Approved by the Board of Directors on 26 September 2013

MASERATI S.P.A.

"ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001"

CONTENTS

DEFINITIONS

- "Risk Activity": phase of a Sensitive Process during which the conditions/potential for the commission of an offence may occur;

- "Instrumental Activity: activity through which the offence of the giving or taking of bribes may be committed;

- "Sector Parent Company or Sector Holding Company ": holding company which is the parent of the companies in its specific Industry;

- "CEC": Basic Specific Collective Employment Contract currently in force at MASERATI;

- "Code of Conduct": code of ethics adopted by MASERATI, available on the www.fiatspa.com website;

- "Consultant": person acting in the name and/or on the behalf of MASERATI under a mandate or another form of arrangement, which may be continuous;

- "Addressee": Company Officers, Employees, Service Companies, Consultants and Partners (including suppliers, customers and any other third parties which cooperate with the company in the context of the Sensitive Processes);

- "Employees": all Maserati staff (including management);

- "Legislative Decree 231/01": Italian Legislative Decree no. 231 of 8 June 2001 and subsequent amendments;

- "EMEA": the Group's *Europe, Middle East and Africa Region*;

- "FIAT": Fiat S.p.A.;

- "Fiat Group Purchasing": Fiat Group Purchasing S.r.l.;

- "Group": Fiat S.p.A. and its direct and indirect subsidiaries as defined by art. 2359 (1) and (2) of the Italian Civil Code;

- "Reference Guidelines": the Guidelines for setting up organisational, management and control models pursuant to Legislative Decree 231/01 approved by Confindustria on 7 March 2002 and subsequent amendments and additions, and the Group Guidelines, i.e. the Fiat S.p.A. Guidelines for the adoption and maintenance of Organisational Management and Control Models pursuant to Legislative Decree 231/01 by Subsidiaries;

- "MASERATI": Maserati S.p.A., also referred to within the document as the Company.

- "Models" or "Model": the organisational, management and control models or model required by Legislative Decree 231/01;

- "Sensitive operation": operation or action within the context of the Sensitive Processes, which may be of a commercial, financial or corporate nature (examples of the last-named category include capital reductions, mergers, breakups, operations involving the shares of the parent company, contributions, reimbursements of shareholders, etc.);

- "Company Officers": the members of MASERATI's Board of Directors and Board of Statutory Auditors;

- "Supervisory Body": body tasked with overseeing the operation of and compliance with the Model, and with maintaining it;

- "Public Sector": Public institutions at all levels, including their officials and the people and organisations tasked with providing public services;

- "Partner": natural or legal persons (temporary consortia, joint ventures, consortia, etc.), with which MASERATI enters into any form of cooperation regulated by agreements, or Maserati's contractual counterparty or counterparties, both natural and legal persons (e.g. suppliers, customers, agents, etc.) which cooperate with the company on a regular basis in the context of the Sensitive Processes;

- "Sensitive Processes": MASERATI activities within which there is the risk that offences may be committed;

- "Offences": Offences liable to prosecution under Legislative Decree 231/01 (including any future additions);

- "Sector": a number of companies which are subsidiaries or associates of a Parent Company also defined as the Sector Holding Company;

- "Service Companies": Group companies which provide services to other companies within the Group.

SECTION I

INTRODUCTION

1. Italian Legislative Decree no.231/01 and the relevant legislation

Legislative Decree 231/01 was issued on 8 June 2001 in fulfilment of the contained in art. 11 of Law no. 300 of 29 September 2000. It came into force on 4 July of the same year and brought domestic legislation on the responsibility of legal persons into line with the provisions of a number of international conventions to which Italy has been a signatory for some time.

Legislative Decree 231/01, entitled *'Rules and regulations on the administrative responsibility of legal persons, companies and associations with or without legal status*' introduced into Italian law the principle that organisations can be held criminally liable for a number of offences committed in their interest or to their benefit. Its provisions cover offences committed by people with the status of representatives, directors or managers of the organisation or one of its financially and functionally independent organisational units, persons exercising even the de facto management and control of the organisation, or persons subject to the management or supervision of one of the categories of persons referred to above. The organisation is responsible alongside the natural person who actually committed the offence.

Under Legislative Decree 231/01, fines may be imposed on organisations which have benefited some types of offence. All such offences are to be punished by means of fines; for the most serious cases there are also banning measures such as the suspension or cancellation of licences and permits, debarring from public sector contracts, debarring from business, ineligibility for or withdrawal of loans and grants, and a ban on advertising goods and services.

The Decree provides for a form of exemption from responsibility under administrative law if the organisation can demonstrate that, before the offence was committed, it had adopted and effectively implemented an Organisational and Control Model designed to prevent offences of the same nature as the one committed, tasking a body with independent powers of action and supervision (Supervisory Body) with overseeing operation of and compliance with the Model, and that the offence was committed by fraudulently circumventing the Model, with no failure of or shortcomings in supervision on the part of the Supervisory Body.

A full description of the individual types of offence covered by this legislation is provided in Annex A to this Model.

2. The function of the Model pursuant to Legislative Decree 231/01

MASERATI views the adoption of the Model, which is optional and not compulsory under the relevant legislation, as a major opportunity for introducing the "active" prevention of offences of the kind described, by reinforcing its Corporate Governance and Internal Control System, and promoting the adoption of good standards of ethics/behaviour.

In line with the Company's Code of Conduct, which forms an integral part of it, the Model establishes the rules and procedures to be complied with by all Addressees, meaning all those who, like the Employees, Company Officers, Service Companies,

Consultants and Partners, work on behalf of or in the interest of the Company in the context of the Sensitive Processes as defined in relation to the commission of the offences covered by Legislative Decree 231/01.

The Supervisory Body appointed for this purpose constantly oversees the implementation of the Model by means of monitoring and if necessary the imposition of disciplinary or contractual measures to actively punish all unethical behaviour.

3. Reference Guidelines

MASERATI has drawn up this Model with reference to the **Confindustria Guidelines -** the principles of which are set out in Annex B and referred to in the text of this Model - and the **Group Guidelines,** which contain the general principles and rules for the construction of Models and were the basis for the Company's drafting work.

On its part, FIAT notifies MASERATI of all amendments to the Group Guidelines or applicational methods.

Naturally, since the Model was drafted with regard to the specific circumstances of the company's operations, it may well differ from the Guidelines taken as reference, which are inevitably of a general nature.

SECTION II

CONSTRUCTION OF THE MODEL

1. Principles and factors underlying the MASERATI model

When drawing up this Model, consideration was given not only to the provisions of Legislative Decree 231/01 but also to the procedures and control systems (defined on an "as-is" basis) already in operation within the company and viewed as also effective in preventive offences and providing supervision of Sensitive Processes. More specifically, the following were found to be already in operation within MASERATI:

- the Code of Conduct, which expresses the principles of "corporate ethics" adopted by the company, and with which it requires all Employees, Company Officers, Consultants and Partners to comply;

- the principles of Corporate Governance, which reflect the relevant legal requirements and international best practices;

- the Internal Control System (ICS) (meaning company procedures, documentation and regulations relating to its hierarchical-functional and organisational system and its management accounting system);

- legislation concerning the administrative, accounting, financial and reporting system;

- internal communications and personnel training;

- the disciplinary system contained in the CEC;

- in general, the relevant Italian and foreign law (including, for example, occupational health and safety legislation).

1.1. The characteristics of the MASERATI Model

In line with the provisions of Legislative Decree 231/01, this Model is designed to be effective, specific and up-to-date.

Efficacy

The efficacy of an organisational Model depends on its actual capability to prevent, or at least significantly reduce, the risk of commission of the offences envisaged by Legislative Decree 231/01. This capability depends on the provision of decision-making and prior and subsequent control mechanisms able to identify suspect operations, report practices which may indicate risk, and implement appropriate measures without delay. The efficacy of an organisation model depends on the efficiency of the tools used to identify the "symptoms of unethical conduct".

Specificity

Under art. 6 (2) (a) and (b), specificity is an essential characteristic of an effective Model.

The Model's specificity relates to the areas at risk - and requires a survey of the activities within which offences may be committed - and the processes by which the organisation's decisions are taken and implemented in "sensitive" sectors.

Similarly, the Model must also identify suitable procedures for the management of financial resources, include obligations to inform and a suitable disciplinary system, and be appropriate for the company's characteristics and size, its type of business and its history.

Up-to-dateness

From this point of view, a Model cannot effectively reduce the risk of offences unless it is constantly adapted to the characteristics of the company's business and its organisational structure.

As envisaged by art. 7 of Legislative Decree 231/01, the Model's effective implementation requires its regular review and if necessary amendment if any breaches are discovered or in the event of changes to the business or organisational structure of the company/organisation.

Art. 6 of Legislative Decree 231/01 assigns the task of maintaining the Model to the Supervisory Body, which has independent powers of action and supervision.

1.2. The characteristics of the MASERATI model

The drafting of this Model was preceded by a series of preparatory activities subdivided into a number of phases, all intended to allow the construction of a risk management and prevention system in accordance with the requirements of Legislative Decree 231/01 and based on the Guidelines of reference, as well as the contents of the Decree itself.

1) **Identification of the Sensitive Processes ("*as-is analysis*")**

In order to identify the sectors in which the risks of the commission of offences were most likely to occur and the way in which they might come about, the corporate documentation (organisation charts, activities undertaken, main processes, minutes of Board meetings, mandates, organisational regulations, risk assessment document, etc.) was examined and the key subjects within the company's organisation (CFO, head of Legal Affairs, head of Human Resources, Safety Manager, etc.) were interviewed, with questions intended to acquire more in-depth information about the Sensitive Processes and their control (existing procedures, documentability of operations and checks, separation of functions, etc.).

2) **Generation of the "gap analysis"**

After a survey of the existing checks and procedures relating to the Sensitive Processes and the provisions and aims of Legislative Decree 231/01, actions for improvement of the existing Internal Control System (processes and procedures) and the essential organisational requirements for the drawing up of a "specific" organisation, management and monitoring model pursuant to Legislative Decree 231/01 were defined.

3) **Structure of the Model**

This Model is organised in sections containing general behavioural rules and principles intended to prevent the commission of offences covered by Legislative Decree 231/01, as listed in Annex A.

4) **Maintenance of the Model**

In order to assist the Supervisory Body in the maintenance of the Model, FIAT has provided methodological support which allows identification of the individual companies' Sensitive Processes by means of self-assessment.

1.3 Adoption of the MASERATI Model and its subsequent amendments

This Model was adopted by a resolution of the MASERATI Board of Directors, which also established the Supervisory Body.

Each member of the Board of Directors, and the Company's Board of Statutory Auditors, has undertaken to comply with this Model.

Since this Model is a document issued by the company's governing body (as envisaged by art. 6 (I) (a) of Legislative Decree 231/01), all amendments and additions must be made by the Board of Directors.

The Board of Directors may mandate the CEO to make specific amendments, although it must ratify any amendments made on an annual basis.

1.4. The implementation of the MASERATI Model

MASERATI holds sole responsibility for the implementation of this Model in relation to the Sensitive Processes identified, and has empowered its Supervisory Body to perform the relative checks and controls in accordance with the procedures described in the Model itself.

The FIAT Supervisory Body is assigned solely consulting and methodological coordination functions in relation to the Company, with the aim of standardising the adoption of the principles within the Group.

2. The Supervisory Body

2.1 Identification of the Supervisory Body: appointment and dismissal

Under Legislative Decree 231/01, the task of overseeing the operation of and compliance with the Model and maintaining it is assigned to a corporate body with independent powers for action and supervision (art. 6 (1), (b) of Legislative Decree 231/01).

The Confindustria Guidelines recommend that this should be a separate body from the Board of Directors, with autonomy, independence, professionalism and continuity of action, as well as honourableness and absence of conflicts of interest.

Applying these principles to the MASERATI organisation, and in view of the specific tasks assigned to the Supervisory Body, it was resolved that the Body should consist of the *pro-tempore* heads of the company's Human Resources and General Counsel functions, and to the *pro-tempore* head of the Financial & Insurance Companies, Luxury Cars function of the Fiat S.p.A. Internal Audit & Compliance department.

