



MACCHINE SPECIALI SRL

Organization, Management and Control Model

Pursuant to the Legislative Decree No. 231 of 8 June 2001

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MACCHINE SPECIALI S.R.L.
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GENERAL PART

The Organization, Management and Control Model, pursuant to the Leg. Decree 231/2001 is a set of regulations and procedures aiming at the prevention of definite crimes.

The law does not require any compulsory adoption; nonetheless, the approval of a Model, capable of preventing the criminal offences, represents a ground for exclusion or limitation of liability pursuant to the Leg. Decree 231/2001.

To be effective, the Model must be realized in compliance with the requirements of the Company or the Entity, through a careful examination of the corporate organization and the related liabilities, in order to identify which risk areas for predicate offences do exist. The Organization Model has been drawn up as result of this survey, which foresees the procedures to form and implement the decisions to be adopted by the Company in order to avoid – as much as possible – the perpetration of predicate offences envisaged by the regulation.

Moreover, the Model must identify the methods of management of the financial flows and establish adequate sanctioning measures in case of breach of its prescriptions. Finally, it is also required that the Model, which has been drawn up according to the previous prescriptions, is actually implemented, verified at regular intervals and constantly updated.

1. Regulatory framework

INDEX: 1.1. *The Legislative Decree, no. 231, dated 8 June 2001* – 1.2. *The crimes* – 1.3. *The crimes committed abroad* – 1.4. *The sanctions* – 1.4.1. *Monetary sanctions* – 1.4.2. *Deprivation measures* – 1.4.3. *Confiscation* – 1.4.4. *Publication of the conviction sentence* – 1.5. *Attempted crimes* – 1.6. *Exemption from liability*.

1.1. The Legislative Decree no. 231, 8 June 2001

The Legislative Decree no. 231, dated 8 June 2001 (hereinafter referred to as “Decree” or “Leg. D. 231/2001”), pursuant to the art. 11 of the Law no. 300, dated 29 September 2000, concerns the administrative liability of legal entities, of companies and of associations, including also those with no legal personality. This regulatory system outlines the general principles and the criteria for the assignment of administrative liability for criminal offence.

This Decree intends to bring the provisions of the Italian law on the liability of legal entities into line with a number of international conventions:

1. the Brussels Convention, dated 26 July 1995 on the protection of the European Community’s financial interests;
2. Convention dated 26 May 1997 on the fight against corruption involving public officers of the European Community and of the Member States;
3. the OECD Convention, dated 17 December 1997 on combating bribery of foreign public officials in international business transactions

The Decree has introduced into the Italian legal system a regime of administrative liability (substantially comparable to the criminal liability) against legal entities (for ex. companies, associations, cooperatives etc.) for the exhaustively listed criminal offences and committed in their interest or advantage. The liability of the entity is added to that of the natural person, who has actually committed the crime.

Art. 5 of the mentioned Decree considers the entity liable for the offences committed in its interest or advantage:

by individuals with functions of representation, management or direction within those Entities or in one of their organizational units with financial and functional

autonomy, and individuals exercising, also de facto, the management and control of such entities ¹;

- individuals subject to the direction or supervision of one of the above mentioned entities ².

The entity is not liable if the specified individuals have operated in their exclusive interest or of third parties.

The administrative liability involves in the penalty also the property of the entities and, therefore, the economic interests of the shareholders. Among the sanctions, those surely more onerous for the entity are represented by the interdiction measures, such as the suspension or revocation of licences and concessions, the prohibition to enter agreements with public administration, the prohibition to exercise the activity, the exclusion or revocation of funding and grants, the prohibition to advertise services and products.

1.2. The crimes

As to the crimes to which this system of rules is applied, it concerns the following types of crimes:

1. crimes committed to the detriment of the Public Administration;
2. IT crimes and illegal data processing;
3. crimes regarding counterfeiting of money, instruments of public credit and tax stamps and identification instruments or distinctive signs;
4. some kinds of corporate crimes;
5. terrorist crimes or crimes aimed at subverting democratic order;
6. crimes against the individuals;
7. insider dealing and market manipulation;
8. some crimes committed in breach of the safe working practices and protection of hygiene and health at work;

¹ By way of example, in this category are included the individuals with leading position, that is to say the Chairman, the Directors, the General Directors, the Manager of a Branch office or a division, and the de facto director or the sole shareholder dealing with the management.

² "Subordinate" to the officials with leading position are all the subjects that have a functional relationship with the entity. Therefore, besides the employees, this category also includes the subjects that deal as agents or sales agents, or any other kind of continuous and co-ordinated collaboration, with no employment relationship or any other relationship as provided for by art. 409 of Ital. Code of civil procedure and the occasional work contractors.

9. handling, self-laundering, laundering and use of money, goods or assets of illegal origin;
10. transnational crimes;
11. organized crime;
12. crimes against industry and trade;
13. crimes regarding violations of copyright;
14. crimes of obstruction of justice;
15. crimes in breach of environmental regulations;
16. crimes in matter of employment policy.

More in detail, the crimes to which this system of rules is applied are:

- 1) Crimes against the Public Administration and against the property of the public administration (art. 24 and 25)
 - a) fraud to the detriment of the State, of other public entity or the European Union;
 - b) IT fraud to the detriment of the State or other public entity;
 - c) embezzlement to the detriment of the State or the European Union;
 - d) improper obtainment of funds to the detriment of the State or the European Union;
 - e) aggravated fraud aimed at obtaining public funding;
 - f) *concussione*", i.e. extortion by individuals performing public service;
 - g) corruption;
 - h) corruption for an act contrary to official duties;
 - i) judicial corruption;
 - j) corruption of a person charged with public services;
 - k) incitement to corruption;
 - l) fraudulent conversion of public moneys, *concussione*, corruption and incitement to corruption of the members of the European Community and officers of the European Communities and Foreign States;
- 2) IT crimes and illegal data processing (art. 24-bis);
 - a) unlawful access to an IT or electronic system;
 - b) interception, impediment or unlawful interruption of IT or electronic communications;
 - c) installation of equipment aimed at intercepting, impeding, or interrupting IT or electronic communications;
 - d) damage to information, data and IT programmes;

- damage to information, data and IT programmes used by the State or other public bodies or of otherwise public utility;
- e) damage to IT or electronic systems;
 - f) damage to IT or electronic systems of public utility;
 - g) unlawful possession and dissemination of IT or electronic systems' access codes;
 - h) dissemination of equipment, devices or IT programmes aimed at damaging or interrupting an IT or electronic system;
 - i) false statements in IT documents;
 - j) computer fraud by the subject providing electronic signature certifying services;
- 3) Crimes regarding counterfeiting of money, instruments of public credit and tax stamps and identification instruments or distinctive signs (art. 25-*bis*);
- a) counterfeiting of money, spending and introduction into the State, of counterfeit money, acting in concert;
 - b) alteration of money;
 - c) spending and introduction into the State of counterfeit money, not acting in concert;
 - d) forgery of stamps, introduction into the State, purchase, possession or putting in circulation of forged stamps;
 - e) counterfeiting of watermarked paper used for the production of legal tender or stamps;
 - f) production or possession of thread marks or instruments used to counterfeit money, official stamps or watermarked paper;
 - g) use of counterfeit or altered stamps.
 - h) counterfeiting, alteration or use of trade marks or distinctive signs or patents, patterns and drawings;
 - i) introduction into the State and marketing of products with false signs;
- 4) Corporate crimes (art. 25-*ter*);
- a) false corporate communications;
 - b) false corporate communications to the detriment of the shareholders or of the creditors;
 - c) false statements in the reports³;
 - d) false statements in the reports or communications of the Independent Auditor⁴;
 - e) obstruction of control activities⁵;
 - f) fictitious capital formation;
 - g) improper reimbursement of contributions;

- h) illegal distribution of profits and reserves;
- i) unlawful transactions on the shares or on the quotas of the Company or of its holding company;
- j) transactions in prejudice of creditors;
- k) improper distribution of the corporate assets by the liquidators;
- l) unlawful influence over the shareholders' meeting;
- m) market rigging;
- n) obstruction of public Supervisory authorities in the performance of their duties;
- o) failure to disclose a conflict of interest;

³ Art. 34 of the Law no. 262 dated 28 December 20015 (stating provisions for the protection of savings and the discipline of the financial markets and also known as "Law on savings") has introduced the case of false statements in the reports among the crimes provided for by the Leg. Dec. 58/1998(TUF), in detail of art. 173-bis, by abrogating the art. 2623 of the Ital. C.C. The consequence of said abrogation seems to coincide with the exiting of the crime for false statements in the reports from the list of the so-called predicate offences and, therefore, with the consequent lapse of the administrative liability of the entity.

⁴ Art. 37 of the Leg. D. No. 39 dated 27 January 2010 has abrogated the art. 2624 Ital C.C. (false statements in the reports or in the communications of the Independent Auditors) by introducing, at the same time, the art. 27 which envisages the case of false statements in the reports or in the communications of the auditors; the new subject matter has a broader application with respect to the previous one, since it regulates also the supposition of crime committed by an auditor of a public-interest entity. The subject matter of the offence specified by art. 25-ter therefore has not been repealed from the list of offences, it has only changed its placement (since it is no more foreseen by the C.C. but from the Leg. D. 39/2010); therefore, although an explicit link between the Leg. D. 231/2001 and the new subject matter of offence fails, it has been deemed appropriate to leave the reference to the crime concerning false statements in the reports or in the communications of the auditors, which, as a consequence, continues to be analysed upon mapping the crime-sensitive activities and processes".

⁵ Art. 37, par. 35 of the Leg.D. no. 39 dated 27 January 2010, has modified art. 2625 first par. of the Ital. C.C. by removing the auditing from the list of activities for which the regulation sanctions the obstruction committed by the directors; the obstruction of control activities of the auditors is now regulated by art. 29 Leg.D. 39/2010 which foresees that "1. the members of the board of directors that, by concealing documents or by other opportune artifacts, hinder or anyway obstruct the performance of the statutory auditing are punished with a fine up to 75,000 €. 2. If the behaviour specified under par. 1 has caused a damage to the shareholders or to third parties, a sanction will be applied up to 75,000 € and detention up to 18 months. 3. In case of statutory auditing of public-interest entities, the sanctions mentioned under par. 1 and 2 are doubled. 4. Will be proceeded against separately".

- 5) Crimes committed for purposes of terrorism or aimed at subverting democratic order.(art. 25*quater*);
- 6) Crimes against the individual (artt. 24-*quater*.1 e 25-*quinqüies*)
 - a) reduction to a state of slavery;
 - b) juvenile prostitution;

- c) juvenile pornography;
 - d) possession of pornographic material;
 - e) virtual pornography;
 - f) tourist initiatives aimed at the exploitation of juvenile prostitution;
 - g) trafficking of persons;
 - h) trafficking and trade of slaves;
 - i) female genital mutilation;
- 7) Misuse of privileged information and market manipulation crimes (art. 25*sexies*);
- 8) Manslaughter due to negligence and serious or very serious personal injury due to negligence, committed in breach of the health and safety workplace regulations (art. 25*septies*);
- 9) Handling, self-laundering, laundering and use of money, goods or assets of illegal origin (art. 25-*octies*);
- 10) Transnational crimes³:
- a) criminal association;
 - b) criminal association of a mafia type;
 - c) criminal association for the purpose of smuggling processed tobacco from the abroad;
 - d) criminal association for the purpose of illegally trafficking in drugs or psychotropic substances;
 - e) provisions against illegal immigration;
 - f) crime of inducement not to testify in court or to commit perjury;
 - g) political – electoral clientelism;
- 11) Offences regarding organized crime (art. 24-*ter*);
- a) criminal association for the purpose of reduction to or maintenance of slavery, trade of human beings, sale and purchase of slaves and offences relating to violations of the provisions on illegal immigration;
 - b) criminal association (also foreign) of a mafia type;
 - c) political – mafia electoral clientelism;
 - d) kidnapping for ransom;

⁶ We underline that the commission of the so-called “transnational” crimes has competence only if the offence is sanctioned by the sentence of penal servitude not lower than four years and an organized criminal association is involved, besides *i*) it has been committed in more than one State (*ii*) it has been committed in one State but a substantive part of its preparation, planning, direction and control takes place in another State (*iii*) it has been committed in one State but involved is an organized criminal association engaged with criminal activities in more than one State (*iv*) it has been committed in one State but it has substantive effects in another State.

- e) criminal association for the purpose of illegally trafficking in drugs or psychotropic substances;
 - f) criminal association;
 - g) offences relating to the manufacture and trafficking of war weapons, explosives and illegal weapons;
- 12) Offences against industry and trade (art. 25-*bis*.1)
- a) obstructing industry and trade;
 - b) fraud in trade;
 - c) sale of not genuine food substances as if they were genuine;
 - d) sale of industrial products with misleading signs;
 - e) manufacture of and trade in goods made by usurping industrial property rights;
 - f) counterfeiting of geographical indications or designations of origin of farm produce;
 - g) illegal competition with threats or violence;
 - h) fraud against the national industries;
- 13) Crimes regarding the infringement of copyright (art. 25-*nonies*);
- 14) Crimes to the detriment of the administration of justice (art. 25-*decies*);
- 15) Crimes in breach of environmental regulations (art. 25-*undecies*);
- a) discharge of waste waters containing harmful substances without or in breach of the authorizations, or by exceeding the limit values;
 - b) collection, transport, recovery disposal trade and intermediation of waste without the required authorizations, registration or communication;
 - c) realization and management of non-authorized landfills;
 - d) non-permitted activities of waste mixing;
 - e) ground, subsoil, underground water pollution without carrying out the required reclamations;
 - f) transport of harmful waste without the proper documents or with incomplete or wrong documents;
 - g) organized activities for the illegal trafficking in waste;
 - h) fraudulent management of waste;
 - i) breach of max. emission limits;
 - j) production, consumption, importation, possession and marketing of harmful substances for the ozone;

- k) killing, destruction or capture, withdrawal or possession of animal or vegetable protected wild species or destruction or deterioration of the habitat inside a protected site;
 - l) fraudulent or intentional pollution of ships;
- 16) Crimes regarding the employment policy with reference to the engagement of non-EU citizens (art. 25-*duodecies*)

1.3. The crimes committed abroad

Pursuant to art. 4 of the Leg. D. 231/2001, the entity can be held liable in Italy for the crimes committed abroad – as envisaged by the Leg. D. 231/2001.

The explanatory Report of the Leg. D. 231/2001 underlines the need for sanctions to address frequent criminal activities, also in order to avoid any easy circumvention of the regulation system concerned.

The assumptions on which is based the liability of the entity for crimes committed abroad, as foreseen by the regulation or inferable from the Leg. D. 231/2001 are the following:

- 1) the crime must be committed abroad by someone who is functionally connected to the entity, as per art. 5 par. 1 of the Leg. D. 231/2001;
- 2) the entity must have its main office inside the territory of the State;
- 3) the entity can be held liable only in the cases and under the conditions provided for by art. 7, 8, 9 10 of the Criminal Code. This reference is to be coordinated with the provisions of the art. 24 to 25 *nonies* of the Leg. D. 231/2001, so that – also in accordance with the principle of legality as per art. 2 of the Leg. D. 231/2001 – against a series of crimes mentioned by art. 710 Criminal code, the entity will be held liable only for the crimes for which its liability is provided for by a specific provision of law;
- 4) the entity can be held liable in case it cannot be prosecuted by the country where the crime was committed;
- 5) if the law provides for that the guilty entity is sanctioned upon request of the Ministry of Justice, proceedings will be started against the entity only if the request is formulated also against the same entity.

1.4. The Sanctions

1.4.1. Monetary penalties

The monetary penalties are of administrative nature and they are always applied, also in case the legal person remedies the consequences ensuing from the crime.

The amount of the monetary penalty depends on two criteria:

- 1) determination of quotas on a range from 100 (min.) and 1,000 (max.);
- 2) assignment to each quota of a value between € 258.00 (min.) and max. € 1,549,00 (based on the economic and property conditions of the entity).

Practically, the monetary penalties can range between min. € 25,822.84 (can be reduced to the half pursuant to art. 12 of the Decree) and € 1,549,370.69 (max.).

The judge determines the number of quotas on account of:

- 1) the seriousness of the fact;
- 2) the degree of responsibility of the entity;
- 3) the actions undertaken to eliminate or diminish the consequences and to prevent more crimes from being committed.

1.4.2. Deprivation measures

These sanctions are in addition to the monetary sanctions and their function is to prevent the performance of further offences.

Upon application of these penalties, the judge takes into consideration the activity performed by the entity, in order to exert a greater invasiveness on the performed activities.

To this regard, the category includes the following measures:

- 1) debarment from exercising business activity;
- 2) ban on contracting for work with the Public Administration;
- 3) suspension or revocation of those permits, licenses or concessions which were/are functional to the commission of the offence;
- 4) exclusion from public aid, financing, grants and subsidies and/or revocation of those already granted;
- 5) ban on advertising goods or services.

In presence of a plurality of crimes, the sanction applied is that foreseen for the most serious one. The duration of the debarment is usually temporary (from min. 3 months to max. 2 years) with the exclusion of some incontrovertible cases, which imply the finality of the disqualification. E.g.:

- 1) in the event of repetition of the crimes;
- 2) in case the entity has gained significant profit;

3) in the event of repeated crimes (at least three times over the last seven years).

