

***PRINCIPLES OF THE  
ORGANISATION, MANAGEMENT  
AND CONTROL MODEL  
PURSUANT TO  
LEGISLATIVE DECREE No. 231  
OF 8 JUNE 2001***

**Marcora S.p.A.**

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## ***INTRODUCTION***

Legislative Decree No. 231 of 8 June 2001 ("**Decree No. 231/01**") prescribes a regime of administrative liability (substantially comparable to criminal liability) of legal entities ("**Entity/Entities**") which supplements the liability of the individual which has actually committed a crime and aims to involve in the penalty thereof the Entities in whose interest or for whose benefit the crime has been committed.

Entities, however, can adopt organisation, management and control models suitable to prevent crimes from being committed.

By resolution of the Board of Directors, Marcora S.p.A., (the "**Company**") adopted the organisation, management and control model prescribed by Decree No. 231/01 (the "**Model**"), subsequently updated by resolution of the Board of Directors dated 14 December 2017.

This document, entitled "**Principles of the Model**", has been prepared in order to explain the general principles of Decree No. 231/01 and to briefly describe the contents of the Model.

### **1. LEGISLATIVE PROFILE**

#### **1.1 Crime cases**

The crime cases pursuant to Decree No. 231/01 which entail an Entity's administrative liability are expressly listed by Legislator and include:

- i) crimes committed against Public Administration, pursuant to articles 24 and 25 of Legislative Decree No, 231/01, as amended by Law No. 69/2015,
- ii) IT crimes and unlawful data processing, introduced by article 7 of Law 18 march 2008, no. 48, which added article 24-*bis* into Decree No. 231/01,
- iii) organized crimes, introduced by Law 15 July 2009, no. 94 which added article 24-*ter* into Decree No. 231/01, as amended by Law No. 69/2015,
- iv) forgery of money, money values having legal tender or revenue stamps and instruments or identification signs, introduced by article 6 of Law No. 406/2001, as amended by Law No. 99/2009, which added article 25-*bis* into Decree No. 231/01,
- v) crimes against industry and business, introduced by Law 23 July 2009, No. 99, which added article 25-*bis*.1 into Decree No. 231/01,
- vi) corporate crimes, introduced by article 3 of Legislative Decree No. 61/2002, as amended by Law No. 190/2012 , Law 69/2015 and Legislative Decree No. 38/2017, which added article 25-*ter* into Decree No. 231/01,

- vii) crimes in connection with terrorism or subversion of democracy, introduced by article 3 of Law No. 7/2003, which added article 25-*quater* into Decree No. 231/01,
- viii) practice of female genital mutilation, introduced by article 8 of Law No. 7/2006, which added article 25-*quater.1* into Decree No. 231/01,
- ix) crimes against individual personality, introduced by article 5 of Law No. 228/2003, which added article 25-*quinquies* into Decree No. 231/01, as amended by Law No. 199/2016,
- x) crimes connected with insider trading and market rigging, provided for by part V(I-*bis*)(II) of Legislative Decree No. 58/1998, introduced by article 9 of Law No. 62/2005, which added article 25-*sexies* into Decree No. 231/01,
- xi) crimes prescribed and punished by articles 589 and 590 of the Italian Criminal Code respectively related to manslaughter and serious or very serious accidental bodily injuries committed in violation of the provisions regarding the safety and health at work place, introduced by article 9 of Law No. 123/2007, which added article 25-*septies* into Decree No. 231/01,
- xii) crimes prescribed and punished by articles 648, 648 *bis*, 648 *ter* and 648 *ter.1* of the Italian Criminal Code respectively related to handling stolen goods, money laundering, use of money, goods or other utilities of unlawful origin and self-laundering, introduced by article 63 of Legislative Decree No. 231/2007 and by Law No. 186/2014, which added into and modified article 25-*octies* of Decree No. 231/01,
- xiii) copyright's crimes provided for by Law 633/1941 and introduced by Law 23 July 2009, No. 99, which added article 25-*novies* into Decree No. 231/01,
- xiv) inducements not to make statements or to make false statements to the courts, introduced by Law No. 116/2009, which added article 25-*decies* into Decree No. 231/01,
- xv) transnational crimes<sup>1</sup>, prescribed and punished by articles 416, 416 *bis*, 377 *bis* and 378 of the Italian Criminal Code, article 74 of Presidential Decree No. 309/1990 and article 12 of Legislative Decree No. 286/1998, introduced by Law No. 146/2006.
- xvi) environmental crimes, introduced by Legislative Decree No. 121 of 7 July 2011, as amended by Law No. 68/2015, which added article 25-*undecies*, into Decree No. 231/01,

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<sup>1</sup> Transnational crimes are crimes characterised by the involvement of a criminal organisation and the presence of an international element which occurs when: (i) a crime is committed in more than one State, (ii) or is committed in one State but a substantial part of its preparation, planning, management or control takes part in another State, (iii) or is committed in a State where a criminal organisation carrying out criminal activities in more than one State operates or (iv) is committed in a State but will generate substantial effects in another State.

