share capital, mergers with other companies, or demergers, carried out in violation of the legal provisions protecting creditors, that cause financial harm to the latter (the so-called "result-based offence" (*reato di evento*)). Indeed, the provisions whose violation constitutes the offence provided, and continue to provide, among other things, that resolutions for the reduction of share capital, merger or demerger may be carried out only after three months have elapsed from the registration of the resolution in the Companies' Register, so as to allow the company's creditors to lodge an objection.

Compared with the previous version, it should preliminarily be noted that there has been a shift from an offence of presumed danger to one of actual harm. In particular, for the offence to be established it is now necessary that the conduct in violation of the civil-law provisions governing the transactions described be causally connected to "harm to creditors".

This remains a case of "intentional" (*dolosa*) conduct, and here too liability may be attributed on the basis of "conditional intent" (*dolo eventuale*), consisting in the intent to violate the provisions governing the proper conduct of transactions involving the reduction of share capital, merger and demerger, coupled with the mere acceptance of the possibility that harm to creditors may occur.

Compensation of the harm to creditors prior to judgment extinguishes the offence.

The perpetrators of the offence are the directors.

2.2.7 Fictitious Formation of Capital (Article 2632 of the Civil Code)

The criminal conduct is carried out through the fictitious formation/increase of share capital by attributing shares and/or corporate units in an aggregate amount exceeding the amount of the share capital, or through the mutual/cross subscription of shares and/or corporate units, or through the overvaluation of contributions consisting of assets in kind or receivables, or of the company's assets in the case of a merger.

The perpetrators of the offence are the directors and the contributing shareholders.

With regard to potential risk profiles, the transactions capable of satisfying the objective element of the offence under examination can be carried out for a variety of purposes, many of which may be pursued in the interest of, or to the advantage of, the Entity. Consider, in particular, the fictitious increase of share capital carried out through the overvaluation of assets held, for the purpose of providing external parties with the — evidently false — representation of a sound financial position of the company.

2.2.8 Unlawful Distribution of Company Assets by Liquidators (Article 2633 of the Civil Code)

The offence is completed by the distribution of company assets among shareholders by the liquidators before the payment of the company's creditors or the setting aside of the sums necessary to satisfy them, provided that actual financial harm to the creditors has resulted.

Here too, compensation of the harm to creditors prior to judgment extinguishes the offence. The perpetrators are the liquidators.

2.2.9 Private-to-Private Corruption (Article 2635 of the Civil Code)

The criminal relevance of private-to-private corruption was introduced by Law No. 190/2012. With Legislative Decree No. 38 of 15 March 2017, which entered into force on 14 April 2017, the legislature strengthened the penalties for the offence, also introducing the disqualifying measure.

In addition, the new Predicate Offence of incitement to private-to-private corruption was introduced.

The offence is necessarily multi-party in nature, following the classic corruption model, but the private parties covered by the provision are only those operating within the corporate sphere.

For the offence to be established it is therefore necessary that the person belonging to the company (the corrupted party) actually perform, or actually omit to perform, an act in violation of the duties inherent in his or her office or of the duties of loyalty, as a result of the unlawful giving or promise of a benefit.

Prior to the 2017 reform, from the standpoint of the corrupted party, the perpetrators of the offence could only be: directors, general managers, the officers responsible for preparing corporate accounting documents, statutory auditors and liquidators, or persons subject to the direction or supervision of such persons. With Legislative Decree No. 38/2017, the Government, implementing Council Framework Decision 2003/568/JHA of the Council of the European Union, provided that the relevant conduct includes not only the promise or giving of money or other benefits, but also the mere "offer".

Moreover, the possible recipients of the money or other benefits include not only Senior Persons (Apical Subjects), but also those who carry out work involving the exercise of managerial functions other than those carried out by Senior Persons, as well as those who are subject to the direction or supervision of the persons referred to in the first paragraph of the article under examination. It should also be noted that a charge under Article 2635, third paragraph, of the Civil Code may arise even where the *extraneus* (the corruptor), intending to "persuade" the qualified persons referred to in paragraphs 1 and 2, does not act directly but avails himself or herself of the assistance of third parties (i.e., Suppliers, Consultants, etc.). On the basis of

these premises linked to the new statutory wording, the offence of private-to-private corruption today therefore encompasses all reprehensible conduct engaged in during contractual activity where at least one of the contracting parties is required to observe certain rules of conduct, whenever one contracting party requests from the other a further advantage in order to conclude the negotiation of a purchase contract or to perform services for a given company, solely in exchange for the solicitation, promise, offer or giving of an undue economic advantage.

Also liable to punishment is the person who promises, or has promised, money or other benefits to the directors, general managers, the officers responsible for preparing corporate accounting documents, statutory auditors and liquidators, or indeed any other person subject to the direction of one of the foregoing (belonging to a company or other private entity), in order to induce them to omit an act relating to their office or to contravene the duty of loyalty.

Moreover, compared to the previous version of the offence, the reference to the causation of "harm to the company" as a direct consequence of the conduct has been eliminated. Indeed, the actual performance or omission of an act, in violation of the duties of loyalty or of those inherent in one's office, is no longer necessary in order for the conduct to be established. Punishment is therefore provided for the mere conclusion of an agreement whereby the *intraneus* is to perform or omit to perform an act in violation of the duties inherent in his or her office.

Since Legislative Decree 231/2001, in referring to the offence under examination, mentions only the third paragraph of Article 2635 of the Civil Code, for the purposes of establishing the Entity's liability only "active" conduct is relevant, that is to say, conduct consisting in the offer, promise or giving of money or other benefits (and not, however, conduct consisting in solicitation or receipt).

2.2.10 Incitement to Private-to-Private Corruption (Article 2635-*bis*)

This new offence punishes, with the penalty provided for the offence under Article 2635 of the Civil Code, reduced by one third, cases of solicitation and offer of money or other benefits not due, for the performance or omission of acts in violation of the duties of loyalty or of those inherent in one's office, where the offer, promise or solicitation is not accepted.

Since Legislative Decree 231/2001, in referring to the offence under examination, mentions only the first paragraph of Article 2635-*bis* of the Civil Code, for the purposes of establishing the entity's liability only "active" conduct is relevant, that is to say, conduct consisting in the offer or promise of money or other benefits (and not, however, conduct consisting in solicitation).

2.2.11 Unlawful Influence over the Shareholders' Meeting (Article 2636 of the Civil Code)

The offence consists in bringing about, through simulated acts or fraud, a majority at the shareholders' meeting for the purpose of securing, for oneself or for others, an unjust profit.

This is a "general" offence (*reato comune*), as it may be committed by anyone, and therefore also by persons outside the company.

With regard to potential risk profiles, relevant conduct includes fraudulent manoeuvres by directors or shareholders capable of influencing the formation of majorities at the shareholders' meeting, for the purpose of having resolutions adopted that conform to the interest of the company but that nevertheless appear to have been adopted in disregard of the rights of minority shareholders, as well as conduct carried out through unlawful means such as to prejudice the proper functioning of the corporate bodies.

2.2.12 Market Manipulation (*aggiotaggio*) (Article 2637 of the Civil Code)

The offence is committed through the dissemination of false information or through simulated transactions or other artifices that are concretely capable of causing a significant alteration in the price of financial instruments that are not listed or for

which no application for admission to trading on a regulated market has been submitted, or that are capable of increasing public or financial institutions' confidence in the financial stability of banks or banking groups.

It should be noted that:

- "information" is to be understood as a sufficiently precise indication of factual circumstances. Mere rumours and subjective forecasts are not regarded as such;
- the information must be regarded as false where, by creating a false representation of reality, it is such as to mislead operators, causing an irregular rise or fall in prices;
- "other artifices" are to be understood as any conduct that, by means of deception, is capable of altering the normal course of prices.

For the offence to exist, a situation of danger is sufficient, irrespective of whether an artificial variation in prices actually occurs.

2.2.13 Obstruction of the Exercise of the Functions of Supervisory Authorities (Article 2638 of the Civil Code)

The criminal conduct may be carried out through two distinct methods, both aimed at obstructing the supervisory activity of the competent public authorities (such as CONSOB, the Bank of Italy, ISVAP):

- through the presentation, in communications to the supervisory authorities, of facts concerning the economic, financial or asset position that do not correspond to the truth, even where such facts are the subject of valuations, or through the concealment, in whole or in part, of facts concerning that same position which ought to have been communicated;
- through the mere obstruction, carried out knowingly, in any manner whatsoever, of the exercise of the supervisory functions.

In both cases, the perpetrators of the offence are the directors, general managers, statutory auditors and liquidators.

Liability also arises where the information concerns assets held or managed by the company on behalf of third parties.

2.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities in the context of which the offences referred to in this Title could, in the abstract, be committed.

2.3.1 Sensitive Activities

The functions considered to be most specifically at risk in relation to corporate offences are deemed to be the following:

Ref.	Sensitive Activity
A	management of general accounting
B	collaboration with, and support for, the Board of Directors in preparing financial position statements functional to the carrying out of extraordinary transactions, transactions involving the increase/reduction of share capital, or other transactions in shares or corporate units of the company
C	collaboration with, and support for, the Board of Directors in carrying out the distribution of profits for the year, of reserves, and the return of contributions
D	approval of board resolutions concerning transactions in relation to which a director holds an interest different from that of the Company

E	preparation of the annual financial statements and interim accounting statements
F	keeping of the accounting records
G	management of the warehouse and preparation of the related inventory
H	valuation and reconciliation of company assets
I	determination of items subject to estimation (allocations to provisions for expenses, risks, write-downs, etc.)
L	presentation in the financial statements of payables and receivables
M	credit administration (with regard to determinations concerning doubtful collectability and reclassification as non-performing)
N	financial management
O	management of taxation (current and deferred)
P	consultancy services
Q	legal activity (primarily with regard to debt-collection activity and the management of litigation and claims in general)
R	activities that may give rise to conflicts of interest between the company and its representatives: relations with Clients and business Partners, management of economic terms with contractual counterparties, relations with Consultants and Suppliers, etc.
S	(where applicable) preparation of prospectuses required for public offerings for investment or admission to listing on regulated markets, or of documents to be published in connection with public purchase, sale or exchange offers, or other similar prospectuses
T	issuance of press releases and (where applicable) market disclosures
U	management of relations with the Control Bodies with regard to checks on administrative/accounting management and on the annual financial statements, and with the Shareholders in activities to verify company management
V	relations with supervisory/control Authorities
W	transactions on capital and the allocation of profit
X	the notice, holding and minuting of Shareholders' Meetings
Y	management of secretarial activities

2.3.2 Sensitive Activities for the Offence of Private-to-Private Corruption

The risk of commission of the offences of private-to-private corruption addressed in this Special Part may principally arise in the following areas (activities, functions, processes):

- processes aimed at the award of private contracts;
- relations with Clients (the so-called "active cycle") or Suppliers (the so-called "passive cycle");
- selection and recruitment of personnel;
- relations with banks/financial institutions/creditors;
- management of gifts and business entertainment expenses.

As regards points *sub* 1 and 2, corruption could be committed for the purpose of obtaining a private contract or more favourable terms from Suppliers.

As regards, instead, point *sub* 3, corruption could be committed through the Company's recruitment of persons in order to be favoured in a contract.

Lastly, with regard to point *sub* 4, the offence could be committed, on the one hand, in relations with banks, through the corruption of officers in order to obtain economic benefits, and, on the other hand, in relations with financial institutions, through the corruption of an employee in order to avoid the Company being reported to the U.I.F. (Financial Intelligence Unit).

Finally, the offence of corruption could arise in relations with creditors for the purpose of concluding settlements more advantageous to the Company, or for the purpose of delaying enforcement action.

2.4 General Principles of Conduct and Control Systems

2.4.1 Preamble

In implementation of the foregoing paragraphs, the Addressees are hereby given the following Principles of Conduct, which they must observe in carrying out their professional activities, on pain of the application of the disciplinary sanctions referred to in Chapter 7 of the General Part of the Model.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in:

- the Code of Ethics (***Annex 3***);
- Protocol PT2 "Management of financial and monetary flows" (***Annex 6***);
- Protocol PT3 "Management of bookkeeping and preparation of the financial statements" (***Annex 7***);
- Protocol PT4 "Management of purchases of goods, services and consultancy" (***Annex 8***);
- Protocol PT5 "Management of gifts, sponsorships, and charitable donations" (***Annex 9***);
- Protocol PT6 "Personnel management" (***Annex 10***);
- Protocol PT7 "Management of commercial activities" (***Annex 11***)

2.4.2 Rules of Conduct

In order to prevent the Addressees from engaging in actions that may result in the commission of the offences addressed in this Special Part, the Company has adopted the following Principles of Conduct.

In particular, the Addressees are prohibited from:

Ref.	Rule
A	receiving, demanding, paying or offering, directly or indirectly, compensation of any kind, gifts, economic advantages or other benefits from, or to, a private party and/or the entity directly or indirectly represented by that party, where such compensation, gifts, advantages or benefits: (i) exceed a modest value and the limits of reasonable courtesy practices, and, in any event, (ii) are capable of being interpreted as aimed at unduly influencing the relations between the Company and the aforesaid party and/or the entity directly or indirectly represented by it, irrespective of the aim — even if exclusive — of pursuing the interest or advantage of the Company
B	paying "facilitation payments", that is, unofficial payments of modest value made for the purpose of speeding up, facilitating or ensuring the performance of a routine activity, or one otherwise falling within the duties of the private parties with whom the Company deals
C	using personal funds or resources for the purpose of circumventing the application of the provisions of this Special Part
D	entering into contracts where not authorised in writing by senior management

E	the Company, at the time of personnel selection, must obtain from the candidate, in compliance with the applicable regulations, all appropriate information relating to any conflicts of interest
F	any commercial incentive must be in line with common market practices, must not exceed the permitted value limits, and must have been approved and recorded in accordance with the applicable internal rules
G	relations with clients, whether public or private, are conducted with a sense of responsibility, commercial fairness and a spirit of cooperation
H	the granting of any commission, discount, credit or allowance must be made in accordance with the applicable regulations and granted officially to a corporate entity, upon presentation of supporting documentation
I	it is prohibited to perform services in favour of Consultants, Suppliers and Partners that do not find adequate justification in the context of the contractual relationship established with them, and likewise to recognise fees in their favour that do not find adequate justification in relation to the type of engagement to be carried out and to the practices prevailing locally
L	it is prohibited to provide services that are not necessary, to invoice for services not actually rendered, to duplicate invoicing for the same service, or to fail to issue credit notes where services that are wholly or partly non-existent or non-payable have been invoiced, even by mistake

Moreover, every activity carried out in the sensitive areas indicated above must be accurately and regularly reflected in the accounting records.

It is, in fact, the Company's responsibility to prepare accounting documents that reflect each transaction in reasonable detail, and to establish and carry out adequate controls in order to ensure that:

- the preparation of accounting documents (annual financial statements, reports) must be carried out truthfully and correctly, consistently with and in compliance with the procedures adopted by Cifra S.r.l.;
- transactions are genuine and are carried out only upon authorisation by *management*;
- for all documentation prepared, the traceability of the relevant sources and items of information must be ensured;
- transactions are recorded so as to permit the preparation of the financial statements in conformity with the applicable accounting standards;
- the value of the assets recorded in the financial statements is periodically reconciled against inventories, and appropriate measures are adopted with regard to any differences found.

No practice qualifiable as corrupt in nature, including *facilitation payments*, may be justified or tolerated on the ground that it is "customary" in the business sector or in the country in which the activity is carried out.

It is not permitted to impose or accept any service where it can be carried out only by prejudicing the values and principles of the Code of Ethics or by violating the applicable procedures of the Model and the applicable regulations.

2.4.3 Control Systems

The objective of this paragraph is that all Addressees, to the extent that they may be involved in carrying out activities in the at-risk areas, comply with rules of conduct in order to prevent and impede the commission of corporate offences.

The Addressees are expressly required to:

- maintain correct, transparent and cooperative conduct, ensuring full compliance with the applicable laws and regulations, as well as with internal procedures or company practice, in carrying out all activities aimed at preparing the financial statements, periodic accounting statements and other corporate communications, in order to provide the shareholder and the public in general with truthful and appropriate information on the economic, financial and asset position. In this regard, it is specifically prohibited to:

  - prepare or communicate data that are false, incomplete or otherwise liable to give an incorrect description of the reality of the economic, financial and asset position;
  - omit to communicate data and information required by the applicable regulations and procedures concerning the economic, financial and asset position;
  - fail to comply with the applicable administrative and accounting procedures.
- strictly observe all rules laid down by law to protect the integrity and effectiveness of the share capital, and always act in compliance with the internal procedures or company practice based on such rules, so as not to prejudice the guarantees afforded to creditors and third parties in general;
- ensure the proper functioning of the Company by guaranteeing and facilitating every form of internal control over corporate management provided for by law, as well as the free and proper formation of the will of the shareholders' meeting. In this regard, it is prohibited to engage in conduct that materially prevents, or in any way hinders, through the concealment of documents or the use of other fraudulent means, the performance of control or audit activities over corporate management by the Statutory Auditor (*Revisore Legale*);
- make, promptly, correctly and completely, all communications required by law and by regulations to the public supervisory Authorities, without placing any obstacle in the way of the exercise of the functions performed by them.

