

**ERG S.p.A.**

**Organisational and Management Model**

**Pursuant to Italian Legislative Decree no. 231 of 8 June 2001**

Approved by the Board of Directors on 11 March 2015

*(cancels and replaces the document approved on 26 February 2013)*



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## Definitions

**Tax authorities** - Fiscal Revenues Agency, Tax Police, Customs Authority, Land Registry, etc.

**ATI** - Temporary Consortium of Companies.

**Sensitive activity** - Activities of ERG S.p.A., in which the potential risk of committing the offences occurs.

**Authorities** - Judicial authorities, institutions, national and foreign public administrations, Consob, Antitrust, Borsa Italiana (Italian Stock Exchange), "Italian Data Protection Authority", AEEG (Italian Regulatory Authority for Electricity, Gas and Water) and other Italian and foreign supervisory authorities.

**CCNL or National Collective Labour Agreement** - National Collective Labour Agreement currently in force and applied by ERG S.p.A.

**Consultants** - Those acting in the name and / or on behalf of ERG S.p.A. on the basis of a contract or other relationship of collaboration, including coordinated.

**Employees and Staff** - Individuals who have a labour relationship with the Company, including managers.

**Italian Legislative Decree no. 231/2001** - Italian Legislative Decree no. 231 of 8 June 2001 and subsequent amendments and supplements.

**ERG S.p.A. and ERG Services S.p.A.** - In the document these Companies are also referred to as "ERG" and "ERG Services"

**Confindustria's Guidelines** - The most recently updated Guidelines for the construction of the organisation, management and control model pursuant to Italian Legislative Decree no. 231/2001, approved by Confindustria, issued in March 2014 and published in July 2014 following approval from the Ministry of Economic Development.

**Model** - The model of organization, management and control pursuant to Italian Legislative Decree no. 231/2001.

**Corporate Boards** - ERG S.p.A. Board of Directors, the Board of Statutory Auditors and their relative members.

**Supervisory Committee or Committee or SC** - Committee responsible for overseeing the effectiveness of the Model and its related updating.

**Supplier of external services** - Body to which the Company has outsourced, fully or partly, activities within its operational perimeter

**P.A. or Public Administration** - Public entities, local and otherwise, their officials and internal bodies and those in charge of public services.

**Partners** - Contractual counterparties, either natural or legal persons with which the company has any form of contractual relations (temporary business association - ATI, joint ventures, consortia, purchase and sale of businesses or business units, etc.) when operating its Sensitive Processes.

**Offences** - Crimes covered by Italian Legislative Decree no. 231/2001, also following changes and additions.

**Senior Parties** - The Board of Directors, the Chairman, the Executive Deputy Chairman, the Deputy Chairman, the Managing Director, as well as the parties holding proxies granted directly by the Board of Directors.

## 1. Italian Legislative Decree no. 231/2001

### 1.1. Decree content and law references

Italian Legislative Decree<sup>1</sup> no. 231 of 8 June 2001 (“Regulation of the administrative liability of legal entities, companies and associations including those without legal status – the Decree) which came into force on the following 4 July, introduced into our legislation a regime of administrative liability for legal entities, which is to be added to the criminal liability of the natural person who has materially committed determined unlawful deeds and which aims to involve, in the punishment of them, the organisation in whose interest or to whose advantage these offences have been carried out.

The liability of the organisation (including for offences committed abroad, as long as the State where the offence has been committed does not take action against them) derives from the committing of one of the offences stated in the Decree, by a natural person belonging to the organisation, in the interest or to the advantage of the organisation itself and if the latter has not adopted organisational models suitable for preventing the committing of the offences in the Decree (so-called “Organisation Fault”).

With reference to the natural persons which have committed the offence, the behaviour put in place by those who have roles of representation, administration or management of the organisation or of another organisational unit or by individuals who are responsible for managing and controlling the company (individuals in senior positions or “seniors”), and by individuals who are managed or supervised by one of these individuals is important. In relation to the offences from which the liability of the organisation may arise, the Decree included, in its original text, only offences against the Public Administration (articles 24 and 25); subsequently, many legislative actions included afterwards many other cases (the complete list of which is published in the section “Supervisory Bodies” in the ERGgate intranet), also to align the Italian laws to European Community ones and to International Conventions.

### 1.2. Company actions that the decree considers as exemptions from its administrative liability

The Decree provides a specific exemption from administrative liability, if the Entity can demonstrate that the management has adopted and effectively implemented, before the offence was committed, “organisational and management models designed to prevent the offences committed”.

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<sup>1</sup> Adaptation of Italian law on liability of legal persons, to the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community, to the Brussels Convention of 26 May 1997 on combating the bribery of public officials of the European Community and of Member States and to the OECD Convention of 17 December 1997 on combating the bribery of foreign public officials in international business transactions.

The Model must meet the following requirements:

- identify the activities where the offences stated in the Decree may be committed;
- define specific decision making protocols with reference to the offences that must be prevented;
- identify procedures for managing financial resources capable to prevent the commission of such offences;
- implement reporting processes towards the board in charge of supervising the effectiveness of the Model;
- introduce an internal System of Sanctions suitable for punishing the failure to respect the measures indicated in the Model.

Therefore a specific exemption from liability is provided for if the Entity proves that:

- it has adopted and effectively implemented, prior to the commission of the offence, an organisational and management model capable of preventing the commission those offences;
- it has established an internal body (the Supervisory Committee, hereinafter also Committee or SC), with autonomous decision-making and control powers, with the responsibility of supervising the effectiveness of the Model, as well as ensuring it is regularly update;
- there is no evidence of omitted or insufficient control by the Supervisory Committee;
- the individual who carried out the offence acted by fraudulently ignoring the organisational and management Model.

Guidelines drawn up by Confindustria where appropriately considered by ERG S.p.A. in the Model; should differences exist between the Model and any specific indication of the guidelines, these would not affect the basic accuracy and validity of the Model, since guidelines are general in nature, while the Model is strictly referred to the current Company's organisation.

### 1.3. Applicable sanctions

The Decree defines four types of administrative sanctions for violations:

- **pecuniary** sanctions, determined through a system setting a minimum and a maximum number of "quotas" with reference to each offence. In order to make sanctions actually effective, the rule gives the law court the power to define the number (between 100 and 1000, according to the gravity of the offence, the degree of responsibility of the entity and to what has been done to eliminate or mitigate the consequences of and prevent further abuses) and amount (between EUR 258.23 and EUR 1549.37 "based on economic and financial conditions") of "quotas" the entity can be sanctioned<sup>2</sup> with;

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<sup>2</sup> There are cases in which the penalty can be reduced if (alternatively) the offender has committed the act in his best interests or in the best interests of third parties and the entity has not obtained any advantage, or it has obtained a minimal advantage and if the damage is negligible. The financial penalty is also reduced by a third to a half if, before the opening statement of the proceedings at first instance, the entity has fully compensated the damage or has eliminated the damaging or dangerous consequences of the crime (or has tried to do that), or has adopted a Model suitable to prevent any further commission of the same offence.