The occupants of these posts were judged to be the best suited for this role in view of the following prerequisites held by each of them, in line with the provisions of Legislative Decree 231/01, the Guidelines and legal precedent:

- **autonomy and independence.** The best way of ensuring that the control function will be independent from all forms of interference and/or influence by anyone within the organisation appears to be to place the Supervisory Body in the highest possible position within the hierarchy, reporting solely to the figures at its summit (CEO, Board of Directors and Board of Statutory Auditors). It is also fundamental that the Supervisory Body should not perform any operational tasks, i.e. that it should not be directly involved in the management activities over which it is to exercise control;
- **honourableness.** In particular, the Supervisory Body has not been the subject of guilty verdicts, even currently being appealed, or plea bargains for offences which lead to debarring from public offices or are referred to by Legislative Decree 231/01;
- proven **professional abilities.** The Supervisory Body has specific capabilities with regard to auditing and consulting services, and the technical and professional skills required to perform its control system analysis and legal and criminal law functions: considering that the relevant legislation consists basically of an item of criminal law, and that the Supervisory Body's activities are intended to prevent the commission of offences, knowledge of the individual offences concerned is essential, and the Supervisory Body can also be provided with this knowledge by internal resources or external advisers. With regard to all topics relating to occupational health and safety, the Supervisory Body is required to draw on the assistance of all the resources assigned to manage the various aspects (RSPP – Occupational Health and Safety Manager, ASPP – Health and Safety Service Staff, RLS – Workers' Health and Safety Representative, MC – Company Medical Officer, first aid staff and company fire team members). These subjects and the Supervisory Body fulfil their duties at different levels within an integrated control system which involves them all. For example, the Occupational Health and Safety Manager fulfils a technical and operational supervisory function (1st level control) while the Supervisory Body oversees the efficiency and efficacy of the relaxant procedures in accordance with Legislative Decree 231/01 (2nd level control).
  Normally, the company's Supervisory Body is assisted in the performance of its supervisory and control duties by Fiat' s Audit & Compliance function.
- **continuity of action.** The Supervisory Body performs the activities required to ensure supervision of the Model on a continuous basis, using an appropriate amount of time

and with the necessary powers of investigation; it is established as an organisation operating within the company itself in order to guarantee the necessary continuity in its supervisory work.

- **availability of the organisational and financial resources** necessary for the fulfilment of its functions. The Supervisory Body's independence is also assured by the obligation on the governing body to approve an appropriate allocation of financial resources, as recommended by the Supervisory Body, when drawing up the company budget, in order to ensure that it is able to cover all requirements necessary for the proper performance of its duties (e.g. specialist advisers, travel, etc.).

Members from inside or outside the organisation may be invited to join the collegial Supervisory Body, provided each of them meets the autonomy and independence criteria set out above. If the Supervisory Body comprises a combination of members from inside and outside the organisation, since the internal members' complete independence of the organisation cannot be guaranteed, the body's level of independence will be assessed overall.

The aforesaid subjects exercise their decision-making powers severally and themselves implement a mechanism intended to prevent the adoption of conflicting decisions, involving the intervention of the CEO to achieve a resolution.

The Supervisory Body itself is responsible for deciding aspects relating to its continuity of action, such as the scheduling of its activities, the recording of the minutes of its meetings and the regulation of information flows from the company's functions. It may establish specific rules to regulate its own internal modus operandi (time intervals between audits, inspection procedures and criteria, etc.).

The Supervisory Body is appointed and dismissed by the Board of Directors, which may mandate the company's legal representatives to make the necessary replacements in the event of resignations from the Supervisory Body and/or changes within the organisation, reporting to the Board of Directors, which must ratify any appointments.

2.2 Functions and powers of the Supervisory Body

The Supervisory Body is tasked with overseeing:

- compliance with the Model by Employees, Company Officers, Service Companies, Consultants and Partners;
- the effectiveness and appropriateness of the Model in relation to the company's structure and its actual ability to prevent the commission of offences;
- the advisability of updates to the Model, if the need to adapt it to different company circumstances and/or legal requirements should arise.

For this purpose, the Supervisory Body is guaranteed free access - within all Company functions, with no need for any prior permission - to all corporate information, data or documents considered relevant for the fulfilment of its duties, and it must be kept constantly informed by the management: a) about aspects of the company's operations which may lay MASERATI open to the risk of commission of one of the offences; b) about relations with Service Companies, Consultants and Partners which undertake Sensitive Operations on behalf of the company; c) on the company's non-routine operations.

In particular, the Supervisory Body:

- surveys the company's activities to update the map of sensitive processes;

- verifies compliance with the methods and procedures envisaged by the Model and identifies any discrepancies in behaviour which emerge from the analysis of the information flow and the compulsory reports submitted by the heads of the various functions;
- gathers, processes and stores relevant information regarding compliance with the Model, as well as updating the list of information that must be forwarded or made available to it;
- works in a coordinated way with other company departments (by holding appropriate meetings, etc.) in order to ensure the optimal monitoring of activities in relation to the procedures established by the Model and assess the Model's adequacy and any needs for amendments to it;
- interprets the relevant legal requirements (in association with the function in charge of Legal Affairs) and verifies the Model's adequacy with regard to these requirements;
- submits proposals to the Board of Directors for any amendments and/or additions necessary in response to significant breaches of the requirements of the Model, significant changes in the Company's organisational structure and/or the way in which it conducts it business, or changes in the legislation;
- carries out targeted checks on specific transactions or specific actions undertaken by the Company, particularly in the context of Sensitive Activities, the results of which must be summarised in a specific report to be included in the reporting submitted to the relevant Company Officers;
- notifies the Board of Directors of proven breaches of the organisational Model which may lead to responsibility on the part of the organisation, and works in cooperation with the company management to decide whether any disciplinary measures should be taken, while the latter retains responsibility for the imposition of any penalties and the relative disciplinary procedures;
- works with the company's Human Resources Function in order to draw up staff training programmes and the contents of regular communications to be sent to Employees and the Company Officers, through the company's Intranet or by other means, to ensure that they have the necessary awareness and basic knowledge of the contents of Legislative Decree 231/01;
- introduces and performs internal investigations, liaising with the company functions involved on each occasion, to acquire additional information (e.g. with the Legal Affairs function for the examination of contracts with form and contents which differ from the standard clauses, intended to protect the Company against the risk of involvement in the commission of offences; with the Human Resources function for the application of disciplinary measures, etc.);
- performs regular checks, with the aid of the other competent functions, on the system of mandates and powers of attorney in force and their consistency with the entire organisational communication system (in terms of the company's internal documents by which mandates are conferred), recommending any changes needed if management powers and/or ranks do not correspond to the representational powers conferred on the legal representative, or in case of any other discrepancies;
- informs the management if additions are required to the systems for the management of incoming and outgoing financial resources already in force within the company, in order to introduce measures to identify any financial flows involving higher degrees of discretionality than those normally envisaged.

No other corporate body or function is permitted to oversee or rule on the work of the Supervisory Body, although the Board of Directors is called upon to monitor the adequacy of its operations, since the latter holds the overall responsibility for the operation of the organisational model.

2.3 Reporting by the Supervisory Body to the Top Management

The Supervisory Body reports on the implementation of the Model and the emergency of any criticalities.

The Supervisory Body has three reporting lines:

- the first, on a continual basis, directly to the CEO;
- the second to the Board of Directors and the Board of Statutory Auditors, reporting at least half-yearly on the work done (inspections performed and their outcomes, the specific audits discussed in point 3 below and their findings, any updates to the map of Sensitive Processes, etc.);
- the third is to the FIAT Supervisory Body, which provides MASERATI with consulting and coordination with regard to methodologies, with the aim of standardising the principles implemented across the Group. Half-yearly written reports are submitted to the FIAT Supervisory Body on the work of the Supervisory Body, while written reports on any critical factors which have emerged and the consequent actions or programmes undertaken will be submitted whenever necessary.

If the Supervisory Body identifies critical factors relating to any of the members of the Board of Directors or the Board of Statutory Auditors, this must be reported immediately to one of the other members who is not affected.

Meetings with the bodies to which the Supervisory Body reports must be recorded in minutes and copies of the minutes must be conserved by the Supervisory Body and the organisations involved on each occasion.

The Board of Statutory Auditors, the Board of Directors or the CEO may summon the Supervisory Body at any time, while the latter may also request the convocation of the aforesaid bodies for urgent reasons, through the competent functions or subjects.

2.4 Information flows towards the Supervisory Body: general information and compulsory specific information

The Supervisory Body must be informed, by means of reports from Employees, Company Officers, Service Companies, Consultants and Partners, of events which might generate responsibility for MASERATI under Legislative Decree 231/01.

If an employee wishes to report a breach (or presumed breach) of the Model, in accordance with the provisions of the Code of Conduct, he must contact his immediate superior. If there is no response to this report, or if the employee does not feel confident in submitting the report to his immediate superior, he notifies the Supervisory Body.

With regard to their work for MASERATI, Service Companies, Consultants and Partners submit reports directly to the Supervisory Body.

The Supervisory Body assesses the reports received and any measures are taken in accordance with the provisions of Section IV (Disciplinary and Penalty System).

Breaches of a general nature relating to the following must be reported without delay:

- the commission of offences or conduct not in line with the behavioural principles established by the Code of Conduct, and/or the Model established pursuant to Legislative Decree 231/01, or with the internal procedures issued by the Company;
- offences reported and penalties imposed by Public Authorities (Inland Revenue, Labour Inspectorate, State Pension Authority, Workplace Insurance Accident Authority, Environment Agency or Local Health Authority, etc.) further to inspections;
- criticalities which have emerged during relations with Public Officials or the providers of public services (for example with regards to grants/subsidies, during inspections and tests, the supply of installation or maintenance services, etc.);
- shortcomings or inadequacies in workplaces or working equipment, or personal protective equipment, or any other hazardous situation relating to occupational health and safety;

In addition to the above reports, the following **information relating to the management of sensitive processes** must be submitted to the Supervisory Body:

- measures taken by, and/or information received from, the police or any other authority, indicating that investigations are being carried out concerning the relevant offences, even in relation to persons unknown to the company;
- decisions relating to applications for and the granting and use of public funds: grants, subsidies, etc.;
- requests for legal assistance submitted by Executives and/or Employees against whom the judicial authorities are bringing proceedings for offences covered by the legislation;
- reports drawn up by the managers of other company functions as part of their control activities which may point to events, actions or omissions that are critical in relation to compliance with Legislative Decree 231/01;
- information regarding disciplinary proceedings launched and any penalties imposed under the Model (including measures in relation to Employees) or the decision to shelve any such proceedings, with the respective reasons;
- statements summarising the public or private tender contracts awarded to the Company by Italian or European public bodies;
- information relating to contracts awarded by public authorities or the providers of public services;
- regular occupational health and safety reports.

The reports relating to breaches of a general nature and the information listed above must also be forwarded to the Supervisory Body.

Anyone submitting a report in good faith will be protected against any form of revenge, discrimination or penalisation and in all cases the identity of the person submitting the report will be treated as confidential, subject to legal obligations and the protection of the rights of the company or of persons falsely accused. The Supervisory Body also fulfils the role of the Ethics Officer.

2.5 Acquisition and conservation of information

The information, notifications and reports envisaged by this Model will be conserved by the Supervisory Body in a specific database (computerised or on paper) for a period of 10 years, in accordance with the principles of confidentiality and data protection legislation.

Only the members of the Board of Statutory Auditors, Directors, the FIAT Supervisory Body and their representatives are allowed access to the database.

3. Audits of the adequacy of the Model

The Supervisory Body performs periodic audits on the Model's real capacity to prevent the commission of offences, normally with the aid of the FIAT Audit & Compliance function and the support of other internal functions required on each occasion.

The audit takes the form of sample checks on the company's main actions and the biggest contracts concluded by MASERATI in relation to the Sensitive Processes and their compliance with the rules in this Model, and Employees' and Company Officers' awareness of the question of corporate criminal liability. A review of the reports received during the year, the actions undertaken by the Supervisory Body and any events considered at risk is also performed.

The Supervisory Body reports to the Board of Directors and Statutory Board of Auditors on the audits and their outcomes.

SECTION III

DISTRIBUTION AND ADOPTION OF THE MODEL

Knowledge of this Model is fundamental for raising the awareness of all Addressees working on the behalf and/or in the interest of the Company in the context of the sensitive processes that they run the risk of committing offences which result in heavy penalties under criminal law, not only for themselves but for the Company, in the event of behaviour in contravention of Legislative Decree 231/01 and the Model.

1. Employee training and information

MASERATI must ensure that both the employees who already work for the company and those who join it in the future are correctly informed and trained with regards to the contents of this Model and the rules of conduct it contains, with a different level of detail depending on the extent to which the employees concerned are involved in the Sensitive Processes.

The information and training system is supervised and extended by the work undertaken in this area by the Supervisory Body in cooperation with the manager of the Human Resources function and the managers of the other functions involved in the application of the Model on each occasion.

- ***Initial notification***

All employees working for the company at the time of the adoption of the Model are notified of its adoption.

New employees receive an information set (e.g. Code of Conduct, CEC, Organisational Model, Legislative Decree 231/01, etc.) to ensure that they are in possession of the knowledge considered to be of primary importance.

- ***Training***

Training carried out to raise awareness of the contents of Legislative Decree 231/01 is differentiated in its contents and the procedures for its provision on the basis of the addressees' rank, the level of risk of the area in which they work, and whether or not they legally represent the Company.

In particular, the Company provides different levels of information and training by means of suitable communications tools.