In this regard, it is prohibited to:

- omit to transmit to the Authorities in question, with due clarity, completeness and timeliness, the data and documents required by the applicable regulations and/or specifically requested by the aforesaid Authorities;
- present, in such communications and in the documentation transmitted, facts that do not correspond to the truth, or conceal facts concerning the economic, financial or asset position;
- engage in any conduct that obstructs the exercise of the functions of the public supervisory Authorities, including during inspections (express opposition, pretextual refusals, obstructive conduct, or failure to cooperate, such as delays in communications or in making documents available);
- maintain correct and truthful conduct with the press and information media.

Title 3 – Computer Offences

COMPUTER OFFENCES

UNDER ARTICLE 24-BIS OF LEGISLATIVE DECREE 231/2001

3.1 Introduction

Law No. 48/2008, ratifying the Council of Europe's Budapest Convention on Cybercrime (23 November 2001), introduced various amendments to both the Criminal Code and the Code of Criminal Procedure and amended Article 24 of Legislative Decree 231/2001 by adding Article 24-*bis*, which introduced various computer offences, previously absent, among the Predicate Offences. In this way, the liability of Entities was introduced into our legal system for the commission of such offences by Senior Persons (Apical Subjects) and Subordinates, where the judge ascertains the presence of an interest or advantage for the Entities themselves.

Law No. 238 of 23 December 2021 (the so-called "European Law") – which entered into force on 1 February 2022 – containing "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union", introduced certain amendments to the computer offences and unlawful data processing offences referred to in Article 24-*bis* of Legislative Decree 231/2001.

More recently, Law No. 90 of 28 June 2024, "Provisions on strengthening national cybersecurity and on computer offences", introduced substantive and procedural amendments concerning computer offences: it provides for an increase in penalties, extends the boundaries of specific intent, introduces new aggravating circumstances and/or bars mitigating circumstances for various offences committed through the use of computer equipment for the purpose of obtaining undue advantages to the detriment of others, or of gaining unauthorised access to IT systems and/or intercepting or interrupting computer and telematic communications.

3.2 Offences referred to in Article 24-*bis* of Legislative Decree 231/2001

The Predicate Offences under Article 24-*bis* that could, in the abstract, materialise in relation to the Company are:

- unauthorised access to an IT or telematic system (Article 615-*ter* of the Criminal Code): "IT or telematic system" means a set of equipment intended to perform any function useful to man, that is, anything that manages and processes data in digital format;
- unlawful possession, dissemination and installation of equipment, codes and other means of access to IT or telematic systems (Article 615-*quater* of the Criminal Code);
- unlawful interception, prevention or interruption of computer or telematic communications (Article 617-*quater* of the Criminal Code);
- unlawful possession, dissemination and installation of equipment and other means suited to intercepting, preventing or interrupting computer or telematic communications (Article 617-*quinquies* of the Criminal Code);
- extortion by means of computer offences (Article 629, paragraph 3, of the Criminal Code);
- damage to information, data and computer programs (Article 635-*bis* of the Criminal Code);

- damage to information, data and computer programs used by the State or by another public body or in any event of public utility (Article 635-*ter* of the Criminal Code);
- damage to IT or telematic systems (Article 635-*quater* of the Criminal Code);
- damage to IT or telematic systems of public utility (Article 635-*quinquies* of the Criminal Code);
- forgery of a computer document (Article 491-*bis* of the Criminal Code).

The offence of computer-related fraud by an electronic signature certification provider (Article 640-*quinquies* of the Criminal Code) is not covered by the Model, as it constitutes a specific instance of computer fraud that can only be committed by such qualified persons, the provision thus qualifying as a special-subject offence (*reato proprio*) and therefore being unlikely to be configurable in relation to the Company.

The offences referred to above may be divided into four groups.

a. The first group comprises Articles 615-*ter*, 617-*quater*, 617-*quinquies*, 635-*bis*, 635-*ter*, 635-*quater* and 635-*quinquies* of the Criminal Code.
   The common characteristic of the offences set out in the cited articles consists in the punishment of damage to hardware, software and data: unauthorised access to a system and the interception or interruption of data carried out through the installation of dedicated software or hardware are punished, and the commission of the same offences against IT systems of public utility is punished as an aggravating circumstance.

b. The second group comprises the new offence of extortion by means of the commission of a computer offence, Article 629, third paragraph, of the Criminal Code.

c. The third group of offences consists of Articles 615-*quater* and 635-*quater*.1 of the Criminal Code: these articles punish the possession and dissemination of software and/or IT equipment suited to enabling the commission of the offences referred to in letter a) above.

d. The fourth group of offences comprises the offences under Articles 491-*bis* [and 640-*quinquies*] of the Criminal Code: the violation of the integrity of computer documents and of their management through the falsification of a digital (electronic) signature is punished.

3.2.1 Unauthorised access to an IT or telematic system (Article 615-*ter* of the Criminal Code)

Article 615-*ter* punishes anyone who unlawfully gains access to an IT or telematic system protected by security measures, or remains within it against the express or tacit will of the person entitled to exclude such access.

For the offence to be established, it is essential that the will of the entitled party not to permit anyone access to the IT system be made evident, including, where applicable, by means of restrictions consisting of *organisational measures governing the manner of access to the premises in which the system is located and identifying the persons authorised to use it.*

It must also be demonstrated that selection mechanisms have been adopted for persons authorised to access the IT system, which may be of a logical nature (e.g. firewalls, passwords, access codes, biometric data), physical nature (e.g. video-surveillance systems, armoured doors) or organisational nature (e.g. access to premises prohibited to clerical staff). It is sufficient that the person act with the awareness and intent of gaining access to another's protected system, or of remaining within it against the will of the person entitled to exclude such access, whereas the purposes for which the person acts (curiosity, the search for confidential information, vandalistic or manipulative intent) or the damage actually caused are in no way relevant.

For the purposes of Legislative Decree 231/2001, the offence must be committed "in the interest of or to the advantage of" the Company in order to found the Company's liability; accordingly, unauthorised access relevant for the purposes of Decree 231 will occur, by way of example, where a person (whether an Apical Subject or a Subordinate) unlawfully accesses the system of a competitor company in order to learn its client portfolio or to obtain, for the purpose of industrial espionage, documentation relating to its products. Unauthorised access will also occur where a person unlawfully accesses the Company's own IT systems, for example to manipulate data in order to obtain an advantage in relation to accounting and financial-statement obligations.

For the Predicate Offence under Article 615-*ter* of the Criminal Code
Where the Company, following verification of the requirements for liability, should be held legally responsible for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following apply:
the **financial penalty** (from two hundred to seven hundred units);
the following **disqualifying sanctions**: - disqualification from carrying on the activity; - suspension or revocation of authorisations, licences or concessions functional to the commission of the unlawful act; - prohibition on advertising goods and services.

3.2.2 Unlawful possession, dissemination and installation of equipment, codes and other means of access to IT or telematic systems (Article 615-*quater* of the Criminal Code)

Article 615-*quater* of the Criminal Code is aimed at protecting the so-called "computer domicile".

The offence is committed where, in order to procure a profit or to cause harm to others, keywords, codes or other means suited to accessing an IT/telematic system protected by security measures are unlawfully possessed, disseminated or installed, or indications or instructions suited to the aforementioned purpose are provided.

The legal interest protected by this provision is to be identified in the confidentiality of access keys, which the legislature has treated in the same manner as confidential personal attributes, insofar as they identify the person. Through this provision, the legislature intended to provide anticipated protection, inasmuch as it penalises a whole series of conduct that is preparatory to the conduct described in the provision under Article 615-*ter*.

The offence is committed where a person, being lawfully in possession of access codes, communicates them without authorisation to third parties, or provides instructions or indications that make it possible to reconstruct the access codes and/or overcome the security measures. The offence is likewise committed where the person unlawfully procures the access codes.

The most recent legislative update also punishes the unlawful installation of codes, for example for the purpose of impeding the operation, even temporarily, of an IT system.

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

Article 617-*quater* (as, likewise, the following Article 617-*quinquies*) is a provision aimed at protecting the security and integrity of computer and telematic communications.

The offence punishes:

- anyone who fraudulently intercepts, prevents or interrupts communications relating to an IT or telematic system or occurring between multiple systems;
- anyone who discloses, by any means of communication to the public, in whole or in part, the content of intercepted computer or telematic communications.

3.2.4 Unlawful possession, dissemination and installation of equipment and other means suited to intercepting, preventing or interrupting computer or telematic communications (Article 617-*quinquies* of the Criminal Code)

Article 617-*quinquies* punishes the possession, dissemination and installation, outside the cases permitted by law, of equipment suited to intercepting, preventing or interrupting communications relating to an IT or telematic system or occurring between multiple systems.

The provision provides anticipated protection for the legal interest in the confidentiality of information or data transmitted telematically or processed by individual IT systems. The legislature considered it appropriate to make use of the scheme of an offence of endangerment (*reato di pericolo*) in order to achieve the broadest possible protection of the interest concerned.

For example, the offence could be established where conduct is aimed at preventing or interrupting a communication in order to hinder a competitor in sending documentation relating to a tender, or material intended for clients, so as to cause it to default.

3.2.5 Extortion by means of computer offences (Article 629, paragraph 3, of the Criminal Code)

The offence is committed where anyone, by means of conduct attributable to a computer offence, or by threatening to carry out such conduct, compels another person to do or to omit something, thereby procuring for themselves or for others an unjust profit to the detriment of another.

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

The offence is committed where anyone destroys, damages, deletes, alters or suppresses another's information, data or computer programs.

More severe penalties are provided where the act is committed with violence to a person or the threat thereof, or where the act is committed through abuse of the capacity of system operator.

3.2.7 Damage to information, data and computer programs used by the State or by another public body or in any event of public utility (Article 635-*ter* of the Criminal Code)

The offence is committed where anyone commits an act aimed at destroying, damaging, deleting, altering or suppressing information, data or computer programs used by the State or by another public body or pertaining thereto, or of public utility.

An increase in the penalty is, moreover, provided where the act is committed with violence to a person or the threat thereof, or where the act is committed through abuse of the capacity of system operator.

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

Article 635-*quater* punishes anyone who, through the conduct referred to in the above-cited Article 635-*bis*, or through the introduction or transmission of data, information or programs, destroys, damages, or renders wholly or partly unusable another's IT or telematic systems, or seriously hinders their operation.

An increase in the penalty is provided where the act is committed with violence to a person or the threat thereof, or where the act is committed through abuse of the capacity of system operator.

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

This provision establishes penalties where the act referred to in the preceding Article 635-*quater* is aimed at destroying, damaging or rendering wholly or partly unusable IT or telematic systems of public utility, or at seriously hindering their operation.

More severe penalties are provided where the act results in the destruction of or damage to the IT or telematic system of public utility, or where the system is rendered wholly or partly unusable.

An increase in the penalty is, moreover, provided where the act is committed with violence to a person or the threat thereof, or where the act is committed through abuse of the capacity of system operator.

For the Predicate Offences under Articles 617-*quater*, 617-*quinquies*, 635-*bis*, 635-*ter*, 635-*quater* and 635-*quinquies* of the Criminal Code
Where the Company, following verification of the requirements for liability, should be held legally responsible for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following apply:
the **financial penalty** (from two hundred to seven hundred units);
the following **disqualifying sanctions**: - disqualification from carrying on the activity; - suspension or revocation of authorisations, licences or concessions functional to the commission of the unlawful act; - prohibition on advertising goods and services.

3.2.10 Forgery relating to computer documents (Article 491-*bis* of the Criminal Code)

This provision, by referring to the rules on forgery of public instruments set out in the Criminal Code, extends their application also to cases in which the respective provisions concern a computer document, which is equated in all respects to a paper document. Specifically, a "computer document" means any IT medium containing data, information or programs intended to process such data.

In offences of forgery of instruments, the distinction between material forgery and ideological forgery is essential: material forgery occurs where there is a divergence between the apparent author and the real author of the document, or where the latter has been altered after it was drawn up; ideological forgery occurs where the document contains statements that are untrue or not faithfully recorded.

This offence could, for example, be established through the use of another's digital signature, or in the case of the forgery of a document having the nature of a public instrument.

In addition to the financial penalty, a prohibition on contracting with the Public Administration may be ordered, except for the purpose of obtaining the performance of a public service, together with exclusion from grants, financing, contributions or subsidies and the possible revocation of those already granted, and/or a prohibition on advertising goods or services.

For the Predicate Offence under Article 491-*bis* of the Criminal Code
Where the Company, following verification of the requirements for liability, should be held legally responsible for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following apply:
the **financial penalty** (up to four hundred units);
the following **disqualifying sanctions**: - prohibition on contracting with a public administration, except for the purpose of obtaining the performance of a service; - exclusion from grants, financing, contributions or subsidies and revocation of those possibly already granted;

- prohibition on advertising goods and services.

3.3 Risk areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

3.3.1 The Sensitive Activities

With regard to the corporate areas most exposed to the risk of commission of this category of predicate offence, it should be noted that access to technology has considerably widened the scope of persons who could potentially commit such unlawful conduct.

There is, indeed, widespread use of IT tools and, consequently, extensive potential access to the related systems and data.

The risk of commission of the offences referred to in this Title of the Special Section has, therefore, been assessed as not being confined to specific risk areas, but as being capable of arising, in the abstract, within any area of activity, being widely diffused throughout the Company.

3.4 General principles of conduct and control systems

3.4.1 Introductory remarks

In implementation of the preceding paragraphs, the following principles of conduct are set out for the Addressees, which they must observe in carrying out their professional activities, on pain of the application of the disciplinary sanctions referred to in Chapter 7 of the General Section of the Model.

In addition to the rules and principles set out in this Model, the Addressees, and in particular the Senior Persons (Apical Subjects), must observe the rules and principles contained in:

- the Code of Ethics (***Annex 3***);
- Protocol PT9 "Management of the Corporate Information System" (***Annex 13***);
- the specific Procedures on IT management;
- the specific Procedures relating to the protection of personal data.

The prevention of computer crimes is carried out by Cifra S.r.l. through appropriate organisational, technological and regulatory measures; in particular:

- specific provisions have been included in the Code of Ethics aimed at preventing the commission of computer offences, both within the Company and by means of equipment not subject to the Company's control;
- an appropriate system of disciplinary sanctions (or contractual restrictions, in the case of third parties) has been established for employees (or other addressees of the Model) who intentionally violate the control systems or the behavioural guidance provided;
- the Company has put in place appropriate technological tools (e.g. software) suited to preventing and/or impeding the commission of computer-related unlawful acts by employees, and in particular by those belonging to the corporate structures considered most exposed to risk;

- the Company has established appropriate information, training and awareness-raising programmes for personnel, in order to foster clear awareness of the risks arising from improper use of the Company's IT resources;
- appropriate clauses are included in contracts entered into with Information Technology service providers;
- the Company operates in accordance with the applicable legislation on the protection of personal data, namely EU Regulation 2016/679.

3.4.2 Rules of conduct

In order to prevent the Addressees from carrying out actions that could give rise to the conduct contemplated in this Special Section, the Company has adopted the following principles of conduct.

A. Identification of persons authorised to access, and access credentials

Access to the Company's IT network is permitted solely to Employees and Collaborators specifically identified and authorised for that purpose.

Access to the IT network will be limited to each user's area of competence, consistently with the "powers and authorities" system in place and with the segregation of duties.

Each operator authorised to access the Company's IT network is assigned a personal user ID and password, which the operator undertakes not to disclose to third parties. In certain cases, the user ID and password are shared. In such cases, users must comply with the specific policy applicable thereto.

It is prohibited to use another operator's user ID or password. Passwords are issued by the Head of the IT Function. The initial password is communicated by the IT Function responsible for managing the information system solely to the person concerned, who is required to change it – where the application permits – to a personal password on first log-in. The personal password is known solely to the holder of the User ID, must be kept with diligence and care and must not be disclosed to third parties, even temporarily. The personal password must be changed whenever the system requires modification and, in any event, on a regular basis. In every case, should a user consider the confidentiality of their password to have been compromised, they must replace it and, should they suspect unlawful access to their *account*, must inform the IT Function so that the matter can be investigated.