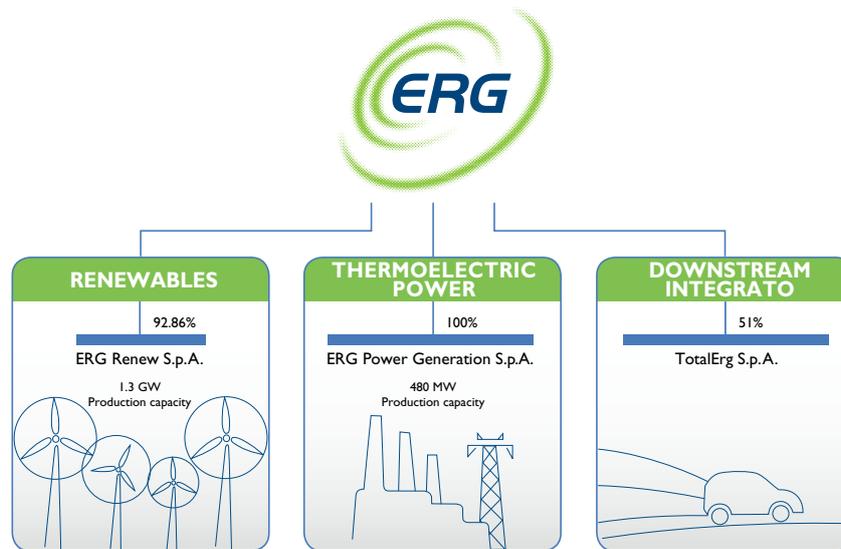
- **disqualification** sanctions, i.e.:
  - i.* the prohibition from operating core business activities;
  - ii.* the suspension or revocation of authorisations, licenses or concessions functional to the committing of the offence;
  - iii.* prohibition from entering into contracts with the Public Administration, other than to obtain public services;
  - iv.* the exclusion from facilities, loans, grants and subsidies as well as the revocation of those already granted;
  - v.* the prohibition from advertising goods or services
- the **confiscation** of the cost or profit deriving from the offence
- the **publication** of the sentence.

No liability shall attach to the Entity that voluntarily prevented the crime from being committed or the event from occurring, in addition to the cases of reduction of pecuniary sanctions foreseen by the law.

## 2. Model adopted by ERG S.p.A.

### 2.1. Reasons for adopting the Model

ERG is an industrial operator engaged in production of electricity from wind and thermoelectric sources, which is highly focused on the development of renewable energy sources in both Italy and abroad, and has strategic presence in the (oil) marketing sector through the JV TotalErg. In 2014, the Company renewed its corporate-organisational structure, illustrated below:



For the purpose of ensuring increased fairness and transparency in conducting its business activities, since December 2004, ERG S.p.A. has considered it appropriate to adopt an Organisational and Management Model in line with the provisions of the Decree, subsequently updated in 2006, 2008, 2011 and 2013.

The Company, in fact, has considered and still considers the adoption of this Model, together with the Code of Ethics (hereinafter referred to as the “Code”), to be an additional tool, apart from the provisions of law, to make all its employees, collaborators, as well as any other associated persons (shareholders, Public Administrations, customers, suppliers, third-parties in general, etc.), behave in an appropriate and transparent way when performing their activities, in line with ethical and social values that ERG S.p.A. is based on in pursuing its corporate purpose, thus preventing the risk of any crime contemplated by the Decree being committed.

As a consequence, the adoption and effective implementation of the Model are intended to improve Corporate Governance, reduce the risk of committing crimes and provide valuable evidence for the Company to be considered not liable.

## 2.2. Construction and structure of the Model

The Model has the purpose of defining a comprehensive set of prevention, deterrence and control tools aimed at reducing the risk of crimes being committed, by identifying sensitive activities and, if necessary, their resulting regulation.

Therefore, the activities performed to develop<sup>3</sup> the Model can be summarised as follows:

- **identification of business operations affected by the risk of crime**, with the purpose of identifying sensitive activities, understanding possible ways of committing crime (“risk assessment”) covered by the Decree and identify any need for corrective action;
- **examination of existing corporate documentation**, interviews with key corporate employees, identification of existing procedures, understanding the segregation of duties model, mapping existing controls and understanding how they are documented, analysis of risk situations occurred in the past and their causes;
- **creation of a “map of 231 risks” and of a “gap analysis”**, which identifies any areas for improvement, with a view to guaranteeing the effectiveness of the controls set in place by the Model;
- **definition of control protocols** and formalisation of plans of action with changes (organisational, procedural or relating to information systems) necessary to define a control system reasonably able to prevent or reduce the risk of committing crimes.

As far as the effectiveness of the Model is considered, particular importance has to be put on the organisational structure, activities and rules implemented by management and the corporate staff aiming at ensuring the effective and efficient management of operations, the reliability of Corporate information towards internal and external third parties, the compliance with laws, regulations, procedures and internal policies.

The most important case law was considered in developing the Model, with reference to the characteristics that this must have:

- **effectiveness**: namely the adequacy of all the established controls for preventing the committing of crimes;
- **specificity**: model provisions must take into account the Company characteristics, size and type of activities, as well as the history of the Company;
- **consistency**: i.e. the ability to reduce, over time, the risk of a crime being committed, in relation to the structure and character of the business, including with the work of the Supervisory Committee which keeps the Model up-to-date and current.

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<sup>3</sup> According to the provisions of the Decree, the Guidelines published by Confindustria, the “Position Paper” of the Italian Internal Auditors Association, the CoSO Report (proposed by the Committee of Sponsoring Organizations of the Treadway Commission) as an international standard on internal control matters.

The structure of the Model adopted by ERG S.p.A. is characterised by the presence of the following major components:

- the **Code of Ethics**, to which reference should be made, stating the principles on which the work of all those who contribute with their work to the development of company activity must be based;
- the **general part**, defining the overall layout of the Model in relation to the provisions of the Decree and the specific choices made by the Company in its preparation, referring to the disciplinary system, to be applied in case of violation of the envisaged rules and procedures;
- the **special section**, defining rules to be followed in performing sensitive activities.

### **2.3. The Internal Control System and Model 231**

The regulatory system of reference for the sensitive processes and activities does not solely comprise the provisions of this Model, but rather a structured, coherent set of regulations:

- the Code of Ethics, targeting all stakeholders, which summarises the ethics principles adopted by the ERG Group for its business activities;
- the Policies, targeting all stakeholders, which based on values expressed in the Code of Ethics, define the basic operating principles for conducting the company's activities;
- the Guidelines, mainly targeting those responsible for operations and their control, which define the principles for conducting business;
- the Procedures, targeting those involved in the operating processes governed by the Procedures;
- the Operating Notes, targeting those operationally involved in the activities or activity phases governed by the document;
- the Health and Safety Management System (OHSAS 18001), indicating the procedures adopted for health and safety at work.

With reference to delegation of powers, the system adopted by ERG envisages:

- delegation of powers by the Board of Directors, through board resolutions, to the Chief Executive Officer in relation to ordinary Company management;
- delegation of signatory powers, powers of representation and negotiations with external parties (normally to persons reporting directly to the Chief Executive Officer);
- delegation of special powers for the performance of a specific, well-defined action, the completion of which invalidates the powers;
- delegation of powers to the managers of internal organisations for the adoption of certain measures with no negotiating powers outside the company.