It is worth noting that the entity's activities may continue under the management of a commissioner appointed by the judge as per art. 15 of the Leg. D. 231/2001 (in spite of infliction of the sanction) under one of the following situations:

- 1) the entity performs public services or is a public utility undertaking and the interruption of the services provided may be detrimental for the collectivity;
- 2) the interruption of the services may cause, on account of its dimensions and economic situations of the territory where it operates, important effects on employment.

1.4.3. Confiscation

This sanction can be applied contemporaneously with the issue of the conviction decision and consists in the confiscation (by the Judicial Body) of the crime proceeds or profits, with the exclusion of the part that can be returned to the injured party. If the confiscation of the crime proceeds or profits is not possible, money amounts or assets or other properties of equivalent value can be confiscated.

1.4.4. Publication of the conviction sentence

The publication of the conviction sentence is ordered when a disqualification sanction is applied against the entity.

The sentence is published (at the expenses of the convicted legal entity) only once, in extract or as a whole, in one or more newspapers as suggested by the judge, and also by affixing the sentence in the municipality where the entity has its main office.

1.5. Attempted crimes

In case of attempts at the crimes sanctioned in Chap. I of Leg. D. 231/2001, the amount of the monetary sanctions and the duration of the ban from office are reduced by half; sanctions are not imposed when the entity deliberately prevents the crime from being committed or the event from happening.

1.6. Exemption from liability

Articles 6 and 7 of the Leg. D. 231/2001 foresee specific types of exemption from liability if it proves that:

1. the executive management body has adopted and effectively applied, before the crime was committed, an organizational and management model capable of preventing crimes;

2. the task of overseeing operation of and compliance with the Model and proposing any updates of the Model itself has been entrusted to a Supervisory Body of the Entity having autonomous powers of initiative and control;
3. the individuals who have committed the crime have fraudulently eluded the above-mentioned Model;
4. the Supervisory body did not fail to perform its Supervisory duties or applied an insufficient level of Supervisory.

With regard to the extension of the delegation of powers and the risk of crimes commitment, the models must meet the following requirements:

1. identification of the activities in the context of which there is a possibility that crimes may be committed;
2. provision of specific protocols focused upon the making and implementation of the Entity's decisions in relation to the crimes to be prevented;
3. identification of ways to manage financial resources capable of impeding the perpetration of crimes;
4. providing for a duty to inform the Supervisory body;
5. introduction of an internal disciplinary system capable of sanctioning any failure to comply with the measures indicated in the Model.

Furthermore, it shall be distinguished:

- if the crime is committed by individuals having representative, administrative or management functions in the entity or in one of its organizations with financial and functional autonomy, or from individuals exerting, de facto, the management or the control of the entity, the latter is not liable if the previous points can be proven;
- if the crime is committed by individuals under the direction or supervision of one of the above mentioned bodies, the entity is liable if the perpetration of the crime has been determined by the non-observance of the supervisory obligations; but this non-observance is excluded if the entity has adopted and effectively implemented, before the crime was committed, an organizational, management and control model, capable of preventing crime of the same kind to that which has taken place.

Art. 6 of the Decree provides that the organizational, management and control Models may be adopted on the basis of codes of conduct drawn up by associations which represent the

business sector, and notified to the Ministry of Justice which, together with the other competent Ministries, may express an opinion on the suitability of the models to prevent crimes.

2. The Model

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2.1. Purpose of the Model

Purpose of the Organizational, Management and Control Model is to create a structured and organic set of procedures and monitoring activities with the aim of preventing the commitment of crimes as provided for in Leg. D. 231/2001, through the identification of the activities exposed to a risk of crime and their consequent proceduralization.

By adopting this Model, MACCHINE SPECIALI strives to achieve the following objectives:

1. establish a code of ethics and the respect of legality;
2. make the recipients of the Model aware that, should they violate the following provisions, they may be committing an illegal act that could give rise to criminal penalties for themselves and administrative penalties for the Company;
3. emphasize that MACCHINE SPECIALI strongly condemns such forms of illegal conduct because they (also in case the Company would apparently take advantage from that) are not only contrary to law, but also violate the principles of ethics that MACCHINE SPECIALI abides by;
4. enable the Company to monitor all areas of potential risk in order to act promptly and prevent or block the perpetration of crimes.

2.2. Acceptable risk

A critical concept in the definition of this organizational and management Model is that of acceptable risk. In fact, for the application of the provisions set forth by the Decree, it is important to define an acceptability threshold that allows to fix a limit to the quantity and quality of the prevention instruments

to be adopted and capable of preventing the perpetration of a crime. With respect to the risk of crime perpetration as per the Leg. D. 231/2001, the threshold of acceptability is represented by a risk-prevention system that can be only deliberately by-passed; this means that, to purposes of the exclusion of administrative liability of the entity, the individuals that have perpetrated the crime have also committed a fraudulent circumvention of the Model and the adopted controls.

2.3. Model's preparation process

2.3.1. Preliminary analysis of the company's structure

The objective of this phase is the pre-examination, through document analysis and interviews with well-informed individuals inside the company, of the organization and activities performed by various functions, besides the company processes that support said activities.

2.3.2. Identification of "crime-sensitive" areas and processes in the Company's business

Through the above-mentioned preliminary examination of the company's structure, have been identified:

- the "crime sensitive" areas, i.e. the activities where there is a higher chance that crimes, as set forth by the Decree, are committed;
- the processes which are "instrumental" to the commitment of the crimes referred to in the Decree, i.e., those activities which, by their very nature, can provide opportunities and/or instruments to commit the crimes.

The analysis, which has been reported in the "mapping of crime-sensitive activities and instrumental processes" in Annex 2, has been carried out on the crime-sensitive activities as per art. 24 and 25 of the Decree.

The organized association crimes ex art. 24-ter Leg. D. 231/2001, the crimes committed for purposes of terrorism or aimed at subverting the democratic order ex art. 25-quater Leg. D. 231/2001, the crimes committed in carrying out female genital mutilation practices ex art. 25-quater Leg. D. 231/2001, the market abuse crimes ex art. 25-sexies Leg. D. 231/2001 and the crimes against the individual ex art. 25-quinques Leg. D. 231/2001 have been analysed upon mapping the instrumental activities and processes. Nevertheless, after a careful preliminary evaluation, supported by a wide series of

interviews and a review of the corporate documentation, no specific crime-sensitive areas/process have been identified since, although it cannot be excluded that they'll theoretically occur, their actual occurrence is unlikely, both on account of the corporate operations and of the elements needed for the commitment of the crimes in question.

With regard to the crime of criminal association, ex art. 416 Penal Code, the analysis concentrated on profiles re-conducting this legal paradigm to the crimes taken into consideration when mapping instrumental activities and processes.

Substantially, although not being able to totally exclude reference to criminal association also in the case of crimes different from those included in the mapping, the analysis effected has determined the consideration in terms of priority, with respect to the principle of acceptable risk and *cost-effectiveness* of internal control processes, of the profiles proper of typical activities in the Company's operating reality.

Therefore, firm remaining the case of crime identified in the mapping referred to the single activities and relative proceedings and firm remaining the control protocols defined according to this Model (developed respecting the presumed principle of peremptoriness of crimes), the crime, as per art. 416 Penal Code, is considered of "associative" nature. Considered concretely is the fact that hypothetically the crime could be committed or even only planned by three or more individuals within the organisation or outside the perimeter of the same (for example, in relations with suppliers or commercial partners).

For the identified areas of activity and sensitive instrumental procedures, potential examples of crime risk have been identified along with the possible methods of implementing the same and the individuals (employees or not) normally involved. An assessment was then made of the level of potential risk associable to each sensitive activity/process, according to a risk assessment method based on the following elements:

1. Identification and weighting of the two macro axes to analyse the risk:

- Probability axis indicating the degree of possibility that the risk event may occur;
- Impact axis indicating the consequences of the risk event's occurrence.

2. Assignment and weighting, for each of the macro axes, of specific assessment parameters, according to the following scheme:

- For the probability axis:
 - Frequency of occurrence/course of the activity described and other important financial/quantitative indicators of company activities or procedures (for example, financial value of operations or actions in being, number and type of individuals involved, etc.);
 - Probability of occurrence, in the operative context, of the hypothetical crime (for example, the presumed “easiness” of implementing criminal behaviour with reference to said context);
 - Any previous crimes committed within the Company or more generally, in the sector in which it operates;
- For the impact axis:
 - Gravity of sanctions potentially associable to the commitment of one of the crimes contemplated by Decree 231/2001 in the performance of activities;
 - Potential benefit derived by the Company following the hypothesised illicit behaviour which could encourage the committing of illicit behaviour by the Company’s employees;

3. Assignment of a specific value for every parameter of analysis based on a scale of quality (for example: very low - low – medium – high – very high);

4. Definition of an overall evaluation (of axis and total) and assignment of a synthetic opinion of risk based on the same, qualified as follows: high risk, medium risk, low risk.

It must be made underlined that the above variables have been used to define a grading of the general risk associated with the single sensitive activities/procedures.

2.3.3. Model outline

Following to the above-mentioned activities, MACCHINE SPECIALI has deemed it opportune to define the operating principles and the reference “protocols” of the Organizational Model that it plans to implement, by taking into account the provisions of the Decree.

2.4. Adoption and recipients of the Model

The company is sensitive to the need to create conditions of fairness and transparency in the conduct of its business and corporate activities in order to protect its position and image, the expectations of its shareholders and the jobs of its employees; it is also aware of the importance of adopting an internal control system capable of preventing unlawful conduct by its Directors, employees, representatives, partners and agents.

This initiative has been undertaken with the firm belief that the adoption of the Model represents a sensitization instrument and ethical formation for all the individuals operating in the name and on behalf of the Company, in order that they have a correct and linear way of conduct while carrying out their activities, to such an extent that the risk of crime perpetration, as foreseen by the Decree, is prevented.

Although the adoption of the Model, as foreseen by the law, is facultative and not compulsory, MACCHINE SPECIALI - in conformity with art. 6 par. 1 a) of the Leg. D. 231/2001 which requires that the Model is “issued as an act of the management body” – has adopted its Model upon resolution of the sole Director dated 01.12.2015. At the same time, MACCHINE SPECIALI has appointed a special Supervisory Body with the task of monitoring the operation, effectiveness and compliance with the Model, besides taking care of its updating.

With the formal adoption of the Model, it becomes a compulsory rule for the Company, for the members of the Corporate governing bodies (i.e. the Director and, if required, the shareholders), for the employees and any other individual operating on behalf or in the interest of the Company (collaborators, consultants, suppliers, partners, etc.). The adoption and the implementation of this system allows the Company to benefit from the liability exemption as foreseen by the Leg. D. 231/2001 and to dilute the risk of detrimental events by intervening directly on the possibility of its occurrence and on its impact.

2.5. Model update

The following substantive modifications or integrations, also suggested by the Supervisory Body (e.g. modifications to the rules and general principles contained in this Model) are committed to the Company’s Director. As concerns the adoption of non-substantive modifications, the Director will anyway be entrusted with the task.

2.6. Model structure and features

This Model consists of:

- a “General Part”, describing the applicable regulation and the general working rules of the Model and of the Supervisory Body;
- a “Special section”, focused on the “sensitive” activity areas and instrumental processes, the rules of conduct and other control instruments – already existing in the company or established ad hoc pursuant to Leg. D. 231/2001 – that are considered significant with respect to the crimes to be prevented and the organizational structure.

The Company undertakes to implement the Model, to keep it up-to-date with respect to the changes of the internal and external structure and assures its observance and operation thanks to the application of specific methods and with the adoption of the most adequate operating methods, in compliance with the irrevocable control principles. The Model is added to the already existing, wider organization and control system of MACCHINE SPECIALI with the purpose of improving it thanks to the following qualifying elements:

1. the definition of codification for the company’s internal operation procedures already in use.
2. the mapping of the “crime sensitive” company’s activities and processes with respect to the perpetration of the crimes as foreseen by the Leg. D. 231/2001 to be submitted to periodical analysis and monitoring (Annex 2);
3. the rules of conduct the Company has to keep to, in order to prevent the occurrence of the crimes foreseen in the Leg. D. 231/2001;
4. assign to a Supervisory Body (hereinafter also OdV) the task of monitoring the effectiveness and correct operation of the Model;
5. the flow of information to the OdV;
6. an adequate sanctioning system capable of assuring an effective implementation of the Model, containing the applicable disciplinary measures in case of non-observance of the measures stated in the Model;
7. verification and documentation of all significant operations;
8. the observance of the principle of separation of functions, which is assured by the existence of a powers granting system; the latter defines accurate limits to the decision-making power of the individuals and assures a separation between those who put forward proposals and those who operate and control and, consequently,

the absence in the company of individuals with absolute and unconditioned power over a whole process;

9. the definition of authorization powers compliant with the assigned responsibilities;
10. the availability to the OdV of adequate company resources as to their number and value and on account of the expected and reasonably achievable results;
11. the rules and the responsibilities for the adoption, implementation and following modifications or integrations to the Model (Model updating) and for a continuous verification of the Model application and effectiveness;
12. the sensitisation, information and disclosure activity to all company's levels and to the external recipients of the established procedures and behavioural regulations.

2.7. Potentially “crime-risk” corporate activities and processes

Following to the preliminary analysis of the context in which the company operates, some activities have been outlined within which the crimes listed in the Decree could be potentially committed (the so-called “sensitive” activities); the same applies to the corporate processes in which some conditions or instruments for the perpetration of some kinds of crimes could be potentially committed (the so-called “instrumental” processes).

On account of the peculiarity of the corporate activities carried out by MACCHINE SPECIALI and the internal adopted structure, the main “sensitive” activities and “instrumental” processes identified are the following:

1. management of institutional relations with the Public Administration and interlocution with public bodies on topics having strategic relevance for the Company;
2. distribution and production flows;
3. management of relations with public bodies to obtain authorizations, licences and concessions relative to the performance of corporate activities and the production plants / management of type-approval practices, certification and declaration of conformity by the governing Bodies and Institutes, also on the occasion of audits;
4. management of the commitments relevant to health and safety at the workplace and the relations with Public Bodies as concerns the observance of the measures foreseen by the laws and the regulations for the hiring of employees with particular tasks;
5. management of the commitments, verifications and inspections in case of use of harmful substances, production of solid waste, discharge of waste waters and

- emission in the atmosphere, in matters of control of risk of significant accidents and the fulfilments required by AIA (Environmental Integrated Authorization);
6. conferral of technical consultancy tasks and coordination of the waste disposal process;
 7. purchase of goods and services;
 8. activities relative to the selection and management of the personnel;
 9. management of representation expenses and reimbursement of expenses to the employees;
 10. management of the relations with the agents;
 11. management of the commitments in matters of protection of personal data;
 12. management of gifts, donations, sponsorship and charitable donations;
 13. implementation and management of facilitated financing (low-interest loans, non-returnable contributions, tax credits, tax incentives, structured finance instruments such as participatory loans, *mezzanine financing* and any other supporting instrument granted by Public Bodies of Credit Institutes in agreement with Public Bodies, etc.);
 14. drawing up of the annual financial statements;
 15. management of corporate fulfilments;
 16. management of tax fulfilments and relations with tax authorities and tax police officers on the occasion of inspections and investigations (for tax, corporate, etc. purposes);
 17. management of fiscal litigations;
 18. management of judicial and extra-judicial litigations (civil, criminal, administrative, labour law) appointment of lawyers and coordination of their activities;
 19. use of IT or electronic resources and information or any other intellectual creation protected by copyright;
 20. management of the relations with public or private third-parties in the performance of the work activities on behalf and/or in the interest of the Company;
 21. relations with customers/ suppliers/ partners for the management of negotiating agreements and relative administrative, accounting and treasury operations;
 22. hiring of non-EU personnel not provided with due residence permit.

A detailed analysis of the potential risk profile associated to the “crime sensitive” activities and the identified “instrumental” processes is given in the “mapping of crime-sensitive activities and instrumental processes”, which has been elaborated during the preliminary analysis and is available in Annex 2.

The corporate executives, supported by the Supervisory Body, have the task to ensure the continuous updating of the “mapping of crime-sensitive activities and instrumental processes” to be carried out with particular care in case of significant changes in the corporate structure (e.g. opening of new headquarters, expansion of activities, acquisitions, re-organizations, etc.) and/or regulatory upgrading.

3. General principles of the Company's organizational and control system

INDEX: 3.1. *Preamble* – 3.2. *Organizational structure and separation of functions* – 3.3. *Delegation of powers* – 3.4. *Operating procedures* – 3.5. *Monitoring and control activities* – 3.6. *Traceability*

3.1. Preamble

This Organizational, Management and Control Model, without prejudice to the specific purposes as previously described (see *infra* § 2.1) and relative to the Leg. D. 231/2001, integrates the already existing, wider organization and control system of MACCHINE SPECIALI with the purpose of achieving, with reasonable likelihood, the company's goals in compliance with the laws and regulations, the reliability of the financial information and safeguard of the property, also against possible frauds. In particular, the following components have been proposed by MACCHINE SPECIALI as specific instruments conceived for planning and implementing the Company's resolutions and capable of ensuring an adequate control of the same, also as concerns the crimes to be prevented.