Should the system fail to recognise the personal password, or should the user have forgotten it, the IT Function must be informed immediately; the IT Function will restore normal operation, following verification of the requesting party's identity, by deleting the old password and creating a new one.

By way of example, it is prohibited to:

- use another person's password or allow one's own password to be used by third parties;
- disseminate or unlawfully hold passwords;
- leave active sessions unattended;
- use other users' work sessions;
- unlawfully gain access to an IT or telematic system protected by security measures, against the will of the person entitled to such access;
- access the IT or telematic system, or parts thereof, or the Company's databases, or parts thereof, without possessing the necessary access credentials, or by using the credentials of other authorised colleagues;

- fraudulently intercept and/or disseminate, by any means of communication to the public, communications relating to an IT or telematic system or occurring between multiple systems;
- use unauthorised technical devices or software tools (for example, viruses, worms, trojans, spyware, dialers, keyloggers, rootkits) suited to preventing or interrupting communications relating to an IT or telematic system or occurring between multiple systems;
- destroy, damage, delete, alter or suppress another's information, data or computer programs, or even merely endanger the integrity and availability of information, data or programs used by the State or by another public body or pertaining thereto, or in any event of public utility;
- introduce or transmit data, information or programs for the purpose of destroying, damaging, rendering wholly or partly unusable, or hindering the operation of IT or telematic systems of public utility;
- unlawfully hold, procure, reproduce or disseminate access codes or, in any event, means suited to accessing a system protected by security measures;
- procure, reproduce, disseminate, communicate or make available to others equipment, devices or programs for the purpose of unlawfully damaging a system or the data and programs pertaining thereto, or of facilitating the interruption or alteration of its operation;
- alter computer documents by means of another's electronic signature or in any other way;
- produce and transmit documents in electronic format containing false and/or altered data.

B. Use of workstations

Workstations, whether desktop or portable, are equipped with the necessary devices (hardware) and programs (software) enabling their correct operation, in accordance with corporate standards and in compliance with the necessary usage licences.

The installation and updating of devices and programs may be carried out only with prior authorisation and under the supervision of the IT Function and of the persons expressly appointed by it.

By way of example, it is accordingly prohibited to:

- install other unauthorised software;
- modify, in whole or in part, the software or its operating configurations;
- remove or copy, in whole or in part, the software;
- modify, add or remove hardware devices and the related connections;
- use communication devices other than those with which the workstation is equipped;
- disable the antivirus system, even temporarily.

Should the operator detect the presence of new software or a malfunction of the IT system, they must immediately suspend the work session in progress and inform the IT Function, whose subsequent instructions they must follow. The IT Function will, in any event, proceed to remove and uninstall unauthorised programs. The Company accepts no liability whatsoever for the consequences arising from the installation and use of software installed by the user without an original licence and/or without express authorisation.

Attention is drawn to the fact that so-called "shareware" or "freeware" software (this category includes very common software such as compression tools, encryption tools, certain antivirus programs, etc.) is generally intended for private and domestic use only. Any use of such software on Cifra S.r.l.'s workstations must be conditional on the formal execution of the relevant usage licence.

It is the responsibility of each user to:

- protect documents considered important or in any event confidential by means of a password;
- store both IT media (specifically identified by the IT Function) containing copies of files/data, and any other corporate information, in secure locations not readily accessible to third parties;
- not reproduce/disclose any corporate information/data without express authorisation.

C. Use of network services

Access to the Internet and to the intranet is permitted solely for reasons and purposes connected with the employee's and/or collaborator's work activity. The categories of workers or persons who may access such services are identified by Company Management in accordance with the corporate policy.

Should it become necessary to download programs or their updates from the network (so-called "downloading"), always and solely for reasons connected with work activity, the IT Office responsible for the management of the information system must be contacted, and in any event it is necessary to:

- verify possession of the necessary usage rights;
- verify compatibility with the software already installed;
- not infringe copyright or similar rules.

Communication in electronic form must take place solely through the use of Cifra S.r.l.'s email system and with prior authorisation; it is therefore prohibited to use other email systems, even if offered free of charge.

The email system is a corporate-owned tool.

The use of email is permitted solely for reasons and purposes connected with the employee's work activity.

Every message and item of information sent by a user via the telematic network to third parties (natural or legal persons) is identifiable by the recipient and attributable to the Company. Accordingly, all communications sent by users by telematic means must be consistent with the interests of Cifra S.r.l., as well as respectful of the positions and orientations expressed by it, in addition to any instructions it may issue.

The Company's information systems may not be used to transmit, receive or store communications of a discriminatory, obscene or defamatory nature, or otherwise contrary to law, to corporate policies or to the corporate organisation.

It is likewise prohibited to use the information systems for the dissemination of so-called "chain messages".

Users are required to respect the confidentiality of communications received from other users.

It is further prohibited to send email messages or other electronic communications that conceal the identity of the sender or of the Company.

In the event of malfunctions affecting its IT systems, Cifra S.r.l. reserves the right to analyse any messages or files responsible for the malfunction, taking any action necessary to safeguard the system and its operational functionality.

D. Breach of system security

All possible breaches of system security must be reported promptly to the Function within which the user operates, just as any vulnerabilities of the systems known to or identified by the user must be detected and reported.

Users are required to inform the Function within which they operate should any theft, damage or loss of IT equipment or of information and data owned by the Company occur.

E. The duties of the IT Function in managing the information system

In addition to the duties already indicated above, the IT Function must take action, including through the use of expert consultants in the field, in order to carry out the actions necessary to:

- verify the security of the Company's network and IT systems;
- verify the adequacy of, and compliance with, backup and *disaster recovery* procedures;
- identify potential vulnerabilities in the IT control system, verifying that it is adequately protected, including through the use of appropriate software such as, for example, antivirus programs and firewalls;
- monitor the correct use by users of access credentials (User ID, password) to the information system;
- verify that corporate tools are used in compliance with the defined corporate procedures.

Title 4 – Handling Stolen Goods, Money Laundering and Self-Laundering Offences

OFFENCES OF HANDLING STOLEN GOODS, MONEY LAUNDERING AND USE OF MONEY, GOODS OR OTHER BENEFITS OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING, PURSUANT TO ARTICLE 25-*OCTIES* OF LEGISLATIVE DECREE 231/2001

4.1 Introduction

With regard to the "*offences of handling stolen goods, money laundering and use of money, goods or other benefits of unlawful origin*" – regarded as a Predicate Offence for the application of administrative liability pursuant to Legislative Decree 231/2001 – reference must be made to Article 25-*octies* of Legislative Decree 231/2001.

In particular, with Legislative Decree No. 231 of 21 November 2007, the legislator implemented Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 concerning the prevention of the use of the financial system for the purpose of money laundering of the proceeds of criminal activities and of terrorist financing (the so-called Third Anti-Money-Laundering Directive).

Law No. 186 of 15 December 2014 introduced into our legal system the offence of self-laundering (*autoriciclaggio*), which punishes the laundering conduct carried out by the same person who committed, or participated in committing, the predicate offence from which the unlawful proceeds derive.

The Entity will now be liable for the offences of handling stolen goods, money laundering, self-laundering and use of unlawful capital, even where committed in a purely "domestic" context, provided that an interest or advantage accrues to the Entity itself.

Legislative Decree 195/2021 broadens the predicate offences of the crimes of handling stolen goods, money laundering, self-laundering and use of goods or other benefits of unlawful origin, so as to also include petty offences (*contravvenzioni*) (punished with imprisonment (*arresto*) exceeding one year at the maximum, or six months at the minimum) and, in the case of money laundering and self-laundering, negligent offences (*delitti colposi*) as well.

4.2 The Offences Referred to in Art. 25-*octies* of Legislative Decree 231/2001

This Special Part concerns the offences of handling stolen goods, money laundering, self-laundering and use of money, goods or other benefits of unlawful origin, punished under Articles 648, 648-*bis*, 648-*ter* and 648-*ter*.1 of the Criminal Code, as provided for by Art. 25-*octies* of the Decree, insofar as they have been identified by Cifra S.r.l., within the scope of the activities it carries out, as offences that could potentially be committed.

4.2.1 Handling of Stolen Goods (*ricettazione*) (Art. 648 of the Criminal Code)

Pursuant to Art. 648 of the Criminal Code, the offence of handling stolen goods is constituted, outside cases of participation in the offence, by the conduct of anyone who purchases, receives or conceals money or property deriving from an offence committed by others, or of anyone who acts as an intermediary to have such money or property acquired, received or concealed, for the purpose of procuring a profit for themselves or for others.

Handling of stolen goods necessarily presupposes the commission of an offence by others in which the receiver did not participate; the provision has the specific purpose of preventing persons other than those who committed the offence from deriving an advantage from it. It is also required that the receiver be aware that the property purchased/received and/or concealed derives from a prior offence.

This type of offence could arise where the Company were to purchase counterfeit software, without the relevant licences, for its own information systems.

4.2.2 Money Laundering (Art. 648-*bis* of the Criminal Code)

Art. 25-*octies* of Legislative Decree 231/2001 contemplates the offence sanctioned by Art. 648-*bis* of the Criminal Code, which punishes, outside cases of participation in the offence, the offence of money laundering, that is, transactions involving the substitution or transfer of money, goods or other benefits deriving from intentional (non-negligent) offences, in such a way as to conceal their unlawful origin. The offence presupposes the commission of an intentional offence in which the launderer did not participate. The purpose of the provision is to prevent the "laundering" of capital, goods or other benefits deriving from another offence from "contaminating" the economic-financial market, from producing an advantage, from helping the perpetrators of that offence to obtain a profit, or from otherwise hindering the authorities in their investigations.

This type of offence is conceivable, for example, where the Company were to accept from a client a payment made using money of criminal origin, reusing it for the purchase of goods in pursuit of its own corporate purpose.

4.2.3 Use of Money, Goods or Other Benefits of Unlawful Origin (Art. 648-*ter* of the Criminal Code)

Art. 648-*ter* of the Criminal Code punishes, outside cases of participation in the offence and outside the cases provided for in the above-mentioned articles, the use of money, goods or other benefits of unlawful origin in economic and financial activities. The purpose of the provision is, once again, to safeguard the "genuineness" of the free market from any form of "contamination" arising from the introduction of sums or property of unlawful origin into the economic-financial circuit.

This type of offence is conceivable in respect of the Company where, for example, money deriving from the preceding offences were used to purchase food or non-food goods, or, in participation with the person materially carrying out the offence, where the client company commits one of these offences with the support of Cifra S.r.l.

4.2.4 Self-Laundering (*autoriciclaggio*) (Art. 648-*ter*.1 of the Criminal Code)

This offence was introduced into the Criminal Code by Law No. 186 of 15 December 2014 and punishes anyone who, having committed or participated in committing an intentional (non-negligent) offence, employs, substitutes or transfers, in economic, financial, business or speculative activities, the money, goods or other benefits (the proceeds) deriving from the commission of that offence, in such a way as to concretely hinder the identification of their criminal origin.

The proceeds are defined in generic terms so as to encompass any benefit having "an economically appreciable value", including, according to the Court of Cassation, the tax saving achieved as a result of tax fraud, by virtue of which the person certainly obtains "a wholly evident and manifest economic benefit".

The first element characterising the typical conduct of the offence governed by Art. 648-*ter*.1 of the Criminal Code is the prior commission of a "non-negligent offence" by the launderer. This is the core element of the offence that distinguishes it from the neighbouring cases under Arts. 648-*bis* and 648-*ter* of the Criminal Code, which are characterised precisely by the clause excluding the liability of a participant in the predicate offence (the so-called "self-laundering privilege"). Since it can be committed only by a predetermined category of offender – namely, the perpetrator of the "non-negligent offence" – Art. 648-*ter*.1 of the Criminal Code therefore qualifies as a special-subject offence (*reato proprio*).

For the administrative liability of the Entity for self-laundering to be conceivable, according to certain scholarly interpretations, it is a necessary precondition that the employee or the senior person committed, in the interest or to the advantage of the Entity, not only the offence of self-laundering but also the offence from which the unlawful proceeds originated, and that the latter offence is also expressly provided for and punished by Legislative Decree 231/2001 as a Predicate Offence.

However, the positions taken on the necessity for the offence from which the unlawful proceeds originate to also qualify as a Predicate Offence under the Decree are controversial.

On other occasions, in order to overcome the absence, within the Decree, of the offence constituting the source of the proceeds, case law has instead resorted, for the purpose of establishing the liability of the entity for the offence of self-laundering, to the criminal figure of criminal association pursuant to Article 416 of the Criminal Code, including in its cross-border form (Law 146/2006). For example, in so-called "carousel fraud" (*frodi carosello*), understood as those fraudulent transactions aimed at VAT evasion in which multiple parties are involved, both as purchasers of goods at unduly competitive market prices and as legal representatives of sham companies specifically set up for the purpose of evading tax obligations owed to the tax authorities. Indeed, where the requirements of Article 416 of the Criminal Code are met and it emerges that the tax infringements were committed, in the interest or to the advantage of the entity, by persons holding representative, administrative or managerial functions – including de facto functions – or by persons subordinate to them, the courts of last instance (*giurisprudenza di legittimità*) have also ruled on the criminal liability of the entity, applying the disqualification and pecuniary sanctions provided for and ordering confiscation of the price or profit of the offence pursuant to Article 19 of Legislative Decree 231/2001.

The courts of last instance, ruling on matters of money laundering, have held that the Legislator, in using the expression "other benefits" – also employed in the text of Article 648-*bis*1 of the Criminal Code – intended to encompass not only all those elements that result in an increase in assets, but also everything that prevents assets from being depleted. Consequently, in cases of tax fraud, the perpetrator, by not paying the taxes owed, achieves an undue saving in expenditure that translates into an evident economic *benefit. According to other commentators, by contrast, the mere saving arising from evaded or unpaid tax, directly used for the subsequent payment of, for example, salaries or other investments, would not constitute any conduct of self-laundering, since there would be no activity capable of concretely hindering the identification of its criminal origin. These commentators consider that the liability of the Entity can be found to exist in the presence of transactions that could make the reconstruction of the company's accounts difficult; for this reason, organisational models must prevent, or subject to rigorous controls, transactions – such as inter-account transfers, cheque exchanges, and debt-credit set-offs*".

For the Predicate Offences Referred to in the Preceding Paragraphs

Where the Company, following a determination that the requirements for imputability are met, is to be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following apply:

the **pecuniary sanction** (up to one thousand units (*quote*));

the following **disqualification sanctions** for a duration not exceeding 2 years:

- disqualification from carrying on the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition on contracting with a public administration, except to obtain the performance of a service;
- exclusion from grants, financing, contributions or subsidies, and revocation of those already granted, if any;
- prohibition on advertising goods and services.

4.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

4.3.1 The Sensitive Activities

Within the scope of the offences dealt with in this chapter, the processes most exposed to risk are those relating to the purchasing, sales, administrative-financial (treasury, personnel, contracts/tenders office, etc.) and *marketing* sectors.

In particular, the corporate activities to be taken into consideration for the purposes of preventing such offences can be divided into two macro-categories:

A	Activities with third parties, meaning by this the activities relating to relationships established between the Company and third parties. With reference to such activities, the risk relates to: - purchase and/or sale contracts with counterparties; - financial transactions with counterparties; - investments with counterparties
B	Financial statement (*bilancio*) activities. With reference to such activities, the risk relates to: - preparation of the financial statements; - financing transactions; - cash management.