The current system of delegated powers is designed in such a way as to ensure continuous coherence between the organisational structures, in line with the powers assigned and with the company's regulatory system (Policies, Guidelines, Procedures, Operating Notes and Job Descriptions), all of which in compliance with the Segregation of Duties. This approach guarantees that the same person is not assigned all responsibility/powers to independently manage an entire sensitive activity.

In particular, when delegating powers, the exact limits (including spending limits) are identified within which the powers are exercised, with the delegation of “unlimited” powers prohibited.

Specific periodic controls are also in place to ensure alignment between the powers and the organisational roles, also in reference to any organisational changes.

With regard to the assignment of organisational responsibilities, the Organisational Manual - based on the Company's organisation chart - defines the organisational positions, identifies the purpose and, for each company process within which the activities are performed, the related responsibilities.

The Organisational and Management Model is therefore made up of the set of rules of conduct and controls established in this document and in the regulatory system, and the system of delegated powers and responsibilities stated above.

#### **2.4. Model adoption process**

Although the adoption of the Organisational and Management Model is merely “voluntary” and not mandatory, ERG S.p.A. has decided to set up and adopt its own Model and appoint the Supervisory Committee considering this choice as representing an opportunity to improve its Corporate Governance.

Since the Model is a “document issued by the Management Body”, its adoption and any subsequent amendments and supplements will be responsibility of the Board of Directors, or of one of its members, subject to the subsequent approval of the Board itself as the subject which is vested with the original decision-making power in relation to the Model.

The Supervisory Committee, as described in the following paragraphs, has the task of updating the Model with the support of any necessary resources, coordinating the analysis and mapping of sensitive areas and activities, ensuring Model operation, compliance and update.

Within the Model adoption process, the Supervisory Committee shall draw up a draft document, share it with the Internal Control and Risk Committee and then submit the final draft to the Board of Directors for approval and adoption.

#### **2.5. Adoption of the Model within the Group**

“ERG Group” means ERG S.p.A. and the Italian constituted subsidiaries controlled by ERG S.p.A., according to article 93 of the Consolidated Law on Finance (T.U.F.)<sup>4</sup>.

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4 [...] are considered subsidiaries, in addition to those indicated in article 2359, section one, numbers 1 and 2, of the Italian Civil Code, as follows:

- a) Italian or foreign companies, over which a party, by virtue of a contract or a statutory clause, has the right to exercise significant influence, when the applicable law permits said contracts or clauses;
- b) Italian or foreign companies, over which a shareholder, on the basis of agreements with other shareholders, alone has sufficient voting rights to exercise a significant influence at the shareholders' meeting.

[...] rights held by subsidiary companies are also valid or those exercised by means of trustees or intermediaries; those due on behalf of third parties are not considered valid.

The Italian companies subject to ERG S.p.A. management and coordination<sup>5</sup> must, periodically and under their own autonomous responsibility, requesting support if necessary from the relevant Parent Company departments, perform specific analyses to assess the opportunity of adopting their own Organisational and Management Model pursuant to Italian Legislative Decree 231/01. In particular, it is important to consider possible alternatives to Model adoption, where possible deferring to existing organisational documentation. Foreign subsidiaries subject to ERG S.p.A. management and control must adopt the Group Code of Ethics from the moment the company is formed or on finalisation of an acquisition or merger. In addition, in order to strengthen compliance with international anti-corruption laws, the foreign companies will adopt the Anti-corruption Guidelines.

In order to define the criteria to be followed by Group Companies in adopting and managing Models or other specific measures, the Supervisory Committee of ERG S.p.A. may prepare appropriate guidelines, to be shared with the Internal Control and Risk Committee and approved by the Board of Directors, which will be communicated to the respective Governing Bodies. Subsidiaries may refer to the model adopted by ERG S.p.A., adapting it to their specific environment, sensitive areas and activities, when defining their specific Models.

### **3. Supervisory Committee**

#### **3.1. Identification of the Supervisory Committee**

The Decree identifies a “body of the entity”, with independent authority of action and control, as the body to be in charge of supervising the functioning, effectiveness and observance of the Model as well as continuously and promptly updating it.

The generic concept of “body of the entity” justifies the multiple solutions that companies can adopt, considering their dimensions, Corporate Governance rules and the need to achieve a fair balance between costs and benefits.

Confindustria’s Guidelines suggest appointing a body, other than the Board of Directors, which has characteristics of autonomy, independence, professionalism and continuity of action, as well as integrity and absence of conflicts of interest.

Internal and external members can be nominated to be part of the collective Supervisory Committee, provided that each of them has the above-mentioned autonomy and independence. Should members be both internal and external, independence must be considered with reference to the body as a whole and not to the individual members, since complete independence from the organisation is not enforceable for internal ones.

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<sup>5</sup> Joint ventures between ERG S.p.A. or its subsidiaries and the partner companies are excluded from management and coordination, and consequently independently manage the issues relating to administrative liability of legal entities and, in more general terms, those associated with preventing offences.

### **3.2. Appointment and composition of the Supervisory Committee**

The Board of Directors has the power to appoint the Supervisory Committee. Considering the previous section provisions, the Board believes that the best solution to ensure compliance with the requirements of the Decree is represented by granting the functions and powers of the Supervisory Committee to a collective body consisting of a Chairman, as an external member, and two internal members (preferably the Chief Audit, Risk & Compliance Officer and another Manager with adequate abilities) identified as meeting the requirements set by Italian Legislative Decree no. 231/2001, the prevailing case law and Confindustria's Guidelines.

The Supervisory Committee shall only report to the Board of Directors and has direct access to senior management, to the Board of Statutory Auditors and, both directly and indirectly through the Internal Control and Risk Committee, to the Board of Directors itself. In order to ensure the necessary autonomy of action and independence, the Supervisory Committee has no operational duties.

The members of the Supervisory Committee may not, in carrying out their duties:

- directly or indirectly engage in economic relations (or be able to influence the independence of opinion, also evaluated in relation to the individual financial condition) with the Company, its subsidiaries, executive directors, the shareholder or group of shareholders controlling the Company, with the exception of any employment relationship;
- directly or indirectly own shares enabling them to exercise control or significant influence over the Company;
- be close relatives of executive directors of the Company or of persons in the situations mentioned in the previous paragraphs.

The Board of Directors verifies that appointed members of the Supervisory Committee fulfil the requirements of integrity, professionalism, autonomy, independence and continuity of action, also taking into account the instructions provided in Confindustria's Guidelines.

### **3.3. Duration of appointment, replacement and removal of Supervisory Committee members**

Members of the Supervisory Committee shall remain in office for a period preferably not exceeding three years and may be re-elected. In case of revocation of the appointing Board of Directors, whatever the reason, Committee members will remain in force until new ones are appointed, or the ones in force are confirmed by the new Board of Directors.

The Board of Directors has the power and responsibility to appoint and remove the Supervisory Committee; it may delegate the legal representatives of the company, as well as acknowledging any new appointments made by the representatives.

Members of the Supervisory Committee cannot be revoked except for good reason, by special resolution of the Board of Directors. Good reason for dismissal shall be intended as the occurrence of any of the following circumstances:

- occurrence of one of the reasons for incompatibility listed in point 3.2;

- repeated breach of their duties;
- violation of the Model;
- unjustified inactivity;
- conviction, even without final judgement, or application of the “plea bargaining” penalty for facts relating to the performance of their duties.