The Supervisory Body is also required to check the contents of the training programmes as described above.

All training programmes shall have the same minimum contents, which outline the principles of Legislative Decree 231/01 and the constituent parts of the Model, the individual types of offence envisaged by Legislative Decree 231/01 and the types of behaviour classified as sensitive in relation to the commission of the said offences.

In addition to this shared basic level, every training programme will be modulated to provide its beneficiaries with the tools needed for full compliance with the dictates of Legislative Decree 231/01, in view of the working context and duties of the programme's addressees.

Attendance of the training programmes described above is compulsory and the Supervisory Body is responsible for checking that they are actually attended.

2. Information to Service Companies, Consultants and Partners

Service Companies, Consultants and Partners must be informed about the contents of the Model and MASERATI's requirement that their behaviour should conform to the dictates of Legislative Decree 231/01.

3. Information to Directors and Auditors

This Model is consigned to every Director and Auditor, and they must undertake to comply with it.

SECTION IV

PENALTY SYSTEM

1. Function of the system of penalties

The establishment, by means of a disciplinary system, of a system of penalties (commensurate with the infringement and acting as deterrents) applicable in the event of an infringement of the rules set out in this Model, makes the supervisory action of the Supervisory Body effective and is intended to guarantee the effectiveness of the Model itself. In fact, under art. 6 (1) (e) of Legislative Decree 231/01, the establishment of this disciplinary and/or contractual system of penalties is an essential requirement which the Model must meet if the Company is to be relieved responsibility.

Application of the system of penalties is independent of the bringing and outcome of any criminal proceedings initiated by the judicial authorities if the infringement also constitutes an offence under the terms of Legislative Decree 231/01.

However, the Company retains the right to claim compensation for any damage caused to it by conduct in breach of the rules contained in this Model, such as in the event that the Court enforces precautionary measures as envisaged by Legislative Decree 231/01.

2. Measures against executives and office and factory workers

2.1 Disciplinary system

Any conduct in breach of this Model by Employees subject to the Collective Employment Contract applied to the Company constitutes a disciplinary offence.

Workers will be liable to the penalties - in accordance with the procedures envisaged by article 7 of law no. 300 of 20 May 1970 (Employees' Charter) and any relevant specific legislation - envisaged by the said basic CEC, as follows:

- verbal reprimand;
- written reprimand;
- fine;
- suspension from work without pay for up to three days;
- dismissal.

This is subject to all the provisions of the CEC (therefore considered to be included here), amongst them:

- the obligation - with regard to the application of any disciplinary measure - to first formally accuse the employee of the infringement and allow him to defend himself;
- the obligation - except in the case of verbal reprimand - that the accusation should be made in writing and the disciplinary measure should not be issued until 5 days after the formal presentation of the charge (during which time the employee is able to submit his defence);
- the obligation to notify the employee in writing of the threatened disciplinary action, with reasons.

As regards the investigation of infringements, disciplinary proceedings and the application of penalties, the powers already granted to the company's management, within the limits of their respective powers, remain unchanged.

2.2 Infringements of the Model and the relative penalties

The following forms of conduct which constitute breaches of this Model incur penalties:

- infringements, by employees, of internal procedures established by the Model, or the adoption, in the performance of activities related to Sensitive Processes, of conduct that does not comply with the requirements of the Model, regardless of whether it exposes the Company to an objective risk of an Offence being committed;
- conduct in breach of the requirements of this Model, unmistakably intended to lead to the commission of one or more offences;
- conduct in breach of the requirements of this Model, leading to the actual and/or potential enforcement of penalties against the Company under Legislative Decree 231/01.

Disciplinary and contractual penalties, and any claim for compensation, will be commensurate with the degree of responsibility and autonomy of the Employee and his or her role and the degree of trust related to the appointment conferred on the Directors, Auditors, Service Companies, Consultants and Partners.

The system of penalties is subject to constant verification and assessment by the Supervisory Body and the Human Resources Manager, who retains responsibility for actual enforcement of the disciplinary measures described herein, on receipt of a report from the Supervisory Body and after consulting the hierarchical superior of the employee who committed the infringement.

3. Measures against managers

If committed by Managers, conduct which infringes this Model or the adoption of conduct which does not meet its requirements during the performance of activities related to the Sensitive Processes may constitute a breach of trust, leading to application of the most appropriate penalties as envisaged by art. 2119 of the Italian Civil Code and the Collective Employment Contract for Fiat and Fiat Industrial managerial staff applied to the Company.

4. Measures against Directors

In the event of an infringement of the Model by one or more members of the Board of Directors, the Supervisory Body informs the Board of Directors and Board of Statutory Auditors, who will take appropriate action, including, for example, convening a shareholders' meeting for the purpose of taking the most appropriate legally permitted measures. The Supervisory Body also notifies the FIAT Supervisory Body.

5. Measures against Auditors

In the event of an infringement of the Model by one or more members of the Board of Statutory Auditors, the Supervisory Body informs the whole Board of Statutory Auditors and the Board of Directors, who will take the appropriate action, including, for example, convening a shareholders' meeting for the purpose of taking the most appropriate measures envisaged by the law. The Supervisory Body also notifies the FIAT Supervisory Body.

6. Measures against Service Companies, Consultants and Partners

Conduct in breach of this Model by Service Companies or Consultants, including those working for the company on a regular basis, and Partners, in relation to the rules applicable to them or the actual commission of offences, is punished in accordance with the provisions of the specific clauses contained in the relative contracts.

7. Measures against the Supervisory Body and other subjects

The system of disciplinary and contractual measures as described above will also be applied in relation to the Supervisory Body or any Employees or Directors who, through negligence, imprudence or carelessness, have failed to identify and thus eliminate conduct in breach of the Model.

SECTION V

THE MASERATI ORGANISATIONAL MODEL

1. General Control Context

1.1 The Company's organisational system

The Company's organisational system must meet the fundamental requirements of formalisation and clarity, communication and separation of functions, especially with regard to the attribution of responsibility, the power to represent the company, and the definition of the hierarchical structure and operating activities.

The company must be provided with organisational tools (an organisation chart, organisational communications, procedures, etc.) based on general principles of:

- wide knowledge and acceptance within the company (and if necessary also in relation to other Group companies);
- clear, formal definition of roles and functions;
- clear description of lines of reporting.

Internal procedures must have the following characteristics:

- separation, within each process, between the subject who initiates it (decision-making impulse), the subject who performs it and the subject who audits it;
- written traceability of every significant step in the process;
- adequate levels of formalisation.

1.2 The system of mandates and powers of attorney

A mandate is the internal act by which tasks and duties are attributed, reflected in the organisational communications system. The essential requirements for the system of mandates for the effective prevention of criminal or administrative offences are the following:

- the Head of the Function/Department is responsible for ensuring that all his staff who have the power to represent the Company, even informally, hold a written mandate;
- the mandate must state:
  - the person who issues the mandate (to whom the mandated employee reports within the hierarchy);
  - the mandated employee's name and duties, consistent with the position held;
  - context of application of the mandate (e.g. project, duration, product, etc.);
  - date of issue;
  - sign of mandate issuer.

A power of attorney is a unilateral legal deed by which the company assigns powers to represent it in relation to third parties. The essential requirements for the system of powers of attorney for the effective prevention of criminal or administrative offences are the following:

- powers of attorney may be conferred on natural or legal persons (the latter will act through their own legal representatives who hold similar powers);
- general powers of attorney are only assigned to persons who hold internal mandates or a specific employment contract which describes the relative management powers and, where necessary, are accompanied by specific documents setting the extension of the powers of legal representation and if necessary expenditure ceilings;

- a procedure must be established to regulate the procedures and responsibilities for the rapid amendment of powers of attorney and establish the circumstances in which they are to be assigned, amended or revoked.

1.3 Relations with Service Companies/Consultants/Partners: general principles of conduct

Relations with *Service Companies/Consultants/Partners* in the context of sensitive processes and/or activities with a risk of criminal/administrative offences must be absolutely ethical and transparent and comply with the law, the Code of Conduct, this Model, the corporate internal procedures and the specific ethical principles on which the Company's operations are founded.

Service Companies, consultants, agents, suppliers of products/services and partners in general (e.g. temporary consortia) must be selected in accordance with a specific procedure which gives consideration to the following:

- verification of **business and professional credentials** (e.g. through examination of Chamber of Commerce records to ensure that their business is consistent with the services required by the Company, self-certification under Italian Presidential Decree 445/00 regarding any pending criminal proceedings or convictions);
- selection on the basis of capability in terms of quality, innovation, costs and **sustainability standards**, with reference in particular to respect for human and workers' rights, the environment and the principles of business legality, transparency and ethics (this accreditation process must involve high quality standards which can also be confirmed by means of the acquisition of specific quality certifications on the part of the supplier);
- avoidance of any commercial and/or financial transactions, either directly or by means of intermediaries, with subjects - natural or legal persons - involved in judicial investigations for suspected offences under Legislative Decree 231/01 and/or reported by the European and international organisations/authority responsible for preventing terrorism, money laundering and organised crime.
- avoidance/non acceptance of contractual relations with subjects - natural or legal persons - which are registered or resident in or have any connection to countries considered uncooperative due to non-compliance with the standards established by international law and the guidelines of the FATF-GAFI (Financial Action Task Force against money laundering), or are blacklisted by the World Bank and the European Commission;
- granting of payments only in response to evidence of services rendered in the context of the contract relationship established or the type of appointment to be fulfilled, and current local practice;
- in general, no payments may be made in cash, and any payments so made must be suitably authorised; In all cases, payments must be made through suitable accounting procedures which ensure that they can be referred to their context and traced;
- with regard to its financial operations, the company implements specific procedural checks and pays particular attention to financial flows which do not form part of the company's typical processes and are therefore managed on a one-off, discretionary basis. These checks (e.g. frequent reconciliation of accounting figures, supervision, separation of duties, cross-checking by the purchasing and financial functions, an

effective system for documenting decision-making processes, etc.) are intended to prevent the creation of hidden reserves.

MASERATI has delegated the monitoring of the "*Supplier qualification and selection process"* to Fiat Group Purchasing, which manages purchases as a provider, working under a mandate in the Company's name and on its behalf. This function has been established to ensure efficiency, price saving and uniformity at the Group level in the selection of suppliers and the negotiation of the relative contract terms.

Fiat Group Purchasing has its own Model and appropriate control instruments for application during the selection of business counterparties to ensure that it or the companies on whose behalf it operates are not involved, even unintentionally, in illegal actions.

1.4 Relations with Service Companies/Consultants/Partners Contract clauses

Contracts with Service Companies/Consultants/Partners must include specific clauses regulating:

- an undertaking to comply with the MASERATI Code of Conduct and Model, and a declaration that the counterparty has never been implicated in judicial proceedings relating to offences covered by the Company's Model or Legislative Decree 231/01 (or if they have been, they must declare it to allow the company to implement closer monitoring if a consulting or partnership relationship is established). This commitment must be reciprocal, if the counterparty has its own, similar code of conduct and Model;
- the consequences of a breach of the conditions of the regulations contained in the Model and/or the Code of Conduct (e.g. express termination clauses, penalties);
- the undertaking, for foreign service companies/consultants/partners, to conduct their businesses in compliance with rules and principles similar to those envisaged by the laws of the country (or countries) in which they operate, with particular reference to bribery, money laundering and terrorism and corporate liability legislation, and the principles contained in the Code of Conduct and its guidelines, intended to ensure compliance with suitable ethical principles in the conduct of their business.

1.5 Relations with Customers: general principles of conduct

Relations with customers must be absolutely ethical and transparent and comply with the Code of Conduct, this Model, the law and the corporate internal procedures, with the following basic guidelines:

- payments in cash (and/or by other untraceable means) must only be made within the legal limits;
- extended payment terms must only be permitted to counterparties of proven solvency;
- sales in breach of international regulations/laws restricting the export of products/services and/or safeguarding the principles of free competition must be refused;
- the prices applied must be in line with the average market values. The above is except for special offers and any donations, which must both be suitably justified/authorised.

2. MASERATI Sensitive Processes

A risk analysis conducted by MASERATI for the purposes of Legislative Decree 231/01 revealed that at present the Sensitive Processes mainly refer to:

1) offences against government bodies and the judicial authorities;
2) cybercrime offences;
3) organised crime offences;
4) offences relating to the counterfeiting of brands or trademarks and offences against trade and industry;
5) corporate offences;
6) offences involving terrorism and the subversion of the democratic order;
7) human rights offences;
8) market abuse offences;
9) offences of manslaughter and culpable serious or very serious bodily harm committed in violation of occupational health and safety regulations;
10) offences of receiving, laundering and using money, goods or profits from illegal activities;
11) offences relating to copyright infringement;
12) environmental offences.

The risks relating to the other offences covered by Legislative Decree 231/01 are only hypothetically present and their occurrence is not feasible in concrete terms.

The details of the types of offence listed above are provided in Annex A.