4.4 General Principles of Conduct and Control Systems

4.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the following Principles of Conduct are laid down for the Addressees, which they must observe in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable for minimising the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects), must observe the rules and principles contained in:

- the Code of Ethics (***Annex 3***);
- Protocol PT2 “Management of Financial and Monetary Flows” (***Annex 6***);
- Protocol PT3 “Management of Bookkeeping and Preparation of the Financial Statements” (***Annex 7***);
- Protocol PT4 “Management of the Purchase of Goods, Services and Consultancy Services” (***Annex 8***);
- Protocol PT5 “Management of Gifts, Sponsorships and Charitable Donations” (***Annex 9***)

4.4.2 The Rules of Conduct

In particular, the Addressees are prohibited from:

A	engaging in, contributing to, or giving rise to the adoption of conduct which – whether considered individually or collectively – directly or indirectly constitutes any of the offences referred to above and provided for by Art. 25-*octies* of the Decree
B	engaging in conduct which, although not in itself constituting one of the offences referred to above, could potentially become such, being suitable and unequivocally directed towards their commission
C	generating inflated revenues, or revenues reported at a lower amount, that cause the punishability thresholds under Legislative Decree 74/2000 to be exceeded
D	recording fictitious costs in the financial statements and declaring them as such also for tax purposes
E	engaging in actions contrary to full compliance with applicable legal and regulatory provisions, thereby avoiding the occurrence of the constituent elements of the offences of handling stolen goods, money laundering and use of money, goods or other benefits of unlawful origin; specifically: - carrying out, in the performance of their duties, whatever these may be, acts of acquisition, receipt or concealment of money or property known to be of unlawful origin; - carrying out transactions, such as transfer or substitution, involving money, goods or other benefits of unlawful origin, or employing the same in economic or financial activities; - failing to oversee the management areas relating to administration, finance, purchasing and the management of incoming and outgoing flows, paying particular attention to relations with private clients, suppliers and credit institutions; - failing to promptly report any ambiguity detected, whether concerning employees or persons exercising management functions, in the performance of their duties

The Addressees are, moreover, required to:

A	strictly observe all legal provisions aimed at protecting the genuineness of the market and of the money and goods circulating within it
B	ensure the proper functioning of the Company by guaranteeing and facilitating every form of internal and external control by the Authorities regarding compliance with legal provisions and regulations on anti-money-laundering matters and the protection of the market's economic-financial dynamics. In this regard, it is prohibited to engage in conduct that materially prevents, or in any way hinders – through the concealment of documents or the use of other fraudulent means – the carrying out of control activities
C	promptly, correctly and completely carry out all communications and fulfil all obligations required by law and by regulations towards the Public Authorities, without raising any obstacle to the exercise of the functions performed by them. In this regard, it is prohibited to: - fail to transmit to the Authorities in question, with due clarity, completeness and promptness, the data and documents required by the provisions in force and/or specifically requested by the aforesaid Authorities; - state facts that do not correspond to the truth, or conceal facts, in such communications and in the documentation transmitted; - engage in any conduct that obstructs the exercise of the functions of the public supervisory Authorities, including during inspections (explicit opposition, pretextual refusals, obstructive conduct or lack of cooperation, such as delays in communications or in making documents available)

4.4.3 The Control Systems

For the purposes of preventing the offences referred to in Art. 25-*octies* of the Decree, the Company carries out specific control activities, and in particular:

a. ensures the functional segregation of duties among the various parties involved in the process of managing invoicing activities (accounts receivable/payable) and financial transactions (collections/payments). In particular, functional separation is ensured between whoever records the invoice, whoever prepares the payment orders and whoever authorises them;

b. defines the roles and responsibilities of the organisational units involved in recording invoicing activities (accounts receivable/payable) and the related collections and payments;

c. only persons holding a specific power of attorney are authorised to sign payment orders, within the internal authorisation limits/spending powers;

d. adopts IT systems that ensure the correct allocation of every transaction to the client, counterparty or entity concerned, with precise identification of the beneficiary and the reason for the transaction, in such a way as to allow identification of the person who ordered or carried out the transaction;

e. ensures the traceability of all stages relating to payment management (preparation of documents evidencing performance of the service; recording of the invoice; preparation of the payment; reconciliation) and to collection management (accounting record of the collection; reconciliation);

f. provides for specific control measures for any financial flows (for example, for reasons of urgency) that fall outside the Company's typical processes;

g. ensures that the choice of suppliers of goods or services is made, by the competent functions, on the basis of requirements of professionalism, reliability and cost-effectiveness; in this regard, it verifies the commercial and professional reliability of suppliers and commercial/financial partners, on the basis of certain relevant indicators (e.g., adverse public records – such as protests (*protesti*) or insolvency proceedings – or the acquisition of commercial information on the company, its shareholders and its directors through specialised firms; a price disproportionate to average market values; the involvement of “politically exposed persons”, as defined in Art. 1 of the Technical Annex to Legislative Decree No. 231 of 21 November 2007, implementing Directive 2005/60/EC);

h. verification of the regularity of payments, with reference to the full correspondence between the recipients/originators of payments and the counterparties actually involved in the transactions;

i. checks that no fees, commissions or brokerage payments are made to consultants, collaborators, agents and public officials in amounts that are not commensurate with the services rendered to the Company and not consistent with the assignment conferred, to be assessed on the basis of reasonableness criteria and with reference to the conditions and practices prevailing on the market or set by applicable tariffs;

j. applies the prohibition on the use of cash (save for residual and modest recourse to cash payments) or other bearer financial instruments, for any transaction involving collection, payment, transfer of funds, employment or other use of financial resources, as well as the prohibition on the use of anonymous current accounts or savings passbooks, or those held under a fictitious name;

k. retains documentation supporting transfers of money from one bank current account to another held at the same or a different credit institution, including a foreign one, possibly held in the name of other Group companies;

l. carries out formal and substantive checks on the Company's financial flows, with reference to payments to third parties and to intragroup payments/transactions. Such checks must take into account the registered office of the counterparty company (e.g., tax havens, countries at risk of terrorism, etc.), the banks used (registered office of the banks involved in

the transactions and banks with no physical presence in any country), and any corporate shell structures and fiduciary/trust arrangements used for transactions or extraordinary operations;

m. identification of a body/unit responsible for the performance of the contract, with an indication of tasks, roles and responsibilities;

n. provides for adequate mapping of every form of incoming and outgoing payment and of the persons who initiated them;

o. provides for constant checks by the Administration Function on cash held in the till/cash register.

Title 5 – Offences Concerning Non-Cash Payment Instruments

OFFENCES CONCERNING NON-CASH PAYMENT INSTRUMENTS PURSUANT TO ARTICLE 25-*OCTIES*.1 OF LEGISLATIVE DECREE 231/2001

5.1 Introduction

Legislative Decree No. 184 of 8 November 2021, "Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment", entered into force on 14 December 2021.

This is a particularly significant and articulated legislative measure. First of all, the Decree amends the Criminal Code, modifying Articles 493-*ter* (now, Unlawful use and falsification of non-cash payment instruments) and 640-*ter* (Computer fraud), and providing for the insertion of the new Article 493-*quater* (Possession and distribution of equipment, devices or computer programs intended to commit offences concerning non-cash payment instruments).

Furthermore, with reference to Legislative Decree 231/2001, the new predicate offence under Art. 25-*octies*.1, "Offences concerning non-cash payment instruments", is introduced, aimed at sanctioning the entity in whose interest or to whose advantage one of the aforesaid offences is committed.

Legislative Decree 184/21 defines non-cash payment instruments as "*a protected device, object or record, whether intangible or tangible, or a combination thereof, other than legal tender, which, on its own or in conjunction with a procedure or a series of procedures, enables the holder or user to transfer money or monetary value, including through digital means of exchange*".

Law No. 137 of 9 October 2023 introduces, among the offences concerning non-cash payment instruments, the offence of fraudulent transfer of valuables (Art. 512-*bis* of the Criminal Code).

Most recently, Law No. 56 of 29 April 2024, "Further urgent provisions for the implementation of the National Recovery and Resilience Plan", inserted a new paragraph 2 into the text of Art. 512-*bis* of the Criminal Code, entitled "Fraudulent transfer of valuables", thereby broadening its scope of application.

5.2 The Offences Referred to in Art. 25-*octies*.1 of Legislative Decree 231/2001

This Special Part concerns the following offences provided for in Art. 25-*octies*.1 of Legislative Decree 231/01:

- Unlawful use and falsification of non-cash payment instruments (Art. 493-*ter* of the Criminal Code);
- Possession and distribution of equipment, devices or computer programs intended to commit offences concerning non-cash payment instruments (Art. 493-*quater* of the Criminal Code);
- Computer fraud (aggravated by the carrying out of a transfer of money, monetary value or virtual currency) (Art. 640-*ter*, paragraph 2, of the Criminal Code).

In addition, paragraph 2 of Article 25-*octies*.1 of Legislative Decree 231/2001 provides for the liability of the entity "*[…] in relation to the commission of any other offence against public trust, against property, or that in any case harms property, provided for by the Criminal Code, when it concerns non-cash payment instruments […]*".

- Fraudulent transfer of valuables (Art. 512-*bis* of the Criminal Code).

Therefore, through the inclusion of the article under examination in the so-called "231 Catalogue of Offences", the commission of the following offences (where they concern non-cash payment instruments) – under the conditions set out in Art. 5 of Legislative Decree 231/2001 – gives rise to the liability of the entity: (i) offences against public trust, (ii) offences against property, and (iii) offences that in any case harm property.

In this regard, it should be clarified that the Principles of Conduct and the control measures relating to the offences described above, when they concern non-cash payment instruments, are contained in the relevant Special Parts and/or Protocols of the Organisational Model, to which reference should be made for a more detailed discussion.

There follow some interpretative guidelines, the identification of the At-Risk Processes, and the outline of the principles of conduct to be observed by the Addressees, as identified in the General Part of this Organisational Model.

5.2.1 Unlawful Use and Falsification of Non-Cash Payment Instruments (Art. 493-*ter* of the Criminal Code)

The provision is aimed at protecting property, as well as ensuring the proper circulation of credit.

The legislative choice is to punish in the same manner both anyone who makes use of credit cards of which they are not the holder, for the purpose of profiting therefrom (thus without having stolen it, but even simply having found it) and anyone who falsifies such cards, again for the purpose of profiting therefrom. In the latter case, the transfer of falsified cards and any other conduct aimed at putting them into circulation is also punished.

The offence is completed at the moment the cards are used, or, respectively, when they are falsified or transferred to third parties. Actual achievement of a profit is therefore not required, provided that specific intent (*dolo specifico*) is established.

For the Predicate Offence Under Art. 493-*ter* of the Criminal Code
Where the Company, following a determination that the requirements for imputability are met, is to be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following applies: the **pecuniary sanction** (from 300 to 800 units). the following **disqualification sanctions**: - disqualification from carrying on the activity; - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; - prohibition on contracting with the public administration, except to obtain the performance of a public service; - exclusion from grants, financing, contributions or subsidies and, where applicable, revocation of those already granted; - prohibition on advertising goods and services.

5.2.2 Possession and Distribution of Equipment, Devices or Computer Programs Intended to Commit Offences Concerning Non-Cash Payment Instruments (Art. 493-*quater* of the Criminal Code)

This is a preparatory offence in relation to the commission of further offences concerning non-cash means of payment; the provision in fact criminalises the production and various other conduct involving the transfer of "*equipment, devices or computer programs which, by virtue of their technical-constructional or design characteristics, are built primarily to commit [offences concerning non-cash payment instruments] or are specifically adapted for that same purpose*". In addition to being apparent from the material object of the offence, the intended use for the purpose of committing offences relating to non-cash means of payment also emerges from the specific intent (*dolo specifico*), which consists in the aim of using such instruments, or of allowing others to use them, in order to commit such offences.

The national legislator, in identifying the material object of the offence, adopted a formulation different from that of the European legislator, which referred to "*a device or instrument, computer data or other means principally designed or specifically adapted for the purpose of committing*" one of the offences indicated in Article 7 of the Directive; the national formulation, in requiring that the instrument's intended purpose emerge from its "*technical-constructional or design characteristics*", appears more consistent with the requirements of precision and specificity of the offence.

A further interpretative question that the provision may raise concerns the correct identification of the criminally relevant conduct: the text of the provision, in fact, refers to those who "*produce, import, export, sell, transport, distribute, make available, or in any way procure for themselves or for others*" the objects or software intended for the commission of offences concerning means of payment; the mere possession of such tangible or intangible property is not mentioned, although this would appear, in the light of the heading (*rubrica*), to be the object of the provision. The fact that punishing the mere "procuring for oneself" of the material object of the offence would not, moreover, appear sufficient to allow for the punishment of mere possession, on the assumption that "whoever holds something must in some way have procured it": it is in fact necessary that the conduct be qualified by the "purpose of using it or allowing others to use it in the commission of offences", a purpose which must exist at the time the person procured the item in question, since that conduct – and that conduct alone – is the conduct addressed by the provision.

For the Predicate Offence Under Art. 493-*quater* of the Criminal Code

Where the Company, following a determination that the requirements for imputability are met, is to be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following applies:

the **pecuniary sanction** (up to five hundred units)

the following **disqualification sanctions**:

- disqualification from carrying on the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition on contracting with the public administration, except to obtain the performance of a public service;
- exclusion from grants, financing, contributions or subsidies and, where applicable, revocation of those already granted;
- prohibition on advertising goods and services.

5.2.3 Computer Fraud (Aggravated by the Carrying Out of a Transfer of Money, Monetary Value or Virtual Currency) (Art. 640-*ter*, Paragraph 2, of the Criminal Code)

An aggravating circumstance for computer fraud has been introduced, applicable where the conduct produces a transfer of money, monetary value or virtual currency.

For the Predicate Offence Under Art. 640-*ter*, Paragraph 2, of the Criminal Code

Where the Company, following a determination that the requirements for imputability are met, is to be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following applies:

the **pecuniary sanction** (up to five hundred units)

5.2.4 Fraudulent Transfer of Valuables (Art. 512-*bis* of the Criminal Code)

With the introduction of this provision, the legislator intended to impose criminal sanctions on the fraudulent conduct of anyone who fictitiously transfers money or other property to others in order to avoid the application of confiscation and other

asset-related preventive measures, or in order to facilitate the commission of the offences of handling stolen goods, money laundering and self-laundering.

For the Predicate Offence Under Art. 512-*bis* of the Criminal Code
Where the Company, following a determination that the requirements for imputability are met, is to be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following applies: the **pecuniary sanction** (from two hundred fifty to six hundred units)

5.3 Risk Areas

The following areas of activity have been identified in the Organisational Model as At-Risk Processes in relation to the offences concerning non-cash payment instruments, and are consequently regulated for the purpose of preventing the commission of Offences.

5.3.1 The Sensitive Activities

Management of monetary and financial flows:

a. allocation of payment instruments;

b. definition of the scope of use of the various payment instruments;

c. verification of the use of payment instruments and of the resulting monetary and financial flows.

5.4 General Principles of Conduct and Control Systems

5.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the following Principles of Conduct are laid down for the Addressees, which they must observe in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable for minimising the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects), must observe the rules and principles contained in:

- the Code of Ethics and Corporate Conduct (***Annex 3***);
- Protocol PT2 “Management of Financial and Monetary Flows” (***Annex 6***).

5.4.2 The Rules of Conduct

In carrying out all activities that may involve the commission of the offences relating to the use of non-cash payment instruments, it is necessary to observe the Company's procedures.

The Model provides for:

an obligation to comply with the following rules of conduct:

A	the execution of payments – including by means of cheques, bank transfers, debit or credit cards, and prepaid cards – must be carried out solely by persons authorised under the system of powers of attorney and delegations in force
B	payments and collections must be made in compliance with the principles of transparency and traceability, and using solely the instruments identified by the Company
C	access/authentication credentials for the use of non-cash payment instruments must be assigned solely to persons authorised to execute payments, and rules of conduct must be provided to be followed in order to prevent unlawful use by Third Parties
D	use POS devices in compliance with regulatory and contractual requirements and, in any event, for lawful purposes

an express prohibition on:	
A	using credit or payment cards, or any other instrument enabling the withdrawal of cash or the purchase of goods or the provision of services (for example: prepaid cards, electronic bank transfers, etc.) of which the Company is not the holder
B	using credit or debit cards or other payment instruments obtained from suppliers or commercial channels that are dubious/unofficial
C	falsifying or altering credit or payment cards, or any other instrument enabling the withdrawal of cash or the purchase of goods or the provision of services
D	transferring or acquiring payment instruments of unlawful origin or in any case falsified or altered
E	producing, purchasing or marketing equipment, devices (hardware, e.g., USB keys, CD-ROMs, DVDs, floppy disks, external hard disks, etc.) or computer programs (so-called software) intended for the unlawful use, falsification or alteration of non-cash payment instruments
F	altering the IT/telematic systems of the Company or of Third Parties, nor is it permitted to unlawfully interfere with the data, information or programs contained therein

Title 6 – Offences against Industry and Commerce

OFFENCES AGAINST INDUSTRY AND COMMERCE

UNDER ARTICLE 25-BIS.1 OF LEGISLATIVE DECREE 231/2001

AND

OFFENCES OF

FORGERY OF INSTRUMENTS OR SIGNS OF RECOGNITION

UNDER ARTICLE 25-BIS OF LEGISLATIVE DECREE 231/2001

6.1 Introduction

As specified in the "General Section" of the Model, pursuant to Legislative Decree 231/2001 the Company is held administratively liable where certain persons commit *certain specific offences*.

The Decree and other statutory provisions – issued to date in the course of the continuous evolution of the original legislation – expressly set out the exhaustive list of offences constituting predicate offences for the application of the sanctions provided for by the Decree itself.

This Section deals, in particular, with offences against industry and commerce (art. 25-*bis*.1) and offences of forgery of instruments or signs of recognition (*falsità in strumenti o segni di riconoscimento*) (art. 25-*bis*).