The Board of Directors will decide on a case-by-case basis, taking into consideration the seriousness of the offences involved, suspension or revocation of membership of the SC, even if not convicted of a “231 Offence” with final judgment, but in any event convicted or subjected to personal injunction orders;

- declaration of disqualification, inability and bankruptcy or a judgement involving the ban from holding public offices, managerial offices, a profession or art, and the inability to negotiate with the Public Administration;
- occurrence of a permanent condition of conflict of interest;
- changes in stock ownership resulting in a change of the party holding the majority of votes that can be exercised at ordinary shareholders’ meetings.

At the time they are appointed, Supervisory Committee members must issue a declaration stating the absence of the mentioned conditions of incompatibility with reference to their specific activity.

Members of the Supervisory Committee can resign from their role at any time.

In this case, they must notify the other members of the Supervisory Committee, the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors in writing of the reasons for their resignation. Should one or more members of the Committee resign at the same time, the resignation would not take effect until a new Supervisory Committee member/members is/are appointed by the Board of Directors.

### **3.4. Duties, powers and activities of the Supervisory Committee**

The Supervisory Committee is responsible for carrying out, with autonomous powers of action and control, the following activities:

- supervising the respect of the Code of Ethics;
- verifying the effectiveness and adequacy of the Model, that is the ability to prevent the occurrence of crimes included in the Decree;
- analysing the business in order to update the mapping of sensitive areas;
- promoting training initiatives for the recipients of the Model, its communication and diffusion;
- collecting, processing and storing of all relevant information received in accordance with the Model;
- ensuring that recipients’ behaviour is consistent with the provisions of the Model;
- making periodical checks according to an annual plan notified to the Board of Directors;
- making any “out of plan” checks retained necessary, subsequently notifying the Board of Directors;
- coordinating with Company departments in order to acquire information useful for regularly monitoring sensitive activities;

- verifying that corrective actions necessary to make the Model operate are promptly and effectively implemented;
- carrying out internal audits, in order to obtain information necessary for its supervisory activities;
- updating the Model with reference to both regulatory changes and corporate structure, so that the Board of Directors may approve it, this way keeping the document consistent with the purposes described in the Decree.

As part of its checks on Model effectiveness, the Supervisory Committee:

- must take all necessary action in order to adapt behaviour to the provisions of the Model, if it appears that the status of implementation of rules is deficient;
- must act as soon as possible, when Model adaptation is needed;
- can communicate results of its audits in writing to the Heads of Departments involved, requesting an improvement action plan;
- must acquire directly from Departments all the elements needed to promote the application of the disciplinary system.

The Supervisory Committee must inform the Board of Directors and the Board of Statutory Auditors as soon as possible about significant violations of the Model, asking for support from Departments able to collaborate in audit activities and in defining appropriate actions in order to prevent the recurrence of such circumstances.

Activities carried out by the Supervisory Committee in the exercise of its functions cannot be controlled in any way by any other body or company department, without prejudice to the fact that the Board of Directors is in any case obliged to carry out an inspection in order to evaluate the adequacy of the intervention of the Supervisory Committee.

The Supervisory Committee is granted the following powers and rights in order to perform its assigned duties:

- to access any kind of business document, relevant in relation to his functions;
- to benefit from the assistance of any Company department;
- to request any employee of the Company to promptly provide information, data and / or news necessary for identifying relevant aspects of company activities with reference to the Model and for monitoring its effective implementation;
- to request the Board of Directors and the Board of Statutory Auditors to be convened.

In addition, the Board of Directors must grant the Supervisory Committee with an annual appropriate financial allocation in order to conduct its business, based on a proposal from the Supervisory Committee.

The actions of the Committee must be governed by Regulations approved by the same, with specific reference to composition, duties and tools, appointment, term of office and reasons for revocation, convening meetings, voting and resolutions, reporting and disclosure obligations.

### **3.5. Reporting to Corporate Bodies**

Despite its autonomy and independence, the Supervisory Committee must inform the Board of Directors:

- at the beginning of each year, about the plan of activities that it intends to carry out;
- with reference to the progress of activities and any motivated change made to the plan;
- immediately, in writing, about any significant issue arising from its activities;
- at least every six months, as part of separate reports, about the performance of its activities;
- about any violation of the Model.

To this end, the Supervisory Committee prepares a half-yearly report for the Internal Control and Risk Committee and the Board of Directors regarding its activities, informing the same of any violations that it has encountered regarding the Model. The Board of Statutory Auditors attends meeting of the Internal Control and Risk Committee.

### **3.6. Reporting duties to the Supervisory Committee**

It is obligatory that recipients submit to the Supervisory Committee any information deemed useful for its activity, including but not limited to:

- results of controls set in place to implement the Model, from which critical points emerge;
- measures and / or information from the judicial police or any other authority from which one can infer investigations concerning the Company;
- internal and external communications relating to facts that could be in connection with cases considered offences;
- requests for legal assistance made by company personnel against whom the judiciary is proceeding for cases considered offences;
- results of internal audits from which responsibility for offences emerges;
- news relating to organisational changes;
- updates to the system of delegated powers, also by publishing on the intranet portal;
- significant or atypical operations that may be at risk of offences;
- significant violations of the rules relating to accident prevention and hygiene in the workplace, where accidents and occupational diseases have arisen;
- any communication from Audit Company regarding issues that may indicate deficiencies in the system of internal controls, reprehensible facts, comments on the Company's financial statements.

The Supervisory Committee also draws up specific procedures for the flow of information about the sensitive activities identified in the Model.

The Supervisory Committee shall also be granted direct access to any electronic and/or hardcopy filing systems in use that may contain information relevant to his activity, such as:

- corporate archive (minutes of meetings of corporate bodies, statutes, etc.);
- any communications protocols in input and output.

The documentation relevant to the application of the Model must be kept on record, by the involved, for a period of 10 years and shall be subject to “handover” in case of organisational changes.

### **3.7. Communication with the Supervisory Committee**

Communication with the Supervisory Committee must take place through the specific mailbox odv@erg.it.

The Supervisory Committee checks and ensures that those who report to it are not subject to any form of reprisal, discrimination or penalisation, and ensures that the confidentiality of their identity will be protected, without prejudice to the obligations of law and protection of rights of the Company or persons accused falsely and / or in bad faith.

The Supervisory Committee will consider reports received with discretion and responsibility; it can interview the author of the report and / or the person responsible for the presumed violation, documenting in writing reasons for any independent decision not to proceed.

In any event, the Supervisory Committee is not required to consider anonymous reports.

## 4. Training and information

For the purposes of the implementation of the Model, ERG S.p.A. believes that it is necessary to ensure correct knowledge and disclosure of the rules of conduct contained therein, both to its own employees (already in the Company or new recruits) and to the external collaborators and third parties who maintain relations, of any kind whatsoever, with the Company.

Training and information activities are managed by the Supervisory Committee which avails itself of other resources allocated in the Company; fulfilment of the training activities is mandatory, and the failure to comply with this obligation, verified by the HR Officer and the Supervisory Committee, is subject to disciplinary measures.