3.2. Organizational structure and separation of functions

The organizational system must observe the requirements of:

1. clarity, formalization and communication, with particular reference to the attribution of responsibilities, the definition of the management hierarchy and the assignment of operating activities;
2. separation of the functions, i.e. the organizational structures are articulated in a way to avoid any overlapping of functions and the concentration of highly critical or risky activities in only one person.

In order to guarantee these requirements, the Company provides itself with organizational instruments (organization charts, organizational information, coded procedures etc.) based on the following criteria:

1. recognizability inside the Company;
2. clear description of the reporting lines;

3. General principles of the Company's organizational and control system

3. clear and formal definition of the functions, with description of the tasks and responsibilities attributed to each function.

3.3. Delegation of powers

At the time when the Model is drawn up, the Company has not finalized yet a system of written delegations as concerns the internal authorization powers upon which the company's decision-making processes depend as to the operations to be implemented, or the powers of representation for the signature of acts or documents intended for external authorities and capable of binding the Company (the so-called special or general "proxies").

When finalized, the aforementioned delegations must anyway comply with the following requirements:

1. be clearly defined and formally assigned by written communications;
2. be consistent with the delegated responsibilities and tasks and the positions held inside the organizational structure;
3. foresee some limits consistently with the powers conferred, with particular attention to the limits of spending and the authorization and/or signature powers for the operations and acts that are considered "risk-prone" inside the company;
4. be updated, according to the organization changes.

The Company undertakes to timely update the delegations of powers, also by defining the cases in which the delegations must be attributed, modified and revoked (undertaking of new responsibilities, assignment of different tasks, resignations, dismissal, etc.).

3.4. Operating procedures

The operating processes and activities are supported by internal formalized procedures, with the following characteristics:

1. due divulgation to the corporate structures involved in the activities;
2. regulation of methods and times for the performance of the activities;

3. clear definition of the responsibilities for the activities, by observing the principle of separation between the individual that starts the decision-making process, the one who performs and ends it, the individual responsible for its control;
4. traceability of the acts, the operations and the transactions by means of suitable documents and electronic means certifying the characteristics and grounds for the operation, besides singling out the individuals involved in the operation (authorization, implementation, registration, verification of the operation);
5. objectivation of the decision-making processes, by means of prevision, if applicable, of definite criteria and reference methods for the fulfilment of corporate choices;
6. provision of specific control mechanisms (such as reconciliations, balancing, etc.) capable of assuring the integrity and completeness of the managed data and information exchanged inside the organization.

3.5. Monitoring and control activities

They involve, with different roles: the Administrative body (single or advisory board– if the company decides to have a collective management), the Board of Statutory Auditors and the Independent Auditors (if applicable), the Supervisory Body, the individuals responsible for safety and, more generally, the whole corporate staff.

The control tasks of these entities are defined with respect to the following control activities:

1. *Supervisory* over the due administration of the Company, the adequacy of the organizational structures and the compliance with the law and the articles of association;
2. *in line controls*, with the aim of ensuring the correct performance of the operations and carried out by the production structures or incorporated in the procedures;
3. *internal audit*, with the aim of detecting any anomalies or breaches of the corporate procedures and the assessment of the functionality of the exhaustive internal control system; it is performed by independent structures with respect to the operational ones;
4. *external auditing*, with the aim of ascertaining the correct book-accounting and the preparation of the annual financial statements, in conformity with the governing accounting principles;

5. *control and management*, with reference to the promptness in reporting critical situations and the definition of suitable risk indicators.

3.6. Traceability

All operations must be recorded accordingly. The process leading to the decision, authorization and development of the activity must be verifiable ex post, also by means of suitable guidance documents and, in any case, the cases and methods for the possible cancellation or destruction of the recordings must be examined in detail.

For these reasons the Company considers fundamental that the above mentioned control principles are correctly and effectively applied in all corporate activities/ processes which have been identified as potentially sensitive to crime risk upon the mapping phase (s. § 2.7).

The task of verifying the continuous application of these principles, as well as their adequacy and updating is conferred on the Director and, very soon, also on the Supervisory Body. The latter shall be kept continuously informed and it can be asked for opinions and guidelines.

We kindly refer you to the following chapters as concerns an analysis of the Model control activities.

4. Supervisory Body

INDEX: 4.1. *Identification* – 4.2. *Requirements* – 4.2.1. *Autonomy and independence* – 4.2.2. *Professionalism* – 4.2.3. *Continuous action* – 4.3. *Functions and powers* – 4.4. *Methods and periodicity of reporting to the corporate bodies* – 4.5. *Other activities* – 4.6. *Management of the financial flows* – 4.7. *Information flows to the control bodies* – 4.7.1. *Information commitments towards the Supervisory Body a* – 4.7.2. *Collection and storage of information*

4.1. Identification

Pursuant to Leg. D. 231/2001, the management and control Model must be efficaciously implemented. To this end, a suitable Supervisory Body shall be appointed with the task of autonomously controlling the correct functioning and observance of the Model.

The Supervisory Body (hereinafter also called “**OdV**”) must be in-house (ex.art. 6 par. 1 b) Leg. D. 231/2001) and possess the technical and professional skills which are necessary

to perform the functions it is required to perform and must guarantee continuity of action.

It cannot be a management body, which possesses only proactive and Supervisory powers, nor the Board of Statutory Auditors (if any), since the latter does not possess any features capable of guaranteeing continuous action and it is not an internal structure.

The function must therefore be attributed to a body with a high hierarchical position inside the corporate organizational chart, by underlining that this body performs no operative tasks since the participation to operational activities may “foul” the objectiveness of opinion upon verification of the Model and behaviours. The *OdV* directly reports to the Corporate top management, either operative and control managers, so that it is granted the necessary autonomy and independence in the performance of its tasks.

MACCHINE SPECIALI has decided to confer the qualification of Supervisory Body on a single entity whose members are appointed by the management body and identified among individuals outside the Company, particularly qualified and skilled in the activities concerned pursuant to the Leg. D. 231/2001, in a way to grant the Supervisory Body the necessary autonomy in the legal, accounting, risk assessment, auditing and labour law matters, besides being in possession of the honourability requirements as foreseen by the Law. The members of the *OdV* must be independent with respect to the Company, that is to say:

- a. shall not be bound to the Company, to its parent company or to the subsidiary and/or controlled company by employment relation or by commercial, property relationships which may give rise to potential conflicts of interest, with reference to the areas of competence of the OdV;
- b. shall not have kinship relationships with the shareholders or the directors of the Company, of its parent company or its subsidiary and/or controlled companies capable of influencing its autonomy of judgement;
- c. shall not be bound by state of dependence or subordination in any way, on any basis, to the Company, its parent company or its subsidiary and/or controlled companies .

It must be underlined that the Supervisory Body:

- 1. directly reports to the Director;
- 2. has autonomy of intervention in the areas of competence. To this end, and in order to guarantee a continuous development of the monitoring activity as to the adequacy and suitability of the Model, the Supervisory Body avails itself of internal personnel and/or external collaborating partners;
- 3. redatto dallo stesso; is provided with its own “rules of operation” which have been drawn up by the same OdV;
- 4. has an annual *budget* to be exclusively used by the OdV for expenses as decided by the Director. The OdV deliberates with autonomy and independence on the expenses to be carried out within the limits of the approved budget and refers to the authorized signatories inside MACCHINE SPECIALI as concerns the undersigning of the relative commitments. In case the request of expenses exceeds the approved *budget*, OdV needs to be authorized by the Chairman within the limits of its proxies or directly by the Director.

The Supervisory Body is appointed for a period of 3 (three) years.

The Supervisory Body meets at least quarterly and, anyway, according to its resolutions as recorded in its “rules of operation”. For purposes of a better knowledge and correct attendance to the corporate activities, the Supervisory Body can require the attendance to its meetings – also permanently – of, for instance, members of the Board of Statutory Auditors and the individuals responsible of the corporate functions

related to the monitoring activities. The latter will attend the meetings exclusively as invitees.

The following can be regarded as reasons for incompatibility with the appointment as Supervisory Body:

1. be a member of the Board of Directors of MACCHINE SPECIALI (or its Director), of its parent company or of subsidiary and/or controlled companies of MACCHINE SPECIALI and be provided with executive powers;
2. be an auditor of MACCHINE SPECIALI, of its parent company or subsidiary and/or controlled companies of MACCHINE SPECIALI;
3. have marriage, family or kinship relationships up to the fourth degree with the above listed individuals;
4. having performed, over the last three years, functions of Administration, direction or control in undertakings which have undergone bankruptcy, administrative compulsory liquidation or similar proceedings;
5. having been sentenced, also with non-irrevocable judgment, to:
 - a. sentence of imprisonment involving the interdiction, also temporary, from holding public offices or the temporary prohibition to hold management positions;
 - b. sentence of imprisonment for having committed one of the crimes foreseen by the *Led. D. 231/2001*;
6. having been subjected to a sentence pursuant to Art. 444 *Ital. Penal code*, in relation to one of the crimes set out in the *Leg. D. 231/2001*.

In order to guarantee the autonomy and independence, any modifications to the structure (appointment, revocation, etc.), to the powers and operation of the Supervisory Body can be carried out only upon decisions of the Director or through resolutions of the Board of Directors, by unanimous approval and for “justified reason”.

To this effect, by “justified reason” is meant:

1. a serious default of the duties set out in the Model (see § 5.2);
2. conviction of the Company for the purposes of the Decree or a final plea-bargained sentence showing “omitted or insufficient monitoring” on the part of the Supervisory Body;

3. a conviction or bargained sentence on one of the members of the Supervisory Body for one of the crimes provided for in the Leg. D. 231/2001 or similar crime;
4. breach of confidentiality.

In all cases of application of a ban, as precautionary measure and as set out in the Decree, the Director, after having collected all appropriate information, can decide a revocation of the OdV in the event he/she ascertains omitted or insufficient monitoring by the OdV.

If the requirements of autonomy, independence and professionalism cease to apply or if one of the above listed causes of ineligibility should occur, the Board of Directors, after having carried out the opportune ascertainment and upon consultation of the person concerned and the other members of the OdV, fixes a term of thirty days at least, within which the situation of incompatibility shall cease. Once this term has expired and the aforementioned situation has not ceased to exist, the Director must declare the revocation from the office for the OdV.

Likewise, a serious illness making the OdV unsuitable for the monitoring functions, or a sickness that anyway causes the OdV not to perform its activities for a period beyond 6 months, will anyway imply the declaration of revocation from the office, to be carried out according to the abovementioned procedures. In case of resignation, revocation or expiry of term of office of the Supervisory Body, the Directors shall promptly proceed to appoint a new OdV in replacement.

4.2. Requirements

4.2.1. Autonomy and independence

The requirements of autonomy and independence are essential for the Supervisory Body not to be directly involved in the management activities subject to its control and, above all, the possibility of performing their activities without any direct or indirect conditioning from the entities under control.

These requirements will be satisfied by releasing the OdV from any hierarchical reporting line within the Company and providing for it to report directly to the top management, that is to say the Director.

4.2.2. Professionalism

The OdV possesses the technical and professional skills which are necessary to perform the functions it is required to perform (ex. interview techniques, flow charting, risk analysis techniques, etc.). These characteristics, in addition to its independence, ensure its impartiality of judgment.

4.2.3. Continuous action

The OdV is an internal entity, with adequate resources and structure, in addition to the fact that it does not perform any operative tasks which could limit the necessary commitment to perform the assigned functions.

In order to enable the Supervisory Body to collect the information and, therefore, to perform its activities with effectiveness, some information flows (from and towards the body itself) have been defined, by means of this Model and, subsequently, by means of suitable internal organization documents issued by the Director or the Supervisory Body.

4.3. Functions and powers

The Supervisory Body of MACCHINE SPECIALI has been committed with the task of:

1. monitoring that the prescriptions of the Model are observed by the recipients with reference to the different kinds of crimes as set forth in the Decree;
2. monitoring the effectiveness, efficiency and adequacy of the Model with reference to the corporate structure and the actual capacity to prevent the perpetration of crimes as set forth in the Decree;
3. evaluating the need of Model updating, where adequacy requirements are considered necessary due to changes in the corporate structure;
4. evaluating the adequacy, application and effectiveness of the sanctioning system.

The Supervisory Body will be entrusted with the following operative tasks:

1. implementing the control procedures foreseen by the Model which are moreover set out in the Plan of control activities of OdV;
2. constantly reviewing the effectiveness and efficiency of the corporate procedures in force, with the help of the competent Functions and of the

individuals who are responsible in matters of safety as concerns the problems relative to hygiene, health and safety of the workers;

3. monitoring the corporate activities in order to update the mapping of all crime-sensitive activities and the instrumental processes;
4. carrying out periodical targeted verifications on specific operations or acts that have been put in place above all in the field of crime-sensitive activities
5. carrying out coordinated activities with the human resources department or with other responsible Functions charged with the realization of training programs for the personnel;
6. monitoring the initiatives for a widespread diffusion of Model knowledge and comprehension, the arrangement of necessary internal documentation for Model correct implementation, containing the instructions, explanations or updating; in carrying out its continuous action the OdV has to realize and apply operative procedures in order to improve the formal management of all activities;
7. collecting, processing and preserving the significant information relating to the observance of the Model, besides updating the list of information that shall be forwarded to the OdV or kept available as “formal” *database* of the internal control activity.
8. get coordinated with other corporate functions while performing its monitoring activities as foreseen in the protocols;
9. check the adequacy of the internal control system with respect to the regulations in force;
10. verify that the elements foreseen for Model implementation (adoption of standard clauses, fulfilment of procedures, etc.) are anyway adequate and respondent to the requirements of compliance with the Decree, by adopting or otherwise suggesting the adoption of an update;
11. to verify the requirements of Model updating;
12. to report periodically to the Director with respect to the corporate policies needed for the implementation of the Model;
13. to verify the presence, due keeping and effectiveness of the databases supporting the activity as per Leg. D. 231/2001.

Since the Company does not appear among the recipients, duly listed by art. 10 and fol. of the Leg. D. 231/2007, with regard to anti money laundering, the Supervisory Body is

therefore not obliged to communication commitments as set forth by art. 52 of the same Decree.

Nevertheless, if during the performance of its activities the OdV should become aware of “sensitive” occurrences concerning criminal offences as envisaged by the art. 25-*octies* of the Leg. D. 231/2001, the Supervisory Body has a duty to timely evaluate the situation and put into practice all measures that it'll deem opportune (communications to the Director, application of the sanctioning system, etc.).

All this without prejudice to the application of the control protocols in matters of handling, self-laundering, laundering and use of money, goods or assets of illegal origin as foreseen by this Model.

For the performance of the above mentioned duties, the Supervisory Body has been assigned the following powers:

1. issue provisions with the aim of regulating the activities of the Supervisory Body;
2. access to any corporate document which might be useful for the performance of the functions attributed to the Body for the purposes of the Leg. Decree 231/2001;
3. appoint external consultants of proven professional stance, when necessary in order to carry out the verification and control activities and also Model updating;
4. ensure that the heads of the corporate structures promptly supply information, data and/or news required from them in order to find out the aspects related to the various corporate activities in compliance with the Model.

4.4. Methods and periodicity of reporting to the corporate bodies

The Supervisory Body of MACCHINE SPECIALI operates by following two ways of *reporting*:

1. continuous reporting to the Director
2. half-year reporting by means of written *dossiers* on its activity for the management body and the Board of Statutory Auditors (if any).

The presence of the abovementioned relations having functional characteristics, also with entities with no operative tasks and, therefore, released from any management activities, ensures that the appointment is carried out by the Supervisory Body with

the highest guarantees of independence. The Supervisory Body can be summoned anytime by the Director or the OdV can ask for a meeting, in order to report on the Model functioning or on specific situations. Moreover, the Supervisory Body can report to the Director and/or the Board of Statutory Auditors anytime the OdV deems it necessary or required; the above mentioned informative reporting must be anyway sent to the Director or the Board of Auditors every six months and it concerns:

1. the monitoring activities carried out by the Supervisory Body over the relevant period;
2. any critical issues that have arisen both as concerns the conduct or corporate internal events and the effectiveness of the Model;
3. the suggested corrective and improvement measures and their state of implementation. The meetings with the abovementioned entities and bodies must be entered in the minutes and copies of the minutes will be preserved by the OdV and by the entities concerned from time to time.

4.5. Other activities

The Odv must get coordinated with the functions operating in the company, as concerns the different specific profiles and, namely:

1. with the Direction for the corporate fulfilments that may be significant as to the perpetration of corporate crimes;
2. with the Direction as concerns the diffusion of information, the personal training and as concerns the implementation of disciplinary measures, if any;
3. with the Head of the Prevention and Protection Service (RSPP) and the Environment Manager as to the observance of all the rules set forth by the law and by the internal corporate procedures in matters of health, safety and hygiene at workplace and with environmental relevance;
4. with any other Function which is deemed useful from time to time for the performance of its activities.

4.6. Management of the financial flows

The management receives by the OdV all information relating to opportune integrations to the management systems of financial flows, together with eventual suggestions for purposes of the Leg. D. 231/2001 (for ex. detection of anomalies in

particular operations or payments that do not result justified by the kind of transaction and with the aim of ascertaining whether they conceal no-accounting entries or corrupt practices) and with the aim of detecting atypical financial flows and characterized by more discretionary powers than in ordinary situations.