6.2 The offences referred to in art. 25-*bis* of Legislative Decree 231/2001

This Special Section refers to certain offences against industry and commerce and offences of forgery of instruments or signs of recognition, in that they are abstractly configurable in relation to the Company:

- obstruction of the freedom of industry or commerce (art. 513 of the Italian Criminal Code);
- unlawful competition by threat or violence (art. 513-*bis* of the Italian Criminal Code);
- fraud against national industries (art. 514 of the Italian Criminal Code);
- fraud in the exercise of commerce (art. 515 of the Italian Criminal Code);
- sale of non-genuine foodstuffs as genuine (art. 516 of the Italian Criminal Code);
- sale of industrial products bearing false marks (art. 517 of the Italian Criminal Code);
- manufacture and trading of goods made by usurping industrial property rights (art. 517-*ter* of the Italian Criminal Code);
- counterfeiting of geographical indications or designations of origin of agri-food products (art. 517-*quater* of the Italian Criminal Code).

In the following paragraphs, the individual criminal offences will be identified and briefly examined.

6.2.1 Obstruction of the freedom of industry or commerce (art. 513 of the Italian Criminal Code)

The offence is constituted by an attack on economic enterprise carried out through the use of violence against property or the use of fraudulent means, aimed at preventing or disrupting the conduct of an industrial or commercial activity.

The legal interest protected therefore lies in citizens' right to the free conduct of economic enterprise.

The relevant conduct manifests itself in two alternative ways, both expressing the same criminal disvalue, namely:

- the use of violence against property, which occurs when the property is damaged, altered, or has its intended use changed;
- the use of fraudulent means, i.e. those means – such as artifice, deceit and misrepresentation – suitable to mislead the victim, which may also include the use of another party's registered trademarks, the dissemination of false and tendentious information, misleading advertising, and "parasitic" competition.

This offence could be constituted where the Company were to engage in potential anti-competitive conduct, for example by disseminating information and comments about a competitor's products and activities capable of discrediting it.

For the Predicate Offence under art. 513 of the Italian Criminal Code
Where the Company, subject to a prior finding that the requirements for liability are met, is held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons, the following applies:
the **monetary sanction** (up to five hundred quotas).

6.2.2 Unlawful competition by threat or violence (art. 513-*bis* of the Italian Criminal Code)

The offence is constituted where a person, in the exercise of an industrial, commercial or otherwise productive activity, acts through violence or threats against others in order to prevent free competition with another entrepreneur operating in the sector.

This offence may occur, for example, where an entrepreneur attacks another entrepreneur's property, or threatens to attack it, or engages in intimidating acts in order to obtain the latter's withdrawal from a tender procedure or from carrying out a business deal, or where, through violent and threatening methods, suppliers permanently linked to Mafia-type criminal organisations are imposed on a company awarded a public contract.

This is an offence of danger (*reato di pericolo*), meaning that for it to be committed it is sufficient that violence or a threat be carried out with the aim of discouraging free competition, without it being necessary that competition actually be discouraged.

The conduct relevant under art. 513-*bis* of the Italian Criminal Code takes the form of intimidation typical of organised crime, aimed at controlling or influencing our country's commercial, industrial and productive activities; it is not, however, necessary for the offence to be committed within an organised-crime environment, nor for the perpetrator to belong to a criminal group.

6.2.3 Fraud against national industries (art. 514 of the Italian Criminal Code)

This offence punishes anyone who, by offering for sale or otherwise placing on the market industrial products bearing counterfeit or altered trademarks, names or distinctive signs, causes harm to national industry.

This provision, moreover, applies not only to trademarks and distinctive signs registered under national or international law, but also to those that are not registered, thereby establishing broad protection for the protected legal interest.

For the Predicate Offences under arts. 513-*bis* and 514 of the Italian Criminal Code
Where the Company, subject to a prior finding that the requirements for liability are met, is held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons, the following apply:
the **monetary sanction** (up to eight hundred quotas);

the following **disqualifying sanctions**:

- disqualification from carrying on the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition from contracting with the Public Administration, except to obtain the performance of a public service;
- exclusion from grants, financing, contributions or subsidies, and revocation of any already granted;
- prohibition from advertising goods and services.

6.2.4 Fraud in the exercise of commerce (art. 515 of the Italian Criminal Code)

The offence is constituted where a person, in the course of a commercial activity or in premises open to the public, delivers to the purchaser movable property that does not conform to what was agreed (because it is entirely different from what was declared or agreed, or because the origin, provenance, quality or quantity of the goods declared or agreed differs), thereby violating the good faith that must be observed in commercial transactions.

This offence may occur, for example, where products declared to originate from a particular geographical area which, for the consumer, represents a recognised mark of certain characteristics specific to the product (e.g. Sicilian oranges), are marketed even though they do not actually originate from that specific geographical area.

6.2.5 Sale of non-genuine foodstuffs as genuine (art. 516 of the Italian Criminal Code)

The offence is constituted where a person sells or otherwise markets (in any event bringing the product into contact with the consumer) non-genuine foodstuffs as genuine. This offence may be committed whenever food products (natural or artificial) that have undergone a structural alteration or a change in their fundamental organoleptic characteristics are offered for sale or otherwise brought into contact with the consumer; for example, the offence may be constituted by the sale or marketing of a product whose composition does not correspond to the natural composition of the product itself or to that permitted for that particular product.

This offence could be constituted where the Company, in the exercise of its activity, were to sell to the public or offer under a contract a food product that has been altered/deprived of its genuineness, or stripped, even partially, of its nutritional elements, or mixed with substances of inferior quality.

6.2.6 Sale of industrial products bearing false marks (art. 517 of the Italian Criminal Code)

Art. 517 of the Italian Criminal Code punishes anyone who offers for sale, or otherwise places on the market, intellectual works or industrial products bearing national or foreign names, trademarks or distinctive signs, in such a way as to mislead the purchaser as to the origin, provenance or quality of the work or product.

The conduct punished by art. 517 of the Italian Criminal Code consists in the imitation of trademarks (even if unregistered) and of distinctive signs previously adopted by another entrepreneur, in a manner liable to create confusion as to the origin of the products. This offence is constituted by the mere capacity of the "imitated" trademark to mislead the consumer as to the essential characteristics of the product; neither the registration or recognition of the trademark, nor its actual counterfeiting, nor, finally, the purchaser's actually being misled as to the goods purchased, are necessary (Court of Cassation, Third Criminal Division, judgment No. 23819 of 30 April 2009).

This offence could be constituted where the Company, in the exercise of its activity, were to sell or otherwise place on the market industrial products bearing distinctive signs, trademarks or marks that are, in themselves, liable to mislead consumers, or such as to give rise to the possibility of confusion with similar products.

6.2.7 Manufacture and trading of goods made by usurping industrial property rights (art. 517-*ter* of the Italian Criminal Code)

This article, introduced by Law No. 99 of 23 July 2009, punishes anyone who manufactures or industrially uses objects or other goods made by usurping rights arising from, or in violation of, an industrial property right, and anyone who, while being aware of the existence of such a right, imports into the territory of the State, or holds for sale, offers for sale directly to consumers, or otherwise places on the market such objects or goods.

This offence could be constituted where the Company were to sell or otherwise place on the market goods made by usurping third-party companies' industrial property rights such as, by way of example, trademarks and patents.

6.2.8 Counterfeiting of geographical indications or designations of origin of agri-food products (art. 517-*quater* of the Italian Criminal Code)

The offence is constituted where a person counterfeits or alters geographical indications or designations of origin of agri-food products, or holds for sale, offers for sale directly to consumers, or otherwise places on the market such products bearing the counterfeited indications or designations. This offence, in light of the activity carried out by Cifra S.r.l., may be committed where food products bearing counterfeited geographical indications or designations are held for the purpose of selling them, or are offered for sale, or otherwise brought into contact with consumers.

For the Predicate Offences under arts. 515, 516, 517, 517-*ter* and 517-*quater* of the Italian Criminal Code
Where the Company, subject to a prior finding that the requirements for liability are met, is held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons, the following applies:
the **monetary sanction** (up to five hundred quotas).

6.3 The offences referred to in art. 25-*bis* of Legislative Decree 231/2001

This Special Section refers to certain offences of forgery of instruments or signs of recognition, in that they are abstractly configurable in relation to the Company:

- counterfeiting, alteration or use of distinctive signs of intellectual works or of industrial products, and counterfeiting, alteration or use of trademarks or distinctive signs, or of patents, designs and models (art. 473 of the Italian Criminal Code);
- importation into the State and trading of products bearing false signs (art. 474 of the Italian Criminal Code).

In the following paragraphs, the individual criminal offences will be identified and briefly examined.

6.3.1 Counterfeiting, alteration or use of distinctive signs of intellectual works or of industrial products, and counterfeiting, alteration or use of trademarks or distinctive signs, or of patents, designs and models (art. 473 of the Italian Criminal Code)

This offence is committed by anyone who, being in a position to know of the existence of the industrial property right, counterfeits or alters trademarks or distinctive signs, whether national or foreign, of industrial products, patents, designs and industrial models.

This offence is also committed by anyone who, even without actively participating in the counterfeiting or alteration, makes use of such counterfeit trademarks, distinctive signs or patents.

For the offence to be considered committed, however, it is necessary that the trademarks, distinctive signs, patents, designs and models have been duly registered or patented in accordance with domestic law or international conventions.

This offence could be constituted where the Company, in the exercise of its activity, were to use, or otherwise deal in, industrial products bearing counterfeit or altered trademarks or signs.

6.3.2 Importation into the State and trading of products bearing false signs (art. 474 of the Italian Criminal Code)

The conduct described by this provision imposes a sanction where, outside the cases covered by the previously examined article, industrial products bearing counterfeit or altered trademarks or other distinctive signs, whether national or foreign, are imported into the territory of the State for profit, are offered for sale both in Italy and abroad, are held for the purpose of sale, or are otherwise placed on the market, for the purpose of making a profit.

For the Predicate Offences under arts. 473 and 474 of the Italian Criminal Code
Where the Company, subject to a prior finding that the requirements for liability are met, is held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons, the following apply:
the **monetary sanction** (up to five hundred quotas);
the following **disqualifying sanctions**, for a duration not exceeding 1 year: - disqualification from carrying on the activity; - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; - prohibition from contracting with the Public Administration, except to obtain the performance of a public service; - exclusion from grants, financing, contributions or subsidies, and revocation of any already granted; - prohibition from advertising goods and services.

6.4 Risk areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

6.4.1 The Sensitive Activities

With regard to the criminal offences referred to in Part I, the areas of greatest risk are considered to be identified as follows.

Ref.	Sensitive Activity
A	Procurement, in relation to the risks of: a. purchase of products "different" from those indicated by their labelling as to origin, provenance, quantity and quality; b. purchase or holding of products bearing counterfeit geographical indications or designations of origin.
B	Purchase and sale of products declared to be free from defects but subsequently declared non-compliant by the competent Authorities
C	Processing carried out on behalf of third parties who grant the temporary use of trademarks or distinctive signs

6.5 General principles of conduct and control systems

6.5.1 General principles of the organisational system

In implementation of the foregoing paragraphs, the following Principles of Conduct are laid down for the Addressees, which they must observe in carrying out their professional activities.

In addition, certain procedural conduct principles set out in the following procedures are also suitable for minimising the risk of the offences addressed in this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons must observe the rules and principles contained in:

- the Code of Ethics (***Annex 3***);
- Protocol PT4 "Management of the purchasing of goods, services and consultancy services" (***Annex 8***);
- Protocol PT7 "Management of commercial activities" (***Annex 11***);
- Protocol PT8 "Management of trademarks and patents" **(*Annex 12*)**

6.5.2 The rules of conduct

In carrying out all activities that may involve the commission of offences against industry and commerce, or offences relating to the forgery of instruments or signs of recognition, it is necessary to observe the Company's procedures.

The Model provides for an express prohibition on:

Ref.	Prohibited conduct
A	engaging in, collaborating in, or giving rise to the adoption of conduct such that – whether considered individually or collectively – it directly or indirectly constitutes the offences falling among those referred to above
B	engaging in conduct which, although not in itself constituting an offence falling among those referred to above, may potentially become such, being suitable and unequivocally directed towards its commission
C	managing the development of a new product in violation of the provisions under examination, thereby engaging in or giving rise to conduct which, taken individually or collectively, directly or indirectly constitutes the offences among those considered in this section
D	failing to carry out careful market and competition analyses, in terms of the existence of industrial protections, in order to avoid the commission of the offences under examination
E	carrying out promptly, correctly and in good faith all communications required under the Company's procedures towards the functions responsible for the management of patents, trademarks, intellectual works and distinctive signs, and towards the SB, without placing any obstacle in the way of the supervisory functions possibly exercised by the latter
F	verifying, or having verified by the competent bodies, prior to the registration of any trademark, logo or any distinctive sign, or the patenting of inventions, designs and models, or, in any event, of items registered or patented at national, international or EU level
G	obtaining a proper licence agreement for every distinctive sign or intellectual work used by the Company of which it is not the owner
H	not using any type of distinctive sign or intellectual work of which the Company is not the owner and for which it does not hold a licence to use
I	not counterfeiting or altering in any way trademarks and distinctive signs the ownership of which is attributable to other companies
J	not placing on the market, whether for consideration or free of charge, products bearing counterfeit or altered distinctive signs, whether or not these are duly registered under national and international law
K	not using, in the course of the production process, third-party patents for which no licence is held (with particular regard to process patents)

Title 7 – Offences for Violation of Workplace Health and Safety Regulations

MANSLAUGHTER AND SERIOUS OR VERY SERIOUS NEGLIGENT PERSONAL INJURY

COMMITTED IN VIOLATION OF THE REGULATIONS ON THE PROTECTION

OF HEALTH AND SAFETY AT WORK

UNDER ART. 25-SEPTIES OF LEGISLATIVE DECREE 231/2001

7.1 Introduction

This Special Section refers to offences committed in violation of the regulations on the protection of health and safety at work.

7.2 The offences referred to in art. 25-*septies* of Legislative Decree 231/2001

The individual offences contemplated by art. 25-*septies* of the Decree are briefly described below.

7.2.1 Manslaughter (*omicidio colposo*, art. 589 of the Italian Criminal Code) committed in violation of art. 55, paragraph 2, of Legislative Decree No. 81 of 9 April 2008

The two provisions must necessarily be read together.

The offence of manslaughter, the typical conduct of which occurs when a person, in violation of duties imposed by law, regulations, orders or disciplines, or in breach of the general duty to act with diligence, skill or prudence, causes the death of a person, must be read, for the purposes of the applicability of art. 25-*septies*, first paragraph, in conjunction with art. 55, paragraph 2, of Legislative Decree 81/2008.

Art. 55, paragraph 2, sets out a series of criminally relevant conduct, which is relevant only if associated with certain types of undertakings.

With regard to the conduct, the following are relevant:

1. the employer's failure to carry out a risk assessment;
2. the failure to adopt, or the incomplete adoption of, the risk assessment document;
3. the failure to adopt appropriate measures to prevent the technical measures adopted from causing risks to public health or from deteriorating the external environment, by periodically verifying the continued absence of risk;
4. the failure to update prevention measures in relation to organisational and production changes that are relevant to occupational health and safety, or in relation to the degree of advancement of prevention and protection technology.

This conduct is relevant only if carried out:

1. in industrial undertakings whose plants contain a high concentration of hazardous substances;
2. in thermoelectric power plants;
3. in facilities and installations handling nuclear and radioactive substances;
4. in undertakings engaged in the manufacture and separate storage of explosives, powders and munitions;

5. in industrial undertakings with more than 200 workers;
6. in extractive industries with more than 50 workers;
7. in undertakings carrying out activities that expose workers to biological risks;
8. construction undertakings with mobile and temporary worksites.

The persons who may be active subjects of the offence include directors, general managers, and persons to whom functional powers of attorney have been delegated.

7.2.2 Serious or very serious negligent personal injury (art. 590, paragraph 3, of the Italian Criminal Code) committed in violation of the regulations on the protection and safety of work

The typical conduct occurs when a person, in violation of duties imposed by law, regulations, orders or disciplines, or in breach of the general duty to act with diligence, skill or prudence, negligently causes another person a serious or very serious personal injury. This provision must be read in conjunction with all the obligations incumbent on the employer under the legislation in force on the protection of health and safety in the workplace, Legislative Decree 81/2008.

An injury is considered **serious** (art. 583 of the Italian Criminal Code, first paragraph) in cases where:

1. the act results in an illness that endangers the life of the injured person, or an illness or temporary incapacity lasting more than forty days;
2. the act results in the permanent impairment of a sense or organ.