In order to ensure the effective distribution of the Model and information for Company staff in relation to the contents of the Decree and the obligations arising from the implementation thereof:

- a copy of the Organisational and Management Model is posted on company notice boards;
- the section of the intranet portal ERGgate dedicated to the Supervisory Committee is regularly updated.

### 4.1. Staff employed in risk areas

Training of managers, staff vested with powers of representation and non-managerial staff employed in the risk areas of ERG S.p.A. must be based on classroom training provided following updates to the Model and on the basis of specific needs, for example on special interest issues (newly introduced offences, particularly significant sensitive activities, etc.). The training activities must be repeated periodically.

With regard to the Code of Ethics, the completion of a dedicated e-learning course is envisaged, tracked on the system and monitored by ERG S.p.A.'s HR Officer. The e-learning on the Code of Ethics must also be repeated periodically.

### 4.2. Newly-recruited staff

Information and training activity is planned for newly recruited staff, based on:

- the delivery, together with the letter of appointment, of a copy of the Code of Ethics and an information sheet about the Organisational and Management Model adopted by the Company;
- provision of an e-learning course on 231 issues: offences sanctioned by Italian Legislative Decree 231/01, the Organisational and Management Model, the Supervisory Committee, the main sensitive activities identified in order to prevent offences sanctioned by Italian Legislative Decree 231/01, and information flows that must be reported to the Supervisory Committee;
- provision of an e-learning course dedicated to the Code of Ethics.

E-learning training is tracked by the system and monitored by ERG S.p.A.'s HR Officer. After the initial training and information, new recruits follow the training path envisaged for existing company staff.

#### **4.3. Directors and key management**

For Directors and key management, dedicated informative activities are envisaged on issues related to Italian Legislative Decree 231/01, with particular reference to the offences sanctioned and to applications under legal precedent.

#### **4.4. Other staff**

Information to staff which does not fall within the categories referred to in the preceding paragraphs shall be effected by the Supervisory Committee through the periodic publication of information documents on the company intranet and other means of internal communication (such as corporate boards and periodical internal communications).

#### **4.5. Information to third parties**

Third parties (suppliers, consultants, third parties in general) shall be informed of the rules of conduct adopted by the Company, through an appropriate circulation of the Code of Ethics and the Model (of which an extract is published) on ERG S.p.A.'s Internet portal.

Any third party which collaborated with the Company shall be requested to issue a signed statement (even by way of a specific contractual clause) in which they declare that they are aware of the contents of ERG S.p.A.'s Code of Ethics and of the Model and in which they undertake to comply with the provisions, as well as not to behave in such a way that may entail the involvement of the Company in any violation referred to in the Decree.

## 5. System of Sanctions

The system identifies the disciplinary sanctions imposed for violations of principles, conduct, and specific control elements required by the Model and applies to employees, directors, statutory auditors, consultants and third parties in general, by way of appropriate disciplinary or contractual / negotiation sanctions.

Should the conduct to be censured be a crime relevant under Italian Legislative Decree 231/2001, procedures provided by the disciplinary system will take place regardless of the conduct and outcome of criminal proceedings initiated by the court.

### 5.1. Disciplinary system for Managers

The violation, offence, circumvention, imperfect or partial implementation made by Managers of ERG SpA, of any rule of conduct referred to in the Model constitutes a disciplinary offence punishable by the Chief Human Capital Officer, without prejudice to the guarantee of adversarial system procedures.

Taking into consideration the seriousness of the proven conduct, the Company can apply measures to limit or revoke delegated powers, in addition to changing the employment position of the person subject to disciplinary proceedings, until the moment of dismissal.

In each case, sanctions will be defined according to the level of responsibility and autonomy of the Executive, the intentionality of his behaviour and its importance, considering both the relevance of the obligations violated and the effects which can reasonably impact ERG SpA - also with reference to the Decree. When a single behaviour constitutes a multiple violation of the law, subject to different types of sanctions, the most serious applies.

The Board of Directors must verify if violations were actually perpetrated and impose sanctions; for this purpose it may require the support of the Supervisory Committee.

### 5.2. Disciplinary system for Employees

The violation, offence, circumvention, imperfect or partial application made by employees of ERG S.p.A. subject to the National Collective Labour Agreement, of any single rule of conduct referred to in the Model, constitute a punishable disciplinary offence.

For the purposes of this disciplinary system, sanctions applicable to employees of ERG S.p.A. not at managerial level – according to procedures provided for in article 7 of the "Workers' Statute," article 55 of the National Collective Labour Agreement, as well as any applicable special regulation – are those provided by the National Collective Labour Agreement under article 55:

- oral warning;
- written warning;
- suspension from work without pay for up to 8 working days;
- dismissal.

In any event, sanctions will be defined according to the level of responsibility and autonomy of the employee, the intentionality of his behaviour and its importance,

considering both the relevance of the obligations violated and the effects which can reasonably impact ERG SpA, also with reference to the Decree. When a single behaviour constitutes a multiple violation of the law, subject to different types of sanctions, the most serious applies. The relapse within three years will automatically result in the immediate application of the more serious sanction.

Under the current system of powers, the task of ascertaining and applying sanctions to employees lies with the Chief Human Capital Officer, who may rely on the support of the Supervisory Committee which will be asked to give a non-binding opinion. The Chief Human Capital Officer is also responsible for monitoring employees' behaviour with reference to their compliance with the Model, while the Supervisory Committee must monitor the effectiveness of the disciplinary system.

### **5.3. Measures towards Directors and Statutory Auditors**

In case of violation of the Model perpetrated by Directors and Statutory Auditors, the Supervisory Committee shall inform the Board of Directors and the Board of Statutory Auditors which will take the appropriate actions, according to the level of responsibility of the person involved, the intentionality and seriousness of his conduct, in particular by proposing removal during the first shareholders' meeting.

### **5.4. Measures towards Consultants or Third Parties**

Any violation of Model rules related to consultants, suppliers or any third parties in general, as well as the perpetration of crimes covered by the Model, is punished in accordance with specific contractual clauses included in contracts.

In any event:

- ascertainment of the consultant/third party's behaviour must comply with the adversarial system
- application of the sanction must take into account the seriousness of the contractual breach, i.e. as much the intentionality of obligations violated as the effects to which ERG S.p.A. could be exposed - also with reference to the Decree.

This is without prejudice to any request for compensation should any actual damages be caused to the Company by the behaviour of the consultant/third party, as in the case of measures stated in Italian Legislative Decree no. 231/2001 imposed on the offender by the court.

## 6. Special Section

### 6.1 Introduction

The Company has analysed business processes to identify areas at risk of crime perpetration and to verify the adequacy of its Model in relation to issues covered by the Decree.

Control protocols were established with reference to identified risk areas, after evaluating existing controls and identifying action plans necessary to remedy identified deficiencies. The purpose of the special section is to regulate sensitive activities and introduce appropriate controls, in order to ensure the effectiveness of the Model adopted by the Company.

The special section is addressed to all the Company staff who, regardless of the role exercised in the organisation, could become liable, in relation to the assigned tasks, for the cases considered to be offences.

The Heads of Departments must pay close attention to the diffusion of the provisions contained in this special section in areas of activity under their responsibility.

Any violation of rules included in this special section will involve the imposition of disciplinary sanctions, in accordance with provisions of the law, existing contractual provisions and the disciplinary system adopted by the Company.