The aim of this Section is to:

- state the principles and procedures with which MASERATI's Employees, Company Officers, Service Companies, Consultants and Partners are required to comply in order to effectively prevent the commission of the offences during activities in which the risk of the commission of one of the offences listed above can be considered to exist;
- provide the Supervisory Body and the managers of the other company departments who work with it with the executive instruments required for the exercise of control, monitoring and audit functions through the procedures in force and currently being issued by the company.

2.1 Sensitive Processes with regard to offences against Government Bodies and the Judicial Authorities

The main Sensitive Processes the Company has identified within its organisation with regard to the offences covered by art. 24, 25 and 25 (10) of Legislative Decree 231/01 are the following:

- Acquisition and management of grants, subsidies and loans from Italian or foreign public bodies, with particular reference to the following Risk Activities:

  - Drafting of the documentation for the award of grants/subsidies/low-interest loans by public bodies.
  - Drafting of the statements demonstrating the use of the funds received.
- Management of relations with Government Bodies, with particular reference to the following Risk Activities:
  - Management of relations with public bodies for the issue of authorisations, permits and grants/subsidies from public organisations.
  - Management of inspections (accounting, fiscal, welfare, etc.).
  - Product type-approval procedures.
  - Activities undertaken with national and supranational public bodies to safeguard the company's interests.
- Management of relations with the Judicial Authorities, with particular reference to the following Risk Activities:
  - Management of relationships with subjects required to submit statements to the Judicial Authorities.

The following Instrumental Activities have also been identified in the context of the offence covered by art. 25 of Legislative Decree 231/01 concerning bribery and extortion:

- giving of gifts;
- promises of employment;
- management of consulting/supply relationships;
- free loan and use of the company's typical goods or services;
- sponsorships;
- expense refunds.

The general criteria for the definition of the Public Sector and above all Public Officials or Public Service Providers, are provided in Annex A.

This definition includes a wide variety of subjects with which the Company may interact during its business, since as well as Public Authorities and those who fulfil public legislative, judicial or administrative functions (Public Officials), it also includes subjects/bodies who have been mandated by a Government Body - e.g. through a convention and/or concession, regardless of the legal status of the subject/body, which may be a private company - to provide public services or satisfy general needs (public service providers).

2.1.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of offences against the Public Sector and the Judicial Authorities:

- truthful declarations must be submitted to national or EU public bodies when applying for grants, subsidies or loans;

- statements must be drawn up on the actual use of the funds obtained as public subsidies or loans;
- specific procedural checks must be performed on financial affairs, with particular attention to financial flows which do not form part of the company's typical processes and are therefore managed on a one-off, discretionary basis, to prevent the formation of hidden reserves;
- checks must be made that the subjects taking part in police, tax and administrative inspections (e.g. relating to Legislative Decree 81/2008, tax and pension authority inspections, etc.) are clearly identified and the relative reports are drawn up and conserved,
- no gifts must be made except as envisaged by the corporate procedures and the Code of Conduct Guidelines (Fiat Group Business Ethics and Anti-corruption Guidelines and Fiat Group Conflict of Interest Guidelines): the permitted gifts must always be small in value or must be intended to promote charitable or cultural programmes or the Group's brand image. Gifts given - except for those of very low value - must be suitably documented to allow verification by the Supervisory Body. In particular, any type of gift to Italian or foreign public servants, or their relatives, intended to influence their judgement or persuade them to provide any advantage for the company, is forbidden;
- no gifts must be made or benefits of any kind agreed (promises of employment, etc.) to Italian or foreign public servants, either directly by Italian company departments or their employees, or through people acting on behalf of these departments either in Italy or abroad;
- during any business negotiations with, applications to or relations with the Public Sector, no attempts must be made to influence the decisions of officials who discuss or make decisions on behalf of the organisations concerned;
- no remuneration must be granted or advantages of any kind offered or promised to employees/customers/suppliers/partners/service companies which are not properly justified by the working or contractual relationship with them or current local practice;
- consultants or third parties who may create conflicts of interest must not be chosen as representatives in relations with the Public Sector;
- confidential information which may jeopardise the integrity or reputation of either party must be requested and/or obtained;
- conduct which persuades or incites a person to make false declarations between the Judicial Authorities is forbidden;
- in relations with Public Authorities, and the police and the courts in particular, conduct must be clear, transparent, diligent and cooperative, with disclosure of all information and data requested.

2.2 Sensitive Processes in the context of cybercrime offences

The main Sensitive Processes the Company has identified as actually present within its organisation with regard to the offences covered by art. 24 (2) of Legislative Decree 231/01 are the following:

Management of the computer/Internet System, with particular reference to the following Risk Activities:

- Installation / Maintenance of IT equipment (software and hardware).

  - Monitoring of access to computer / Internet systems.
- Use of computer / Internet systems at work, with particular reference to the following Risk Activities:
  - Access to external computer / Internet systems.

The risk of commission of the offences covered by this Section is highest in those contexts (businesses, functions and processes) where staff, for the purposes of their duties, are provided with a computer system with external connection, and in particular the IT area, in view of the specific skills and knowledge of the Employees who work in this sector.

Therefore, specific reference is made to the need for compliance with the corporate and Group regulations adopted to regulate the use of IT resources and instruments. For example, the following procedures are adopted:

- Operating regulations for the correct use of computer systems;
- General Regulations for the correct use of computer systems;
- Guidelines for the use of Corporate Data;
- Group Code of Conduct;
- Information Security Standard Guideline (ISSG) - External Procurement, with regard to the suppliers of services;
- Data centre security guidelines;
- Workstation guidelines;
- Corporate regulations, policies and procedures for the use of computer systems in general.

2.2.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of cybercrime offences:

- addressees must be provided with appropriate information concerning the correct use of corporate IT resources and the risk of cybercrime offences;
- as far as working needs allow, the access to external networks and IT systems by means of corporate resources should be restricted;
- periodic checks must be performed on the company's computer network to identify abnormal behaviours such as the downloading of large files, or anomalous operation of services outside working hours;
- suitable physical defences should be provided and maintained for the company's services, and for all corporate computer systems in general, through the provision of an access control system for the server room, and checks to prevent the entry and exit of unauthorised materials where possible;
- computer system users must be suitably informed of the importance of keeping their usernames and passwords confidential and not disclosing them to third parties;
- a specific document must be circulated to computer system users by which they undertake to use the company's IT resources properly;

- computer system users must be informed of the need not to leave their IT systems unattended and that it is advisable to log off using their passwords if they leave their workstations;
- the computer systems should be designed so that they automatically shut down if they are not used for a specific period of time;
- access from and to the outside (Internet connections) must be authorised and such connections must only be used by the permitted procedures and for working purposes;
- the server room must have a door with physical control on access, which must only be permitted to authorised personnel;
- every corporate computer system must be provided with adequate protection against the illicit installation of hardware devices capable of intercepting communications with an IT or Internet system, or between several systems, or capable of preventing or interrupting them;
- every computer system must be provided with suitable firewall and antivirus software, ensuring that it cannot be deactivated;
- the installation and use of software not approved by the Company and not correlated with the working activities of the addressees or users must be forbidden;
- restrictions must be placed on access to Internet sites and areas which are particularly sensitive because they are vehicles for the distribution and circulation of viruses which may damage or destroy computer systems or the data they contain (e.g. email sites or file and information download sites);
- in particular, a ban must be implemented on the installation and use on the company's computer systems of software (unauthorised "P2P", file sharing or instant messaging) by which files of all kinds (including films documents, songs, viruses, etc.) can be exchanged with other subjects on the Internet without any possibility of control by the Company;
- any wireless Internet connections (established by means of routers with WiFi antennas) must be protected by means of a password in order to prevent third parties from outside the company from illegally connecting to the Internet by means of its routers and performing illegal acts of which the Company's employees may then be accused;
- if possible, a logging-on procedure involving usernames and passwords must be used, in which each profile gives access to a limited set of system resources, specifically selected for each addressee or category of addressees.

Cybercrime also includes the category of crimes relating to false statements and counterfeit documents. Therefore, the transmission of any untruthful, counterfeited or false document by computerised means is absolutely forbidden.

2.3 Sensitive Processes in the context of organised crime offences

The organised crime offences envisaged by art. 24 (3) of Legislative Decree 231/01 and articles 3 and 10 of Law no. 146/2006 are only considered to have been committed if the following preconditions are met:

- there is a permanent conspiracy involving three or more people, intended to last even after the commission of the offences actually planned;
- there is a criminal plan involving the commission of an unspecified number of crimes;

- an organisational structure has been created for the achievement of criminal ends.

Therefore, the organisation's responsibility applies to any type of offence planned by a conspiracy, regardless of whether or not the offence was actually committed, even if not directly included within the field of application of Legislative Decree 231/01.

The Company considers it necessary to oversee its internal organisation by means of the appropriate separation of duties and processes in the management of relations with suppliers/customers/partners, through specific monitoring of the following Risk Activities:

- Qualification and selection of suppliers/customers/partners.
- Management of financial transactions with suppliers/customers/partners.
- Contractual relationships/investments.
- Management of payments/sums collected/received.
- Management of the sales network.

2.3.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of offences related to organised crime, at the national and cross-border level:

- the provision of suitable separation of functions and responsibilities in the management of the supplier/partner with particular reference to the assessment of offers, the provision and approval of services and the payment of invoices;
- verification that payments are in order, ensuring that the party receiving/making the payment is exactly the same as the counterparty actually involved in the transaction;
- performance of checks on the form and substance of the company's financial flows, with reference to payments to third parties and infra-group payments/transactions. These checks must give consideration to the place of business of the counterparty company (e.g. tax haven, country with terrorism risk, etc.), the banks used (place of business of the banks involved in the transactions and banks which do not have permanent organisations in some countries) and any corporate veils or trustee organisations used for extraordinary transactions or operations.

2.4 Sensitive Processes with regard to offences involving the counterfeiting of brands or trademarks (counterfeiting, defacing or using brands, logos or patents, models and designs) and crimes against industry and trade.

Further to an analysis of the corporate processes, the risk of the commission of some offences against industry and trade envisaged by art. 25 (2) (1) has been classified as residual due to their lack of relevance to the Company's business, or because the offences envisaged are not actually feasible and because in any case safeguards are already in force under the Code of Conduct.

Therefore, the main Sensitive Processes the Company has identified within its organisation with regard to the offences covered by articles 25 (2) and 25 (2) (1) of Legislative Decree 231/01 are the following:

- Industrial product development, with particular reference to the following Risk Activities:
    - Creation of products, models, designs and technologies.
    - Registration and management of the company's own patents.
    - Use of the patents of others.
    - Co-design product development.
- Manufacture in Italy or abroad of items protected by industrial property rights.
- Purchase of goods / parts / components / semi-processed materials and finished products from Italian and foreign suppliers.
- Commercial business operations, with particular reference to the following Risk Activities:
    - Sale of products protected by industrial property rights.
    - The holding of products for sale and sale of products to customers through direct offers.
    - Preparation of advertising material explaining the product's technical characteristics.
- Development, creation and registration of trademarks and logos, belonging to the company itself or held jointly with third parties, with particular reference to the following Risk Activities:
    - Management and/or use of the company's own brands or logos and/or those of others.
    - Licenses issued or received for use of the company's own logos and those of others.
- Creation and implementation of advertising and promotional programmes with particular reference to the following Risk Activities:
    - Merchandising operations.
    - Co-branding operations.
    - Organisation of promotional events, directly or through external consultants and suppliers.

2.4.1 Specific rules of conduct

The Company demands and requires compliance with industrial property rights and the safeguarding of business secrets, both its own and those of others. In particular, internal know-how is a fundamental resource which every employee and addressee must protect. In the event of the improper disclosure or breach of the rights of others, the Company could suffer financial loss and damage to its image. Therefore, no information relating to the Company's technical, technological and commercial know-how must be revealed to third parties unless its revelation is requested by the judicial authorities, by laws or by other regulatory measures, or specifically envisaged by contractual agreements, under which the counterparties have undertaken to use the said know-how exclusively for the purposes for which the information was provided, and to treat it as strictly confidential.

Moreover, the Company plays an active part in the fight against the counterfeiting of its brands and products, using all the means available under the legal systems in the places where the Company operates, and in particular by cooperating with the Authorities established to combat crimes of this kind, by means of agreements and training meetings (e.g. the customs Authorities responsible for seizing fake goods).

Last but not least, the company has obtained UNI EN ISO 9001:2000 certification, since it has implemented all the activities necessary for the operation of an effective Quality Management System, a rule for the operation and management of its organisation with the aim of the gradual, long-term improvement of its performances.