An injury is instead considered **very serious** if the act results in (art. 583 of the Italian Criminal Code, paragraph 2):

1. an incurable illness;
2. the loss of a sense;
3. the loss of a limb, or a mutilation rendering the limb unusable, or the loss of the use of an organ or of the capacity to procreate, or a permanent and serious speech impairment;
4. disfigurement, or a permanent scarring of the face.

For the Predicate Offences under arts. 589 and 590 of the Italian Criminal Code
Where the Company, subject to a prior finding that the requirements for liability are met, is held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons, the following apply:
the **monetary sanction** (up to one thousand quotas);
the following **disqualifying sanctions** for a duration of not less than three months and not more than 1 year: - disqualification from carrying on the activity (*the disqualification may be permanent if the organisational unit is used on a stable basis for the sole purpose of committing such offences*); - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; - prohibition from contracting with the Public Administration, except to obtain the performance of a public service; - exclusion from grants, financing, contributions or subsidies, and revocation of any already granted; - prohibition from advertising goods and services.

7.3 Risk areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

7.3.1 The Sensitive Activities

The areas considered to be more specifically at risk in relation to offences concerning health and safety in the workplace are considered to be the following:

- Risk assessment;
- Prevention planning;
- Elimination and/or reduction of risks;
- Definition of adequate collective and individual protective measures;
- Health surveillance of workers in relation to risks;
- Training and instruction of workers.
- Emergency management.

Any additions to the above areas or at-risk functions may be provided for by the Employer, including on the suggestion of the Head of the Risk Prevention and Protection Service.

7.4 General principles of conduct and control systems

7.4.1 General principles of the organisational system

In implementation of the foregoing paragraphs, the following Principles of Conduct are laid down for the Addressees, which they must observe in carrying out their activities.

In addition, certain procedural conduct principles set out in the following procedures are also suitable for minimising the risk of the offences addressed in this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons must observe the rules and principles contained in:

- the Code of Ethics (***Annex 3***);
- Protocol PT10 "Management of health and safety in the workplace" (***Annex 14***)
- Company procedures and instructions on health and safety in the workplace

7.4.2 The rules of conduct

The Model provides for an express prohibition on:

Ref.	Prohibited conduct
A	engaging in, collaborating in, or giving rise to the adoption of conduct such that – whether considered individually or collectively – it directly or indirectly constitutes the offences falling among those referred to above (art. 25-*septies* of the Decree)
B	engaging in conduct which, although not in itself constituting an offence falling among those referred to above, may potentially become such, being suitable and unequivocally directed towards its commission

C	violating the principles and Company procedures set out in this Special Section and in the Risk Assessment Document

The Addressees are expressly required to:

Ref.	Obligation
A	ensure full compliance with the laws and regulations in force, as well as with internal Company procedures, in carrying out all activities aimed at prevention and safety in the workplace. In this regard, there is a specific obligation to: - carry out an assessment of all risks, with the consequent adoption of the Risk Assessment Document in accordance with the legislation in force; - appoint the Head of the Prevention and Protection Service
B	oversee rigorous compliance with all statutory provisions protecting health and safety in the workplace. In this regard, there is a specific obligation to ensure that: - the workplaces comply with the regulatory requirements in force; - the workplaces, plant and equipment undergo regular technical maintenance and that any defects identified which could jeopardise workers' safety and health are eliminated as quickly as possible; - the workplaces, plant and equipment undergo regular cleaning, so as to ensure adequate hygienic conditions; - the workplaces, plant, equipment and safety devices intended for the prevention or elimination of hazards undergo regular maintenance and functional checks; - in general, the technical, organisational and procedural prevention and protection measures adopted by Cifra S.r.l. are adequate in relation to the existing risk factors. This monitoring activity must be planned, with the definition of executive tasks and responsibilities and of the methodologies to be followed, and must be formalised through the drafting of specific monitoring plans
C	guarantee, within the scope of its activity, compliance with the legislation in force concerning: - the selection, installation, inspection and maintenance of equipment, as well as its use by workers; - the use of personal protective equipment; - electrical systems and equipment; - the use of visual display units; - fire prevention and protection.

Title 8 – Environmental Offences

ENVIRONMENTAL OFFENCES

PURSUANT TO ARTICLE 25-*undecies* OF LEGISLATIVE DECREE 231/2001

8.1 Introduction

This Special Section refers to offences committed in violation of the rules on environmental protection.

8.2 The Offences Referred to under Article 25-*undecies* of Legislative Decree 231/2001

The individual offences contemplated under Article 25-*undecies* of the Decree are briefly described below.

8.2.1 Environmental Pollution (Article 452-*bis* of the Criminal Code)

Through the codification of offences against the environment, the legislator of 2015 sought to resolve the problems arising from the sanctioning gap concerning conduct seriously harmful to the environment, which had previously been addressed by way of punishability for the offence of unspecified disaster (*disastro innominato*) referred to in Article 434, as well as to adjust and make more severe the sanctioning regime, given that the regulatory offences (*fattispecie contravvenzionali*) under Legislative Decree 152/06 (the Environmental Code) had had almost no deterrent effect.

The provision under examination punishes environmental pollution, namely conduct which, while not resulting in a catastrophic event possessing the characteristics of a disaster (i.e., the wide scope of the phenomenon and the endangerment of an indeterminate number of persons), is nonetheless highly harmful to the environment as a protected legal interest.

The protected legal interest of the environment describes an intermediate notion, providing for punishability both for the mere impairment of environmental equilibrium and where human life is involved.

This is a result-based offence (*reato di evento*), which may be committed in any manner (*a forma libera*), and is constituted by abuse (*abuso*). "Abuse" is to be understood not only as the absence of any justifying authorisation, but also as the presence of an expired or unlawful authorisation.

The event may be caused either by an act or by an omission, in the form of an improper omissive offence (*reato omissivo improprio*).

The provision requires a significant and measurable impairment (*compromissione*) or deterioration (*deterioramento*). "Impairment" is to be understood as an irreversible change for the worse, whereas mere "deterioration" indicates reversible damage. The impairment and the deterioration must be significant (and therefore give rise to an appreciable expansion of the pollution) and measurable (the provision thereby referring to a possible scientific measurement of the damage).

General intent (*dolo generico*) is required, namely the will to commit an abuse with the awareness that this may give rise to environmental pollution, for which reason mere *dolus eventualis* (*dolo eventuale*) may also be configurable.

8.2.2 Environmental Disaster (Article 452-*quater* of the Criminal Code)

Unlike the offence under Article 434 of the Criminal Code, the legal interest primarily protected is the environment, and only secondarily public safety.

The legislator's intent is to punish the alteration of places, where it is concretely capable of seriously threatening the environment.

The provision describes environmental disaster as:

- the irreversible alteration of the equilibrium of an ecosystem;
- an alteration of the ecosystem whose elimination proves particularly onerous and achievable only through exceptional measures;
- harm to public safety owing to the diffusive nature of the environmental damage and the endangerment of an indeterminate number of persons.

Even the wording of the provision itself clearly recalls the dimensional and qualitative requirements of "disaster" developed by case law in relation to Article 434, although in reality the two requirements are posited alternatively and not cumulatively.

This means that there may be an environmental disaster even without endangerment of public safety, and vice versa.

As regards the subjective element, general intent (*dolo generico*) is required, namely awareness and will to engage in one of the conducts described.

8.2.3 Negligent Offences against the Environment (Article 452-*quinquies* of the Criminal Code)

The provision under examination punishes, on a negligence basis (*a titolo di colpa*), the offences of environmental pollution and environmental disaster, providing for a reduction in penalty.

Notwithstanding its wording, it is well established that this constitutes an autonomous type of offence, and not a mitigating circumstance.

The second paragraph provides for a further reduction in penalty where an actual instance of pollution or environmental disaster is not caused, but merely a danger — to be ascertained in the specific case — that they may occur.

The provision therefore results in a significant advancement of criminal relevance, preventing and punishing conduct that is merely preliminary (*prodromica*) to the causation of actual damage.

8.2.4 Activities Organised for the Unlawful Trafficking of Waste (Article 452-*quaterdecies* of the Criminal Code)

The provision in question is designed to protect both the environment and public order.

It was introduced in order to punish more severely, with deterrent purpose, conduct involving the unlawful management of waste, regardless of whether it is carried out in an organised (associative) form or not.

A whole series of conduct involving the unlawful management of waste is encompassed, provided that it reaches the threshold of a "large quantity" (*ingente quantità*). This is in fact an offence of danger (*reato di pericolo*), which does not therefore require actual damage to the environment. The assessment of the large quantity will accordingly fall to the judge, who will assess in the specific case whether this precondition is met.

A further assessment of a quantitative nature is governed by the second paragraph, which provides for a specific aggravating circumstance where the subject matter of the unlawful management is material with a "high level of radioactivity".

8.2.5 Discharge of Wastewater (Legislative Decree 152/06)

Reference is made to the following offences:

II) Anyone who discharges industrial wastewater containing hazardous substances (see Tables 5 and 3/A of Annex 5 to Part Three of Legislative Decree 152/06) shall be punished with imprisonment (*arresto*) from three months to three years.

III) Anyone who discharges industrial wastewater containing hazardous substances (see Tables 5 and 3/A of Annex 5 to the present decree) without observing the requirements of the authorisation, or the other requirements of the competent authority pursuant to Article 107, paragraph I, and Article 108, paragraph IV, shall be punished with imprisonment of up to two years.

V, first sentence) Anyone who, with regard to the substances indicated in Table 5 of Annex 5 to Part Three of the TUA (Environmental Consolidated Act), exceeds the limit values — or the more stringent limits set by the regions or autonomous provinces or by the competent Authority — when carrying out a discharge of industrial wastewater, shall be punished with imprisonment of up to two years and a fine (*ammenda*) from three thousand to thirty thousand euros.

V, second sentence) If the limit values set for the substances contained in Table 3/A of Annex 5 to the TUA are also exceeded, imprisonment from six months to three years and a fine from six thousand to one hundred and twenty thousand euros shall apply.

XI) Anyone who fails to observe the discharge prohibitions provided for under Articles 103 and 104 of Legislative Decree 152/06 (discharges onto the ground, into the ground, and into groundwater) shall be punished with imprisonment of up to three years.

XIII) Discharge into sea waters by ships or aircraft of substances or materials subject to an absolute prohibition on discharge (…) carries a penalty of imprisonment from two months to two years, unless such discharges are of a quantity such as to be rapidly rendered harmless by physical, chemical and biological processes that occur naturally at sea, and provided that prior authorisation has been granted by the authority.

8.2.6 Unauthorised Waste Management (Legislative Decree 152/06)

Reference is made to the following offences:

I) Anyone who carries out an activity of collection, transport, recovery, disposal, trading or brokering of waste without the required authorisation, registration or notification under Articles 208, 210, 211, 212, 214, 215 and 216 shall be punished with imprisonment from three months to one year or a fine from two thousand six hundred to twenty-six thousand euros, in the case of non-hazardous waste.

In the case of hazardous waste, imprisonment from six months to two years and a fine from two thousand six hundred to twenty-six thousand euros shall apply.

III, first sentence) Anyone who establishes or operates an unauthorised landfill shall be punished with imprisonment from six months to two years and a fine from two thousand six hundred to twenty-six thousand euros.

III, second sentence) A penalty of imprisonment from one to three years and a fine from five thousand two hundred to fifty-two thousand euros applies if the landfill is intended, even in part, for the disposal of hazardous waste. Confiscation of the area follows a judgment of conviction or a plea-bargain judgment under Article 444 of the Code of Criminal Procedure.

V) Anyone who carries out unauthorised mixing of waste shall be punished with imprisonment from six months to two years and a fine from two thousand six hundred to twenty-six thousand euros.

VI, first sentence) Anyone who carries out the temporary storage, at the place of production, of hazardous healthcare waste, in violation of the provisions of Article 227, paragraph 1, letter b), shall be punished with imprisonment from three months to one year or a fine from two thousand six hundred to twenty-six thousand euros.

8.2.7 Air Pollution (Legislative Decree 152/06)

In the cases provided for under paragraph 2 of Article 279 of Legislative Decree 152/06 (whereby anyone who, in operating a plant, violates the emission limit values or the requirements established by the authorisation, by Annexes I, II, III or V to Part Five of the present decree, by the plans and programmes or by the provisions referred to in Article 271, or the requirements otherwise imposed by the competent authority pursuant to the present Title), imprisonment of up to one year always applies where the exceeding of the emission limit values also results in the exceeding of the air quality limit values provided for by the applicable regulations.

8.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

8.3.1 Sensitive Activities

The activity devoted to the production of the goods forming part of the corporate purpose of Cifra S.r.l. is to be considered a Sensitive Activity.

Within this context, the areas considered more specifically at risk in relation to offences relating to environmental protection are:

a. Obtaining the necessary administrative authorisations

b. Management of the environmental system

c. Management of purchasing and selection of external Consultants

8.4 General Principles of Conduct and Control Systems

8.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the Addressees are given the following Principles of Conduct, which they must observe in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable for minimising the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in:

- Code of Ethics (***Annex 3***);
- Protocol PT1 "Relations with the Public Administration" (***Annex 5***);
- Protocol PT11 "Environmental Management" (***Annex 15***);
- Company Procedures and Instructions on environmental protection

8.4.2 Rules of Conduct

The Model provides for the express prohibition of:

a. abandoning or unlawfully depositing waste on the ground and in the ground

b. transporting waste, including through external companies, in the absence of the authorisations required by law

c. unlawfully discharging waste of any kind, whether solid or liquid, into surface or underground waters

d. engaging in activities that cause or may cause an impairment or deterioration of:
   - water or air, or portions of the soil or subsoil;
   - an ecosystem, biodiversity (including agricultural biodiversity), flora or fauna

e. engaging in activities that involve or may involve:
   - the irreversible alteration of the equilibrium of an ecosystem;
   - the alteration of the equilibrium of an ecosystem whose elimination proves particularly onerous and achievable only through exceptional measures;
   - harm to public safety

f. transferring, purchasing, receiving, transporting, importing, exporting, procuring for others, holding, moving or unlawfully and improperly abandoning or disposing of material with a high level of radioactivity

g. making harmful emissions into the air

The Addressees are under an express obligation to:

a. Scrupulously comply with environmental regulations

b. Assess potential risks and develop adequate prevention programmes for environmental protection

c. Manage all activities of collection, temporary storage, transport and delivery of waste produced or handled for business purposes, including where carried out by third parties (e.g. Suppliers, contractors, cleaning companies), in compliance with the provisions of the TUA (Environmental Consolidated Act) and other applicable provisions

d. Manage the storage of products/waste in compliance with the applicable regulations, adopting procedures designed to prevent spillage into the ground and into water

e. Manage atmospheric emissions arising from processes connected with production activity

f. Monitor the management of ozone-depleting substances present in industrial cooling and refrigeration systems

g. In selecting Suppliers chosen for disposal, as well as for the transport, of waste produced by the Company, carry out the necessary checks on the counterparty, as set out in the specific Protocol PT7 "Management of Environmental Protection"

Title 9 – Offences against the Individual Personality

OFFENCES AGAINST THE INDIVIDUAL PERSONALITY

PURSUANT TO ARTICLE 25-*QUINQUIES* OF LEGISLATIVE DECREE 231/2001

9.1 Introduction

As specified in the "General Part" of the Model, pursuant to Legislative Decree 231/2001, the Company is liable on an administrative basis where certain persons commit certain specific offences.

The Decree and other statutory provisions — issued to date in the course of the ongoing evolution of the original legislation — expressly set out the exhaustive (*tassative*) instances of offence constituting the predicate for the application of the sanctions provided for therein.

This Section deals, in particular, with some of the so-called "offences against the individual's personality" (*reati contro la personalità dell'individuo*) indicated in Article 25-*quinquies* of Legislative Decree 231/2001. Other offences are omitted, as they cannot be envisaged as being committed by the Company, given the absence of any interest or advantage to the Entity in the commission of such offences.

9.2 The Offences Referred to under Article 25-*quinquies* of Legislative Decree 231/2001

The individual offences contemplated under Article 25-*quinquies* of the Decree are briefly described below.

9.2.1 Child Pornography (Article 600-*ter* of the Criminal Code)

This offence consists in the exploitation of minors under eighteen years of age for the purpose of producing pornographic exhibitions or pornographic material, or in trading in, distributing, disseminating or advertising pornographic material, or, further, in distributing and disseminating news or information aimed at the grooming (*adescamento*) or sexual exploitation of minors, or, finally, in transferring to others, even free of charge, pornographic material produced through the exploitation of minors.

In this case too, it is evident that this criminal hypothesis is conceivable with regard to Cifra S.r.l. only on a purely theoretical basis.

Nevertheless, the Company has deemed it appropriate to adopt specific measures to limit access to internet sites and the installation of unauthorised programs on company-issued personal computers.