### 6.2 Special section structure

The special part is divided into a number of parts (called "sections") according to the sections of crime (all the criminal acts related to the same area of crime) included in the Decree, which have been identified as relevant in relation to Company activities.

Each of the sections listed below includes the list of crimes covered by the Decree, activities in which such crimes might be committed and control protocols containing principles and rules of conduct aimed at preventing the committing of the following:

- Offences against Public Administration;
- Computer crimes;
- Corporate offences;
- Terrorism;
- Organised crime;
- Transnational offences;
- Offences against individuals;
- Market abuse;
- Health and safety at work;
- Receiving stolen goods, money laundering and self-laundering;
- Copyright infringement;
- Offences against the judicial authorities;
- Environmental offences;
- Employment of third country individuals with irregular permits of stay.

Some offences included in the Decree (in particular, crimes related to forging money, infibulation and offences against industry and trade) are not considered in the previous list because the related risk has been assessed as abstract not likely as regards to the Company.

### 6.3 General principles of control

General principles at the base of tools and methodologies used to define control protocols listed in this special section can be summarised as follows:

- **Compliance with the Code of Ethics:** all sensitive activities must be carried out in accordance with the principles of conduct set out in the Code of Ethics adopted by the Company.
- **Segregation of duties:** business processes must comply with the principle of separation of duties, stating that the authorisation of an operation must be under the responsibility of someone other than the person who performs or supervises that operation. Segregation of duties should be guaranteed by the intervention, within the same process, of more than one person; it can be implemented by using computer systems that allow the execution of certain operations only by specifically identified and authorised persons.
- **Attribution of powers:** authoritative powers and powers of signature must be: i) consistent with organisational and managerial responsibilities; ii) clearly defined and known within the Company. Business roles assigned with the power to commit the Company in certain operations must be defined by specifying the limits and the nature of such authority. The attribution of powers for a determined type of deed must respect any specific requirements required by law for the carrying out of that deed.
- **Transparency and traceability of processes:** each activity relevant to the Decree must be verifiable, documented, consistent and appropriate. Proper storage of data and relevant information must be guaranteed, by way of information systems and / or paper support.
- **Appropriateness of internal rules:** all the Company business rules must be consistent with operations carried out and the level of organisational complexity, and capable of ensuring the necessary checks to prevent the committing of offences specified in the Decree.
- **Staff training:** specific staff training plans must be envisaged, with particular reference to those operating in the sensitive areas listed below.
- **Staff rotation:** specific plans must be introduced to rotate staff operating in sensitive areas, taking care to maintain continuity, coherence with guidelines and the necessary expertise of the company departments.

Certain sensitive activities referred to in the Model are performed under intercompany service agreements. In order to establish a system of controls, all intercompany agreements must contain clauses that require the supplier to comply with the Model and Code of Ethics of the principal. Intercompany agreements are designed to be fair and transparent, managed in compliance with the principle of independence of Group companies and the principles of sound management, accounting transparency and segregation of assets.

## **7. Offences against Public Administration**

### **7.1. Offences under Italian Legislative Decree 231/2001**

Articles 24 and 25 of the Decree provide for the punishment of Organisations in relation to the following offences:

#### *Article 24*

- Embezzlement from the State (article 316-bis of the Italian Criminal Code);
- Misappropriation of funds from the State (article 316-ter of the Italian Criminal Code);
- Defrauding the State or other public bodies (article 640 of the Italian Criminal Code);
- Aggravated fraud concerning public funds (article 640-bis of the Italian Criminal Code);
- Computer fraud (article 640-ter of the Italian Criminal Code).

#### *Article 25*

- Extortion (article 317 of the Italian Criminal Code);
- Corruption relating to the exercise of official duties (article 318 of the Italian Criminal Code);
- Corruption relating actions contrary to official duties (article 319 of the Italian Criminal Code);
- Corruption regarding legal transactions (article 319-ter of the Italian Criminal Code);
- Inappropriate persuasion to give or promise benefits (article 319-quater of the Italian Criminal Code);
- Corruption of person in charge of a public service (article 320 of the Italian Criminal Code);
- Sanctions for the corrupter (article 321 of the Italian Criminal Code);
- Instigation to corruption (article 322 of the Italian Criminal Code);
- Misappropriation of public funds, extortion, corruption and incitement to corruption of members of European Community bodies and officials of the European Community and of foreign countries (article 322-bis of the Italian Criminal Code).

### **7.2. Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Acquisition and use of public funds/grants;
- Management of legal disputes, arbitration and litigation proceedings;
- Management of purchases of goods and services, advisory services and professional services;
- Compliance with tax obligations and social security contributions;
- Management of sales of intercompany services;
- Management of company assets;
- Management of inspections;
- Management of technical and political lobbying;
- Management of relations with public supervisory authorities;
- Management of financial resources;
- Management of software and of databanks of third parties;

- Free gifts, sponsorships and entertainment expenses;
- Selection of partners;
- Business development transactions;
- Personnel recruitment and management.

### **7.3 Protocols of Control**

*OMISSIS*

## 8. Computer crimes

### 8.1. Offences under Italian Legislative Decree 231/2001

Article 24-bis of the Decree provides for the punishment of Organisations in relation to the following offences:

- Material falsehood committed by public officials in public deeds (article 476 of the Italian Criminal Code);
- Material falsehood committed by public officials in administrative certificates or authorisations (article 477 of the Italian Criminal Code);
- Material falsehood committed by public officials in certified copies of public or private documents and in certificates of the contents of documents (article 478 of the Italian Criminal Code);
- Ideological falsehood committed by public officials in public documents (article 479 of the Italian Criminal Code);
- Ideological falsehood committed by public officials in certificates or administrative authorisations (article 480 of the Italian Criminal Code);
- Ideological falsehood committed by persons carrying out a public service need (article 481 of the Italian Criminal Code);
- Material falsehood committed by the private individual (article 482 of the Italian Criminal Code);
- Ideological falsehood committed by private individuals in relation to a public deed (article 483 of the Italian Criminal Code);
- Falsification of records and notifications (article 484 of the Italian Criminal Code);
- Falsification of private documents (article 485 of the Italian Criminal Code);
- False statements on signed blank papers. Private deeds (article 486 of the Italian Criminal Code);
- False statements on signed blank papers. Public deeds (article 487 of the Italian Criminal Code);
- Other false statements on signed blank papers. Applicability of the provisions on materials falsehoods (article 488 of the Italian Criminal Code);
- Use of false deeds (article 489 of the Italian Criminal Code);
- Removal, destruction and concealment of true deeds (article 490 of the Italian Criminal Code);
- Certified copies that take the place of the missing originals (article 492 of the Italian Criminal Code);
- Falsehood committed by civil servants in charge of a public service (article 493 of the Italian Criminal Code);
- Illegal access to a computer or a computerised system (article 615-ter of the Italian Criminal Code);
- Illegal possession and circulation of access codes to computerised systems (article 615-quater of the Italian Criminal Code);
- Circulation of equipment, devices or computer programmes aimed at damaging or stopping computer systems (article 615-quinquies of the Italian Criminal Code);

- Illegal interception, impediment or stopping of computer communications (article 617-quater of the Italian Criminal Code);
- Installation of equipment designed to intercept, impede or stop computer communications (article 617-quinquies of the Italian Criminal Code);
- Damaging computer information, data and programmes (article 635-bis of the Italian Criminal Code);
- Damaging information, data and programmes used by the State or another public body or in any case of public use (article 635-ter of the Italian Criminal Code);
- Damaging (article 635 of the Italian Criminal Code);
- Damaging computer systems (article 635-quater of the Italian Criminal Code);
- Damaging computer systems of public use (article 635-quinquies of the Italian Criminal Code);
- Computer fraud by an individual who is responsible for certifying computer signatures (article 640-quinquies of the Italian Criminal Code).