- xvii) employment of third-country nationals illegally staying, introduced by Legislative Decree No. 109/2012, as amended by Law No. 161/2017, which added art. 25-*duodecies* into Decree No. 231/01;
- xviii) offences of racism and xenophobia introduced by Law No. 167/2017, which added art. 25-*terdecies* into Decree No. 231/01

Article 26 of Decree No. 231/01 about attempted crimes expressly states as follows: *“(1) money penalties and disqualification measures are decreased from one third to half in relation to the perpetration, in the form of attempt, of crimes as specified in this section of the decree. (2) The entity is not liable if it has voluntarily prevented the action from being taken or the event from occurring”*.

## 1.2 Crime perpetrators

According to Decree No. 231/01, a Company is liable if the above analysed crimes cases are committed by the following persons:

- i) individuals in leading positions (representation, management or direction of an Entity or of an organisational unit with financial and functional autonomy) or who actually carry out management and control (“**Apical Individuals**”);
- ii) individuals subject to direction or surveillance of one of the Apical persons (“**Subordinate Individuals**”).

Pursuant to article 5(2) of Decree No. 231/01, an Entity is not considered as liable if the above persons have exclusively acted in their own interest or in third parties’ interest.

## 1.3 Crimes committed abroad

In the events and under the conditions specified in articles 7, 8, 9 and 10 of the Italian Criminal Code, the Entities whose head office is located in Italy are liable also for the crimes committed abroad, provided that the State where a crime is committed does not bring a legal action against them.

## 1.4 Liability preconditions

In order for an Entity to be liable, the following preconditions must be met:

- i) one of the crimes expressly prescribed in Decree No. 231/01 is committed;
- ii) at least one person belonging to the Entity organisation is criminally liable (Apical Individual or Subordinate Individual);
- iii) there is an “interest” or a “advantage” for the Entity;
- iv) the Entity has not adopted and applied an organisation and management model adequate to prevent the crimes of the type of that occurred.

## 1.5 Sanctions

The sanctions prescribed for administrative misconducts resulting from a crime are as follows:

- (a) Money penalties;
- (b) Disqualification measures;
- (c) Seizure;
- (d) Publication of the sentence.

### **1.6 Behaviours releasing from liability**

Articles 6 and 7 of Decree No. 231/01 prescribe specific types of behaviours which do not entail any administrative liability of an Entity.

Specifically, in the event of crimes committed by Apical Individuals, article 6 of Decree No. 231/01 prescribes that an Entity is released from administrative liability if it demonstrates that:

- i) the governing body has adopted and effectively implemented prior to the occurrence of the event, "*organisation and management models suitable to prevent the perpetration of crimes of the type of that occurred*";
- ii) the surveillance of the effectiveness and of the observance of the models and the proposal to update them has been entrusted to the Entity's Supervisory Body which has autonomous powers of initiative and control;
- iii) those who have committed the crime have acted by fraudulently disregarding the models;
- iv) the Supervisory Body has not failed to carry out or inadequately carried out the surveillance.

With regard to Subordinate Individuals, article 7 of Decree No. 231/01 prescribes that an Entity is released from the liability if it has adopted and effectively implemented, prior to the occurrence of the crime, a model suitable to prevent the perpetration of crimes of the type of that occurred.

Decree No. 231/01 prescribes that the model must fulfil the following requirements:

- i) to identify the activities within which crimes may be committed;
- ii) to prescribe specific protocols aimed to plan the training and the implementation of the decisions of the Entity in relation to the crimes to prevent;
- iii) to identify the management procedures of the financial resources suitable to prevent such crimes;
- iv) to prescribe the obligations to inform the Supervisory Body;
- v) to introduce a disciplinary internal system adequate to punish the non-observance of the measures specified in the model.