9.2.2 Tourism Initiatives Aimed at the Exploitation of Child Prostitution (Article 600-*quinquies* of the Criminal Code)

This offence is committed by anyone who organises or promotes travel intended for the enjoyment of prostitution activities to the detriment of minors, or otherwise including such activity.

For the Predicate Offences under Articles 600-*ter* and 600-*quinquies* of the Criminal Code
Should the Company, following a determination of the existence of the requirements for imputability, be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following shall apply:
the **pecuniary sanction** (from three hundred to eight hundred units);

the following **disqualifying sanctions** (*sanzioni interdittive*) for a duration of not less than one year: - disqualification from carrying on the activity (*the disqualification may be permanent if the organisational unit is used on a stable basis for the sole purpose of committing such offences*); - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; - prohibition on contracting with a public administration, save in order to obtain the performance of a public service; - exclusion from grants, financing, contributions or subsidies, and revocation of those already granted, if any; - the prohibition on advertising goods and services.

9.2.3 Unlawful Intermediation and Exploitation of Labour (the so-called "*caporalato*" offence)

On 4 November 2016, the new wording of Article 603-*bis* of the Criminal Code entered into force. The law in question also amends Article 25-*quinquies* of the Decree, concerning offences against the individual personality, adding, at paragraph 1, letter a), a reference to the new offence under Article 603-*bis* of the Criminal Code.

The new text of Article 603-*bis* of the Criminal Code, entitled "Unlawful intermediation and exploitation of labour" (*Intermediazione illecita e sfruttamento del lavoro*), provides that *"Unless the act constitutes a more serious offence,"* the following shall be punished: *1) anyone who recruits manpower for the purpose of assigning it to work for third parties under conditions of exploitation, taking advantage of the workers' state of need; 2) anyone who uses, hires or employs manpower, including through the intermediation activity referred to in point 1), subjecting the workers to conditions of exploitation and taking advantage of their state of need"*. A more severe penalty is provided for *"where the acts are committed by means of violence or threat"*. Furthermore, for the purposes of the article in question, *"the existence of one or more of the following conditions constitutes an indicator of exploitation: 1) the repeated payment of wages in a manner manifestly inconsistent with the national or territorial collective bargaining agreements entered into by the most representative trade union organisations at national level, or in any event disproportionate to the quantity and quality of the work performed; 2) the repeated violation of the legislation relating to working hours, rest periods, weekly rest, compulsory leave of absence, and holidays; 3) the existence of violations of the rules on safety and hygiene in the workplace; 4) the subjection of the worker to degrading working conditions, methods of surveillance, or housing situations"*. The following, on the other hand, constitute aggravating circumstances of the offence: *"1) the fact that the number of workers recruited is greater than three; 2) the fact that one or more of the persons recruited are minors not of working age; 3) having committed the act by exposing the exploited workers to situations of serious danger, having regard to the characteristics of the work to be performed and the working conditions"*.

With the new wording of the offence, the ambiguous reference to the requirement of "organisation" of the intermediation activity, present in the previous wording of the provision, has disappeared. Furthermore, for the offence to be perfected, it is no longer required that it be committed by means of violence or threat (or intimidation), which now constitute a mere aggravating circumstance.

For the Predicate Offence under Article 603-*bis* of the Criminal Code
Should the Company, following a determination of the existence of the requirements for imputability, be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following shall apply:
the **pecuniary sanction** (from four hundred to one thousand units);
the following **disqualifying sanctions** for a duration of not less than one year: - disqualification from carrying on the activity (*the disqualification may be permanent if the organisational unit is used on a stable basis for the sole purpose of committing such offences*); - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence; - prohibition on contracting with a public administration, save in order to obtain the performance of a public service;

- exclusion from grants, financing, contributions or subsidies, and revocation of those already granted, if any;
- the prohibition on advertising goods and services.

9.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

9.3.1 Sensitive Activities

All offences against the individual personality, including those connected with pornography, paedophilia or sex tourism, extend not only to the person who directly commits the unlawful conduct, but also to anyone who knowingly facilitates the same conduct, even merely by providing financial support.

As regards the offences considered above, it should be borne in mind that liability for them may attach not only to persons who directly commit the criminal conduct, but also to persons who knowingly facilitate the same conduct, even merely by providing financial support.

Consequently, the offences indicated above could also be constituted by any disbursement of economic resources in favour of third parties made by the Entity, with the awareness that such disbursements might be used by those parties for criminal purposes.

Having stated the foregoing, the activities in which the offences described above may be committed, for the purposes of this Special Section, are the following:

a. management of commercial activities by Cifra S.r.l., including in *partnership* with third parties or relying on local entrepreneurs in countries with low protection of human rights
b. use of the Internet and of the IT tools made available by the Company in a manner that constitutes conduct relevant as a "predicate offence" (for example, connecting to child-pornography websites, storing child-pornography material on a computer, disseminating it to third parties, or processing prohibited images)
c. entertainment of Clients or third parties
d. establishment of employment relationships
e. awarding of works or service contracts

9.4 General Principles of Conduct and Control Systems

9.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the Addressees are given the following Principles of Conduct, which they must observe in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable for minimising the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in:

- Code of Ethics (***Annex 3***);
- Protocol PT4 "Management of the Purchasing of Goods, Services and Consultancy" (***Annex 8***);
- Protocol PT6 "Personnel Management" (***Annex 10***);
- Protocol PT9 "Management of the Company Information System" (***Annex 13***);
- Specific procedures relating to the protection of personal data

9.4.2 Rules of Conduct

In order to prevent the potential commission of the offences:

a. preventive measures are adopted on IT systems aimed at limiting access to potentially at-risk internet sites

b. the personal installation of software on company personal computers used by each Employee is prohibited

c. all Employees are reminded that the IT tools made available to them must be used solely for purposes strictly related to office activity (a principle also set out in the Code of Ethics, which specifies, among other things, that it is necessary to "pay attention to internet sites, avoiding those that are offensive or indecorous")

d. the direct and/or indirect organisation of travel or periods of stay in foreign locations is assessed and regulated with particular attention and sensitivity, with specific regard to locations known for the phenomenon of so-called "sex tourism"

e. no business relationships are maintained with persons or companies that, even indirectly, hinder human development and contribute to violating fundamental human rights

f. in awarding service contracts on behalf of the Company, safeguards are adopted suitable for ensuring that the contractor and subcontractor respect, without reservation, the rights and dignity of their workers

Title 10 – Offences Concerning the Employment of Third-Country Nationals

OFFENCES CONCERNING THE EMPLOYMENT OF THIRD-COUNTRY NATIONALS

WHOSE STAY IS IRREGULAR

PURSUANT TO ARTICLE 25-DUODECIES OF LEGISLATIVE DECREE 231/2001

10.1 Introduction

This Section deals, in particular, with some of the offences against immigration indicated in Article 25-*duodecies* of Legislative Decree 231/2001. The offences under the amended Article 25-*terdecies*, introduced by Article 30 of Law 161/2017 (racism and xenophobia), are not, however, dealt with, in consideration of the fact that these cannot be envisaged as being committed by the Company, given the absence of any interest or advantage to the Entity in the commission of such offences.

10.2 The Offences Referred to under Article 25-*duodecies* of Legislative Decree 231/2001

The individual offences contemplated under Article 25-*quinquies* of the Decree are briefly described below.

10.2.1 Employment of Third-Country Nationals Whose Stay Is Irregular (Article 22 of Legislative Decree 286/1998)

Article 25-*duodecies* of the Decree, introduced by Legislative Decree 109/2012, extends the liability of Entities to the offence of employing third-country nationals whose stay is irregular.

The offence is committed where an employer employs foreign workers who lack a residence permit, or whose permit has expired and renewal has not been requested, or has been revoked or annulled.

For the Predicate Offence under examination
Should the Company, following a determination of the existence of the requirements for imputability, be held legally liable for the Predicate Offence committed by one of its Subordinates or Senior Persons (Apical Subjects), the following shall apply:
the **pecuniary sanction** (from one hundred to two hundred units, within the limit of €150,000).

10.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could, in the abstract, be committed.

10.3.1 Sensitive Activities

For the offences referred to above, it is difficult to identify the existence of an interest or advantage for the Entity. There are, however, cases in which the Entity may indirectly derive a benefit from the unlawful conduct; this is the case, for example, of the award of contracts to businesses that do not comply with labour regulations (existence of an employment contract, application of adequate remuneration criteria, compliance with working hours and rest shifts, maternity leave, etc.), with workplace safety regulations, or that use personnel not in compliance with residence permit requirements.

The Sensitive Areas are:

- recruitment and management of employees of non-EU origin.

Having stated the foregoing, the activities in which the offences described above may be committed, for the purposes of this Special Section, are the following:

a. management of commercial activities by Cifra S.r.l., including in *partnership* with third parties or relying on local entrepreneurs, in countries with low protection of human rights
b. conclusion of contracts with businesses that employ unskilled manual labour with an irregular residence permit

10.4 General Principles of Conduct and Control Systems

10.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the Addressees are given the following Principles of Conduct, which they must observe in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable for minimising the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in:

- Code of Ethics (***Annex 3***);
- Protocol PT4 "Management of the Purchasing of Goods, Services and Consultancy" (***Annex 8***);
- Protocol PT6 "Personnel Management" (***Annex 10***)

10.4.2 Rules of Conduct

In order to prevent the potential commission of the offences:

a. observe the prohibition on hiring foreign workers who lack a residence permit, whose residence permit has expired and not been renewed within the time limits prescribed by law, or has been revoked or annulled
b. verify, through periodic checks, that foreign workers are in possession of a valid residence permit, that is, a permit that is not expired, not revoked, or for which no application for renewal has been submitted
c. request from employed foreign workers evidence of the postal receipt attesting to the submission of the application for renewal of the residence permit
d. maintain a register in which to record the details of the foreign workers employed and the expiry date of their respective residence permits
e. record the deadline by which the employed foreign worker must provide the Company with a copy of the renewed residence permit, and ascertain that the foreign worker complies therewith; failing this, the Head of the Human Resources Function must give immediate notice thereof, sending a copy of the communication also to the Managing Director, who shall take whatever initiatives are deemed most appropriate
f. where contracts for the supply of works or contracts for the supply of labour (*contratti di somministrazione di lavoro*) are entered into with external companies, ensure that such companies comply with the rules and codes of conduct adopted by Cifra S.r.l.

g. all activities and operations carried out on behalf of Cifra S.r.l., as well as the selection of contractual counterparties (e.g. Suppliers, Consultants, etc.) and the setting of commercial terms, shall be conducted with the utmost respect for the laws in force, as well as for the principles of professionalism, independence and transparency, and the choice made shall be justified by reference to them

h. commercial terms shall be set through decision-making processes that are transparent and reconstructible over time, and shall be authorised exclusively by persons vested with suitable powers under a system of delegations and powers of attorney consistent with organisational and managerial responsibilities

i. for workers employed and, where such workers are foreign nationals, request a copy of their residence permit or, in the case of renewal, the issuance of the postal receipt evidencing the renewal request. Failing this, access to the workplace (office and temporary work sites) will be barred and the Supervisory Body (SB) will simultaneously be notified

j. file all documentation, whether in paper or electronic format, produced and received concerning the hiring of the foreign worker, and ensure the traceability of the sources of information

In contracts for the supply of works and contracts for the supply of labour, an express termination clause (*clausola risolutiva espressa*) must be included, pursuant to which non-compliance with the prohibition on hiring foreign workers who lack a residence permit, whose residence permit has expired and has not been renewed within the time limits prescribed by law, or has been revoked or annulled, shall constitute a serious breach of contract and shall justify termination of the agreement, at the Company's request, pursuant to and for the purposes of Article 1456 of the Italian Civil Code.

Even irrespective of the inclusion of express termination clauses, the Company — and, on its behalf, in particular, the Addressees — must declare or seek the termination of any contractual relationship with external *partner*s, contracting companies and labour supply agencies in the event that it should detect non-compliance with the aforementioned statutory prohibitions.

Title 11 – Tax Offences

TAX OFFENCES

PURSUANT TO ART. 25-*quinquiesdecies* OF LEGISLATIVE DECREE 231/2001

11.1 Introduction

This Special Section is dedicated to addressing Tax Offences as identified in Article 25-*quinquiesdecies* of Legislative Decree 231.

11.2 The Offences Referred to in Art. 25-*quinquiesdecies* of Legislative Decree 231/2001

Legislative Decree 75/2020 entered into force on 30 July 2020 which, only 7 months after the approval of the so-called Tax Decree (Law Decree 124/2019, converted into Law 157/2019), further extended the administrative liability of entities by broadening the list of Predicate Offences.

This represents the culmination of a process undertaken at European level through the adoption of the so-called PIF Directive (EU Directive 2017/1371) on "the fight against fraud to the Union's financial interests by means of criminal law", whereby the EU entrusted individual Member States with the adoption of measures capable of combating so-called serious VAT fraud, namely conduct characterised by fraudulence and transnationality such as to cause damage to the Union's financial interests of no less than 10 million Euros.

Initially, through Art. 39 of Law Decree 124/2019, the Italian legislator, in implementation of the European provisions, amended Art. 25-*quinquiesdecies* of Legislative Decree 231/2001, providing for penalties ranging between 400 and 500 units (*quote*) and introducing the administrative liability of entities for:

- fraudulent tax return (pursuant to Arts. 2 and 3 of Legislative Decree 74/2000);
- issuing invoices or other documents for non-existent transactions (pursuant to Art. 8 of Legislative Decree 74/2000);
- concealment or destruction of accounting documents (pursuant to Art. 10 of Legislative Decree 74/2000);
- fraudulent evasion of tax payment (pursuant to Art. 11 of Legislative Decree 74/2000).

Legislative Decree 75/2020 introduced, within the same Art. 25-*quinquiesdecies*, the new paragraph 1-*bis*, which provides for the following further Predicate Offences:

- unfaithful tax return (pursuant to Art. 4 of Legislative Decree 74/2000);
- failure to file a tax return (pursuant to Art. 5 of Legislative Decree 74/2000);
- undue offsetting (pursuant to Art. 10-*quater* of Legislative Decree 74/2000).

The individual offences contemplated in Art. 25-*quinquiesdecies* of the Decree are briefly described below.

11.2.1 Fraudulent Tax Return (pursuant to Arts. 2 and 3 of Legislative Decree 74/2000)

Art. 2 – Fraudulent tax return through the use of invoices or other documents for non-existent transactions (*dichiarazione fraudolenta mediante uso di fatture o altri documenti per operazioni inesistenti*)

1. Anyone who, for the purpose of evading income tax or value added tax, by making use of invoices or other documents for non-existent transactions, indicates fictitious deductible items in any of the tax returns relating to such taxes, shall be punished by imprisonment from four to eight years.

2. The act is deemed to have been committed by making use of invoices or other documents for non-existent transactions when such invoices or documents are recorded in the mandatory accounting records, or are held for evidentiary purposes vis-à-vis the tax authorities.

2-*bis*. If the amount of the fictitious deductible items is less than one hundred thousand Euros, imprisonment from one year and six months to six years shall apply.

Art. 3 – Fraudulent tax return through other artifices (*dichiarazione fraudolenta mediante altri artifici*)

1. Outside the cases provided for under Article 2, anyone who, for the purpose of evading income tax or value added tax, by carrying out objectively or subjectively simulated transactions or by making use of false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities, indicates in any of the tax returns relating to such taxes taxable income items for an amount lower than the actual amount, or fictitious deductible items or fictitious tax credits and withholdings, shall be punished by imprisonment from three to eight years, when, jointly:

a. the tax evaded, with reference to any single tax, exceeds thirty thousand Euros;

b. the aggregate amount of the taxable income items subtracted from taxation, including by way of indicating fictitious deductible items, exceeds five per cent of the aggregate amount of the taxable income items indicated in the tax return, or in any event exceeds one million five hundred thousand Euros, or where the aggregate amount of the fictitious tax credits and withholdings reducing the tax exceeds five per cent of the amount of the tax itself or in any event thirty thousand Euros.

2. The act is deemed to have been committed by making use of false documents when such documents are recorded in the mandatory accounting records or are held for evidentiary purposes vis-à-vis the tax authorities.

3. For the purposes of applying the provision of paragraph 1, the mere violation of invoicing and recording obligations relating to taxable income items in the accounting records, or the mere indication in invoices or records of taxable income items lower than the actual ones, shall not constitute fraudulent means.

11.2.2 Issuing Invoices or Other Documents for Non-Existent Transactions (pursuant to Art. 8 of Legislative Decree 74/2000)

1. Anyone who, for the purpose of enabling third parties to evade income tax or value added tax, issues or releases invoices or other documents for non-existent transactions, shall be punished by imprisonment from four to eight years.