All the operations concerning atypical activities or performances or unusual operations must be specifically and clearly grounded and communicated to the OdV.

The management system of the financial resources must ensure the segregation and independence of the individuals that take part in the decisions-making process on the use of the resources, those who implement the decisions and those who have been entrusted with the controls as to their use.

The company, for the purposes of implementing the decisions concerning the allocation of the financial resources, avails itself of financial and bank intermediaries who are submitted to transparency and stability regulations in conformity with those adopted by the Member States in the EU.

All operations involving the use or allocation of financial resources must have a due reason besides being documented and recorded, by IT or manual means, in conformity with the principles of professional fairness and accounting correctness; the relative decision-making process must be verifiable.

4.7. Information flows to the control bodies

4.7.1. Information commitments towards the Supervisory Body

Within MACCHINE SPECIALI, the responsible corporate functions must communicate to the Supervisory Body:

1. periodically and based on specific indications / requirements of the OdV, the useful information for the performance of OdV's activities in terms of verification and compliance, effectiveness and updating of this Model, and any other information identified by the Supervisory Body and required by the latter to each organization and management structure of MACCHINE SPECIALI by means of internal directives. The information is to be sent according to time and methods as defined by the Supervisory Body; likewise, the competent functions must provide the Supervisory Body with periodical reports on specific issues (i.e. relating to the processes connected to particular crime-sensitive activities) and any possible procedural irregularities.

2. occasionally, any other information, of any kind whatever, which may have been received also from third parties and concerning the implementation of the Model in the “sensitive” areas of activity and the observance of the provisions contained in the Decree, which may be deemed necessary for the Supervisory Body in the fulfilment of its duties. In particular, by way of example, the following information must be timely and compulsory reported to the OdV:
 - a. measures and/or notices coming from the Judicial Authorities, from which it may be inferred that investigations on known or unknown parties for any crimes set out in the Decree are being performed.
 - b. requests for legal assistance made by executives and/or by employees in relation to the start of judicial proceedings against them for any of the crimes provided for in the Decree;
 - c. decisions relative to the request, provision and use of public financing;
 - d. news on the actual implementation, at all corporate levels, of the Organizational Model, with specific attention to any disciplinary proceedings and any sanctions inflicted, or any act of dismissal of such proceeding with the relative motivations;
 - e. reports drawn up by the heads of the other corporate functions within their control activity and from which elements showing highly critical profiles with regard to compliance to the Leg. D. 231/2001 provisions, may emerge;
 - f. the updating of the system of proxies of MACCHINE SPECIALI.

The obligations of notification on an occasional basis concern also the third parties that operate on behalf and in the interest of the Company and perform activities within the corporate the risk-prone areas; the Company must provide these third parties with adequate information concerning the adopted Organizational Model.

For the transmission of information and evaluation of the reporting, the following prescriptions apply:

the information and the warnings provided by any party whatsoever, included those concerning a breach or a suspected breach of the Model, or its general principles, must be in writing. The Supervisory Body operates in a way to safeguard the parties that have provided the information/warning against any kind of reprisal, discrimination or punishment or any other consequences arising from them, also ensuring the confidentiality as to the warning party's identity, anyway without prejudice to the obligations set forth by the law and

the safeguarding of the rights of MACCHINE SPECIALI or of the persons wrongly and/or maliciously accused;

1. the information and notifications must be sent by the party concerned directly to the Supervisory Body; the faculty of providing any further warnings, according to specifications of other corporate informative channels (e.g. Group reporting systems) does not mean that the obligations of disclosure to the Supervisory Body no longer exist;
2. the Supervisory Body evaluates the warnings received and any consequent action/measure at its reasonable discretion and under its responsibility, possibly talking to the warning party and/or the person responsible for the alleged breach and adopts all necessary measures for the adaptation of the Model also by providing the necessary information for the application of the sanctions, if applicable. It shall also motivate in writing any decisions not to proceed with an internal investigation. Any consequent measure/action will be applied in conformity with the provisions of the sanctioning system as described in the following chapter 8;
3. all the recipients of information have a duty to collaborate with the Supervisory Body in order to enable the collection of any further information which is deemed necessary by the Body for a correct and throughout evaluation of the warning. Non-collaboration or reticence may be considered breaches of the Model with the consequences foreseen by the sanctioning system.

We underline that the Supervisory Body has no obligation to proceed anytime that it receives a warning, since this decision is left to its reasonable discretion.

In order to facilitate the flow of warnings and information to the Supervisory Body and to solve quickly any uncertain issue, a “dedicated informative channel” has been set up. The obligation to provide information concerns all the personnel that gets in possession of information concerning the perpetration of crimes or behaviours not in line with the rules of conduct.

We moreover underline that the information flows specified in chapter 7 can also be directly collected by the Supervisory Body during its periodical monitoring activities as better described in chapter 10, by following the methods that the OdV will deem opportune.

4.7.2. Collection and storage of information

Any information, warning, *report* sent to the Supervisory Body are kept by the latter in a suitable database (on paper or IT system) over a period of 10 years.

Access to the database is allowed to the Supervisory Body, to the Administration and the Board of Statutory Auditors (if any), upon formal request of OdV.

5. Disciplinary system

INDEX: 5.1. General principles – 5.2. Sanctions for employees– 5.2.1. Verbal warning or reprimand – 5.2.2. Fine – 5.2.3. Suspension from work and salary – 5.2.4. Dismissal (with allowance for want of notice *indennità*) – 5.2.5. Dismissal (without notice) – 5.3. Criteria for the application of sanctions – 5.4. Measures towards the Executives – 5.5. Measures towards the Statutory Auditors – 5.6. Measures towards the consultants, partners and the agents

5.1. General principles

Pursuant to art. 6, par. 2 e) and to art. 7 par. 4 b) of the Leg. D. 231/2001, the organizational, management and control Models - the adoption and implementation of which (besides other situations foreseen in the aforesaid articles 6 and 7) represents the *sine qua non* condition for the exemption from liability of the Company in case of perpetration of crimes as set forth in the Decree – can be considered effectively implemented only if they foresee a disciplinary system capable of sanctioning any failure to comply with the measures indicated in the model.

This disciplinary system must be addressed to the employess as well as to the collaborators and third parties that work on behalf of the Company, by applying suitable disciplinary sanctions in one case and contractual sanctions in the other (e.g. contract termination, cancellation from the list of suppliers, etc.)

The application of disciplinary measures must be independent of the initiation or outcome of any criminal proceedings, insofar the organizational models and the internal procedures represent binding rules for the recipients, the breach of which must be sanctioned, in compliance with the provisions of the Decree and regardless of the type of offence determined by the violations to the model or its punishableness. The principles of **timeliness and immediacy** of the sanction are to be observed and a delay in the application of the disciplinary sanction is not advisable.

5.2. Sanctions for employees

This organizational Model represents, for all intents and purposes, the company regulation by which the employer can give instructions for work execution and

discipline; on account of the fact that it is available in a place accessible to everyone, it will also represent a disciplinary code.

The individuals concerned by this regulation are therefore obliged to fulfill all the commitments and prescriptions therein contained and to uniform their behaviour to the conduct therein described. Without prejudice to the indemnification of the damage, any failure to comply with these commitments will be sanctioned by taking into account the principle of proportionality between sanction and violation and in compliance with the procedure foreseen by art. 7 of the Law no. 300 dated 20 May 1970 and with the terms of the CCNL (=collectively negotiated labour agreement) applied.

5.2.1. Verbal warning or reprimand

The “verbal warning” or the “written reprimand” shall be applied to the worker who performs actions or minor omissions, therefore in breach of the internal procedures established by this Model (e.g. non observance of the established procedures, failure to notify to the OdV the required information, failure to carry out controls, etc.) or adopts a conduct which is not in line with the provisions of the Model itself whilst carrying out activities in risk areas, as such behaviour shall be construed as a violation of the prescriptions set out by the Company.

5.2.2. Fine

A “fine” can be imposed to the worker who repeatedly fails to observe the internal procedures established by this Model or adopts, more than once, a conduct which is not in line with the provisions of the Model itself whilst carrying out activities in risk areas, even before these failures are individually ascertained and complained, as such behaviour shall be construed as a repeated non-application of the prescriptions set out by the Company.

5.2.3. Suspension from work and salary

The “suspension from work and salary” shall be applied to the worker who, whilst disregarding the internal procedures established by this Model or adopting - whilst carrying out activities in risk areas - a conduct which is not in line with the provisions of the Model itself, performs acts that may expose the Company to a situation of danger or acts contrary to the interest of the Company and causing damage, since such behaviour shall be construed as causing damage or a situation of danger for the integrity of the Company’s assets or as an act contrary to its interests, due to the non-observance of the prescriptions established by the Company.

5.2.4. Dismissal

The “dismissal with allowance for want of notice” shall be applied to the worker who, in carrying out activities in risk areas, adopts a behaviour which is not in line with the provisions of this Model and causes the perpetration of one of the crimes covered in the Decree, since such behaviour shall be construed as causing a significant damage or a highly detrimental situation.

5.2.5. Dismissal (without notice)

“Dismissal without notice” shall be applied to the worker who, in carrying out activities in risk areas, adopts a behaviour which openly violates the provisions of this Model and is such as to determine the concrete application, against the Company, of the measures set out in Legislative Decree, as such behaviour and the worker’s acts cause a lack of trust of the Company towards the worker, besides being prejudicial for the Company.

5.3. Criteria for the application of sanctions

The nature and extent of the sanctions listed above will vary, pursuant to the provisions of the CCNL (collectively negotiated labour agreement) applied, in relation to:

1. the deliberateness of the behaviour or the degree of negligence, imprudence or unskilfulness also as concerns the foreseeableness of the event;
2. the general behaviour of the worker, holding into particular account also the pregressive disciplinary sanctions against the worker (if any), within the limits foreseen by the law;
3. the tasks entrusted to the worker;
the functional position of the persons involved in the facts causing the offence (in particular, in case of crime committed by individuals submitted to third party’s direction, it’ll be necessary to verify and to sanction, if applicable, the offence committed by the top management as concerns their specific duty of supervision over the subordinates);
4. other particular circumstances correlated to the disciplinary offence. The appointed functions are responsible for the assessment of these offences, also upon notification of the Supervisory Body, the management of the disciplinary procedures and the imposition of sanctions.

In particular, as concerns the executives, in case of breach of the general principles of the organizational Model or of the corporate procedures, the body in charge with the determination of offences and the infliction of sanctions is the Director or a subject or entity appointed by the Director who'll take all adequate and proportionate measures against the person charged with breach, by taking into account that these violations correspond to non-fulfilment of the commitments and prescriptions established by the employment contract.

5.4. Measures towards the Executives

In the event of any breaches of the regulation in force and of the organizational Model on the part of the Company Director, the Supervisory Body shall inform the Board of Directors (if appointed) and the Board of Statutory Auditors which shall proceed to adopt the most appropriate measures, according to the law, also by involving, if necessary, the Shareholders' Meeting.

5.5. Measures towards the Statutory Auditors

In the event of a violation of the Model on the part of one or more Auditors (if a Board of Statutory Auditors has been appointed), the Supervisory Body shall inform the whole Board of Statutory Auditors and the Board of Directors which shall adopt the adequate measures among which, for example, the convening of the Shareholders' Meeting in order to adopt the most appropriate measures as established by the law.

5.6. Measures towards the consultants, partners and the agents

Any behaviour adopted, within the scope of a non-employee contractual relationship with the Company, by co-workers, consultants or third parties which is in contrast with the provisions of the Leg. D. 231/2001, may determine the application of fines or, in case of serious non-fulfilment, the termination of the contractual relationship, without prejudice to the possibility of requiring indemnification if damages are caused to the Company by this behaviour, also irrespective of the termination of the contractual relationship.

To this end it has been foreseen, with particular reference to the activities outsourced to third parties, the insertion in the engagement agreements of such specific contractual

clauses which acknowledge at least the knowledge of the Decree by the third party, require the acceptance of commitment by the third party and his/her employees and co-workers to refrain from behaviours listed among the offences included in the Decree and to adopt suitable monitoring systems (regardless if the crime has been actually perpetrated or is punishable) in order to regulate the consequences in case of breach of the provisions; or, otherwise, a declaration with validity of “certification” issued by the third party or the co-worker as to the knowledge of the Decree and the commitment to perform his/her activities in compliance with the law provisions (see § 6.1).

6. Training, information and periodical reviews of the model

INDEX: 6.1. Training and information– 6.2. Periodical reviews of the model

6.1. Training and information

For purposes of effectiveness of this Model, MACCHINE SPECIALI aims at ensuring the correct disclosure and knowledge of the rules of conduct therein contained with respect to the resources already existing in the company and those to be added, with different degrees of investigation according to the different level of involvement of the resources themselves in the risk activities.

The system of continuous information and training is monitored and integrated by the activities performed by the Supervisory Body, which supervises the activity in strict co-operation with the Human Resources Department and the heads of corporate functions who are involved in the application of the Model from time to time.

This Model is communicated to all the resources in the company upon its adoption. To this end, a special sharing platform has been established in the company (ex. corporate intranet) dedicated to that topic and updated by the Supervisory Body, in which all the documentary records of the Model have been filed. The newly recruited personnel are given an information document (on paper or electronic document), including the Model, in order to convey them all the information of major importance. The Model is affixed in the public corporate noticeboard.

All the employees ⁴ of the Company vested with non-merely operative tasks but characterized by conceptual tasks and autonomy are requested to fill in a formal “declaration of commitment” either in writing or by electronic means, similar, for example, to the following one:

⁴ From the list of employees obliged to fill in the declaration of commitment can be excluded, upon Company’s discretion, only the employees with operative task not involving any crime-sensitive activities as per the provisions of the Leg. D. 231/2001. Also for these employees we underline that this Organization Model represents, for all intents and purposes, a corporate regulation by which the power of the employer to impose provisions for the execution and discipline of work can be exercised; moreover, since the Model is available to everyone in a corporate accessible area, it shall be regarded as a disciplinary code.

Declaration of commitment released by the employee

I, the undersigned _____ declare:

- 1. I have received a copy of the Organization, Management and Control Model (hereinafter the "Model") adopted by the Company, and a copy of the Legislative Decree no. 231 dated 8 June 2001 (hereinafter the "Leg. D. 231/2001");*
- 2. I carefully read the Model and the Leg. D. 231/2001;*
- 3. I commit myself to keep to the prescriptions contained therein.*

Now, therefore, I declare I have understood the content of the Model and of the Leg. D. 231/2001.

Date

Signature

The training activity, for the purposes of divulging the knowledge of the regulation as per Leg. D. 231/2001, varies in its contents and methods of divulgation according to the qualification of the recipients, the level of risk in the area where they operate, depending on whether they have or not powers of representation in the Company.

The Human Resources Department has the following tasks:

- define an annual updating program to be shared with the OdV which foresees, in conformity with the prescriptions of the Model, a specific training path for the corporate executives and the employees;
- arrange an annual schedule to be communicated to the OdV, together with a synthetic statement of the program.

The OdV shall inform the Human Resources Department about:

- amendments to the relevant regulation in view of following supplementary training activities;
- the need of supplementary training activities following to the detection of failures and/or discrepancies from the correct performance of operating procedures applied to the so-called "crime-sensitive activities".

The monitoring activity as per the "OdV's Plan of control activities" foresees the adoption of training activities upon detection of failures and/or discrepancies from the correct performance of "sensitive" procedures with respect to the crimes set out in the Leg. D. 231/2001.

In this case, the OdV shall activate the Head of Human Resources to organize and carry out the required training activities.

6.2. Periodical reviews of the Model

Continuous monitoring activity carried out by the Supervisory Body to:

- 1) verify the effectiveness of the Model (i.e. the consistency between the practical behaviours of the recipients and the Model itself);
- 2) carry out a periodical evaluation of the adequacy - with respect to the requirements of crimes prevention as per Leg. D. 231/2001 – of the coded procedures that regulate the risk-prone activities;
- 3) provide for the necessary updating of the Model, that is to say, first of all, carry out the OdV's Plan of control activities.

The control system aims at:

1. ensuring that the methods of operational management meet the prescriptions of the Model and the provisions of law in force;
2. identifying the areas that need corrective actions and/or improvements and check the effectiveness of the corrective actions;
3. developing, inside the company, the culture of control, also in order to better support any possible audit carried out by other individuals charged with a task of verification.

The internal audits are managed by the Supervisory Body. To carry out the scheduled audits, the OdV can avail itself of personnel dedicated to other functions and not involved in the activities to be monitored, provided with specific skills, or external consultants.

The Plan of Control activities “covers” one year (period January – December of each financial year) and indicates for each controlled activity:

1. the periodicity in the execution of controls;
2. the selection of the sample;
3. the information flows (information flow of the operative staff to OdV) defined for each control;
4. the implementation of training actions (resolution of the procedural and/or information deficiencies) for each detected anomaly.

The corporate areas to be controlled and the frequency of the controls depend on a series of factors, among which:

1. risk pursuant to Leg. D. 231/2001, in relation to the outcomes of the risk sensitive mapping;
2. evaluation of the existing operative controls;

3. results of the previous *audits*.

Extraordinary controls not included in the “Plan of activities” are scheduled in case of substantial changes in the organization or in a procedure, or in case of suspicions or non-conformity communications or every time that the OdV decides to carry out *ad hoc* occasional controls.