## **2. ORGANISATION, MANAGEMENT AND CONTROL MODEL**

### **2.1 Principles and purposes of the Model**

The Company – aware of the need to guarantee correctness and transparency in conducting the business and the Company's activities, for the purposes of protecting its position and image, the shareholders' expectations and its employees' work – has deemed that it was consistent with its policies to implement and to update the Model prescribed by Decree No. 231/01.

The implementation of the Model has the purpose of effectively making all Company's employees and all other persons connected with the company (customers, suppliers, partners and other servants) aware of performing their activities correctly and consistently in order for the organisation to be able to prevent the risk of the crimes specified in Decree No. 231/01.

The Model prepared by the Company on the basis of the identification of the activities at risk, within the sensitive areas, i.e. whose performance may, theoretically, entail the risk of committing crimes, has the following purposes:

- to make all those who perform with, in the name, on behalf and in the interest of the Company activities at risk of crime pursuant to Decree No. 231/01 within the sensitive areas, as identified in the Annexes of the Specific Section, aware of the possibility, in the event of violation of the Model provisions, to commit a misconduct which may be subject to criminal or administrative sanctions that can be inflicted not only to the above persons but also to the Company;
- to condemn any form of unlawful conduct committed by the Company since it is contrary to both regulations and ethical principles adopted by the Company itself;
- to guarantee to the Company, thanks to the control of the sensitive Areas and Activities, the effective and actual possibility to timely intervene in order to prevent the perpetration of crimes.

The Model also aims:

- to introduce, supplement, disclose and make known to all employees of any level the conduct rules and protocols necessary to plan the taking and the achievement of the Company's decisions, in order to manage and, consequently, prevent the risk of committing crimes;
- to identify in advance the sensitive Areas and Activities, with reference to the Company's transactions which may entail the perpetration of crimes specified by Decree No. 231/01;
- to entrust the Supervisory Body with specific tasks and proper powers in order to enable it to effectively control the implementation, constant operation and updating of the Model and to evaluate the maintenance of the requirements of soundness and functionality of the Model;
- to record correctly and consistently with the protocols all Companies' transactions within the sensitive Areas and Activities, in order to enable a control after the decisional processes, their authorisation and performance

within the Company, for the purposes of guaranteeing the prior identification and traceability in relation to all their material elements;

- to guarantee the actual observance of the principle of separation of corporate functions;
- to outline and specify the responsibilities in taking and implementing the Company's decisions;
- to set out the authorisation powers in line with the organisation and management responsibilities attributed, disclosing the delegation of powers, the responsibilities and the tasks within the Company, guaranteeing that the acts by which powers, authorities and autonomies are delegated are consistent with the principles of preventive control;
- to identify the procedures to manage financial resources in order to prevent the perpetration of crimes;
- to evaluate the possibility that all persons cooperating with the Company may commit crimes by carrying out transactions within the sensitive Areas and Activities, and the operation of the Model, minding the necessary periodical update, in a dynamic manner, in the event the analyses and evaluations carried out require corrections, supplements and adjustments.

## **2.2 Model Structure**

The Model is made up of an introduction about the provisions of Decree No. 231/01 ("General Section") describing its main characteristics, with specific reference to the choice and identification of the Supervisory Body, the staff training and the disclosure of the Model within the Company, the disciplinary system and the measures to adopt in the event of non-observance of the provisions therein.

The subsequent:

- a "Specific Section" refers to the several types of crime specified by Decree No. 231/01 and from which the Company wants to be protected since they may entail risks, considering the entrepreneurial activity performed by the Company;
- the Annexes to the Specific Section which constitutes the map of sensitive Areas and Activities put in place for the Company functions.

## **2.3 Sensitive Areas and Activities in relation to crimes damaging Public Administration**

The crimes prescribed by Decree No. 231/01 and damaging Public Administration entail relationships with public officers and/or public service employee within Public Administration and/or similar legal persons being part of Italian Government, European Union and Foreign States.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.



## **2.4 Sensitive Areas and Activities in relation to crime "private bribery" and "incitement to private bribery"**

The Law No. 190/2012 has introduced the offense of bribery between private parties (art. 2635 of the Italian Civil Code).