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of the offences under consideration:

The main rules of conduct with regard to product and process innovations are:

- avoid the possible use of solutions covered by the patents of others by means of advance checks, and in particular:
    - monitor competitors' operations, identifying the lines of technological development and analysing the public patents of leading firms, with the aim of reducing the risk of breaching third-party rights:
    - operate a regular patent surveillance system;
- ensure the application of the most appropriate protective measures, starting from the choice of the concept itself;
- perform timely, effective searches by consulting specialist databases or with the aid of external consultants;
- check for patents to ensure that the product does not violate them ("freedom of operation or implementation");
- check for patents which have expired, placing the relative technology in the public domain;
- identify the rights which can be abandoned in response to evolution of the state of the art, by means of regular meetings to review the portfolio of intangibles;
- with the aid of consultant firms, draw up policies or operating guidelines which allow documentation of the authenticity of the invention (up-to-date, signed, dated records) in the event of disputes,
- draw up a policy for the use of technical solutions covered by the exclusive rights of others and the consequent negotiation of licences or concessions;
- monitor the clauses which deal with intellectual property rights in contracts and licences. In particular, in the event of co-design agreements or if product development is subcontracted to third parties, the Company must:
    - include clauses in the relative contracts that define the ownership of the technical results of the works covered by the agreement, especially the models, prototypes, mock-ups, technical or technological documentation, know-how, inventions, innovations, improvements, software simulation models, etc.;
    - specify that the results can be registered as patents or ornamental or utility models, with the commitment of the parties involved and their employees to

cooperate during the relative registration, prosecution and territorial extension procedures;

- specifically request that any results of the contracted design activities shall not involve the breach of any third-party intellectual property rights, so that the Company will hold unrestricted, unconditional, exclusive intellectual property rights, which it will be able to use freely for the production and sale of the product without any complaints by the supplier and/or third parties in all the countries specifically covered by the agreement;
- require any supplier/partner who finds it necessary to use a technical solution to which a third party holds the intellectual property rights to notify the Company in advance of its intention to use the solution concerned, and obtain a licence to use the said intellectual property rights from their owner, at its own expense;
- stipulate that, in the event of complaints from third parties relating to the use of specific products independently designed by the supplier/partner, the latter shall relieve the Company of any claims, damage and/or any measure which may restrict the production and/or sale of the product by the Company, to the extent that it considers most appropriate;
- impose confidentiality obligations on the supplier/partner requiring it to treat all technical information received from the Company as confidential and not to use information of any kind relating to the activities carried out which comes to its knowledge during the validity of the agreement for any activities other than those covered by the agreement itself;

- specify the function within the Company tasked with defending it against complaints from third parties with regard to the unauthorised use of their property.

The main rules of conduct with regard to the characteristics of products sold are:

- for the Company, it is fundamental for its customers to be treated ethically and honestly, and it therefore requires its managers, other employees and the other addressees of the Model to conduct all relations and contacts with the clientele on a basis of honesty, ethical business practice and transparency;
- in relations with customers, employees must follow the internal procedures intended to achieve the objectives set, which also depend on the maintenance of fruitful, lasting relations with customers, by offering professional assistance and support;
- contracts with suppliers/partners must include specific clauses by which they undertake to guarantee that the quality of the products covered by the contract conforms to:
    - the provisions of the technical standards implemented by the Company and all legal, regulatory and administrative provisions or jurisdictional or administrative measures in force or scheduled for application in the countries in which the product is to be sold;
    - any standards, specifications, regulations, circulars, procedures and other similar regulations communicated or made available to the supplier/partner;
- contracts with the supplier/partner must include clauses enabling the Company or its mandated representatives/functions to perform inspections, audits and checks on the production process, production equipment and processing and/or testing and inspection methods used, including all tests and/or inspections relating to compliance with any requirements for the certification/type approval of the product.

The main rules of conduct with regard to brand protection are:

- the responsibilities with regard to the process for the creation, definition, legal verification and registration of brands must be defined by means of organisational rules and procedures;
- the function responsible for performing the clearance searches necessary for confirming the possibility of registering a new brand and, if the outcome is successful, the management of the registration procedures at the international/Community level and/or in the individual states where the company intends to sell the products and services bearing the new brand must be identified;
- registration applications made by third parties must be monitored and applications for the registration of brands which may be similar and misleading in relation to the brands owned by the Company must be identified; in particular, the new brands identified must have characteristics such as to allow their registration and the absence of interference with brands already owned by third parties;
- if the clearance search reveals the existence of similar brands, already registered by third parties in the classes/markets of interest to the Company, the advisability/opportunity of obtaining the consent of the said third parties to the use of the new brand (by means of licences or co-existence contracts) must be considered. In the absence of this consent, the new brand cannot be used and the proposed new brand must therefore be abandoned;
- a file or database of the portfolio of brands owned by the Company must be created, and registration applications or the registered brands must be properly managed, maintaining or abandoning them depending on the Company's requirements;
- within marketing and brand promotion activities, if the need to create/develop one or more new brand proposals is identified, the functions must take care to suggest brands of the necessary novelty, so that they are distinguished to the greatest possible extent, in visual, phonetic and conceptual terms, from brands already registered by third parties and the description of the object/product they will identify (distinctiveness);
- checks must be made to ensure that the products purchased are of legitimate origin, especially those which, by reason of their quality or price, give rise to suspicion that the law on intellectual property or origin has been infringed;
- before products are placed on the market, whether as original equipment, as genuine spares or for the independent after-market, checks must be performed to ensure that the labelling and information affixed to them complies with legal requirements and is complete, with particular attention to information concerning the product's designation, the name or brand and the place of production or importation, under the specific legislative requirements currently in force;
- if, in the context of partnerships with external companies (joint ventures or agreements with local licensees), it becomes appropriate or necessary to grant a licence for the use of the Company's proprietary brands, the relative cooperation and/or licence contracts must include clauses and procedures which prevent the use of the said brands in contravention of the policies of the proprietor Company or in breach of third party rights.

2.5 Sensitive Processes with regard to corporate offences

The main Sensitive Processes the Company has identified within its organisation with regard to the offences covered by art. 25 (3) of Legislative Decree 231/01 are the following:

- The writing of communications to shareholders and/or third parties with regard to the company's economic and financial situation (financial statements accompanied by the relative legally required reports, etc.), with particular reference to the following Risk Activities:
    - Writing of the Balance Sheet, the Profit and Loss Account, the Accompanying Note and the Board of Directors' Report.
- The writing of reports to the Public Supervisory Authorities and the management of relations with them, with particular reference to the following Risk Activities:
    - Management of communications with the Supervisory Authorities (Consob, Monopolies Commission, Bank of Italy, etc.).
- Management of controlling and auditing activities by the Shareholders, the Board of Statutory Auditors and the external auditor, with particular reference to the following Risk Activities:
    - Audits performed by the Shareholders, the Board of Statutory Auditors and the external auditor.
- Operations relating to the company's share capital, with particular reference to the following Risk Activities:
    - Distribution of profits and reserves, return of contributions, capital increases or reductions, etc.

With regard to the offence covered by art. 25 (3) (1) (s) (2), "**Bribery between private parties**" of Legislative Decree 231/01, the main Sensitive Process identified by the Company is the following:

- Management of relations with suppliers/customers/partners, with particular reference to the following Risk Activities:
    - Qualification and selection of suppliers/customers/partners.
    - Management of financial transactions with suppliers/customers/partners.
    - Contractual relationships/investments.
    - Management of payments/sums collected/received.
    - Management of the sales network.

The following Instrumental Activities have also been identified in the context of this offence:

- giving of gifts;
- promises of employment;
- management of consulting/supply relationships;
- free loan and use of the company's typical goods or services;
- sponsorships;
- expense refunds.

2.5.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically

complied with for the effective prevention of the risk of the commission of corporate offences.

This Section also places a specific obligation on the Company Officers, Employees and Consultants, to the extent made necessary by the functions they perform, to:

When writing communications to shareholders and/or third parties with regard to the company's economic and financial situation (financial statements accompanied by the relative legally required reports, etc.):

- behave in an ethical transparent, collaborative manner, in compliance with the law, the relevant regulations and the internal corporate procedures, in all activities which contribute to the writing of the company's financial statements and other forms of reporting, in order to provide the shareholders and other stakeholders with truthful, correct information about the company's economic situation, worth and financial soundness;
- comply strictly with all legal measures intended to protect the company's share capital and keep it intact, to defend the interests of creditors and third parties in general;
- draw up the aforesaid documents in accordance with specific corporate procedures which:
    - clearly, completely establish which data and information each function must provide, the accounting criteria for the processing of the data and the deadlines for consigning them to the functions responsible,
    - require data and information to be transmitted to the function responsible by means of a system (which may be an IT system) that allows the tracing of each individual transmission step and the identification of the people who enter the data in the system;
    - set criteria and procedures for the processing of the data in the consolidated financial statements and their transmission by the companies within the consolidation perimeter;
- establish a basic training programme about the main concepts and legal and accounting questions relating to financial statements, intended for all heads of functions involved in the drafting of the financial statements and the other related documents, with a particular focus both on the training of new employees and the organisation of regular refresher courses;
- provide mechanisms to ensure that regular reports to the market are drawn up with input from all the functions concerned, in order to ensure that the result is correct and fully approved, and to set the relative schedules, the subjects involved, the topics to be covered, the information flows and the issue of specific certifications.

Within the management of relations with the external auditing company:

- ensure the proper operation of the Company and the Company Officers, guaranteeing and facilitating all forms of internal audit on the company's operations envisaged by the law, and enabling the general meeting to reach decisions freely and correctly;
- comply with the Group procedure regulating the assessment and selection of the external auditing company;
- not to assign consulting appointments for purposes other than auditing to the external auditing company or companies or professional entities which belong to the same networks as the external auditing company. Any waivers of these rules must be reported to the appropriate Foreman at once and may only be authorised by the FIAT Audit and Compliance Committee, further to the preparation of a reasoned opinion to be submitted to

the Board of Directors, which will reach a decision after taking advice from the Board of Statutory Auditors.

Within the management of relations with suppliers/customers/partners/intermediaries the following rules of conduct are established (with regard to the offence of "Bribery between private parties"):

- no gifts must be made except as envisaged by the corporate procedure and the Code of Conduct Guidelines (Fiat Group Business Ethics and Anti-corruption Guidelines and Fiat Group Conflict of Interest Guidelines): the permitted gifts must always be small in value or be intended to promote charitable or cultural programmes or the Group's brand image. Gifts given - except for those of very low value - must be suitably documented to allow verification by the Supervisory Body. In particular, any type of gift to suppliers/customers/partners/intermediaries which may influence their judgement or persuade them to provide any advantage for the company, is forbidden;
- do not make charitable donations or agree sponsorships without prior authorisation or except in line with company practice; any such contributions must only be intended to promote charitable or cultural programmes or the Group's brand image;
- do not spend sums on meals, entertainment or any other form of hospitality except as envisaged by the company procedures;
- avoid conflicts of interest, especially with regard to personal, financial or family interest (e.g. any financial or commercial holdings in supplier, customer or competitor companies, improper advantages arising from the role filled within the Company, etc.) which might influence independence of judgement in relation to suppliers/customers/partners/agents;
- no gifts must be made or benefits of any kind agreed (promises of employment, etc.) to suppliers/customers/partners, either directly or through intermediaries;
- no remuneration or commissions must be granted or benefits of any kind offered or promised to suppliers/customers/partners/intermediaries which are not properly justified by the working or contractual relationship with them or current local practice;
- proper separation of duties and responsibilities must be ensured in the management of:
    - suppliers/partners/intermediaries, with particular reference to the assessment of offers, the provision and approval of goods/services and the payment of invoices;
    - customers, with particular reference to setting of prices, payment terms and times and the discounts granted;
- no financial transaction must be undertaken unless the beneficiary of the relative sum is known;
- verification that the services/goods supplied are consistent with the subject of the contract, and that the party receiving/making the payment is the same as the counterparty actually involved in the transaction;
- the following must be carefully investigated and reported to the Supervisory Body:
    - requests to make payments to a third party instead of directly to the agent or representative;
    - requests for unusually high commissions;

- requests for expense refunds which are not properly documented or are out of proportion for the operation concerned;
- granting of discretionary discounts without satisfactory documentation;
- requests to make payments from/to an account other than that entered in the database or to/from banks based in tax havens, or which are not physically established in any country;
- requests to make payments from/to counterparties with registered offices in tax havens, countries with a terrorism risk, etc.

2.6 Sensitive Processes with regard to offences relating to terrorism and the subversion of the democratic order

The main Sensitive Process the Company has identified within its organisation with regard to the offences covered by art. 25 (4) of Legislative Decree 231/01 is the following:

- Negotiation/signing and fulfilment of contracts/dealership agreements with third parties by means of negotiated procedures, with particular reference to the following Risk Activities:
    - Selection of business partners.

The risk of commission of the offences covered by this point, and in particular the financing of terrorism, is highest in specific contexts (activities, functions, processes), with finance and administration identified as the key sectors.