The results of the controls are always entered in the minutes and transmitted according to the established methods and periodicity for the reporting.

MACCHINE SPECIALI considers the results of these controls as fundamental for the improvement of its Model. Therefore, also in order to ensure the implementation of the Model, the outcomes of the controls on the adequacy and implementation of the Model, are discussed within the Supervisory Body and give rise to the described disciplinary system, if applicable (see § 5).

SPECIAL SECTION

The special section of the organization and control Model concerns the application in detail of the principles described in the general section with reference to the criminal offences specified in the Leg. D. 231/2001 that the Company has decided to take into consideration on account of the peculiar characteristics of its own activity.

0. Special section

1. Preface to the special section and mapping of the crime-sensitive activities and processes

INDEX: 1.1. Preface – 1.2. Mapping of the crime-sensitive activities and processes – 1.3. The structure and principles inspiring the conferral of powers of attorney and proxies

1.1. Preface

This Special Section of the Model specifies in detail the main components of the *governance*, control and management system of the “sensitive” activities and the processes implemented by MACCHINE SPECIALI.

Hereunder a summary of the “Recipients” of this Special Section:

- Directors and Employees of MACCHINE SPECIALI;
- Third parties that, although they are not employees of the Company, operate within the context of the activities or processes regulated by this Special Section, on behalf of the Company and under its direction and supervision (e.g. temporary workers, agents, outsourced staff, project workers, etc.);
- Third parties other than those mentioned in the point above, identified from time to time by the Supervisory Body, also upon notice of the corporate Functions, and for which the divulgation, also partial, of this document is considered opportune.

Aim of this Special Section is to illustrate to all its Recipients a precise organizational and management reference framework and supply the protocols to be observed and to be complied with for a correct performance of the activities.

MACCHINE SPECIALI makes its best efforts, also through the Supervisory Body, in order to supply to the Recipients adequate information on the contents of this Special Section.

The Supervisory Body is responsible, together with the dedicated functions, for the verification of the consistency and implementation of the protocols indicated in the respective risk-prone activity areas and corporate processes. To this end, the areas that may be more subject to a risk of crime will be submitted to specific and periodical monitoring activities by the Supervisory Body, according to times and methods defined in the OdV’s Plan of control activities.

1.2. Mapping of the crime-sensitive activities and processes

Aim of the mapping of “sensitive” activities/processes is:

- to describe the risk profile of the so-called “sensitive” activities/corporate processes with respect to the perpetration of crimes as set forth in Leg. D. 231/2001;
- to associate an “intrinsic” level of risk – that is to say, linked to the environmental conditions of the reference sector – to each “sensitive” activity/process and the relative associated crime.

The approach described in § 2.3 has been used to identify the “sensitive” activities and processes.

The descriptive mapping of the potential risk profile of MACCHINE SPECIALI with regard to the Leg. D. 231/2001 details in particular:

- the “crime-risk” activities and processes (so-called “sensitive”) and, in this context, the occasions for the perpetration of the crime;
- the involved corporate functions;
- the description of the hypothesised risk profile (in terms of aims / possible methods of perpetration of the hypothesised crimes);
- the potential associable crimes;
- the degree of risk and the monitoring tool;

The analysis of the potential risk profile of the Company represents the necessary prerequisite enabling MACCHINE SPECIALI to define and adopt a reasonably suitable Model to prevent the most common methods of perpetration of crimes as per Leg. D. 231/2001. Nevertheless, the analysis that have been carried out to define the potential corporate risk profile do not allow to exclude *a priori* that other methods of crime perpetration (other than those hypothesised) could occur in the context of corporate activity, notwithstanding the implementation of the Model.

Following to the analysis of the potential risk profile of MACCHINE SPECIALI, the Board of Directors, assisted by the heads of Function, has given a different risk and monitoring degree – high, medium, low – to each “sensitive” activity and “instrumental” process; the degree has been assigned on the basis of a qualitative evaluation and by taking into account the following factors (pls. refer to the indications stated in the general part § 2):

1. frequency of occurrence, defined on the basis of general considerations of the reference sector, performance of the described activities and other economic-quantitative significant indicators of the corporate activity or process (e.g. economical value of the performed operations or acts, number and type of individuals involved, etc.);
2. probability of occurrence, in the operative context, of the hypothesised crime;
3. any possible previous perpetration of crimes in MACCHINE SPECIALI or, more generally, in the sector in which it operates;
4. seriousness of the sanctions that could be associated to the perpetration of one of the crimes envisaged by the Decree 231/2001 upon performance of the activities;
5. potential benefit that would be granted to the Company following to the perpetration of the hypothesised unlawful conduct and that could represent an inducement to unlawful conduct for the corporate personnel.

With reference to the crimes envisaged by art. 25-septies of the Leg. D. 231/2001 – crimes perpetrated with breach of the safety regulations and the health and hygiene rules at the workplace (manslaughter and serious or very serious negligent personal injuries), on account of the technical specificity of the commitments in matters of safety and health at the workplace as required by T.U. 81/08, which has been assessed also in the Risk Evaluation Document of the Company, the above-listed analysis variables have not been applied. The evaluations have been carried out based on considerations of intrinsic risk (by considering the characteristics, the dimensions and the complexity of the Company's operational site) also with the aim of optimizing, according to a *cost-effectiveness* logic, the consequent control activities of the Supervisory Body.

The Administrative Body, supported by the Supervisory Body, is responsible for the periodical review and updating of the mapping and the assessment of the potential risk level of the corporate activities and “sensitive” processes pursuant to the Leg. D. 231/2001. In fact, the risk assessment could be affected by factors, such as, by way of example:

1. increase of the criminal offences envisaged by the Leg. D. 231/2001 and identification of new “risk-prone” areas of activities or corporate processes;
2. organization and/or process changes inside the Company or the investee companies;

3. detection, following to controls or notifications, of behaviours not in line with the prescriptions of the Model in the various areas of the corporate activities;
4. assessment, following to controls or notifications, of the inadequacy of definite prescriptions of the Model to prevent the perpetration of crimes in a particular sensitive activity.

For these “sensitive” activities/processes we carried out an analysis of the existing organization, management and control methods, in order to evaluate their adequacy with respect to the requirements aiming at the prevention of any perpetration of unlawful acts and, if deemed opportune, to define necessary “protocols” to compensate for the detected deficiencies and to foster the control procedures to be carried out by the OdV.

1.3. The structure and principles inspiring the conferral of powers of attorney and proxies.

The organizational structure, the bodies and *the governance* of MACCHINE SPECIALI represent the reference organizational framework to which all the recipients of this Model refer while carrying out their operational activities.

The corporate governance bodies of MACCHINE SPECIALI have been specified in the Annexes 5 and 6, while the corporate organizational chart has been illustrated in Annex 10.

MACCHINE SPECIALI is administered by a sole director, Mr. Giovanni Sironi, as per resolution on 31.05.2013 (Annex 3). The shareholders’ meeting, by resolution dated 01.06.2013, has conferred upon the Director, Mr. Giovanni Sironi, all the powers of ordinary and extraordinary administration. Moreover, always pursuant to the decision taken upon that date, the acts on workplace safety (Leg. D. 626/94 and following amendments and integrations) and those connected to the management of personnel, fiscal and tax documents are reserved exclusively to the same Director, regardless whether they concern ordinary or extraordinary administration and with no limit of value (Ann. 4) .

2. The Control protocols

Index: 2.1. Preface – 2.2. Improper obtainment of funds, fraud to the detriment of the state or of other public entity or for obtaining public funds and IT fraud to the detriment of the State (art. 24 Leg. D. 231/2001)– 2.2.1. Crime-sensitive activities pursuant to art. 24 Leg. D. 231/2001 – 2.2.2. The Control protocols – 2.3. IT crimes and illicit treatment of data (art. 24bis Leg. D. 231/2001) – 2.3.1. Crime-sensitive activities pursuant to art. 24-bis Leg. D. 231/2001 – 2.3.2. The Control protocols – 2.4. Extortion, unlawful inducement to give or to promise services and corruption (art. 25 Leg. D. 231/2001) – 2.4.1. Crime-sensitive activities pursuant to art. 25 Leg. D. 231/2001 – 2.4.2. The Control protocols – 2.5. Counterfeiting of money, instruments of public credit, stamps and identification instruments or distinctive signs (art. 25bis Leg. D. 231/2001) – 2.5.1. Crime-sensitive activities pursuant to art. 25-bis Leg. D. 231/2001 – 2.5.2. Control protocols – 2.6. Offences against industry and trade (art. 25-bis.1 Leg. D. 231/2001) – 2.6.1. Crime-sensitive activities pursuant to art. 25-bis.1 Leg. D. 231/2001 – 2.6.2. The Control protocols – 2.7. Corporate crimes (art. 25-ter Leg. D. 231/2001) – 2.7.1. Crime-sensitive activities pursuant to art. 24-ter Leg. D. 231/2001 – 2.7.2. The Control protocols – 2.8. Manslaughter and serious or very serious injuries committed with criminal intent through the infringement of the workplace health, hygiene and safety regulations (art. 25-septies Leg. D. 231/2001)) – 2.8.1. Crime-sensitive activities pursuant to art. 25-septies Leg. D. 231/2001– 2.8.2. The Control protocols – 2.8.3. Specific tasks – 2.9. Possession of stolen goods, laundering and use of money, goods or assets of illicit origin (art. 25-octies Leg. D. 231/2001)– 2.9.1. Crime-sensitive activities pursuant to art. 25-octies Leg. D. 231/2001– 2.9.2. The Control protocols – 2.10. Copyright infringement – 2.10.1. Crime-sensitive activities pursuant to art. 25-nonies Leg. D. 231/2001 – 2.10.2. The Control protocols – 2.11. Crimes to the detriment of the administration of justice (art. 25-decies Leg. D. 231/2001) – 2.11.1. Crime-sensitive activities pursuant to art. 25-decies Leg. D. 231/2001 – 2.11.2. The Control protocols – 2.12. Crimes in breach of environmental regulations (art. 25-undecies Leg. D. 231/2001) – 2.12.1. Crime-sensitive activities pursuant to art. 25-undecies Leg. D. 231/2001– 2.12.2. The Control protocols – 2.12.3. Correlated procedures – 2.13. Employment of non-EU citizens with irregular residence permit (art. 25-duodecies Leg. D. 231/2001) – 2.13.1. Crime-sensitive activities pursuant to art. 25-duodecies Leg. D. 231/2001 – 2.13.2. The Control protocols

2.1. Preface

Aim of the policies, manuals, work procedures and instructions codified by MACCHINE SPECIALI is the definition of precise guidelines and operational instructions for the management of “sensitive” activities and processes.

It goes without saying that this procedural system is dynamic in itself, since it is subject to the mutable operative and management requirements of the company, among which, by way of example, organizational changes, modified business requirements, amendments to the reference corporate governance, etc.

The dynamic of the procedural system implies its continuous updating which is reflected, in addition to the requirements specified in the general part, in the need of adaptation of this model. The procedural system is, by its nature, compulsory and irrevocable for all the recipients of this model.

The procedural system specifies the main guidelines by which the company organizes and controls the management activities.

The procedural system is the main instrument by which the heads of the corporate Functions direct and control the company management thus delegating the management of the single “operations” to the operative procedure, to be carried out by observing the principles established by the procedures.

The level of overall formalisation of the procedural system, consisting in the existence, accessibility and clarity of a general reference framework, to be used by the significant subjects to reach a univocal way of corporate management, represents a major indicator of the capabilities of organizational structure within the company.

The procedural system is adequately divulged and made available to all the recipients of the Model, in the most appropriate ways (by way of example and without limitations: pre-arranged intranet system, “cross” system, standardization of the general sales conditions, standardization of the methods of access to credit or to funding for the end customers) and, anyway, always updated.

2.2. Improper obtainment of funds, fraud to the detriment of the State or of other public entity or for obtaining public funds and IT fraud to the detriment of the State (art. 24 Leg. D. 231/2001)

2.2.1. Crime-sensitive activities pursuant to art. 24 Leg. D. 231/2001

The term public administration evokes both the activity of the public manager, and the system related to this function.

Moreover, the doctrine and the case law have dealt with the topic concerning the qualification of the “Public Entities” and the relevant operating subjects in all cases in which the “public” nature of the Entity is not directly outlined by the law; from this analysis therefore ensue wider definitions than that of the “public Entity narrowly defined”⁵.

⁵ The Public Entity is also defined by art. 1 par. 2 of the Leg. D. 165/2000 where it is underlined that by “public administration is meant all the administrations of the State, included the institutes and schools of all levels and the educational institutions, the undertakings and administrations of the State with autonomous legal system, the Regions, the Provinces, the Municipalities, the upland authority associations and consortiums, the university institutions, the autonomous institutes of public housing,

These definitions concern the evaluation of a series of elements to be realized “in concrete” and not only as “abstract” elements, with regard to the nature, activities and functions attributed to the different types of subjects the company deals with.

Among the elements to be submitted to analysis by all the recipients of these protocols and which, when in doubt, must be construed according to a principle of prudence, we mention, by way of example and without limitations:

1. the fact that the activity of the Entity is financed mostly by the State, the Regions, the Local Authorities or by other public entities or bodies governed by public law; the fact that the management of the Entity is submitted to their control or carried out by administration, direction or Supervisory bodies consisting of a number of members not lower than the half of the components appointed by the same subjects;
2. the fact that the Entity originates from the transformation of an “economical public entity” (e.g. IRI, INA, ENI, ENEL), until the State is the sole shareholder or if it is a State-controlled Entity;
3. the fact that the Entity is subject to public (functional or structural) control exercised by the State or other Public Administration;
4. the fact that the Entity can or must perform acts by way of derogation from the ordinary law or if it is granted the so-called “preferential rights” or it has been granted administrative rights (e.g. by virtue of concessions, special or exclusive rights granted by the authorities in compliance with the laws in force)¹⁰;
5. the fact that the Entity and the subjects operating inside the Entity carry out activities that can be connected to public interest activities and, in particular, have been charged with essential public services such as, by way of example and without limitations:
 - a. the public health;
 - b. the public hygiene;
 - c. the civil protection;
 - d. the waste collection or disposal;
 - e. the customs;

the Chambers of commerce, industry, handcraft and agriculture and all their associations, all the public, non-economic, national regional and local entities, the administrations, the undertakings and the entities of the national health service, the ARAN, and the agencies specified in the legislative decree dated 30 July 1999 no. 300”.

¹⁰ To this regard, a major indicator can be, among others, the submittal of the Entity to the regulation governing the public procurement contracts.

- f. the procurement of energy, natural resources and essential goods, as well as the management and maintenance of the relevant facilities;
- g. the urban and extra-urban public transports, train/subway transports, railway, air, airport and maritime transports;
- h. the support and supply services relevant to social assistance and security
- i. public education;
- j. posts, telecommunications and public television broadcasting

By way of example, the following individuals hold the office of Public Official and/or person in charge of a public service: municipal employees entrusted with non-merely material activities, members of Tender Committees appointed by the Public Administration, soldiers of the Finance Police or NAS, soldiers of Carabinieri, Police officers, members of the municipal technical office, trustee in bankruptcy, administrative operator in charge with the release of certificates at the registry of the Court, physician employed by the National Health Service, ASL, etc.

On account of the peculiarities of the corporate *business* carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and the instrumental processes exposed to the risk of perpetration of crimes, as detailed in the mapping in Annex 2, are the following:

- Participation to procedures for the obtainment of donations, contributions or public financing;
- Chances of meeting with public officers;
- Relationships with customs officers as concerns the import/export practices;
- Online despatch of acts and documents.

We anyway underline that Mr. Giovanni Sironi has been conferred the sole expenditure powers for the corporate management.

2.2.2. The control protocols

The following principles of conduct are applied to the recipients of this Model who have relations, in any capacity, with the officials of the Public Administration (included the public officials and the individuals in charge with public services) on behalf or in the interest of MACCHINE SPECIALI or to those who may have direct or indirect relations with the Judicial Authorities, in relation with circumstances that are subject to court proceedings anyway concerning the Company.

In general, these subjects are prevented from starting, cooperating or give rise to behaviours that, if taken one by one or collectively, integrate or may integrate, directly or indirectly, the species of crime as foreseen by art. 24 of the Leg. D. 231/2001 and, in order to prevent their occurrence, the company limits the direct contacts with the public Entities exclusively to the official meetings.

It is also prohibited to adopt conducts that may give rise to situations of conflict of interests towards the representatives of the Public Administration or may hinder the Judicial Authorities in dispensing justice. The prohibitions listed hereunder shall be applied also to the indirect relations (through relatives, relatives by affinity and friends) with the representatives of the Italian or foreign Public Administration.