Subsequently, the Legislative Decree No. 38/2017 modified the structure of the crime mentioned above and introduced the crime of "*incitement to private bribery*" (Art. 2635-*bis* of the Italian Civil Code) into Decree No. 231/01.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

## **2.5 Sensitive Areas and Activities in relation to corporate crimes**

The criminal provisions stated in articles 2621, 2621-*bis*, 2622, 2625, 2626, 2627, 2628, 2629, 2629-*bis*, 2632, 2633, 2635, 2635-*bis*, 2636, 2637 and 2638 of the Italian Civil Code are implemented by article 25-*ter* of Decree No. 231/01.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

## **2.6 Sensitive Areas and Activities in relation to the crimes committed in violation of the provisions regarding the safety and health at work place**

Article 9 of Law No. 123/2007 has introduced article 25-*septies* into Decree No. 231/01 which extends the administrative liability of Entities to manslaughter and serious or very serious accidental bodily injury, pursuant to articles 589 and 590(3) of the Italian Criminal Code, committed in violation of the provisions regarding the safety and health at work place.

Therefore, in the light of the regulations on safety and health at work place and of the obligations to which both the Company, as Employer, and its employees are subject pursuant to Legislative Decree No. 81/2008, the Company has deemed it adequate to carry out examinations of the company's organisation and of the management system of the safety at work adopted, also by means of external professionals belonging to that system, identifying the activities which may be specifically subject to the risk of that type of crimes.

Lastly, the Company has currently started a program aimed at adapt its safety management system to the OHSAS 18001 standards.

## **2.7 Sensitive Areas and Activities in relation to handling stolen goods, money laundering, use of money, goods or other utilities of unlawful origin and self-laundering**

Article 25-*octies* of Decree No. 231/01 has extended the administrative liability of Entities to crimes related to handling stolen goods, money laundering, use of money, goods or other utilities of unlawful origin and self-laundering, pursuant to respectively articles 648, 648-*bis*, 648-*ter* and 648-*ter.1* of the Italian Criminal Code.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

## **2.8 Sensitive Areas and Activities in relation to IT crimes and unlawful data processing**

The Law No. 48/2008 "*Ratification and implementation of the Council of Europe Convention on Cybercrime, signed in Budapest on 23.11.2001, and adapting internal rules*", introduced into Decree No. 231/01 article 24-*bis*, relating to computer crime.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

## **2.9 Sensitive Areas and Activities in relation to crimes against industry and business**

Article 25-*bis.1* of Decree No. 231/01 has extended the administrative liability of Entities to crimes against industry and business, such as fraud in the business (art. 515 of Italian Criminal Code), selling of industrial goods with false signs (art. 517 of Italian Criminal Code), unlawful competition with menace or violence (art. 513 *bis* of Italian Criminal Code).

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

It should be noted that, the Company has adopted a quality management system compliant with the OHSAS 9001 standards.

## **2.10 Sensitive Areas and Activities in relation to environmental crimes**

Article 25-*undecies* of Decree No. 231/01 has extended the administrative liability of Entities to environmental crimes.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and find the best measures eventually necessary to improve the current control system.

Lastly, the Company has currently started a program aimed at adapt its environmental management system to the ISO 14001 standards.

## **2.11 Sensitive Areas and Activities in relation to the employment of third-country nationals illegally staying and unlawful staff leasing and labor exploitation**

Article 25-*duodecies* of Decree No. 231/01 has extended the administrative liability of entities in relation to the crime of employment of third-country nationals illegally staying.

In addition, the Law 29 October 2016, No. 199 has included in the Decree. No. 231/01 the crime of "*Unlawful staff leasing and labor exploitation*" (art. 603-*bis* of Italian Criminal Code).

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

### **2.12 Sensitive Areas and Activities in relation to the forgery of money, money values having legal tender or revenue stamps and instruments or identification signs**

The criminal provisions stated in the Article 25-*bis* of Decree No. 231/01 included a series of provisions punishing, for instance, the forgery (of money, etc.) and the circulation of falsified products. The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

### **2.13 Sensitive Areas and Activities in relation to transnational crimes and organized crimes**

The Law 16 March 2006, No. 146, as amended by Legislative Decree No. 21/2018, which ratified and implemented the Convention and Protocols of the United Nations against transnational organized crimes, extended the administrative liability of entities in relation to some transnational crimes.

Furthermore, the Law 15 July 2009, No. 94, laying down general provisions on public security, added the article 24-*ter* "Organized crimes" into Decree No. 231/01.

The Company has carried out an analysis aimed to identify the sensitive Areas and Activities and to find, where necessary, the best measures to improve the current control system.