## **8.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Management of IT systems.

## **8.3 Protocols of Control**

*OMISSIS*

## **9. Organized crime**

### **9.1. Offences under Italian Legislative Decree 231/2001**

Article 24-ter of the Decree provides for the punishment of Organisations in relation to the following offences:

- Criminal association (article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code);
- Electoral exchange agreements between politics and organised crime (Article 416-ter of the Italian Criminal Code);
- Kidnapping for the purpose of robbery or extortion (Article 630 of the Italian Criminal Code);
- The unlawful production, trafficking or possession of narcotic drugs or psychotropic substances (Article 73 of Decree No. 309 of the President of the Republic of 9 October 1990).

### **9.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Selection of partners;
- Management of financial resources;
- Management of company assets;
- Management of sales of intercompany services;
- Management of legal disputes, arbitration and litigation proceedings;
- Acquisition and use of public funds/loans;
- Management of relations with judicial authorities;
- Management of purchases of goods and services, advisory services and professional services;
- Business development transactions.

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## 10. Transnational offences

### 10.1. Offences under Italian Legislative Decree 231/2001

Italian Law no. 146 of 16 March 2006, which ratified the Convention and Protocols of the United Nations Convention against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, provides for the administrative liability of legal persons, companies and associations, even those without legal status, for some crimes with a transnational character.

To qualify as a 'transnational offence', the conditions set out by the legislature must be met:

- an organised criminal group must be involved in the commission of the offence;
- the unlawful conduct must be;
- committed in more than one State;
- committed in one State but has substantial effects in another State;
- committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State;
- committed in one State but involves an organised criminal group that engages in criminal activities in more than one State.

According to Italian Law no. 146/2006, the relevant offences for the purposes of administrative liability of the organisation are:

- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type criminal association (Article 416 bis of the Italian Criminal Code);
- criminal association for the purposes of smuggling foreign tobacco products (Article 291 quater of Presidential Decree no. 43 of 23 January 1973);
- criminal association for the purpose of the illegal trafficking of narcotic drugs and psychotropic substances (Article 74 of Decree No. 309 of the President of the Republic of 9 October 1990);
- smuggling of migrants (Article 12, paragraphs 3, 3-bis, 3-ter and 5 of Italian Legislative Decree no. 286 of 25 July 1998);
- obstruction of justice, in the form of not making statements or making false statements to the judicial authorities and aiding and abetting (Articles 377-bis and 378 of the Italian Criminal Code).

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

### 10.2. Sensitive activities identified

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Selection of partners;
- Management of financial resources;
- Management of company assets;
- Management of legal disputes, arbitration and litigation proceedings;
- Management of relations with judicial authorities;
- Management of purchases of goods and services, advisory services and professional services;
- Business development transactions.

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## 11. Corporate Offences

### 11.1. Offences under Italian Legislative Decree 231/2001

Article 25-ter of the Decree provides for the punishment of Organisations in relation to the following offences:

- False company communications (article 2621 of the Italian Civil Code);
- False company communications which damage shareholders or creditors (article 2622 of the Italian Civil Code);
- Obstruction of controls (article 2625 of the Italian Civil Code);
- Wrongful repayment of contributions (article 2626 of the Italian Civil Code);
- Illegal distribution of profits and reserves (article 2627 of the Italian Civil Code);
- Illegal operations in shares or capital shares or of the parent companies (article 2628 of the Italian Civil Code);
- Operations prejudicial to creditors (article 2629 of the Italian Civil Code);
- Failure to report a conflict of interest (article 2629-bis of the Italian Civil Code);
- Interests of the Directors (article 2391 of the Italian Civil Code);
- Fictitious creation of capital (article 2632 of the Italian Civil Code);
- Improper distribution of company assets by liquidators (article 2633 of the Italian Civil Code);
- Corruption between private individuals (article 2635 of the Italian Civil Code);
- Illegal influence over shareholders' meetings (article 2636 of the Italian Civil Code);
- Market manipulation (article 2637 of the Italian Civil Code);
- Obstructing the duties of public supervisory authorities (article 2638 of the Italian Civil Code).

### 11.2. Sensitive activities identified

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Management of purchases of goods and services, advisory services and professional services;
- Management of sales of intercompany services;
- Management of financial resources;
- Preparation of financial statements and company disclosures;
- Purchase, sale or other transactions relating to listed and unlisted financial instruments;
- Management of capital contributions, profits, reserves, capital transactions;
- Management of conflicts of interests of Directors;
- Relations with shareholders and management bodies;
- Management of legal disputes, arbitration and litigation proceedings;
- Personnel recruitment and management;
- Free gifts, sponsorships and entertainment expenses;
- Management of relations with supervisory authorities;
- Management of company assets.

### 11.3 Protocol of Control

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## 12. Terrorism

### 12.1. Offences under Italian Legislative Decree 231/2001

Article 25-quater of the Decree provides for the punishment of Organisations in relation to the following offences:

- Associations for the purposes of terrorism including international terrorism or the subversion of democracy (article 270-bis of the Italian Criminal Code);
- Assistance to association members (article 270-ter of the Italian Criminal Code);
- Enrolment for the purposes of terrorism, including international terrorism (article 270-quater of the Italian Criminal Code);
- Training activities for the purposes of terrorism, including international terrorism (article 270-quinquies of the Italian Criminal Code);
- Conduct for the purposes of terrorism (article 270-sexies of the Italian Criminal Code)
- Act of terrorism for the purposes of terrorism or subversion (article 280 of the Italian Criminal Code);
- Act of terrorism with deadly weapons or explosives (article 280-bis of the Italian Criminal Code);
- Kidnapping with the aim of terrorism or subversion (article 289-bis of the Italian Criminal Code);
- Instigation to committing some of the crimes contained in the first and second headings (article 302 of the Italian Criminal Code);
- Urgent measures for the protection of democracy and public security (article 1 of Decree Law of 15 December 1979, no. 625, converted, with amendments, into Italian Law no. 15 of 6 February 1980);
- International Convention for the Suppression of the Financing of Terrorism. New York, 9 December 1999 (article 2).

### 12.2. Sensitive activities identified

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Management of company assets;
- Management of financial resources;
- Selection of partners;
- Personnel recruitment and management;
- Management of sales and receivables.