In particular, it is explicitly prohibited to:

1. promise or give sums of money to the representatives of the Italian or foreign Public Administration for purposes differing from the institutional or service ones and in breach of the law requirements and corporate procedures;
2. distribute gifts and presents if not specifically provided for by the corporate procedures (i.e. any kind of present exceeding the usual commercial or courtesy practices or anyway offered in order to be granted preferential treatments in the conduct of any corporate activity). In particular, it is prohibited to offer any kind of gift to Italian or foreign public officials (also in countries where the giving of presents is a common practice) or their relatives if it might influence independence in a decision or induce to grant any advantage whatsoever to the Company. Gifts are allowed when of a modest value;
3. promise or grant any other advantage whatsoever (ex. promise of employment) in favour of representatives of the Public Administration, whether Italian or foreign, in order to influence the independence of judgement or induce to grant any advantage whatsoever to the Company;
4. incur unjustified entertainment expenses and for other purposes than the mere promotion of the corporate image and anyway not compliant with the specific corporate procedures;
5. provide services or recognize compensation in favour of external co-workers, suppliers, consultants, partners or other third parties that operate on behalf of the Company, when they do not find adequate justification in the context of the contractual relationship existing with them;

6. in the procurement procedures, forster co-workers, suppliers, consultants or other third parties indicated by the representatives of the Public Administration, whether Italian or foreign, as condition for the development of following activities;
7. give or promise to give confidential information and/or documents;
8. promise/offer any sums of money or any service or, anyway, have recourse to violence or threats in order to incite any person called to give any statements before the Judicial Authorities, not to testify or to bear false testimony, which might be used in criminal proceedings;
9. submit false or altered documents and data;
10. have a deceitful conduct that may mislead the Public Administration upon its technical-economical evaluation when dealing with the Company;
11. omit due information in order to direct the decisions of the Public Administration to its own advantage;
12. provide false information or declarations in order to obtain authorizations, concessions, grants, contributions, subsidies or funding or allocate grants, contributions, subsidies or public financing for other purposes they had been intended for. Moreover, all documents released by the Public Administration must be stored over ten years.

The recipients of this Model who have relations or manage information flows with the Public Administration on behalf of the Company must be formally granted the relevant powers, by means of due proxy for the Employees or the Directors or by means of specific contractual clauses as concerns the consultants or partners. A specific power of attorney will be conferred on these individuals in case of need.

With regard to the reimbursement of expenses incurred by the Employees or Partners, with particular reference to those who have relations with the Public Administration, the Company defines the rules and criteria to be applied to the reimbursement request, authorization and bestowal process, through adequate company's policies.

The business expenses are reimbursed only if grounded, applicable and consistent with the carried out activities, commensurate to the kind of purchase, validly documented and only if incurred in compliance with the provisions of law in force.

As concerns the management of the technical-regulatory fulfilments for the obtainment of authorizations, licences, concessions or permits, and the relationships with the Entities in case of inspections, assessments and litigations, the recipients of this Model have a duty to carry out all the necessary controls to ensure the observance of the following principles:

1. ensure that all information communicated to the relevant Entities, either verbally or in writing by making use of electronic systems is:
 - a. provided in compliance with the specific regulation governing the underlying activity;
 - b. suitably analysed and verified, before any transmission, by the corporate functions in charge;
 - c. authorized and underwritten by corporate subjects provided with relevant delegations;
 - d. complete, true and correct;
 - e. reconstructable, in terms of traceability of information flows and data by which it has been generated;
 - f. suitably filed in compliance with the regulations of the various heads of the corporate functions.
2. avoid to omit indications or information that, if not disclosed, may lead the public counterparty to take inopportune decisions or wrong representations;
3. ensure, with the due diligence, that the fulfilments requested by the reference Bodies – also when in consequence of assessments or audits, are opportunely and correctly observed;
4. promptly inform the function manager in case the fulfilments concerned might be delayed, for any reason whatever, or changed with respect to the provisions of the regulation or the requirements of the Body;
5. agree with the function manager and the company management on the methods by which the reference Body shall be informed on the possible delay/change;
6. in case of inspections, audits or assessment visits the Company identifies, according to the kind of assessment and in compliance with the delegation system in force, the in-house contact person in charge in case of an inspection;
7. The person in charge and the other heads of corporate Functions involved in the inspection shall keep to the following conducts:
 - a. comply with the principles of transparency, fairness and professionalism throughout the whole inspection;
 - b. ensure that all information disclosed to the inspectors, either verbally or in writing, is correct and true and that it does not ensue from deductions, constructions or subjective considerations;
 - c. never look for and/or try to set up favourable, meddling relations capable of influencing, either directly or indirectly, the outcome of the inspection;

- d. never make reference, neither indirectly, to parental or amicable relations with subjects connected to the Administration authority from which the inspectors originate;
- e. never give nor promise presents, gifts or any other benefit also of modest value;
- f. never have a deceitful conduct that may mislead the inspectors in their evaluation;
- g. never omit due information in order to lead the inspection to a favourable outcome.

Provided that the Company condemns the misuse of benefits, donations and sponsorship aiming at the obtainment of favouritism and concessions from the beneficiary, in case of donations/gifts to Bodies or a sponsorship of the latter, the recipients of this Model have a duty to implement any necessary control to ensure the respect of these principles:

1. donations and sponsorships cannot be granted in favour of natural persons but only of Bodies;
2. the capacity of taking decisions is left to the subjects provided with relevant delegations;
3. in case of sponsorships or donations in money, the Company undertakes not to make use of cash or similar payment methods;
4. the Company undertakes to ascertain the status in law of the beneficiaries and assures that the initiatives are realized only in favour of subjects showing credibility and good repute, who have oriented their management to criteria of ethics and transparency;
5. In case of sponsorships, the relation must be based on the principle of consistency between the reciprocal services and must be formalized by a contract.

Moreover, with regard to the process of selection and management of the employees, co-workers, consultants, partners, agents, suppliers and trade partners, the Company must ensure the following principles. Upon recruitment of personnel with duties of discretion and operational autonomy – also with possible functions of external representation – a suitable questionnaire must be filled in by the applicant, containing a series of questions targeted to the acquisition of significant information for the purposes of the Decree (“questionnaire pursuant to Leg. D. 231/2001”). The questionnaire, in full compliance with the rules on privacy, should include – purely by way of example – the following list of questions:

1. Is or has the applicant been public official or employee in the Public Administration or is or has been in charge of public duties? In the affirmative, how long?
2. Is or has the applicant been candidate for Parliament or for local government elections?
3. Is the applicant relative of public officials or is he/she relative of any employee of the Public Administration or relative of subjects in charge with public services?
4. Is the applicant relative of individuals candidate for Parliament or for local government elections?
5. Is the applicant liable of exposure to potential conflicts of interests with respect to the corporate position he/she applies for?

The head of Administrative Dept. is responsible for the analysis and the outcome of this activity shall be kept available for OdV. The possible content of the “evaluation sheet” may include, purely by way of example:

1. synthesis of the academic and professional CV of the applicant;
2. submittal of the criminal record of the applicant, with information on existing judicial and administrative measures, with particular attention to those relevant to the types of crime set out in the Leg. D. 231/2001;
3. specification that the applicant is or has been public official or employee of the Public Administration or is /has been in charge of public offices and, in the affirmative, for how long; is relative of public officials or is relative of employees in the Public Administration;
4. specification that the applicant is or has been candidate for Parliament or for local government elections; he/she is relative of individuals candidate for Parliament or for local government elections;
5. analysis of sensitive aspects that may expose the candidate to potential conflicts of interests with respect to the corporate functions he/she applies for;
6. Specification that the applicant is absolutely capable of rendering the services he/she applies for.

Should the company enter a partnership (joint-venture, consortium, etc.) with other private companies or underwrite agreements with or without agency representation, distribution, consultancy, collaboration, tender or other kinds of contracts and other similar contracts with companies or natural persons, for all the supplies selected on the basis of specific criteria of amount and significance (so-called “sensitive suppliers”) it is necessary that the partner that enters the partnership or the collaboration etc., fills in a document which is called “suppliers questionnaire pursuant to Leg. D. 231/2001” the

content of which, in full compliance with the policy document on privacy, should include, purely by way of example, the following list of questions [check-list]:

1. what kind of CV or academic and professional experience has the proposed person or the executives and legal representatives of the candidate company?
2. the proposed person or the persons representing the counterparty are or have been employees of the Public Administration or are or have been in charge of public offices or are or have been candidate for the elections or are relatives of candidates for the elections?
3. since how long has the proposed person or the company been carrying out the activities subject matter of the relation to be entered with MACCHINE SPECIALI?
4. what are the dimensions of the activity in terms of employees and geographical distribution?
5. how many and what level are the customers of the company or of the natural person?
6. has the company or the natural person supporting personnel and staff available?
7. has the company or the natural person ever breached the principles of the Leg. Decree that the Model should represent?

In case you are evaluating the possibility of entering a partnership, a joint-venture or similar agreements with a wholly, partially public or recently privatised enterprise, an informative report must be filled in on the basis of questions for the purpose of obtaining a series of information such as, purely as an example, information on the percentage distribution of the Company's capital between public and private subjects, the type of foreseen association agreement, indication of the members of said company holding public charges or offices, date for an eventual privatization of the Company, causes for the termination of the association agreement (e.g. expiration, termination clauses) type of costs and expenses connected to the association agreement, etc.

If significant data pursuant to the Leg. D. 231/2001 should arise from the a.m. questions, the Head of the Administrative Office, in case of selection of the employees, has a duty to draw up an explanatory note of the outcomes and the corresponding actions taken in order to eliminate, or anyway reduce, possible risks connected to the particular case in question (e.g. assignment of the employees to tasks that do not involve direct contact with the Public Administration; non-selection of the supplier or contractual agreement not involving direct contacts with the P.A.)

As concerns the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) that have contacts with the Public Administration and the administration of justice, operating on behalf and in the interest of MACCHINE SPECIALI, the relevant contracts must:

1. be defined in writing, in all their conditions and terms;
2. contain *standard* clauses in order to comply with the Leg. D. 231/2001 (or, in case of foreign subject or operating abroad, the observance of the relative international and local regulation, in particular as concerns behaviours setting up possible offences as stated in this paragraph);
3. contain a suitable declaration of the same stating to be aware of the regulation specified in the Leg. D. 231/2001 (or, in case of foreign individual or operating abroad, the observance of the relative international and local regulation, in particular as concerns behaviours setting up possible offences as stated in this paragraph) and to undertake to keep a conduct in compliance with the requirements of the regulation;
4. contain a suitable clause governing the consequences of the breach by the same of the regulations set forth in the Leg. D. 231/2001 (or, in case of foreign subject or operating abroad, the observance of the relative international and local regulation, in particular as concerns behaviours setting up possible offences as stated in this paragraph) as explicit termination clauses or indication of penalties.

Two examples of basis-clause of this type are given hereunder, with express warning that the clauses must be adjusted to the specific contractual relationship:

- *“The external supplier/consultant/co-worker / agent declares to be acquainted with the content of the Legislative Decree no. 231 dated 8 June 2001 and following amendments and undertakes to refrain from behaviours that may entail the hypothesis of crime as set forth in the Decree (regardless of the actual perpetration of the crime or its liability to punishment). The non-observance of this commitment by the supplier is considered by the Parties a serious default and ground for termination of the contract because of breach of obligation pursuant to art. 1453 of the Ital. Civil Code and will legitimate MACCHINE SPECIALI to terminate the contract with immediate effect”. Or :*

- *“The supplier/consultant/co-worker commits him/herself to the most accurate and scrupulous observance of the laws in force and, among these, in particular, the provisions of the Leg. D. 231/2001 and following amendments, besides keeping to and adjusting his/her behaviours to the principles set forth in the Organizational Model of MACCHINE SPECIALI (here enclosed) insofar as they are significant for the execution of this contract. The non-observance of the laws or the Organizational Model by the supplier/consultant/co-worker is a very serious circumstance which not only affects the trust relation established between MACCHINE SPECIALI and the supplier/consultant/co-worker, but represents also a serious breach of this contract, thus giving the right to MACCHINE SPECIALI for an early termination of this contract, with immediate applicability pursuant to art. 1456 of the Ital. Civil Code, without prejudice to any rights to claim compensation for any further losses”.*

Finally, in case the Company participates to public tenders, MACCHINE SPECIALI holds, in its data files on paper, all the documents submitted for each tender and, subsequently, arranges and carries out cross-checks concerning the actual collection and truthfulness of the required documents for the participation to the tendering procedures. The fiscal documents relative to the activity of the Company are conserved – on paper – over a period not less than ten years in an archive submitted to control.

2.3 IT crimes and illicit treatment of data (art. 24bis Leg. D. 231/2001)

2.3.1. Crime-sensitive actions pursuant to art. 24-bis Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes, as detailed in the mapping in Annex 2, are the following:

1. modification and/or cancellation of the data acquired from the clientele;
2. disclosure of the data acquired from the clientele for purposes not related to the activity of the Entity and to subjects not authorized to get acquainted with them.

2.3.2. The control protocols

The following rules of behaviour of general nature apply to the “Addressees” of the present Model that, at any title, directly or indirectly, are involved in the “sensitive” activities with respect to the IT crimes and the illicit treatment of data and, in particular, to all the resources that make use of IT systems (with particular regard to the data communication lines and server) for the fulfilment of their work inside the Company.

In general, said Addressees are requested to:

1. strictly keep to all the rules set forth by the law and the internal corporate procedures as concerns the safety of the Company’s IT systems and the treatment of any personal data;
2. abstain from performing, cooperating in the performance or causing the realization of behaviours which, considered individually or collectively, amount directly or indirectly to the crimes provided in this Special Section (art. 24-bis of the Legislative Decree 231/01);
3. undertake not to make public all the information they have received for the use of the IT resources and the access to data and systems (with particular regard to the username and password necessary for the access to the Company’s systems, the so called “Cross System”);
4. take any measure that is considered necessary for the protection of the system, by avoiding that third parties may have access to the system in case of workstation temporary leaving (system exit or access prevention through password);
5. abstain from any behaviour that may put at risk the confidentiality and/or integrity of the corporate data;
6. not to perform any action aimed at overcoming the protections applied to the corporate IT systems;
7. not to install any program, even if connected with the corporate activities, if the Employer has not been previously asked for;
8. not to use alternative connections with respect to those put available to the employee by the Company for the performance of his/her working activity;
9. not to accede, without having the right to do so, to the information systems of third parties, nor to alter their functioning, in order to obtain and/or modify, without having the right to do so, data, programs or information;

10. not to use the corporate information systems to perform actions that may result in unfair competition against the competitors of MACCHINE SPECIALI or, more in general, of any other natural/legal person;

In case of doubt as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee of MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

Moreover, the Company – in order to protect its IT systems and to avoid its involvement, as far as possible, in activities that may result in one or more IT crimes or illicit treatment of the data – undertakes to:

1. implement a *governance* model of the corporate information systems directed to the observance of the active and passive safety standards, aimed at assuring the identity of the users and the protection, confidentiality, integrity and availability of data;
2. foresee the possibility of getting access to the information systems only by previous due identification by the user, through username and password originally assigned by the Company;
3. define the methods for changing the password, after the first access, by discouraging the use of cyclically repeated passwords.
4. define the frequency of change of the abovementioned password, according to the frequency of use and criticality of the data to which access is requested by means of that password;
5. record each access to the internal IT systems and realize a traceability system of the carried-out operations;
continuously verify the coincidence between the powers assigned to the user profile and his/her tasks inside the Company, whether a subject is assigned to different activities or in case of termination of the work relation with MACCHINE SPECIALI;
6. monitor, at regular intervals, all the accesses and the activities carried out on the corporate net;
7. grant a personal input channel for the individuals belonging to the Entity;

8. properly train all resources on the behaviours to be kept in order to grant the safety of the information systems and on the possible consequences, also under criminal law, that may ensue from the perpetration of an offence.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 5) as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

2.4. Extortion, unlawful inducement to give or to promise services and corruption (art. 25 Leg. D. 231/2001)

2.4.1. Crime-sensitive activities pursuant to art. 25 Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes (with reference to the crime of criminal association as per art. 416 of the Criminal Code and the crime of association for purposes of terrorism as per art. 270-bis of the Criminal Code), specified in detail in the mapping of Annex 2, are the following:

1. relations with public Entities on occasion of investigations or execution of fulfilments;
2. activities and requests connected to the management and concession of advertising spaces;
3. participation in tenders for the distribution of cars to public Entities or the military;
4. management of litigations;
5. relations with customs officials as concerns the import and export procedures.

We anyway underline that the powers to spend as concerns the corporate management have been granted exclusively to Mr. Giovanni Sironi.

2.4.2. The Control protocols

The following rules of behaviour apply to the *addressees* of this Model that, at any title, have relations with the Public Administration (included public officials for public services) on behalf or in the interest of MACCHINE SPECIALI or to those who can have direct or indirect

relations with customs Officers or with the Judicial Authorities, with regard to circumstances subject to inspections and/or investigation activities.

In general, said addresses are prohibited from performing, cooperating in the performance or causing the realization of behaviours that, considered individually or collectively, integrate or may integrate, directly or indirectly, the criminal offences as foreseen by art. 25 of the Leg. D. 231/2001.