## **3. SUPERVISORY BODY**

### **3.1 Persons belonging to the Supervisory Body**

The Supervisory Body (hereinafter referred to as the "**SB**") is the board which, established by the Company within its structure, has the authority and the powers necessary to control in an absolutely independent manner the operation and observation of the Model and to carry out the relevant update by proposing any amendments, if necessary, to the Board of Directors of the Company.

The SB of the Company is composed of persons who have been mainly deemed to have the necessary skills to perform the internal control of the Company.

The Company has decided to appoint 3 members, designed in accordance with the following methods:

- the first one, chosen between the Company's personnel with no delegation of powers or operational powers within the sensitive Areas and Activities identified in the Model;
- the second and the third ones coming from outside the Company's structure, selected among high-experienced, independent and professional persons and able to properly perform their tasks.

The SB has the duty to adopt its own Regulation which governs the appointment, membership, duration in office, operation, tasks, powers and liabilities of the SB.

### **3.2 Appointment of the members of the Supervisory Body**

In the performance of their functions, the members of the SB must guarantee the fulfilment of the following requirements:

- a) autonomy and independence. The autonomy and independence requirements are important and entail that the SB is not directly involved in the management which is included among its control activities;
- b) professionalism. The SB has proper technical and professional tasks to perform its functions, as well as instruments and techniques in order to effectively perform its activity. These characteristics, along with independence, guarantee the objectivity of the judgement;
- c) continuity of action. The SB performs, without interruption, the activities necessary to control the Model with the required commitment and powers of investigation; the SB refers to the Company, in order to guarantee the continuity required to carry out the control; it guarantees the implementation of the Model and the constant update; it does not perform operating tasks which may influence and affect the required general view on the business.

The Model does not allow the appointment of the following entities as members of the SB:

- a) individuals being in the situations specified in article 2382 of the Italian Civil Code;
- b) the spouse, the relatives and the persons related by affinity to the fourth degree of the Company's Directors;
- c) the spouse, the relatives and the persons related by affinity to the fourth degree of the directors of holding companies or subsidiaries;
- d) individuals connected with the Company or its subsidiaries or holding companies by means of relationships which may objectively affect its independent judgement;
- e) those who have been sentenced, although not by final judgement, for having committed one of the crimes stated in Decree No. 231/01, or have been sentenced to disqualification, including temporary disqualification, from holding public offices or temporary disqualification from holding management offices of the legal entities and companies involved;
- f) individuals which are in conflict of interest, also potentially, with the Company, as to prejudice the independency required for the office and tasks of the Supervisory Body;
- g) individuals directly or indirectly owning shareholdings to the extent that they can exert a dominant or significant influence on the Company, pursuant to article 2359 of the Italian Civil Code;

- h) individuals with management functions, delegation powers or authorities at the Company within the sensitive Areas and Activities;
- i) individuals with management functions – in the three business years prior to the appointment as member of the Supervisory Body – in companies subject to bankruptcy, compulsory winding-up or other insolvency proceedings.

### **3.3 Functions and powers of the Supervisory Body**

The SB has the obligation to control:

- that the Model complies with the regulations concerning the liabilities of legal entities in general and, specifically, the provisions of Decree No. 231/01;
- that the provisions of the Model are observed;
- that the Model is actually adequate to prevent the perpetration of the crimes stated in Decree No. 231/01 and from which the Company has decided to protect itself;
- the necessity to update the Model in the event of significant violations of its provisions, significant amendments to the internal structure of the Company and/or of the conditions of the business operation or of the regulations.

The SB has also the obligation:

- to verify the effectiveness of control policies and/or practices of all Company's decision-making processes pursuant to Decree No. 231/01;
- to constantly control the business activity carried out in sensitive Areas and Activities in order to obtain an updated view of those activities and to identify in which one of those areas and sectors of activity and the procedures by which the risks of perpetration of the crimes pursuant to Decree No. 231/01 can become material and of the other crimes included in the scope of effectiveness of the Model;
- to carry out periodical verifications on specific transactions or acts taken within the sensitive Areas and Activities , as defined in the Annexes of the Specific Section of the Model;
- to promote initiatives adequate to disclosure and explain the Companies' Model;
- to collect, elaborate and record the information material for the operation of the Model;
- to verify that the recording of information in relation to the observance of the Model is kept, in order to provide evidence of the effective operation of the Model;
- to take the actions necessary to keep the recording readable and easily identifiable and traceable;
- to verify that the policies and/or practices, adopted by the Company, are suitable to guarantee the identification, the filing, the protection, the

availability, the duration of the storage and the cancelation of the above mentioned recordings;

- to cooperate with the other Company's functions in order to control the sensitive Areas and Activities;
- to conduct the internal investigations necessary to assess the alleged violations of the Model's provisions;
- to verify that the provisions included in the Model's Specific Section and in its Annexes, are anyway compliant with Decree No. 231/01, otherwise proposing to the Board of Directors an update of the provisions.