2.6.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of offences relating to terrorism and the subversion of the democratic order:

- no financial transaction must be undertaken unless the beneficiary of the relative sum is known;
- the data acquired concerning relations with customers, Consultants and Partners must be complete and up to date, to allow them to be identified correctly and quickly and to allow the accurate assessment of their profiles;
- there must always be full knowledge of the way in which Company funds managed by third parties are used;
- the undertaking of operations or acceptance of orders considered anomalous in type or subject, and the establishment or maintenance of relationships with anomalous profiles are forbidden;
- no orders must be accepted, no products must be supplied and no commercial and/or financial transactions must be undertaken, either directly or by means of intermediaries, with subjects - natural or legal persons - whose names have been reported by the European and international organisations/authority responsible for preventing terrorism offences;
- any operations involving subjects based in blacklisted countries (as identified by the Bank of Italy or other government bodies) must be submitted for internal assessment by the Company's Supervisory Body.

2.7 Sensitive Processes with regard to human rights offences

The main Sensitive Processes the Company has identified as actually present within its organisation with regard to the offences covered by art. 25 (4) (1), 25 (5) and 25 (12) of Legislative Decree 231/01 are the following:

- The signing of contracts with companies which supply labour, with particular reference to the following Risk Activities:
    - Qualification and selection of suppliers with regard to contracts for the provision of works and tender contracts.
- Employment and management of personnel, with particular reference to the following Risk Activities:
    - Employment of personnel from countries outside the European Union.
    - Use of occasional staff.
- Management of websites and use of the Internet/Intranet network, with particular reference to the following Risk Activities:
    - Reception/distribution of virtual material relating to child pornography by means of the Internet/Intranet.

2.7.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of human rights offences:

- when selecting suppliers (especially of specific services such as cleaning, the organisation of travel arrangements, etc.) always assess their reliability carefully, by means of advance investigations (especially with regard to specific risk indicators such as the supplier's labour cost, the location of the production facilities, etc.), and by requesting all relevant documentation;
- when personnel from countries outside the European Union are employed, check that their residence permits are in order and monitor their expiry dates;
- pay special care and be particularly aware when assessing and regulating the direct and/or indirect organisation of trips to or stays in foreign locations, especially those known as "sexual tourism" destinations;
- equip the Company with IT tools which prevent the access to and/or receipt of material relating to child pornography;
- issue Employees with regular clear reminders of the obligation to make correct use of the IT tools placed at their disposal.

2.8 Sensitive Processes with regard to market abuse offences

The main Sensitive Process the Company has identified within its organisation is the following:

- Management of insider information.

2.8.1 Specific rules of conduct

The subjects listed below are specifically forbidden to engage in, cooperate in or give rise to types of conduct which, taken individually or as a body, directly or indirectly constitute the type of criminal or administrative offence covered in this section (art. 25 (6) of Legislative Decree 231/01 and art. 187 (5) of the Consolidated Law). These subjects are:

- the members of the Board of Directors;
- the members of the Board of Statutory Auditors;
- the Chief Executive Officer;
- the Chief Financial Officer;
- the Chief Accounting Officer.

The following are examples of the types of conduct specifically forbidden:

- the use of Insider Information obtained by reason of their position within the Group or through business relations with the Group to trade directly or indirectly in the shares of a Group company, customer or competitor companies, or other companies, for personal gain or to the benefit of third parties, the company or other Group companies;
- the revelation of Insider Information relating to the Group, unless the said revelation is required by laws or by other regulatory measures, or by specific contractual agreements, under which the counterparties have undertaken in writing to use the said information exclusively for the purposes for which the information was provided, and to treat it as strictly confidential;
- participation in Internet discussion groups or chatrooms on the subject of financial instruments or their listed or unlisted issuers, in which information is exchanged concerning the Group, its companies, competitor companies or listed companies or their financial instruments in general, except in the case of institutional meetings the legality of which has been verified by the competent functions, or the exchange of information which is clearly not of an insider nature;
- purchase or sale of financial instruments at the close of trading with the aim of tricking investors who work on the basis of closing prices, or in order to modify the final price of the financial instrument, except for the normal prudential purchase and sale of financial instruments;
- the publication of an opinion on a financial instrument (or indirectly on its issuer) after having taken a position on the security concerned, thus benefiting from the impact of the opinion provided on the price of the instrument, unless the public is informed of the conflict of interest at the same time;
- engaging in the purchase or sale of a financial instrument without giving rise to any variation in the interests, rights or market risks of the beneficiary of the operations or beneficiaries acting in agreement or in collusion (lending of securities or other operations involving the transfer of financial instruments under guarantee do not in themselves constitute market manipulation);
- the entering of orders, especially on the computerised markets, at higher (lower) prices than those of the offers on the purchase (sale) side in order to provide the misleading impression of the existence of demand (supply) for the financial instrument at these significantly higher (lower) prices;
- collusion on the secondary market after the sale of securities in the context of a public offering;

- acting in agreement to acquire a dominant position in the supply or demand of a financial instrument with the effect of directly or indirectly fixing the sale or purchase prices or establishing any other incorrect trading conditions;
- making unethical use of a dominant position in order to significantly distort the price at which other operators are obliged, in order to meet their commitments, to deliver, receive or postpone the consignment of the underlying financial instrument or commodity;
- agreeing transactions or giving orders such as to prevent the market price of the Group's financial instruments from falling below a given level, mainly to avoid the negative consequences of the relative deterioration of the rating of the financial instruments issued. This conduct must be kept separate from the conclusion of operations which form part of plans for the purchase of treasury shares or the stabilisation of financial instruments required by law;
- agreeing trades in a financial instrument on a market with the aim of improperly influencing the price of the instrument, or other related financial instruments traded on the same or other markets (for example, trades in shares intended to fix the price of the relative derivative financial instrument traded on another market at abnormal levels, or trades in the product underling a derivative with the aim of affecting the price of the relative derivative contracts. Arbitrage trades do not in themselves constitute market manipulation);
- issuing false or misleading market information by means of the media, including the Internet, or by any other means;
- taking out a long position on a financial instrument and making further purchases or issuing misleading positive information about the financial instrument in order to increase its price;
- taking out a net short position on a financial instrument and making further sales and issuing misleading negative information about the financial instrument in order to decrease its price;
- taking out a position on a financial security and closing it immediately after it has been made public;
- carrying out unusual clusters of trades on a specific financial instrument in agreement with other subjects.

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with:

- external communications [1] must take place in accordance with the controls and procedures established to govern external communications;
- Insider Information must be managed in accordance with the relative internal procedures of the Company or Group, which establish:

[1] "External communications" comprises all the information placed in the public domain by the company, including the following: the annual report submitted to the Supervisory Authorities, the annual financial statements, the quarterly and half-yearly reports submitted to the Supervisory Authorities, press releases on results, presentations to analysts, investor road shows, texts produced for conference calls / web casts, and the other press releases and bulletins published on the website

- the duties and roles of the subjects in charge of the management of information of this kind;
- the regulations governing its disclosure and the procedures to be used by those in charge for its use and publication;
- the criteria used to classify information as current or future "insider information", on the basis of input from the competent company departments;
- the measures for protecting, conserving and maintaining information and for preventing its improper and unauthorised disclosure inside or outside the company;
- the people who, by reason of their work as employees or professionals or by reason of their duties, have access to Information which is or will become Insider Information;
- the creation of a register, by those assigned to manage Insider Information, of the people who, by reason of their work as employees or professionals or by reason of their duties, manage and have access to specific Information which is or will become Insider Information. In particular, the criteria for maintenance of the register and the regulations governing access to it must be established. The subjects concerned must be notified when they are added to the register, in order to oblige them to comply with the consequent procedures and prohibitions. Whenever an operation involving Insider Information is carried out, the people involved will be entered in the register and will sign an appropriate declaration.

- whenever doubts arise as to the insider status of information, or before the performance of any operation relating to the Group's listed financial instruments, or which may have favourable effects for the Group, the prior opinion of the Supervisory Body or the Parent Company's Corporate Affairs Manager must be obtained.

2.9 Sensitive Processes with regard to the offences of manslaughter and culpable serious or very serious bodily harm (committed in violation of occupational health and safety regulations)

The Model must include a suitable system for the control of the implementation of the Model itself and the maintenance of the suitability of the measures adopted over time.

The Company has an internal occupational health and safety control system designed to prevent all possible breaches of legal requirements in this area and ensure that the technical skills and powers are available for the verification, assessment and management of risk through the creation of a suitable organisational structure and internal rules and procedures, and constant monitoring of processes.

This monitoring, by the Company's relevant internal functions, shall be supported if necessary by the activities carried out, on the request of the Supervisory Body, by external functions and/or the FIAT Audit & Compliance function. The results of monitoring operations will be reported to the Supervisory Body and the Sector Health & Safety organisation to allow assessment of any needs to modify or add to the internal safety control system.

The Model must be reviewed, and any changes made, in case of discovery of significant breaches of occupational health and safety legislation, or in response to changes in the organisation or activities as a result of scientific and technological progress (art. 30 (IV) Legislative Decree no. 81 of 2008).

For the formal validation of the measures already adopted, MASERATI has carried out activities at its locations within Italy to certify that the objectives, policies, procedures and modes of operation implemented with regard to occupational health and safety comply with the standards envisaged by the UNI-INAIL:2001 Guidelines and BS OHSAS 18001:2007.

The Company has obtained certification that the Safety Management Systems of its plants within Italy comply with the UNI-INAIL: 2001 Guidelines, and the BS OHSAS 18001:2007 certification of these Safety Management Systems from an independent external certifying body.

The main Sensitive Processes the Company has identified as actually present within its organisation with regard to the offences covered by art. 25 (7) of Legislative Decree 231/01 are the following:

- Attribution of responsibility with regard to occupational health and safety, with particular reference to the following Risk Activities:
    - Attribution of tasks and duties (*de facto et de jure* control network).
    - Verification of the professional prerequisites of the subjects responsible for prevention/protection.
    - Activities of the Occupational Health and Safety Service and Health Service.
- Information to workers, with particular reference to the following Risk Activities:
    - Specific information.
    - Information and consultation.
- Training plans, with particular reference to the following Risk Activities:
    - Monitoring, use and learning.
    - Differentiated training for subjects exposed to specific risks.
- Monitoring of the health and safety system, with particular reference to the following Risk Activities:
    - Verification of compliance with the legally required technical-structural standards with regard to equipment, plants, workplaces and chemical, physical and biological agents.
    - Audits of the application and efficacy of the procedures adopted.
    - Maintenance and improvement measures.
    - Management of behaviours in breach of the regulations, disciplinary measures or other training, information and preventive actions.
- Risk assessment, with particular reference to the following Risk Activities:
    - Drafting of the internal risk assessment document.
    - Tender contracts.
    - Joint risk assessment.

2.9.1 Specific rules of conduct and preventive measures

This section is intended to regulate the conduct of the Employer, Managers, Foremen, Workers and Contractors.

The aim is to:

- supply a list of the general principles and specific procedural principles with which addressees are required to comply, to the extent in which they may be involved in the performance of Risk Activities, in order to prevent offences of manslaughter and culpable serious or very serious bodily harm committed in violation of occupational health and safety regulations, bearing in mind the different position occupied by each subject in relation to the Company and thus the diversity of their obligations, as specified in the Model;
- provide the Supervisory Body and the managers of the other company department who work with it with the operating instruments required for the exercise of the control, monitoring and audit functions envisaged. In this regard, it should be noted that in view of the specific nature of this subject, in the performance of its activities the Supervisory Body will inevitably have to be assisted by specialist personnel, also in order to maintain and extend the prerequisite of professionalism which it is required to satisfy by law.

In order to allow the implementation of the principles intended to ensure the health and safety of workers as specified by art. 15 of Legislative Decree 81/2008 and in fulfilment of the provisions of Legislative Decree. 81/2008 and subsequent amendments, the following rules are defined.

Procedures/instructions

- The Company must issue procedures/instructions that formally define tasks and responsibilities with regard to safety;
- The Company must monitor workplace accidents and regulate reporting to the INAIL workplace accident insurance authority as required by law;
- the Company must monitor occupational diseases and regulate the reporting of the relative data to the National Register of Occupational Diseases held by the INAIL database;
- the Company must adopt an internal procedure/instruction for the organisation of regular and preventive health checks;
- the Company must adopt an internal procedure/instruction for the management of first aid, emergencies, evacuations and fire prevention;
- the Company must adopt procedures/instructions for the administrative management of workplace accident and occupational disease events.