In order to prevent any occurrence of crime it will be necessary to:

1. store all hardcopy documents submitted for the participation to tenders and for the granting of permits;
2. carry out cross-checks between the head of accounting dept. and the Director as to the management of financial flows and the correspondence between the paid amounts and what has been provided for in the contracts entered with the Entity;
3. monitor the activities of the company's co-workers and the congruity of the incurred expenses with regard to the activity carried out in favour of the Entity (ex. agents);
4. enable a continuous traceability of the financial flows;
5. keep a hard copy archive of the fiscal documents over ten years;
6. have cash on hand at the company's headquarters with small cash amounts besides recording the cash out-flows at regular intervals;

Considering that the Company condemns the improper use of gratuities, donations and sponsorships aimed at the obtainment of favouritisms and concessions from the beneficiary, in case of gratuities/ charitable donations to Entities or their sponsoring, the addresses of this Model are requested to perform all necessary controls in order to assure the observance of these principles:

1. donations and sponsorships cannot be carried out in favour of natural persons but only of Entities;
2. the power of decision for these initiatives is granted exclusively to the individuals provided with delegation for these purposes;
3. in case of sponsorships or donations in money, the Company undertakes not to make use of cash or similar methods of payment;
4. the Company undertakes to verify the legal nature of the beneficiaries, thus assuring that the initiatives are carried out only in favour of subjects that can prove their credibility and good reputation, besides operating in respect of ethical and transparency principles;

5. in case of sponsorships, the relation must be based on the principle of congruity and must be formalized by a contract.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body. Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 4.21) of the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

2.5. Counterfeiting of money, instruments of public credit, stamps and identification instruments or distinctive signs (art. 25bis Leg. D. 231/2001)

2.5.1. Crime-sensitive activities pursuant to art. 25-bis Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes potentially at risk of crime perpetration, described in detail in the mapping of Annex 1, are the following:

1. management of cash on hand in the company;
2. acquisition of money as order confirmation or for payments concerning services or goods with value below one thousand Euro.

2.5.2. Control protocols

The following rules of behaviour of general nature apply to the addressees of this Model who, at any title, work in the company.

In particular, they must:

1. Adopt any kind of preventive measure capable of verifying the legality of the money received (e.g. by making use of an optical reader);

2. Create a *check list* to verify and associate received sums of money/official stamps purchased or the natural or legal person that has handed them over and/or paid;
3. Purchase the stamps only at the authorized distributors;
4. Inform the Supervisory Body about possible infringements of the regulation.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body. Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 5) of the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

Moreover, the Company, in order to avoid – as far as possible- its involvement in activities that may give rise to one or more crimes against the public trust, undertakes to:

1. Check the authenticity of the credit instruments received;
2. Develop a system capable of tracing all the purchase operations;
3. Purchase the material for the development of projects, exclusively from well-known suppliers;
4. Have cash on hand at the company's headquarters to be managed by the head of the accounting department in order to carry out ordinary purchases and of minor amounts.

2.6. Offences against industry and trade (art. 25-bis.1 Leg. D. 231/2001)

2.6.1. Crime-sensitive activities pursuant to art. 25-bis.1 Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and the instrumental processes potentially at risk of crime perpetration, described in detail in the mapping of Annex 2, are the following:

1. obstruction to free competition in trade.

2.6.2. The Control protocols

The following rules of behaviour of general nature apply to the addressees of this Model who, at any title, work in the company. In general, they are requested to:

1. always draw up in writing any supply and sales agreements with the commercial partners;
2. assure transparency and detectability to the recognition processes of the customers;
3. strengthen the preventive measures already in use in the company by means of continuous traceability of all trade operations;
4. sensitize the respect of the ethical principles the company is obliged to.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 5) in the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

Moreover, the Company, in order to avoid – as far as possibile- the performance of behaviours that may integrate the crimes of illicit competition with violence or threat, of disruption of freedom in trade or industry, or fraud in trade, undertakes to:

1. elaborate a standard and controlled procedure for the issue of credit and debit notes;
2. acquire specific orders for the needs of the final customers;
3. develop *ad hoc* projects for the work-orders received;

2.7. Corporate crimes (art. 25-ter Leg. D. 231/2001)

2.7.1. Crime-sensitive activities pursuant to art. 24-ter Leg. D. 231/2001

On account of the distinctive features of the corporate *business* carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and the instrumental processes potentially at risk of crime perpetration, described in detail in the mapping of Annex 2, are the following:

1. approval of the financial statements or balance sheets;
2. management of the relations with Shareholders, Auditors and Statutory Auditors;
3. keeping of general accounting and corporate books;
4. drawing up of the financial statements;
5. management of corporate fulfilments such as, purely by way of example, preparation of minutes and documents for the Shareholders’ meeting.

2.7.2. Control protocols

The following rules of behaviour of general nature apply to the “Addressees” of this Model that, at any title are involved in the “sensitive” activities with respect to corporate crimes (in primis, the members of the corporate Bodies in the company). In general, these subjects are requested to:

1. keep a conduct which complies with the principles of fairness, transparency and correct interaction, in observance of the provisions of law and internal company procedures, in all the activities of formation of the financial statements and other company communications, so as to provide the shareholders and third parties with true and correct information on the economic, equity and financial position of the Company;
2. scrupulously keep to the norms provided for by the law to safeguard the integrity and effectiveness of the share capital, with a view to avoiding damages to the guarantees of creditors and, more in general, of any third parties;
3. ensure the regular operation of the Company and its corporate Bodies, granting and facilitating any form of internal control on the corporate management, in the manners provided for by the law, as well as the free and regular formation of the meeting’s decisions.

4. give the supervisory authorities prompt and correct communications, in good faith as provided for by the law, without causing any obstruction to the performance of their supervisory functions. Within the extent of the behaviors mentioned above, said subjects are prohibited from performing, cooperating in the performance or causing the realization of behaviours which, considered individually or collectively, amount - directly or indirectly - to the crimes provided in this Special Section (art. 25-ter of the Legislative Decree 231/2001).

Moreover, the abovementioned subjects are expressly prohibited from, if applicable:

1. carrying out simulated actions or divulging false information on the Company and its subsidiaries, if any, and their activity;
2. representing or transmitting - for further elaboration and representation in balance sheets, reports and statements or other corporate communications - false, deficient data or - anyway - not corresponding to the reality, the economic, equity and financial position of the Company and its subsidiaries, if any;
3. omitting data and information required by the law on the economic, equity and financial position of the Company and its subsidiaries, if any;
4. returning contributions to the shareholders or release the shareholders from the obligation to proceed to such contributions, unless there is a legitimate reduction of share capital;
5. distributing profits or accounts on profits which have not been actually made or which are appropriated to statutory reserves;
6. purchasing or subscribing to shares of the Company and/or of its subsidiaries, if any, except for the cases foreseen by the law, which may determine a breach of the integrity of the share capital;
7. carrying out share capital reductions, mergers or demergers in breach of legal provisions, thus causing a loss to the creditors;
8. fictitiously forming or increasing the share capital, by attributing shares in a lower amount than their nominal value in case of increase of the share capital;
9. performing behaviours that prevent or obstruct, even by concealing documents or using other fraudulent means, the performance of institutional control and audit activities pertaining to the Board of Statutory Auditors or Independent Auditors;
10. determining or influencing the execution of the resolutions of the meeting, by performing simulated or fraudulent actions intended to modify artificially the ordinary and proper formation of the meeting's decisions;

11. omitting to perform, with due completeness, accuracy and promptness, the necessary reporting to the supervisory authorities as foreseen by the laws and the applicable rules, and the transmission of data and documents foreseen by the regulation and/or specifically requested by said authorities;
12. communicating to the supervisory authority facts that do not correspond to the truth, or concealing facts on the economic, asset or financial situation of the Company;
13. performing any behaviour that may hinder the exercise of the supervisory functions also upon inspection by the public supervisory authorities (express opposition, refusals destitute of all foundation or even obstructionistic behaviours or non-collaboration, such as delays in the communications or availability of documents).

The individuals listed above, if applicable, are also required to respect and apply all the internal control models and processes in order to guarantee the correctness of the corporate financial communications.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 5) in the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

Moreover, the Company, in order to avoid the crimes specified in this paragraph, undertakes to:

1. conserve the fiscal documents printed on paper in a file at the Company's headquarters for a period of at least ten years;
2. entrust the corporate accounting to external qualified professionals and to the administration Office inside the Entity;
3. carry out the programmatic analysis of all accounting documents and verify the consistency of the cash entries with the recorded operations; the same as concerns

- the issued invoices with respect to the content of the agreement entered with the final purchaser;
4. schedule periodical meetings with the members of the Board of Directors and the Statutory Auditors.

2.8. Manslaughter and serious or very serious injuries committed with criminal intent through the infringement of the workplace health, hygiene and safety regulations (art. 25-septies Leg. D. 231/2001)

2.8.1. Crime-sensitive activities pursuant to art. 25-septies Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and the instrumental processes potentially at risk of crime perpetration, described in detail in the mapping of Annex 2, concern the management of the fulfilments relative to health and safety at the workplace and the relations with the Public Entities for the observance of the precautionary measures laid down by the laws and regulations for the engagement of employees and/or collaborators operating in the company, with particular regard to these activities:

1. Fulfilment of the obligations pursuant to T.U. 81/2008;
2. Compliance with the fire prevention regulations.

2.8.2. Control protocols

The following rules of behaviour and protocols apply to the recipients of this Model that, at any title, either directly or indirectly, are involved in the “sensitive” activities with respect to corporate crimes.

We underline that the application of the rules of behaviour specified in this section operates in two directions; in particular, in addition to the requirements that all the employees/collaborators are obliged to respect, we list here below the “preventive” behaviours that the Company must adopt in order to guarantee the safety of its employees/co-workers and, consequently, avoid the occurrence of any event that could involve the responsibility of the entity pursuant to the Leg. D. 231/2001.

In general, all the recipients of this Model are requested to:

1. strictly comply with all the rules set forth by the law and by the internal corporate procedures concerning the protection of health, safety and hygiene at the workplace, with particular – but not exclusive – reference to T.U. 81/2008;
2. guarantee that the Head of the Prevention and Protection Service (hereinafter “RSPP”) appointed by the Company and by the Supervisory Body, is promptly informed on any matter concerning accidents occurred to workers while performing their professional activities and which may have impacts on the liability systems pursuant to Leg. D. 231/2001, even if the occurrence of such events did not entail any breach of the Model;
3. guarantee that the Supervisory Body is promptly informed on possible improvement areas and/or procedure gaps at the workplace by the competent individuals in charge for the purposes of safety (Employer or RSPP, Competent Doctors, etc.) and by the executive managers who have received communications to this regard by their collaborators;
4. not to perform behaviours intended to exert any pressure towards the individuals involved (also based on the rank or the function covered inside the company) with a view to obtain elusive behaviors of the following protocols. The individuals involved can inform the OdV on the possible occurrence of these behaviours or the establishment of these kinds of practices.

In particular, MACCHINE SPECIALI undertakes to respect the following rules of behaviour:

1. respect the right to health and the rights of workers as fundamental principles guaranteed by the Italian Constitution;
2. respect of the T.U. 81/2008 and all the laws in force on the subject matter, included the good practice regulations by carefully evaluating the possible risks at the workplace and the consequent adoption of all precautionary measures and interventions with the aim of eliminating the detected risk at the source and also avoid the occurrence of further risks;
3. guarantee the allocation of an adequate budget to be used by the appointed area responsables for the health and safety at the workplace and to guarantee a correct fulfilment of all the law provisions and the implementation of the improvement program.

In accordance with the abovementioned principles, the recipients of this Model are prohibited from performing, collaborating or giving rise to the realization of negligent or fraudulent conducts that, considered individually or collectively, integrate, directly or

indirectly, the criminal offences of manslaughter and serious or very serious injuries committed with criminal intent.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

It is mandatory for the subjects appointed to manage the issues concerning the protection of health and safety at the workplace, to inform immediately the Supervisory Body of the impossibility of implementing the foreseen obligations, by stating the reason and any detected significant anomaly or any event capable of affecting the operation and effectiveness of the activity.

Out of completeness, hereunder you can find a list, given as a non-restrictive example, of the main regulatory obligations defined by the T.U. 81/2008.

2.8.3. Specific tasks

The employer:

1. appoints the person responsible and the operators of the Prevention and Protection Service, according to the requirements of article 32 of the Leg. D. 81/2008;
2. appoints the personnel in charge of the first aid and a reference person in case of fire or earthquake;
3. appoints or formally delegates any other qualified subject to appoint the Competent Doctor for the health surveillance, according to the requirements of art. 38 Leg. D. 81/2008;
4. evaluates the risks existing in the company in collaboration with RSPP and the competent doctor, by previous consultation of the workers' safety representative (RLS);
5. draws up and periodically updates a report on risk assessment as concerns safety and health (DVR), by specifying the criteria adopted for its evaluation, the prevention and protection measures and the adopted personal protective devices, the program of all measures considered advisable to guarantee, with the time, the improvement of the safety levels, the determination of the implementation procedures for the measures to be carried out and the individuals in charge of their implementation. The document indicates also the name of the RSPP, of the

- RLS and the competent doctor who have taken part to the risk assessment; it also defines the tasks that may expose the workers to specific risks and that, therefore, require well-established professional skills, specific experience, proper education and training;
6. provides the workers with the necessary and proper individual protection devices, with particular regard to the safety footwear and cloths for the shop workers;
 7. guarantees, directly or through an authorized person, the implementation and the updating of the prevention measures, according to the organization and production changes that are significant for purposes of health and safety at the workplace, or according to the development stage of technology in prevention and protection matters, thus providing for an adequate supervisory system as to the observance of safety procedures and measures by the workers;
 8. guarantees, directly or through an authorized person, that the employees are adequately trained in safety matters both upon their hiring and in case of engagement in other tasks. In any case, the training must be adjusted to the eventual specific risks of the task the employee has been assigned to and verified by final tests;
 9. organises a first aid area provided with basic medical materials;
 10. discloses communications on the behavioural rules;
 11. arranges safety exits provided with panic exit bars;
 12. puts up, in the common company's areas, maps indicating the path for reaching the safety exits;
 13. arranges in separate areas the collection points for toxic and harmful waste;
 14. equips the store with fire extinguishers and periodically checks their function and efficiency;
 15. limits the use of the fork lift only to the personnel provided with a due driving licence;
 16. puts up, in high visibility areas, signboards preventing the use of the crane and the fork lifts for the non-authorized workers;
 17. makes coincide the working break time with the lunch time;
 18. adopts, directly or through an authorized subject, disciplinary measures, in compliance with the contractual and legislative provisions, towards the workers that do not observe the prevention measures and the safety procedures thus jeopardizing his/her own or others' safety.

The prevention and protection service manager:

1. collaborates with the Employer to identify and to evaluate the risk factors in order to define the measures for safety and health at the workplace, in compliance with the laws in force;
2. devises, within the area of his/her competence, the preventive and protection measures as per art. 28 of the Decree and the control systems of such measures;
3. works up the safety procedures for the corporate activities;
4. proposes information and training programs for the workers;
5. ensures that suitable information is made available to the employees on the general and specific risks connected to the company's activities, on the first aid and fire prevention procedures and on the adopted prevention and protection measures.

The Competent Doctor:

1. co-operates with the Employer and the Prevention and Protection Service in preparing the measures for the workers' safety and phycho-physical integrity;
2. performs periodical preventive medical examinations as foreseen by the law and the established programs for risk prevention;
3. expresses his/her fitness/unfitness assessment to the specific job;
4. participates to the information and training activities of the workers and to the preparation of the first-aid service.

The Workers' Safety Officers:

1. have access to the working areas;
2. are consulted, timely and in advance, on the risks assessment and on the identification, planning, implementation and control of the prevention measures within the Company;
3. are consulted on the appointment of the RSPP and ASPP (*Employee assigned to the Prevention and Protection Service*) and the individuals in charge with the implementation of the emergency rescue and first-aid measures;
4. are consulted as concerns the organization of the training activities;
5. warn the Employer about the risks that have been detected throughout their activities and promote the elaboration, identification and implementation of prevention measures suitable for safeguarding the Workers' safety and phycho-physical integrity;
6. can have recourse to the competent authorities if they think that the risk prevention and protection measures adopted by the Employer or by the executives and the means used for their implementation are not suited to guarantee the safety and health at the workplace.

All the employees must:

1. comply with the provisions established in matters of collective and individual protection;
2. properly use the collective and individual protection devices they have been equipped with;
3. correctly use the machines, the devices, the tools and also engage not to remove or modify the safety, warning or control devices; they also shall immediately inform the employer and/or his/her designated person of the lacks of means and devices or other dangerous conditions they have become aware of;
4. undergo the foreseen health examinations;
5. take part to the safety education courses and trainings. The Company schedules and carries out audits in matters of compliance with the procedures and work instructions given to the workers and elaborates a system that clearly defines roles and responsibilities. At the end of the monitoring activities, a report is drawn up stating any eventual deficiency and the necessary corrective actions to be taken.

The Company ensures also the correct filing, in hardcopy or electronic support, of the documents concerning the management of safety such as, for example, the clinical records, the register of injuries, the risk evaluation document, the procedures, etc.; to this regard, the employees have been given adequate information as to the adoption of eventaul procedures on safety by supplying them with a hardcopy or through the corporate intranet or any further analogous method.

As concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated in the previous paragraph 4.2.1. of the special section as to the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/200.

Finally, we undeline that in case of tender contracts with third parties or subcontracted works, the Company enters agreements in writing with detailed information on the methods of management and coordination of the subcontracted works and takes care to verify the registration in the Chamber of Commerce, Industry and Handicraft, the technical-professional qualification of the contracting companies or of the self-employed

workers in respect of the works to be awarded by tender or work contract. In these cases, the Company is also requested to supply these subjects with detailed information on the specific risks existing in the environment where they shall operate and the adopted prevention and emergency measures with respect to their activity in order to eliminate any risk due to the interferences (DUVRI). This document is attached to the tender contract or work contract.