### **3.4 Information from and to the Supervisory Body**

The SB must inform the corporate bodies according to the following reporting lines:

- the first, on a continuous basis, directly with the Chairman;
- the second, on a periodical basis, to the Board of Directors and the Board of Statutory Auditors. Every six months, the SB sends to the Board of Directors and to the Board of Statutory Auditors a written report on the implementation of the Model at the Company.

The Company's personnel, both executives and non-executives, must inform the SB about any fact or situation occurred during the performance of the sensitive Areas and Activities which may in any way refer to the implementation of the Model.

To this purpose:

- the SB must collect all notifications related to the perpetration of the crimes stated in Decree No. 231/01 in connection with the Company's business or anyway concerning the behaviours non-compliant with the Model's provisions or the conduct rules adopted by the Company and specified in the Code of Ethic and in the Model;
- the SB must be informed, as soon as possible, about any problem found in the application of the Model's provisions;
- the SB must carefully examine all notifications received, with prior examination of the person who has sent the notification and/or has committed the violation, by providing a written statement of reasons in the event of denial of carrying out an internal investigation;
- the notifications must be made in writing and include any necessary reference to any violations or alleged violations of the Model's provisions;
- the SB must take the necessary actions in order to protect those who make notifications against any type of retaliation, discrimination and/or punishment, by guaranteeing the absolute privacy and anonymity of the notifying person; the obligations prescribed by the law and the protection of the rights of the Company and/or of the wrongly accused persons and/or in bad faith remain unchanged;
- anyway, the person who makes the notification must not be subject to disciplinary measures, since the notification has been made in

accomplishment of the obligations of loyalty, diligence, good faith and correctness of employees, in order to prevent the perpetration of a crime.

In order for the SB to fulfil its tasks, it can freely refer to all the company's material documentation and information.

With specific reference to Third Parties, they must immediately inform the SB if they receive, directly or indirectly, a request violating the Model or, anyway, are informed about the situations stated below.

The notification must be sent directly to the Supervisory Body by means of a communication to the email address **odv@marcoraspa.it** or by means of a letter to Organismo di Vigilanza of Marcora S.p.A, Company in Inveruno (MI) (20010), Via Lazzaretto, n. 5/7.

The Company guarantees that Third Parties will not suffer any consequence by reason of any, eventual notification sent by them and that this will not prejudice, in any way, the continuation of the existing contractual relationship.

In any case, the Company's personnel, both executives and non-executives, and all Third Parties must send to the SB the following information:

- measures and/or information of Criminal Police and/or Judges, or any other authority, which show the execution of investigations, also with regard to unknown persons, for the crimes stated in Decree No. 231/01 and which may involve the Company and/or its personnel and/or, if known, the external servants of the Company;
- the applications for legal assistance submitted by the Company's employees, both executives and non-executives, in the event of judicial proceedings against them for the crimes stated in Decree No. 231/01;
- all information – including those provided by the heads of the Company's functions other than those directly involved in the sensitive Areas and Activities, in performing their control tasks – which show facts, actions, events or failures which might imply critical issues for the observation of the provisions of Decree No. 231/01;
- all information concerning the application of the Model, with specific reference to the disciplinary proceedings completed or in progress and sanctions inflicted, if any, or to the dismissal of those proceedings and the relevant statement of reasons;
- the decisions related to the application, disbursement and use of public loans.

#### **4. ETHIC CODE, ETHICAL PRINCIPLES AND CODE OF CONDUCT**

The Company has always operated according to integrity, in compliance with not only regulations but also with moral rules which are considered as unwaivable for those who have the final purpose of always acting with fairness, honesty, respect of the dignity of another person, in the absence of any discrimination of people based on sex, race, language, personal situation, religion and politics.

In view of the foregoing, the Company complies with the principles stated in Decree No. 231/01 through the application and the updating of the Model, of which the Code of Ethic, Annex (c) of the Model, is an integral part.

## **5. DISCIPLINARY SYSTEM**

### **5.1 General principles**

Article 6(2)(e) of Decree No. 231/01 prescribes that the organisation and management models must "*imply a disciplinary system adequate to inflict penalties for the non-compliance with the model measures*".