2. For the purposes of applying the provision under paragraph 1, the issuing or releasing of multiple invoices or documents for non-existent transactions during the same tax period shall be deemed a single offence.

2-*bis*. If the untrue amount indicated in the invoices or documents, for the tax period, is less than one hundred thousand Euros, imprisonment from one year and six months to six years shall apply.

11.2.3 Concealment or Destruction of Accounting Documents (pursuant to Art. 10 of Legislative Decree 74/2000)

1. Unless the act constitutes a more serious offence, anyone who, for the purpose of evading income tax or value added tax, or of enabling third parties to evade such taxes, conceals or destroys, in whole or in part, the accounting records or documents

which are mandatorily required to be retained, in such a way as to prevent the reconstruction of income or turnover, shall be punished by imprisonment from three to seven years.

11.2.4 Fraudulent Evasion of Tax Payment (pursuant to Art. 11 of Legislative Decree 74/2000)

1. Anyone who, in order to evade payment of income tax or value added tax, or of interest or administrative penalties relating to such taxes, in an aggregate amount exceeding fifty thousand Euros, simulates the transfer of, or performs other fraudulent acts on, their own or others' assets capable of rendering the compulsory collection procedure wholly or partly ineffective, shall be punished by imprisonment from six months to four years. If the amount of the taxes, penalties and interest exceeds two hundred thousand Euros, imprisonment from one to six years shall apply.

2. Anyone who, in order to obtain for themselves or others a partial payment of taxes and related ancillary charges, indicates in the documentation submitted for the purposes of the tax settlement procedure taxable income items for an amount lower than the actual amount, or fictitious deductible items, for an aggregate amount exceeding fifty thousand Euros, shall be punished by imprisonment from six months to four years. If the amount referred to in the preceding sentence exceeds two hundred thousand Euros, imprisonment from one to six years shall apply.

11.2.5 Unfaithful Tax Return (pursuant to Art. 4 of Legislative Decree 74/2000)

1. Outside the cases provided for under Articles 2 and 3, anyone who, for the purpose of evading income tax or value added tax, indicates in any of the annual tax returns relating to such taxes taxable income items for an amount lower than the actual amount, or non-existent deductible items, shall be punished by imprisonment from two years to four years and six months, when, jointly:

a. the tax evaded, with reference to any single tax, exceeds one hundred thousand Euros;

b. the aggregate amount of the taxable income items subtracted from taxation, including by way of indicating non-existent deductible items, exceeds ten per cent of the aggregate amount of the taxable income items indicated in the tax return, or in any event exceeds two million Euros.

1-*bis*. For the purposes of applying the provision of paragraph 1, no account shall be taken of incorrect classification, of the valuation of objectively existing taxable income or deductible items in respect of which the criteria actually applied were in any event indicated in the financial statements or in other documentation relevant for tax purposes, of the violation of the criteria for determining the accrual period, of the lack of relevance (*non inerenza*), or of the non-deductibility of real deductible items.

1-*ter*. Outside the cases referred to in paragraph 1-*bis*, valuations which, considered in the aggregate, differ by less than 10 per cent from the correct ones shall not give rise to punishable conduct. The amounts included within that percentage shall not be taken into account when verifying whether the punishability thresholds provided for in paragraph 1, letters a) and b), have been exceeded.

11.2.6 Failure to File a Tax Return (pursuant to Art. 5 of Legislative Decree 74/2000)

1. Anyone who, for the purpose of evading income tax or value added tax, fails to file, when obligated to do so, any of the tax returns relating to such taxes, shall be punished by imprisonment from two to five years, when the tax evaded, with reference to any single tax, exceeds fifty thousand Euros.

1-*bis*. Anyone who fails to file, when obligated to do so, the withholding agent's tax return, shall be punished by imprisonment from two to five years, when the amount of unpaid withholdings exceeds fifty thousand Euros.

2. For the purposes of the provision under paragraphs 1 and 1-*bis*, a tax return filed within ninety days of the expiry of the deadline, or not signed, or not drawn up on a form conforming to the prescribed template, shall not be deemed omitted.

11.2.7 Undue Offsetting (pursuant to Art. 10-*quater* of Legislative Decree 74/2000)

1. Anyone who fails to pay the amounts due, by offsetting, pursuant to Article 17 of Legislative Decree No. 241 of 9 July 1997, tax credits that are not due, for an annual amount exceeding fifty thousand Euros, shall be punished by imprisonment from six months to two years.

2. Anyone who fails to pay the amounts due, by offsetting, pursuant to Article 17 of Legislative Decree No. 241 of 9 July 1997, non-existent tax credits, for an annual amount exceeding fifty thousand Euros, shall be punished by imprisonment from one year and six months to six years.

11.3 Risk Areas

The analysis of the Company's organisational structure and business processes has made it possible to identify the activities within which the offences referred to in this Title could hypothetically be committed.

11.3.1 The Sensitive Activities

For each At-risk Process, the following information is set out below:

- Risk – Offence: a list of the Offences that could potentially be committed;
- Possible methods of commission of the offences: an illustrative list of the conduct that could constitute the elements of the Offences;
- Organisational Units mainly involved: areas and/or persons in charge within the Company that could contribute to the commission of the at-risk offences;
- Protocols: the Company has established corporate Protocols that define operating procedures, as well as control safeguards, also for the purposes of preventing the commission of the Offences.

PURCHASES (ACQUISTI)

Purchase of goods, products and services (labour, consultants and agents)		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent tax return through the use of invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company records in the accounting records, or holds for evidentiary purposes vis-à-vis the tax authorities, invoices or other documents issued by third parties other than the actual provider of the service, or invoices or other documents bearing consideration not corresponding to the actual service provided, indicating such items in the income tax or VAT returns for the purpose of evading income tax or value added tax.	- Financial Department: administrative purchases and consultancy services; - Yarn Purchasing and Loom Planning Office (*Ufficio Acquisto filati e pianificazione telai*): raw materials; - Contract Work Office (*Ufficio Conto lavoro*): work outsourced to third parties;

		- Production: ordinary and extraordinary maintenance and workplace safety purchases. The offices concerned verify the incoming invoices and authorise their recording and payment.
Fraudulent tax return through other artifices	A Subordinate or Senior Person of the Company carries out simulated transactions or uses false documents or other fraudulent means for the purpose of evading income tax or value added tax.	The Divisions verify the accounting documents and other relevant documents.

COMMERCIAL (COMMERCIALE)

Sale of own-brand or third-party branded goods and products to Italian and foreign private parties		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Issuing invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company, for the purpose of enabling third parties to evade income tax or value added tax, issues or delivers, including electronically, invoices or other documents (tax receipts/debit or credit notes/transport documents) for non-existent transactions.	- Commercial Division; - Financial Department. The Divisions verify the outgoing invoices and other relevant documents and authorise their recording.

ACCOUNTING AND FINANCIAL STATEMENTS (CONTABILITÀ E BILANCIO)

Management of the accounts receivable and accounts payable invoicing cycle		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent tax return through the use of invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company records in the accounting records, or holds for evidentiary purposes vis-à-vis the tax authorities, invoices or other documents issued by third parties other than the actual provider of the service, or invoices or other documents bearing consideration not corresponding to the actual service provided, indicating such items in the income tax or VAT returns for the purpose of evading income tax or value added tax.	- Financial Department. The Financial Department verifies the incoming invoices from an accounting standpoint and manages the Pantera IT system with regard to accounting aspects. Each Financial Department staff member has: - their own access privilege; - personal identification codes.
Fraudulent tax return through other artifices	A Subordinate or Senior Person of the Company records in the accounting records, or holds for evidentiary purposes vis-à-vis the tax authorities, invoices or other documents issued by third parties other than the actual provider of the service, or invoices or other documents bearing consideration not corresponding to the actual service	- Financial Department. Withholding tax and monthly VAT returns prepared and submitted directly by the Financial Department. Other returns: the

	provided, indicating such items in the income tax or VAT returns for the purpose of evading income tax or value added tax.	Financial Department prepares the basic data which it transfers to the consultants engaged to calculate and prepare the return, which is then paid by the Financial Department. Returns: - VAT, income tax, etc.; - INTRASTAT (INTRA); - Waste (*Rifiuti*).
Issuing invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company, for the purpose of enabling third parties to evade income tax or value added tax, issues or delivers, including electronically, invoices or other documents (tax receipts/debit or credit notes/transport documents) for non-existent transactions.	- Commercial Division; - Financial Department. The Divisions verify the outgoing invoices and other relevant documents and authorise their recording.

Keeping of accounting records and filing of documentation		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent tax return through the use of invoices or other documents for non-existent transactions	A Subordinate/Senior Person of the Company records in the accounting records, or holds for evidentiary purposes vis-à-vis the tax authorities, non-existent invoices or other documents (such as: tax receipts, debit or credit notes, transport documents, fuel cards) for the purpose of indicating such items in the income tax or VAT returns and evading income tax or value added tax.	Financial Department. The basic accounting records are prepared by the Financial Department and verified by the Statutory Auditor (*Revisore Legale*).
Fraudulent tax return through other artifices	A Subordinate/Senior Person of the Company carries out artifices, by means of IT tools used for bookkeeping, systematically alters the accounting results and their representation in order to present a reality different from the actual one and to be able to report taxable income items for an amount lower than the actual amount.	- Commercial Division; - Financial Department. The Divisions verify the outgoing invoices and other relevant documents and authorise their recording.
Issuing invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company, for the purpose of enabling third parties to evade income tax or value added tax, issues or delivers, including electronically, invoices or other documents (tax receipts/debit or credit notes/transport documents) for non-existent transactions.	- Commercial Division; - Financial Department. The Divisions verify the outgoing invoices and other relevant documents and authorise their recording.
Concealment or destruction of accounting documents	A Subordinate/Senior Person of the Company conceals or destroys, in whole or in part, the accounting records or documents which are mandatorily required to be retained, in such a way as to prevent the reconstruction of income or turnover.	Financial Department. Documents are retained: - in electronic format via the Pantera software; - in electronic backup format;

		- in paper format, at the Company's registered office.

TAX (FISCALITÀ)

Preparation and filing of tax returns		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent tax return through the use of invoices or other documents for non-existent transactions	The offence could arise where the Company indicates in the income tax and/or VAT return negative components, on the basis of invoices or other documents for non-existent transactions (such as: tax receipts, debit or credit notes, transport documents, fuel cards), for the purpose of evading income tax or value added tax, or for the purpose of obtaining an undue refund or the recognition of a non-existent tax credit.	Financial Department. Withholding tax and monthly VAT returns prepared and submitted directly by the Financial Department. Other returns: the Financial Department prepares the basic data which it transfers to the consultants engaged to calculate and prepare the return, which is then paid by the Financial Department.
Fraudulent tax return through other artifices	The offence could arise where the Company indicates in the income tax return and/or the VAT return taxable income items for an amount lower than the actual amount, or fictitious deductible items or fictitious tax credits and withholdings. Such an untruthful representation is made possible through transactions involving various parties and which, owing to off-market conditions, find no economic justification or support in the commercial practice of the sector, to the extent that they may be regarded as simulated. The Company's conduct is such that, on the basis of false documents or other expedients, the tax assessment becomes extremely difficult.	Financial Department. Withholding tax and monthly VAT returns prepared and submitted directly by the Financial Department. Other returns: the Financial Department prepares the basic data which it transfers to the consultants engaged to calculate and prepare the return, which is then paid by the Financial Department.

FINANCIAL AND MONETARY FLOWS (FLUSSI FINANZIARI E MONETARI)

Management of expense reimbursements		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent tax return through the use of invoices or other documents for non-existent transactions	A Subordinate or Senior Person of the Company, in agreement with the Company itself, requests reimbursement for fuel expenses in an amount exceeding that actually incurred. The Company reimburses the employee for the expenses actually incurred, but indicates in the income tax returns fictitious deductible items (i.e. the amount exceeding that actually incurred, as indicated in the expense report form), for the purpose of evading taxes.	Financial Department. The only expense reimbursements made concern reimbursements for authorised lunches and/or dinners, which are reimbursed through the Company's petty cash upon presentation of a supporting accounting document. Only the Chief Executive Officer and the Commercial Director are issued a corporate credit card for work-related expense payments.

RELATIONS WITH THE PUBLIC ADMINISTRATION (RAPPORTI CON LA PUBBLICA AMMINISTRAZIONE)

Payment of amounts due to the Public Administration by way of taxes		
Risk – Offence	**Potential Method**	**Organisational Units Mainly Involved**
Fraudulent evasion of tax payment	A Subordinate or Senior Person of the Company, in the course of compulsory collection proceedings, in order to avoid payment of income tax or value added tax or penalties/interest relating to such taxes, performs acts resulting in a (fictitious) depletion of the Company's assets. By way of example: carrying out simulated business transfer or corporate	Financial Department. All payments are tracked through online banking (*home banking*). The Head of the Financial Department and one staff member are authorised to use the online banking system.

	demerger transactions aimed at conveying the real estate assets to new corporate entities.	
	A Subordinate or Senior Person of the Company, in order to obtain a partial payment of taxes and related ancillary charges, indicates in the documentation submitted for the purposes of the tax settlement procedure taxable income items for an amount lower than the actual amount, or fictitious deductible items.	Chief Executive Officer. Financial Department. All payments are tracked through online banking (*home banking*).

11.4 General Principles of Conduct and Control Systems

11.4.1 General Principles of the Organisational System

In implementation of the foregoing paragraphs, the following Principles of Conduct are laid down for the Addressees, which they must adhere to in carrying out their professional activities.

In addition, certain procedural principles of conduct set out in the following procedures are also suitable to minimise the risk of the offences covered by this section.

In addition to the rules and principles set out in this Model, the Addressees and, above all, the Senior Persons (Apical Subjects) must observe the rules and principles contained in:

- Code of Ethics (***Annex 3***);
- Protocol PT1 "Relations with the Public Administration" (***Annex 5***);
- Protocol PT2 "Management of Financial and Monetary Flows" (***Annex 6***);
- Protocol PT3 "Management of Bookkeeping and Preparation of the Financial Statements" (***Annex 7***);
- Protocol PT4 "Management of the Purchase of Goods, Services and Consultancy" (***Annex 8***);
- Protocol PT6 "Personnel Management" (***Annex 10***)

11.4.2 Rules of Conduct

The Addressees involved, in any capacity, in the At-risk Processes of this Special Section are required to observe the existing legal provisions on the matter, the general principles referred to in the Code of Ethics, the Protocols, and the policies/operating instructions adopted by the Company.

The Model provides for the express prohibition of:

	Prohibited Conduct
A	Recording in the accounting records, or in any case authorising and/or filing, invoices/debit notes/credit notes/transport documents received from parties other than the actual providers of the service, or in the event of non-performance, even partial, of the service
B	Recording in the accounting records transactions at values not consistent with the reference documentation, or without supporting documentation enabling their correct accounting recognition
C	Issuing/releasing/delivering, including electronically, invoices/debit notes/credit notes for transactions, in whole or in part, not performed
D	Carrying out actions which are, even only indirectly, aimed at obtaining a tax credit or a tax/VAT saving in the absence of the statutory requirements
E	Carrying out transactions, in whole or in part, that are fictitious and/or at prices not aligned with market prices, without plausible economic justifications, for the purpose of employing, transferring, substituting or concealing financial resources of unlawful

	origin
F	For the purpose of evading taxes or in the context of a tax settlement, indicating in the relevant returns or supporting documentation taxable income items for an amount lower than the actual amount, or fictitious or non-existent deductible items, or fictitious tax credits and withholdings
G	Preparing and sending to the competent authorities tax returns containing false, fabricated, incomplete or otherwise untrue data
H	Omitting tax returns or communications required by law, for the purpose of evading taxes
	Simulating the transfer of, or performing other fraudulent acts on, one's own assets or the assets of others, capable of rendering the compulsory collection procedure wholly or partly ineffective

The Addressees are expressly required to:

	Mandatory Conduct
A	Promptly carry out, in accordance with the statutory deadlines, tax returns and payments to the competent Authorities
B	Retain and make available the documentation supporting the tax returns, the accounting records or documents which are mandatorily required to be retained for the purposes of reconstructing income or turnover, adopting physical and logical security measures suitable to prevent their undue modification/deletion/alteration
C	Adequately formalise all relationships with Third Parties, through specific agreements, precisely defining the agreed consideration or, alternatively, objective criteria for determining it
D	
E	Manage corporate processes with transparency, clarity and verifiability with regard to the assessment and decision-making processes concerning tax matters
F	Ensure traceability and segregation of duties in activities relating to the management of tax returns and all transactions requiring an analysis of tax impact
G	Proactively cooperate with the function responsible for the tax area, involving it in relation to new projects, issues connected with the tax treatment of non-recurring transactions, and regulatory tax compliance obligations