Prerequisites and competences

- The Occupational Health and Safety Manager, the company medical officer, the first aid staff and the staff assigned to the Occupational Health and Safety Service must be formally appointed;
- the subjects tasked with overseeing the implementation of maintenance-improvement measures must be identified;
- the medical officer must hold one of the qualifications specified by art. 38 of Legislative Decree 81/2008:

  - specialist qualification in occupational medicine or occupational preventive medicine and industrial psychology:

    or

  - teaching post in occupational medicine or occupational preventive medicine and industrial psychology, industrial toxicology, industrial health, occupational physiology and health or labour medicine;

    or

  - authorisation pursuant to article 55 of legislative decree no. 277 dated 15 august 1991;
  - specialist qualification in preventive health and medicine or forensic medicine and proven attendance of specific university training courses or proven experience for those who were already employed as company medical officers as of 20 August 2009 or had been employed in this capacity for at least one year during the previous three years.

- The Occupational Health and Safety Manager must have professional qualifications and skills with regard to health and safety and, specifically, must:
  - hold a high school diploma;
  - have attended specific training courses appropriate to the nature of the risks present in the workplace;
  - have obtained certificates of attendance at specific training courses in risk prevention and protection;
  - have attended refresher courses.
- The company medical officer must participate in the organisation of the environmental monitoring programmes and receive a copy of the results.

Information

- The Company must provide suitable information to employees and those joining the workforce (including interns, those on placements and self-employed workers on temporary contracts) concerning the specific risks within the company, their consequences and the prevention and protection measures adopted;
- proof must be provided of the information provided with regard to the management of first aid, emergencies, evacuation and fire prevention and the minutes of any meetings must be taken;
- employees and those joining the workforce (including interns, those on placements and self-employed workers on temporary contracts) must be provided with information concerning the appointment of the Occupational Health and Safety Manager, the company medical officer and those assigned to specific tasks with regard to first aid, rescue, evacuation and fire prevention;
- information and training in the use of the working equipment provided to employees must be formally documented;
- the Occupational Health and Safety Manager and/or the company medical officer must be involved in the drawing up of awareness raising programmes;

- the Company must organise regular meetings between the functions responsible for occupational safety;
- the Company must involve the Workers' Health and Safety Representative in the organisation of risk detection and assessment activities and the designation of the staff assigned to fire prevention, first aid and evacuation duties.

Training

- The company must provide all employees with appropriate occupational health and safety training;
- the Occupational Health and Safety Manager and/or the company medical officer must contribute to the drafting of the training plan;
- the training provided must include assessment questionnaires;
- the training must be appropriate to the risks of the duties to which the worker is actually assigned;
- a specific training plan must be drawn up for workers exposed to serious, immediate risks;
- workers who change duties and those who are transferred must undergo prior, additional, specific training for their new posts;
- the employer provides managers and foremen with suitable, specific training and regular refresher courses with regard to their occupational health and safety duties;
- operatives with specific health and safety duties (fire prevention, evacuation and first aid staff) must receive specific training;
- the Company must perform regular evacuation drills, which must be recorded (report on the drill with reference to the participants, the procedure used and the findings).

Registers and other documents

- The register of injuries must always be up to date, with all parts compiled;
- in the event of exposure to carcinogens or mutagens, a register of persons exposed must be kept;
- documentary evidence must be provided of the workplace inspections performed jointly by the Occupational Health and Safety Manager and the company medical officer;
- the Company must keep records of its compliance with occupational health and safety obligations on file;
- the risk assessment document may also be kept on an IT medium, with a certified date proven by signing of the document by the employer and, for the purposes of proof of the date only, by the Occupational Health and Safety Manager, the Workers' Health and Safety Representative, or the district workers' health and safety representative and the company medical officer;
- the risk assessment document must state the criteria, tools and methods with which the risk assessment was performed. The criteria to be used when drafting the document are decided by the Employer, who implements principles of simplicity, brevity and comprehensibility, in order to ensure the creation of a complete document suitable for use as an operating tool when planning corporate and preventive measures;

- the risk assessment document must contain the plan of maintenance and improvement measures.

Meetings

The Company must organise regular meetings between the relevant functions, which the Supervisory Body is able to attend; meetings must be called formally and minutes must be taken and signed by the participants.

Obligations of the Employer and Managers

- To organise the occupational health and safety service - the Occupational Health and Safety Manager and staff - and appoint the company medical officer;
- when choosing working equipment and the substances or chemicals used, and when deciding the layout of workplaces, to assess all risks to the health and safety of workers, including those affecting groups of workers exposed to particular risks, such as those related to work-related stress, and those related to differences in gender, age, non-Italian origins and the specific type of contract through which they provide their services;
- to adapt work to suit people, especially with regard to the design of work stations and the choice of working equipment and methods, in particular to reduce the amount of monotonous and repetitive work, and to reduce the effects of tasks of this kind on health;
- using the outcome of this assessment, to draw up a document (to be conserved on the premises of the company or production unit) containing:
    - a report on the assessment of the occupational health and safety risks, which also states the criteria adopted for the assessment itself;
    - details of the preventive and protective measures and the personal protective equipment adopted in response to the assessment referred to in the first point;
    - the plan of measures considered appropriate to guarantee improvement in safety levels over time.

  This document must be prepared and written with the input of the occupational health and safety manager and the company medical officer after consulting the workers' safety representative, and must be re-drafted in response to changes in the production process with significance for workers' health and safety, in response to technical developments, further to significant injuries or when the results of health surveillance indicate that this is necessary. In this case, the risk assessment document must be rewritten within thirty days after the circumstances which made it necessary;
- to adopt the necessary measures for the health and safety of workers, in particular:
    - to designate, in advance, the workers appointed to implement the measures for fire prevention and fire-fighting, evacuation of workers in case of serious and immediate danger, rescue, first aid, and the management of emergencies in general;
    - to constantly update the preventive measures in response to changes in the organisation and production of significance for occupational health and safety, or the evolution of preventive and protective techniques;
    - when assigning tasks to workers, to bear in mind their capacities and condition with regard to their health and safety;

- to provide workers with the necessary, suitable, personal protective equipment, in agreement with the Occupational Health and Safety Manager;
- to take the appropriate measures to ensure that only workers who have received appropriate instructions access zones which expose them to a serious, specific risk;
- to require individual workers' compliance with the relevant legislation, and the company regulations with regard to health and safety at work and the use of the collective and personal protection equipment made available to them;
- to send workers for their medical check-ups by the dates fixed by the health monitoring plan and require the company medical officer to comply with his obligations under occupational health and safety legislation, informing him of the processes and the risks related to the production operation;
- to adopt the measures for the control of risk situations in the event of emergencies and give instructions ensuring that workers leave their work-place and the danger zone in the event of serious, immediate, inevitable danger;
- to inform workers exposed to serious, immediate risks of the risks concerned and the safety specifications adopted;
- except in clearly justified exceptional circumstances, not to request workers to restart work if a serious, immediate danger is present;
- to allow workers, through their safety representative, to verify the application of occupational health and safety measures and allow the safety representative to access the corporate information and documentation relating to the risk assessment, the relative preventive measures and those relating to hazardous substances and preparations, machinery, plants, organisation and working environments, and occupational injuries and diseases;
- to take appropriate measures to prevent the technical measures adopted from causing risks to the health of the community or deterioration of the external environment;
- to monitor workplace accidents which lead to at least one day of work and occupational diseases, maintaining proof of the data gathered, which must also be notified to the occupational health and safety service and the company medical officer;
- to consult the safety representative with regard to: risk assessment, the definition, planning, implementation and verification of the Company's preventive measures; the appointment of staff to the health and safety service and to fire prevention, first aid and evacuation duties; and the organisation of the training of workers assigned to deal with emergencies;
- to adopt the necessary measures for the purposes of fire prevention and the evacuation of workers, and for circumstances of serious and immediate danger. These measures must be appropriate to the nature of the company's operations, its size or that of the production unit, and the number of people present;

- to reach agreement with the company medical officer, at the time of his appointment, concerning the location in which the health and risk records of workers subject to health monitoring, to be conserved with due confidentiality, are to be kept; a copy of the health and risk record must be consigned to the worker when he leaves the company's employ, and he must be provided with the necessary information relating to the conservation of the

original. Every worker concerned must be informed of the results of the health monitoring and, on request, must receive a copy of the health documentation.

Workers' Duties

- To comply with the regulations and instructions provided by the employer, managers and foremen for the purposes of collective and individual safety;
- to make correct use of machinery, equipment, tools, hazardous preparations and substances, means of transport and other working equipment, and safety equipment;
- to make appropriate use of the protective equipment made available to them;
- to report any shortcomings in the devices referred to above, and any other hazards which come to their knowledge, to the employer, manager or foreman at once, and take direct action, in urgent circumstances, within the limits of their competences and capabilities, to eliminate or reduce the said shortcomings or hazards, informing the workers' health and safety representative;
- not to remove or modify safety, warning or monitoring devices without authorisation;
- not to undertake, on their own initiative, operations or procedures which are not assigned to them or which may put their own safety or that of other workers at risk;
- to undergo the health checks scheduled for them;
- to contribute, together with the employer, managers and foremen, to the fulfilment of all the obligations imposed by the competent authorities or in any way necessary to protect workers' health and safety at work.

2.9.2 Tender contracts

Relations with contractors

The Company must draw up and maintain a list of the companies working under contract on its sites.

The procedures for the management and coordination of contracted works must be drawn up in signed contracts, which must make specific reference to the obligations contained in art. 26 of Legislative Decree. 81/2008, including the following obligations on the employer:

- to check contractors' professional and technical suitability for the works to be contracted, also by verifying their Chamber of Commerce registrations;
- to provide contractors with detailed information about the specific risks in the environment in which they are to work and with regard to the preventive and emergency measures adopted in relation to their activities;
- to cooperate on the implementation of health and safety measures with regard to the risks involved in the contracted works and coordinate the actions to prevent and protect against the risks to which workers are exposed;
- to adopt measures intended to eliminate risks arising from interference between the works of the various contractors involved in the project as a whole.

Except in the case of services of an intellectual nature, the mere supply of materials or equipment, or works and services no more than two days in duration - provided they do not involve the risks referred to by art. 26 (3) (2) of Legislative Decree 81/08 - the employer

arranges/organises the joint risk assessment to be conducted with the contractors. The customer employer and the contractor must draw up a single risk assessment document ("DUVRI") specifying the measures adopted to eliminate the interferences. This document must be annexed to the tender or other contract and must be adopted in response to the evolution of the works, services and supply of goods.

Contracts for services and contracting and subcontracting agreements must specifically state the costs relating to occupational health and safety (which cannot be negotiated downwards). The workers' representative and trades unions may access these data on request.

Tender contracts must clear define the management of occupational health and safety obligations in the event of subcontracting.

The customer entrepreneur is jointly responsible with the contractor, and with each of the subcontractors, if any, for all damages for which the contractor's or subcontractor's workers are not covered by the Italian national workplace accident insurance authority.

Relations with companies for which the Company works under contract

The Company must draw up and maintain a list of the companies for which it works as a contractor.

The Company must ask the companies on the premises of which it works as a contractor for information about the specific risks and the preventive measures they adopt.

If the Company uses subcontractors, the procedures for the management and coordination of the subcontracted works must be defined.

The relative contracts must specifically state the cost relating to occupational health and safety.

2.10 Sensitive Processes with regard to the offences of receiving, laundering and using money, goods or profits from illegal activities

The main Sensitive Processes the Company has identified as actually present within its organisation with regard to the offences covered by art. 25 (8) of Legislative Decree 231/01 are the following:

- Management of relations with suppliers/customers/partners, with particular reference to the following Risk Activities:
    - Management of financial transactions with suppliers/customers/partners.
    - Management of payments/sums collected/received.

2.10.1 Specific rules of conduct

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of the offences of receiving, laundering and using money, goods or profits from illegal activities:

- verification that payments are in order, ensuring that the party receiving/making the payment is exactly the same as the counterparty actually involved in the transaction;
- performance of checks on the form and substance of the company's financial flows, with reference to payments to third parties and infra-group payments/transactions;

- establishment of minimum requirements to be met by subjects offering goods or services and setting of the criteria for the assessment of bids with regard to standard contracts;
- appointment of a function responsible for defining the technical specifications and the assessment of bids with regard to standard contracts;
- appointment of a body/unit responsible for implementation of the contract, specifying tasks, roles and responsibilities;
- establishment of criteria for the selection, finalisation and implementation of agreements/joint ventures with other companies for the realisation of investment projects;
- guaranteeing of the transparency and traceability of agreements/joint ventures with other companies for the realisation of investment projects;
- verification of the financial congruity of any investments made as part of joint ventures (consistency with average market prices, use of trusted professionals for due diligence operations).

The following rules must also be complied with:

- never accept cash payments for amounts above the legal limits;
- never use anonymous methods for the transfer of large sums;
- never transfer cash or bearer securities (cheques, postal orders, certificates of deposit, etc.) for total amounts in excess of the legal limits, except through the authorised intermediaries, i.e. banks, electronic money institutions and the Italian Post Office;
- keep proof, in specific records in IT databases, of the transactions performed on the current accounts opened in countries where the transparency rules are less strict and managed independently for total amounts above the relevant legal limits.