The violation of the Model provisions, the Code of Ethic, the policies or practices described or referred therein and in its annexes, prejudices the relationship of trust between the Company and the employees and/or Third Parties and entails disciplinary measures or the proper contractual measures expressly prescribed by the Model.

### **5.2 Sanctions for employees**

#### **5.2.1 Employees other than executives**

The behaviours of employees violating the rules included in the Model, in the Code of Ethic and in company's policies and practices and relevant updates are defined as disciplinary misconducts. The sanctions that can be inflicted fall within those prescribed by the National Collective Labour Agreement applied by the Company to its employees, in compliance with the procedures prescribed by article 7 of Law No. 300/1970 and any other applicable special regulation.

The violation by the employees of the rules of the Model, of the Code of Ethic and of company's policies and practices can imply, according to the gravity of the violation, the adoption, with prior adoption of the procedure prescribed by the law and the collective labour agreement, of the measures listed below, set out by applying the principles of proportionality and the criteria of correlation between infringement and sanction and, anyway, in compliance with the form and procedures prescribed by the current regulations and provisions of the applicable Collective Labour Agreement:

- 1) the following measures: **(i) ORAL WARNING, (ii) WRITTEN WARNING, (iii) FINE NOT EXCEEDING THREE HOURS' PAY, iv) SUSPENSION FROM WORK AND FROM SALARY NOT EXCEEDING THREE DAYS, (v) DISMISSAL WITH NOTICE** apply to employees who:
  - a) do not comply with the procedures prescribed by the Model, annexes and Company's protocols (including, by way of example, the obligation to inform, disclose to and notify the SB, the obligation to fill-in the periodical declarations for the purpose of monitoring the effectiveness of the Model, obligation to carry out the verifications prescribed, etc.) and/or do not observe the procedures which, from time to time, will be implemented by the Company, subsequent to possible updates and supplements of the Model which will be properly notified;



- b) perform, in carrying out the sensitive Activities (as defined in the Specific Section of the Model), a behaviour not in compliance with the provisions of the Model, annexes, Company's protocols and relevant updates.

The oral and written warning apply to failures to comply with minor obligations while the fine, suspension and dismissal with notice apply to failures to comply with significant obligations, however according to a principle of proportionality to be evaluated for each case;

2) **DISMISSAL WITHOUT NOTICE** apply to employees who:

- a) have already failed to comply with the obligations stated under 1) and have already been subject to the relevant penalty not implying the dismissal;
- b) do not comply with the procedures prescribed by the Model, annexes, Company's protocols and relevant updates, perform, in carrying out the sensitive Activities, a behaviour not in compliance with the provisions included therein and such behaviour is so serious that the relationship cannot continue, neither provisionally.

In compliance with article 7 of Law No. 300/1970, with the National Collective Labour Agreement and the Model, the SB will monitor the application and effectiveness of the disciplinary system described below.

#### 5.2.2 Executives

In the event of:

- a) violation of the rules of the Model, annexes, company's protocols and/or procedures (which will be implemented from time to time by the Company subsequent to possible updates and supplements properly notified),
- b) behaviour, in the performance of the sensitive Activities (as defined in the Specific Section of the Model), not in compliance with the provisions included therein,

the disciplinary measures to adopt will be evaluated according to the provisions of the this disciplinary system, also in view of the special relationship of trust binding the executives and, anyway, in compliance with the provisions of the National Collective Labour Agreement applicable.

### 5.3 Measures towards Directors

In the event of violation of the Model by one or more Directors, the SB will immediately inform the Board of Directors and the Board of Statutory Auditors for the required evaluations and actions.

The same sanctions shall be applied even if, due to imprudence or negligence, Directors, have prevented or not facilitated the detection of the violations of the Model or, in the most serious cases, the commission of the crimes indicated in Legislative Decree No. 231/2001, and when they erroneously failed to supervise and, in particular by reference to additionally delegations of powers conferred,

about the observance, from Company's personnel, of legal provisions, Model and Code of Ethic.

#### **5.4 Measures towards the Board of Statutory Auditors**

In the event of contributory infringement of the Model by one or more members of the Board of Statutory Auditors, the Supervisory Body will inform the Board of Directors for the adoption of suitable measures, including the invitation to the shareholders' meeting, when deemed necessary. Here would also refer to the applicable provisions of the Italian Civil Code. The same sanctions shall be applied even if, in breach of their duties with professionalism and diligence required by the nature of their office, the members of the Board of Statutory Auditors have prevented or not facilitated the detection of the violations of the Model or, in the most serious cases, the commission of the crimes indicated in Legislative Decree No. 231/2001.