2.9 Possession of stolen goods, laundering and use of money, goods or assets of illicit origin (art. 25-octies Leg. D. 231/2001)

2.9.1. Crime-sensitive activities pursuant to art. 25-octies Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes under risk of crime perpetration, as detailed in the mapping in Annex 1, are the following:

1. Purchase of material from non-customary suppliers;
2. Management of the company’s cash amounts.

2.9.2. The control protocols

The following rules of behaviour apply to the addressees of this Model that, at any title, have trade or anyway institutional relations with third parties, either public or private, on behalf or in the interest of the Company. In general, said addressees are prohibited from performing, cooperating in the performance or causing the realization of behaviours that integrate or may integrate, directly or indirectly, the criminal offences as foreseen by art. 25-octies of the Leg. D. 231/2001, as per latest amendment with the introduction of the crime pursuant to art. 648-ter.1 Criminal Code.

In particular, the addressees must:

1. keep a conduct which is in compliance with the principles of fairness, transparency and correct interaction, in observance of the provisions of law and internal company procedures;
2. ensure the regular operation of the Company and its corporate Bodies, granting and facilitating any form of internal control on the corporate activities that may be

instrumental for the implementation of behaviours or conducts non compliant with the regulatory framework described above;

3. in the manners provided for by the law, as well as the free and regular formation of the meeting's decisions
4. scrupulously keep to the regulations provided for by the law and by the internal company procedures as concerns the limits, conditions and methods to be followed in the conduct of the Company's economic-commercial activities;
5. keep conducts capable of ensuring the free and fair development of trade and a lawful competition, also by respecting the public trust;
6. comply with all prescriptions as concerns confidentiality and prohibition to disclose data or information specified in the negotiating procedures with third parties, above all when referred to industrial and intellectual property rights;
7. refrain from commercial conducts aiming at, or anyway capable of infringing the good faith of the consumer/customer or the licit trust of the citizen;
8. avoid behaviours capable of infringing the industrial and intellectual property rights of third parties;
9. implement an internal procedure for the management of the client/ supplier master records (company name, address for invoicing, address for goods delivery, IBAN code, methods of payment) and a correct accounting management of the relations with the same;
10. implement a procedure to check goods incoming/outgoing and, in general, the correspondence between the amounts invoiced and the amounts paid;
11. in case it is necessary to verify the commercial and professional reliability of the suppliers, customers and partners (e.g. for new relations with unknown counterparts) the addressee must ask for information (e.g. Chamber of Commerce certificates) or search in specialized database;
12. carry out both formal and substantial checks of the corporate financial in- / out-flows; these checks must take into account the registered office of the counterpart company (e.g. tax havens, countries under the risk of terrorism, etc.), the headquarters of the credit institutes used for the transactions and eventual recourses to third party companies.

The obligations listed above apply not only to the relations established with private individuals, but also to individuals of the Public Administration. Moreover, the Company and its employees and/or collaborators are prohibited from adopting, with awareness, consciousness and will the following conducts:

1. implement and perform any economic initiative which may be in contrast with the corporate ethical principles;
2. implement behaviours that may lead to criminal activities;
3. prepare– or take part to the preparation – of means to be used for supporting any criminal offence integrating the species of crime specified in the title of this paragraph;
4. promote or anyway propose the realization of criminal offences that are considered from time to time as useful or necessary for the obtainment of any advantage for the Company.

The recipients of these ethical-behavioural principles are also obliged to keep to these prescriptions:

1. in case you are contacted by individuals that aim at establishing a relation for criminal purposes, the person concerned must: (i) interrupt any contact with said individual; (ii) timely inform the person Responsible in the company (in case of employee of MACCHINE SPECIALI) or the internal reference person (in case of third parties) and give formal communication to the Supervisory Body;
2. in case of conflicts of interest arising in the relations with third parties as concerns trade or institutional relationships, the person concerned must timely provide the company Responsible (in case of employee of MACCHINE SPECIALI) or the internal reference person (in case of third parties) with information and give formal communication to the Supervisory Body;
3. in case of doubts as to the correct implementation of the a.m. ethical-behavioural principles throughout the performance of the operating activities, the individual concerned must consult the company Responsible, without delay, (in case of employee of MACCHINE SPECIALI) or the internal reference person (in case of third parties) and forward a formal request to the Supervisory Body.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated in par. 4.2.1 of the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

The Company undertakes to adopt the following behaviours:

1. check the authenticity of the credit instruments received;

2. verify the commercial and professional reliability of the suppliers;
3. purchase the material for repairs and resale, which is necessary for the development of projects, only from consolidated and reliable suppliers;
4. allow traceability for the abovementioned purchases.

2.10. Copyright infringement

2.10.1. Crime-sensitive activities pursuant to art. 25-*nonies* Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes under risk of crime perpetration, as detailed in the mapping in Annex 2, are the following:

1. Management of the production and distribution process.

2.10.2. The control protocols

The following rules of behaviour apply to the addressees of this Model that, at any title, have trade or anyway institutional relations with third parties, either public or private, on behalf or in the interest of the Company. In general, said addressees are prohibited from performing, cooperating in the performance or causing the realization of behaviours that integrate or may integrate, directly or indirectly, the criminal offences as foreseen by art. 25-*nonies* of the Leg. D. 231/2001.

In particular, the addressees must:

1. scrupulously keep to the regulations provided for by the law and by the internal company procedures as concerns the limits, conditions and methods to be followed in the conduct of the Company’s economic-commercial activities;
2. keep conducts capable of ensuring the free and fair development of trade and a lawful competition, also by respecting the public trust;
3. comply with all prescriptions as concerns confidentiality and prohibition to disclose data or information specified in the negotiating procedures with third parties, above all when referred to industrial and intellectual property rights;
4. abstain from commercial conducts aiming at, or anyway capable of infringing the good faith of the consumer/customer or the licit trust of the citizen;
5. avoid behaviours capable of infringing the industrial and intellectual property rights of third parties.

The said addressees are expressly prohibited from:

1. altering or counterfeiting – through whatever kind of reproduction – filed/registered marks or national and foreign distinctive signs or make use of altered or counterfeit marks or distinctive signs;
2. altering or counterfeiting – through whatever kind of reproduction – patents, drawings, industrial designs or make use of altered or counterfeit patents, drawings or industrial designs;
3. importing - to earn profit - selling or keeping for sale purposes, intellectual works or products with counterfeit or altered marks, distinctive signs and patents;
4. adopting violent conducts or have recourse to contrived or fraudulent acts of any kind in order to raise obstacles to the free development of the commercial and industrial activities of third parties, as individual aspect of the collective economical interest;
5. exerting violence or threats in order to illicitly hinder the competition, by making use of direct kinds of threat against possible competitors;
6. selling or otherwise put on the market - also by means of storage for purposes of distribution and clearance – workpieces or products with altered or counterfeit names, marks or distinctive signs that may represent a damage for the industry;
7. selling or otherwise put on the market - also by means of storage for purposes of distribution and clearance – workpieces or products with third party's names, marks or distinctive signs, even if not registered, in order to deceive the consumer/client;
8. manufacturing or make industrial use of objects or other goods which have been realized by seizing or through the infringement of third parties' copyright or patents;
9. introducing into the territory of the State, holding for sale or sale or anyway put on the market – for profit purposes – goods/works that have been realized through infringement of third parties' copyright or patents;
10. divulging – via computerized network systems – intellectual properties or parts thereof;
11. duplicating, importing, distributing, selling, leasing, divulging/transmitting to the public, holding for trade purposes – or anyway with a view to earning profits and without having the right to do so – computer programs, protected database or any other work protected by copyright and other connected rights, included the literary, musical, multi-media, cinematographical, artistic works.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

As concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated in the previous paragraph of the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

The Company, in order to prevent the occurrence of crimes regarding the infringement of copyrights, undertakes to guarantee the traceability of sales and to carry out random checks as to the correspondence between the accounting documents of the sold goods and their invoicing.

2.11. Crimes to the detriment of the administration of justice (art. 25-decies Leg. D. 231/2001)

2.11.1. Crime-sensitive activities pursuant to art. 25-decies Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes under risk of crime perpetration, as detailed in the mapping in Annex 2, are the following:

1. Relations with public officers in order to obtain the release or renewal of licences, certificates, permits and/or concessions, also on the occasion of visits and inspections;
2. Management of relations with auditing bodies;
3. Management of relations with individuals that are requested to give statements before the judicial authorities (e.g. witnesses);

4. Inducement to public officials for the granting of authorizations, licences, certificates, permits and/or concessions, even in the absence of the qualifying conditions, through promises of money or other benefits.
5. Inducement to public officials to omit any possible report or sanctions by promising them money or other kind of benefit;
6. Inducement to give false statements before the judicial authorities, by promising payments of money or granting other benefits.

2.11.2. The control protocols

The following rules of behaviour apply to the addressees of this Model that, at any title, have trade or anyway institutional relations with third parties, either public or private, on behalf or in the interest of the Company.

In general, said addressees are prohibited from performing, cooperating in the performance or causing the realization of behaviours that integrate or may integrate, directly or indirectly, the criminal offences as foreseen by art. 25-*nonies* of the Leg. D. 231/2001.

Moreover, said persons are requested to:

1. comply with the provisions set forth by the law and by the internal corporate procedures, in all the activities aiming at the management of the relations with Public Officials, Public Authorities and the administrations;
2. carry out a continuous monitoring of the corporate financial flows.

The recipients of this Model who have relations or manage information flows with the Public Administration on behalf of the Company must be formally granted the relevant powers, by means of due proxies for the Employees or the Directors, or by means of specific contractual clauses as concerns the consultants or partners. A specific power of attorney will be conferred on these individuals in case of need.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee of MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body. The Company, in order to avoid – as far as possible – the commitment of crimes, undertakes to gradually:

1. carry out cross-checks between the Head of accounting dept. and the Administration as to the management of financial flows and the correspondence

between the paid amounts and what has been provided for in the contracts entered with the Entity;

2. monitor the activities of the company's co-workers and the congruity of the incurred expenses with regard to the activity carried out in favour of the Entity (ex. agents);
3. keep a hardcopy archive of the fiscal documents over ten years (at least) at the company's site.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, agents, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what has been previously stated (see § 4.21) of the Special Section of this Model as concerns the selection criteria of the third party operator and the termination clauses pursuant to Leg. D. 231/2001.

2.12. Crimes in breach of environmental regulations (art. 25-undecies Leg. D. 231/2001)

2.12.1. Crime-sensitive activities pursuant to art. 25-undecies Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes under risk of crime perpetration are the following:

1. correct management of waste and toxic substances collection;
2. disposal of waste and harmful substances;
3. arrangement of suitable collection and preservation infrastructures;
4. controlled entrustment to qualified and certified disposal operators;
5. classification of waste.

2.12.2. The Control protocols

The following rules of behaviour apply to the recipients of this Model that, at any title are involved in the “sensitive” activities with respect to environmental crimes.

In general, said addresses are prohibited from performing, cooperating in the performance or causing the realization of behaviours that – either individually or collectively - integrate or may integrate, directly or indirectly, the criminal offences as foreseen by art. 25-*undecies* of the Leg. D. 231/2001.

In general, the addressees must:

1. operate in compliance with the laws and the national and international regulations in force on environmental matters;
2. observe the regulations of this Model and the corporate procedures on environmental matters;
3. draw up and keep the documents relative to the observance of the prescriptions on environmental matters;
4. immediately give notice of any perceived dangerous situation, either potential or real, on matters of environmental protection.

Therefore, in order to avoid the occurrence of kinds of crimes to be classified as critical, the Company must:

1. identify the environmental aspects connected to all its activities, the services offered to the market;
2. consider and comply with all legal prescriptions and other prescriptions applicable on environmental matters;
3. correctly manage and dispose the produced waste, by identifying it with suitable codes;
4. fill in and duly keep a waste register and the relative forms in all their parts;
5. verify and store all required authorizations for waste disposal entrusted to third parties;
6. pre-arrange and implement a continuous training/information program on waste management, directed to everybody;
7. establish idoneous procedures for waste management, capable of preventing any littering on the ground and in the subsoil;
8. establish idoneous procedures for waste management, capable of preventing any littering in the surface and underground water;
9. arrange programs and procedures to carry out the periodical inspections / audits on the observance of the adopted procedures;
10. enter a collection, transport and conveyance contract to the waste disposal facilities and/or for waste treatment with Venanzieffe S.r.l. for the following waste: waste

- mineral oil, lead accumulators, water and sludge from car-wash facilities, used oil and gas-oil filters, empty cans dirty with oil, brake pads and sludge from treatment plants;
11. appoint and award the task to an external Consultant for the management of waste collection, transport and disposal;
 12. take care of and store the disposal invoices;
 13. reserve special corporate areas for the collection of waste and tires;
 14. register at the Consortium for used tires in order to be granted the benefits concerning the collection and disposal of waste tires;
 15. every week, monitor the filling rate of the collection sites;
 16. duly fill in the loading/unloading register and the SISTRI register;
 17. carry out canalization works inside the Workshop in order to prevent any spills;
 18. have a double-chamber oil tank;
 19. carry out the FGAS declaration for the conditioning system;
 20. maintain a sealed circuit for oil transportation;
 21. check the regularity of the forwarding agents that carry out the waste collection;

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

The Supervisory Body periodically checks the correct implementation of the activities mentioned above and sanctions the non-fulfilments according to the provisions set forth in the paragraph relevant to sanctions.

The internal responsibilities must be established, in order to determine the individuals to be awarded with special proxies and the consequent authority and liability. The assignment of specific proxies in environmental matters shall be in writing and with certified date. By doing this, the characteristics and limits of the appointment, as well as the powers required for carrying out the entrusted task are defined comprehensively. The assignment and exercise of powers within a decision-making process is consistent with the positions of responsibility and the underlying risk situations.

2.12.3. Correlated procedures

In addition to the control protocols as described above, the sensitive activities with respect to the risk of commission of environmental crimes are rigidly formalized and generally respected inside the company.

2.13. Employment of non-EU citizens with irregular residence permit (art. 25-duodecies Leg. D. 231/2001)

2.13.1. Crime-sensitive activities pursuant to art. 25-duodecies Leg. D. 231/2001

On account of the distinctive features of the corporate business carried out by MACCHINE SPECIALI and of the adopted internal structure, the main “crime-sensitive” activities and instrumental processes under risk of crime perpetration are the following:

1. employment procedure of non-EU workers;
2. check of validity and renewal of the residence permit throughout the duration of the working relationship.

2.13.2. The control protocols

The following general rules of behaviour apply to the recipients of this Model that, at any title, either directly or indirectly, are involved in the “crime-sensitive” activities with respect to the offences regulated by art. 25-duodecies of the Leg. Decree 231/2001 for the fulfilment of work activities on behalf of the Company.

In general, the addressees must:

1. comply with the provisions of the applicable law and the internal corporate procedures as concerns the management of the non-EU personnel, from the date of hiring and throughout the duration of the employment relationship;
2. not employ individuals without regular residence permit or in possession of a revoked or expired permit;
3. continuously monitor the validity of the residence permit of the non-EU individual throughout the working relationship. Therefore, in order to avoid the occurrence of “critical” instances, the company:

1. carries out strict formal and substantial controls as concerns the conformity of the documents in possession of the non-EU individual for whom a permanent employment in the company is being evaluated;
2. adopts and implements an internal management procedure of the personal data of the non-EU employees (personal data, place of residence / domicile, family nucleus, type and duration of the contract, job classification, task, working site, gross salary, eventual benefits);
3. adopts and implements a periodical verification procedure as to the validity of the residence permit of the non-EU personnel upon their hiring;
4. does not undertake elusive actions to bypass the provisions set forth by the company regarding the hiring policy;
5. formalizes the work relationship by means of employment contract agreed in writing, only and exclusively by previous verification of regular residence permit of the non-EU individual and, anyway, in compliance with the provisions of the Leg. D. 109/2012.
6. stores all documents pertaining to the worker as hardcopy or by making use of IT tools;
7. refuses to engage in its own factory and offices, even only temporarily, personnel not in possession of the requirements requested by the law;
8. communicates the employment to the competent Centro per l'impiego (*a kind of "Job centre"*) on the day before the beginning of all employment activities; the company shall also send by email the special form "Modello Unificato – Lav" and shall communicate to the public safety authority (i.e. State Police or Mayor) the hospitality or the availability of a flat on any basis;
9. submits the newly hired worker to medical examination, in order to avoid any physical impediment to the kind of works he/she'll be entrusted with.

In case of doubts as to the correct implementation of the abovementioned ethical-behavioural principles throughout the performance of the working activities, the subject concerned must address his/her area Responsible (in case of employee, MACCHINE SPECIALI) or the internal contact person (in case of third parties) and formally send a request to the Supervisory Body.

Finally, as concerns the regulation of the contractual relations with the contracting third parties (e.g. co-workers, consultants, partners, suppliers, etc.) involved in the performance of risk-prone activities with respect to the crimes specified in this paragraph, and operating on behalf or in the interest of MACCHINE SPECIALI, we expressly refer you to what

has been previously stated in par. 4.2.1. of the special section of this Model as concerns the selection criteria of the third-party operator and the termination clauses pursuant to Leg. D. 231/2001.

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