### 12.3 Protocols of Control

*OMISSIS*

## **13. Offences against individuals**

### **13.1. Offences under Italian Legislative Decree 231/2001**

Article 25-quinquies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Reducing or maintaining individuals to slavery or servitude (article 600 of the Italian Criminal Code);
- Prostitution of minors (article 600-bis of the Italian Criminal Code);
- Pornography involving minors (article 600-ter of the Italian Criminal Code);
- Possession of pornographic material (article 600-quater of the Italian Criminal Code);
- Virtual pornography (article 600-quater1 of the Italian Criminal Code);
- Tourism aimed at the exploitation of the prostitution of minors (article 600-quinquies of the Italian Criminal Code);
- Trade in people (article 601 of the Italian Criminal Code);
- Purchase and sale of slaves (article 602 of the Italian Criminal Code);
- Child grooming (article 609-undecies).

Furthermore, article 25-quater 1 of the Decree provides for the punishment of the Organisations in relation to the following offences:

- Practice of mutilation of female genital organs.

### **13.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- IT equipment management;
- Personnel recruitment and management.

### **13.3 Protocols of Control**

*OMISSIS*

## **14. Market Abuse**

### **14.1. Offences under Italian Legislative Decree 231/2001**

Article 25-sexies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Abuse of inside information (article 184 of Italian Legislative Decree 24 February 1998, no. 58);
- Market manipulation (article 185 of Italian Legislative Decree 24 February 1998, no. 58).

### **14.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model with reference to the crimes included in this section the following sensitive activity has been identified:

- Confidential information management;
- Purchase, sale or other transactions relating to listed and unlisted financial instruments.

### **14.3 Protocols of Control**

*OMISSIS*

## **15. Health and Safety at Work**

### **15.1. Offences under Italian Legislative Decree 231/2001**

Article 25-septies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Manslaughter (article 589 of the Italian Criminal Code);
- Culpable personal injury (article 590 of the Italian Criminal Code).

### **15.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Health, safety and hygiene compliance management.

### **15.3 Protocols of Control**

*OMISSIS*

## **16. Receiving stolen goods, money laundering, use of money, goods or profits from illegal activities, including self-laundering**

### **16.1. Offences under Italian Legislative Decree 231/2001**

Article 25-octies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Receiving stolen goods (article 648 of the Italian Criminal Code);
- Money laundering (article 648-bis of the Italian Criminal Code);
- Use of money, goods or profits from illegal activities (article 648-ter of the Italian Criminal Code);
- Self-laundering (article 648-ter.1 of the Italian Criminal Code).

### **16.2. Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Management of purchases of goods and services, advisory services and professional services;
- Management of financial resources;
- Selection of partners;
- Business development transactions;
- Management of tax formalities - direct income taxes;
- Management of tax formalities - property tax;
- Management of tax formalities - indirect taxes;
- Management of contributions formalities.

### **16.3. Protocols of Control**

*OMISSIS*

## **17. Copyright Infringement**

### **17.1. Offences under Italian Legislative Decree 231/2001**

Article 25-novies of the Decree establishes the punishment of Organisations in relation to copyright infringement and related rights to its exercise as determined by articles 171, 171-bis, 171-ter, 171-septies, 171-octies of Italian Law no. 633 of 22 April 1941.

### **17.2 Sensitive activities identified**

Within the analysis performed for the preparation of this Model the following significant activities have been identified with respect to offences covered in this section:

- Management of software and databanks of third parties
- Management of IT systems.

### **17.3 Protocols of Control**

*OMISSIS*

## **18. Offences against the Judicial Authorities**

### **18.1. Offences under Italian Legislative Decree 231/2001**

Article 25-decies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Inducing individuals into not making statements or into making false statements to judicial authorities (article 377-bis).

### **18.2 Sensitive activities identified**

Within the analyses performed for the preparation of this Model the following sensitive activities have been identified with respect to offences covered in this section:

- Management of legal disputes, arbitration and litigation proceedings;
- Relations with Judicial authorities and Judicial Police officers.

### **18.3 Protocols of Control**

*OMISSIS*

## 19. Environmental Offences

### 19.1. Offences under Italian Legislative Decree 231/2001

Article 25-undecies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Killing, destroying, capture, taking or possessing specimens of protected wild animal or plant species (article 727 of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (article 733-bis of the Italian Criminal Code);
- Trading of the specimens cited in attachment A, appendix I, and attachment C, part 1) - (article 1 of Italian Law no. 150 of 7 February 1992);
- Trading of the specimens cited in attachment A, appendices I and III, and attachment C, part 2) - (article 2 of Italian Law no. 150 of 7 February 1992);
- Prohibition to possess specimens that represent a danger to public health and safety (article 6 of Italian Law no. 150 of 7 February 1992);
- Environmental regulations (article 137 of Italian Legislative Decree no. 152 of 3 April 2006);
- Ground discharges (article 103 of Italian Legislative Decree no. 152 of 3 April 2006);
- Subsurface discharges or discharges into groundwater (article 104 of Italian Legislative Decree no. 152 of 3 April 2006);
- Discharges into the sewage network (article 107 of Italian Legislative Decree no. 152 of 3 April 2006);
- Discharges of hazardous substances (article 108 of Italian Legislative Decree no. 152 of 3 April 2006);
- Unauthorised waste management activities (article 256 of Italian Legislative Decree no. 152 of 3 April 2006);
- Prohibition to abandon waste (article 192 of Italian Legislative Decree no. 152 of 3 April 2006);
- Prohibition to mix hazardous waste (article 187 of Italian Legislative Decree no. 152 of 3 April 2006);
- Electric and electronic waste, sanitary waste, disused vehicles and products containing asbestos (article 227 of Italian Legislative Decree no. 152 of 3 April 2006);
- Site reclamation (article 257 of Italian Legislative Decree no. 152 of 3 April 2006);
- Violation of reporting requirements, mandatory record keeping and forms (article 258 of Italian Legislative Decree no. 152 of 3 April 2006);
- Ideological falsehood committed by private individuals in relation to a public deed (article 483 of the Italian Criminal Code);
- Illegal trafficking of waste (article 259 of Italian Legislative Decree no. 152 of 3 April 2006);
- Organised activities for the illegal trafficking of waste (article 260 of Italian Legislative Decree no. 152 of 3 April 2006);
- Ideological falsehood committed by private individuals in relation to a public deed (article 483 of the Italian Criminal Code);
- Material falsehood committed by public officials in administrative certificates or

authorisations (article 477 of the Italian Criminal Code);

- Material falsehood committed by the private individual (article 482 of the Italian Criminal Code);
- Article 8, Italian Legislative Decree no. 202 of 6 November 2007;
- Intentional pollution (Implementation of Directive 2005/35/EC relating to on ship-source pollution and consequent penalties);
- Negligent pollution (article 9 of Italian Legislative Decree no. 202 of 6 November 2007, Implementation of Directive 2005/35/EC relating to on ship-source pollution and consequent penalties).

### **19.2. Sensitive activities identified**

- Waste management.

### **19.3. Protocols of Control**

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## **20. Employment of Third country individuals with irregular permits of stay**

### **20.1. Offences under Italian Legislative Decree 231/2001**

Article 25-duodecies of the Decree provides for the punishment of Organisations in relation to the following offences:

- Employment of foreign workers without permits of stay or with expired permits, and for which, in accordance with the law, no renewal, revocation or cancellation has been requested (article 22, section 12 of Italian Legislative Decree no. 286 of 25 July 1998).

### **20.2. Sensitive activities identified**

- Personnel recruitment and management;
- Management of purchases of goods and services, advisory services and professional services.

### **20.3. Protocols of Control**

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