#### **5.5 Measures towards Third Parties**

Any behaviour performed by Third Parties and non-complying with the principles, procedures and guidelines prescribed by the Model and its annexes and by the Code of Ethic will imply the Company's right to immediately terminate the relationship with those Third Parties and to claim for damages suffered by the Company or that the Company is ordered to compensate, if the conditions thereto are met.

#### **5.6 Measures in cases of violation of legal provisions on the reporting system (whistleblowing)**

In compliance with the article 6 (2-*bis*) of the Legislative Decree No. 231/2001, in relation to violations of protective measures to the whistleblower in accordance with paragraph 6.4.4 of the Model and/or in case of unfounded reports made intentionally or by serious negligence, by:

- 1) employees other than executives: the disciplinary measures provided in paragraph 5.2.1 will be applied;
- 2) executives: the disciplinary measures provided in paragraph 5.2.2 will be applied;
- 3) directors : the measures provided in paragraph 5.3 will be applied;
- 4) members of the Board of Statutory Auditors: the measures provided in paragraph 5.4 will be applied;
- 5) Third Parties: contractual remedies provided in paragraph 5.5 will be applied the;
- 6) members of the Supervisory Board: the measures provided in paragraph 6.1. of the Model will be applied.

## **6. TRAINING AND NOTIFICATION**

### **6.1 General principles**

The Company must guarantee a broad and detailed disclosure, both within and outside its structure, of the Model and/or the Principles of the Model, and of the Code of Ethic.

## **6.2 Notification to the corporate bodies**

The Model is notified to the corporate bodies.

## **6.3 Notification to employees**

The Company, in coordination with the Supervisory Body, promotes the suitable initiatives for the dissemination of the Model for its widespread knowledge and application within the Company.

For this purpose, the Company, in close co-operation with the Supervisory Body and any interested functions, will define a specific disclosure and will take care of the diffusion of the Model within the Company.

The news of the adoption of the Model shall be made public with appropriate methods.

The Model's principles and contents are also disclosed by means of specific training courses which the employees of any level must attend.

The program of the training courses is set out by the Supervisory Body and mutually agreed with the Board of Directors.

## **6.4 Notification to Third Parties**

Third Parties who have or will have legal relationships with the Company are informed about the Model and its principles, and about the Code of Ethic also by a specific disclosure.

## **7. THIRD PARTIES' OBLIGATIONS PURSUANT TO LEGISLATIVE DECREE NO. 231/2001**

Third Parties, aware of the legal provisions of the Decree and of the fact that the Company's activity and its employees and other servants, is aimed at the complete compliance with the applicable regulations and at the abstention from any action determining the crimes listed in the Decree, commit to read carefully this document – Principles of the Model – which include a summary of the Model and of the Code of Ethic adopted, pursuant to Decree No. 231/01, by the Company and to mutually undertake to use their best endeavours to prevent that none of Apical Individuals and/or Subordinate Individuals, as respectively defined in Article 5 (1) (a) and (b), of the Decree No. 231/01, in the conclusion or execution of contractual relationship with the Company, behaves, puts in place acts or facts or incurs in omissions that could, directly or indirectly, constitute any crime provided for in the Decree and that from their commission could arise the administrative liability of the Company and/or, in any case, assumes attitudes that may lead to the violation of the Model, the Code of Ethic and/or the Decree No. 231/01.

Subject to the above, in the event of the Third Party is a professional person, he commits, in the conclusion or execution of contractual relationship with the Company, to impress its own behaviour to the principles of transparency and

fairness, and to not put in place acts or facts or not incur in omissions that could, directly or indirectly, constitute any crime provided for in the Decree No. 231/01 and that from its commission could arise the administrative liability of the Company and/or, in any case, not assume attitudes that may lead to the violation of the Model and/or the Decree No. 231/01.

Likewise, the professional person commits to do all in its power so that, in the conclusion or execution of contractual relationship with the Company, none of its employees and/or servants in general, behaves, puts in place acts or facts or incurs in omissions that could, directly or indirectly, constitute any crime provided for in the Decree No. 231/01 and that from their commission could arise the administrative liability of the Company and/or, in any case, assumes attitudes that may lead to the violation of the Model and/or the Decree No. 231/01.