2.11 Sensitive Processes with regard to offences relating to copyright infringement

The main Sensitive Processes the Company has identified within its organisation with regard to the offences covered by art. 25 (9) of Legislative Decree 231/01 are the following:

- Installation/maintenance/updating of software supplied by third parties, with particular reference to the following Risk Activities:
    - Copying by the Company of computer software programs.
    - Reproduction, transfer onto other media, distribution and communication of the contents of a database.
- Use of computer / Internet systems at work, with particular reference to the following Risk Activities:
    - Reception/distribution of a work protected by intellectual copyright.
    - The placing of the works of third parties, protected by intellectual copyright, on computerised networks with the aim of promoting the brand/product.
- Development, implementation and coordination of advertising and promotional programmes with particular reference to the following Risk Activities:
    - Organisation of promotional events.
    - Sponsorships.
    - Development of advertising projects/products.

- Management of relations with specialist agencies for the organisation of advertising events and/or the development of advertising products.
- Selection of business partners and the formalisation of business relationships.

The risk of commission of the offences covered by this Section is highest in those contexts (businesses, functions and processes) which focus on the sectors in which staff work on the promotion of the company's products, the development of advertising products and the management of corporate software programs, in view of the specific skills and knowledge of the Employees who work in this sector.

2.11.1 Specific rules of conduct

The Sensitive Processes referred to above are governed by means of the principles relating to Cybercrime offences. In particular, the following rules should be applied:

- the users of IT systems should be informed that the software assigned to them is protected by copyright law and therefore must not be copied, distributed, sold or held for business/commercial purposes;
- corporate rules of conduct relating to all its personnel and the third parties acting on its behalf should be adopted.
- recipients should be provided with appropriate information concerning the works protected by copyright and the risk of commission of an offence of this kind.

In addition to the provisions of the "General control context" point at the beginning of this section, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of copyright infringement offences.

- protect the copyright to data, images and/or software developed by the company and of strategic value to it by means of: confidentiality, when and where legally possible and/or (for Italy) SIAE (society of authors and publishers) registration;
- use disclaimers on presentations and technical and commercial documentation clearly stating the owner of the copyright and the date when it was established;
- forbid the use/installation of copied/unmarked/unauthorised material on the IT tools provided by the Company;
- forbid the downloading of copyright software;
- if protected works of intellectual property are used or made available to the public, on a computerised network or by other means, as part of activities to promote/advertise brands/products, and in particular during the management of events, copyright legislation must be complied with;
- the use of parts of works, or the quotation from or reproduction of the works of others, must only be permitted on the condition that they are not offered for sale and such use is not in competition with their commercial use;
- the publication of low resolution or degraded images/music on the Internet must only be permitted for educational or scientific purposes and in all cases not for commercial gain;
- contracts with partners/third parties must include relief clauses which protect the Company against any liability in the event of conduct on their part which may constitute an infringement of any copyright;

- clauses must be included which relieve the Company of any damaging consequences arising from third party claims relating to any claimed copyright infringement.

2.12 Sensitive Processes in the context of environmental offences

The FIAT Group views environmental protection as a key factor in the management of its business.

In 2010, the Working Group Environment, consisting of the heads of the Environment function for each Sector of the Fiat S.p.A. Group and the Fiat Industrial S.p.A. Group (which at that time made up the Fiat Group), created about fifteen working teams on environmental topics, working in close cooperation with the energy managers and the Sustainability Unit.

The teams' work enabled the Group to achieve the targets set in the Sustainability Report, which fixes the future targets for the main environmental focus areas (energy consumption, atmospheric emissions, water, biodiversity and waste). The teams also worked to develop and maintain standard tools to support the sharing of best practices across all Sectors and the improvement of environmental management at the Fiat Group's locations.

In line with the principles set out in the Group's Environmental Guidelines and Code of Conduct, MASERATI has therefore established an Environmental Management System and an Energy Management System compliant with the ISO 14001 and BS ISO 50001 (formerly EN 16001) standards, implementing them at its locations.

MASERATI has already obtained certification of the Environmental Management Systems of the production processes of its Italian locations under the UNI-EN ISO 14001:2004 standards by an independent external certifying body, and has started the procedure for extension of the certification to include the ISO 50001:2011 standard at its Italian locations which consume large amounts of energy.

Organisational uniformity and the standardisation of the environmental management system and processes are a necessary precondition for the effective achievement of goals in the environmental field as elsewhere (certification in accordance with international standards, by independent bodies, confirms the application of this uniformity across the Group's various members).

The main Sensitive Processes MASERATI has identified within its organisation are the following:

- Waste management, with particular reference to the following Risk Activities:
    - Classification of the waste produced.
    - Collection and storage of waste within the plant.
    - Recovery and disposal of waste, directly or through third parties.
    - Transportation of waste, directly or through third parties.
    - Storage of hazardous waste from health facilities on the production site.
- Discharge of wastewater, with particular reference to the following Risk Activities:
    - Discharge of effluents containing hazardous substances.
- Atmospheric emissions.
- Use of ozone depleting substances.
- Activities to protect the soil, ground and aquifers.

- Management of relations with suppliers/consultants/partners, with particular reference to the following Risk Activities:
    - Qualification and selection of suppliers/consultants/partners.
    - Contractual relationships.

2.12.1 Specific organisational principles

In addition to the provisions of the "General control context" point at the beginning of section V of this Model, the following are a number of additional principles of conduct to be specifically complied with for the effective prevention of the risk of the commission of the offences under consideration.

These principles, mainly contained in the Environmental and Energy Management System adopted by MASERATI, are intended to ensure compliance with environmental legislation and the provisions of Legislative Decree 231/01 and to prevent events which may generate forms of pollution, by minimising the environmental impact of production processes and striving to continually improve energy performance.

The Environment and Energy Management System is also intended to prevent all possible breaches of the relevant legislation and ensure that the necessary technical skills and powers are available for the verification, assessment and management of risk through the creation of a suitable organisational structure and internal rules and procedures.

Process monitoring, constantly undertaken by the company's relevant internal functions, is supported if necessary by the activities carried out, on the request of the Supervisory Body, by external functions and/or the FIAT Audit & Compliance function. The results of monitoring operations are reported to the Supervisory Body and the relevant Environment Health & Safety organisation to allow assessment of any needs for the modification or extension of the internal control system for the prevention of environmental offences.

Organisation of the production unit and the allocation of responsibilities

MASERATI is required to establish an internal Environmental Management System function, the main features, activities and processes of which are described in the "Environment and Energy Management System Manual" (e.g. the people to whom specific environmental management tasks are assigned, organisation charge, job descriptions, etc.). If suppliers or partners are present inside the production unit on a permanent basis, a brief description of their activities/duties must also be provided.

The production unit must appoint one or more Management Representative(s) for the Environmental Management System (EMSR) by means of a specific mandate, assigning him/them the role, responsibility and authority for:

- ensuring that the Environment and Energy Management System (EEMS) is established, implemented and maintained in accordance with the requirements of the ISO 14001:2004 and BS ISO 50001 standards, legal requirement and the other regulations voluntarily signed by the organisation;
- reporting on the performance of the EEMS regular intervals to the Management of the production unit, as input for the management review and to allow continual improvement.

Description of the production unit

The production unit describes its organisation structure and geographical location, specifying, for example:

- its physical perimeter;
- the local geographical context;
- geological/hydrogeological information;
- description of the production processes and secondary activities (e.g. production of motor vehicles through panelling, painting and assembly);
- the raw materials and products used in the processes described;
- details of the direct and indirect environmental factors and impacts correlated to the activities, and an evaluation of them.

Environmental Policy: writing and distribution

The Management of each production unit must issue the Environment and Energy Policy, a statement of principles which confirms the company's commitment to environmental protection, compliance with the relevant current legislation and the regulations signed voluntarily, and the continual improvement of its management system.

The Management must ensure that the Policy is appropriate to the type, scale and environmental impacts of its operations, products and services and is regularly reviewed and maintained.

The Environment and Energy Policy must be distributed at all levels within the production unit, and to suppliers and contractors present on the site. The Environment and Energy Policy must also be made available to anyone (stakeholders, customers and the general public) who requests it.

Environmental aspects

The production unit must use a specific procedure to identify and evaluate the environmental aspects associated to its operations, products or services in ordinary and extraordinary conditions, also considering the activities of the employees of outside companies.

The findings must be analysed during the Management review meetings and used as the basis for the review of the Policy’s principles, and the environment and energy targets and plans.

Identification of, access to and assessment of regulatory requirements

MASERATI must identify the legal requirements and the other regulatory requirements to which it is a signatory with regard to the environment and energy.

These requirements must be analysed to verify their applicability within the production unit, and distributed as appropriate.

The regular monitoring and evaluation of compliance with the requirements applicable to the production unit must also be ensured.

Main documents and records

MASERATI must provide and maintain the following documentation:

- the Environment and Energy Management Manual;
- the Environment and Energy Policy, targets and objectives;

- the General Procedures, Operating Procedures and Working Instructions;
- the records, including the authorisations, required by the ISO 14001 and ISO 50001 standards (e.g. authorisation to discharge wastewater, authorisation for atmospheric emissions, Integrated Environmental Authorisation, etc.);
- the documents required for the planning, operation and control of the processes relating to significant environmental aspects and energy use and consumption (e.g. registers of incoming and outgoing materials, waste identification forms, records of maintenance work, etc.).

Information and training

MASERATI must provide suitable information and training to employees and those joining the workforce (including interns, those on placements and self-employed workers on temporary contracts) with regard to:

- the importance of compliance with the Environment and Energy Policy, the procedures adopted and the requirements of the EEMS;
- the significant environmental factors and impacts associated to their work, and the benefits arising from the improvement of individual performance.

In order to ensure that all production unit staff have received appropriate training, an annual training plan must be drawn up, including assessment questionnaires/specific tests on learning if possible.

Workers who change duties and those who are transferred must undergo prior, additional, specific training for their new posts;

Operating monitoring, surveillance and measurement

The environmental and energy operating criteria established by the production unit in the Operating Procedures and Working Instructions must be distributed to suppliers, consultants and partners when their activities are correlated to environmental factors and significant energy use and consumption.

The production unit must also undertake the surveillance and measurement of performances which have a significant impact on the environment and/or energy.

Internal Audits and Management Review

The production unit must draw up a procedure for the planning, performance and recording of internal audits of the EEMS, laying down the basic principles, criteria and procedures for their performance and also guidance for the selection and training of auditors.

The efficacy and efficiency of the EEMS are verified during the Management Review, in the course of which the Management gains knowledge of the needs for continual improvement of the system in order to minimise its environmental impacts.

2.12.2 Specific rules of conduct and preventive measures

Waste management

Waste management must be undertaken in accordance with the principles of precaution and prevention, involving all operators who may affect the type and amount of waste generated and using the advice of specialist outside people and organisations if necessary.

The production unit must:

- ensure that waste is correctly managed from the administrative and legal point of view, from the place of origin through to final disposal;
- pursue the aim of reducing the quantity and hazard level of the waste produced;
- encourage the recycling and correct separation of waste - essential if the rate of reuse/recovery is to be increased - and prefer recovery to disposal;
- ensure that waste is correctly sorted, providing specific procedures to prevent the mixing of hazardous and non-hazardous waste.

Moreover, considering its own organisation and the relevant legal requirements, also at the local level, the production unit must draw up a specific procedure to define the control methods to be adopted for waste management, with particular reference to the following activities, including those relating to the "SISTRI" waste traceability legislation:

- **classification of the waste produced:**
    - identify the activities or processes which generate waste and for each type of waste obtain data specifying its chemical, physical, qualitative and quantitative characteristics, and its activity and/or plant of origin;
    - classify the waste in accordance with the descriptions and codes of the European Waste Catalogue (EWC) enforced by the relevant legislation and by means of chemical and process analyses, with the advice of outside organisations if necessary;
    - identify the various destination options for the waste (recovery, treatment, incineration with heat recovery, incineration or landfill);
    - repeat the analyses of the waste at regular intervals, and in all cases whenever new types of waste are produced;
    - bear in mind every change in direct or secondary materials and any changes in the process which may lead to the generation of a new type of waste or modification of existing types;
- **management and control of authorisations:**
    - appoint the person or function tasked with checking, during every transfer of waste to third-party forwarders or disposal operators, that:
        - the supplier who transports the waste holds a valid authorisation;
        - the companies which manage the waste are included on the National Register for the type of transportation of the waste concerned;
        - the consignee of the waste or the organisation which is to dispose of it holds a valid authorisation;
        - the registration number of the vehicle which is to transport the waste appears in the authorisation/registration on the National Register;
        - the amount loaded does not exceed the maximum capacity of the vehicle;
        - the purchaser company has submitted the regulation notice of commencement of business for the recovery of the type of waste concerned, in the case of waste intended for recovery;

  - the disposal and transport companies have provided the necessary bank guarantees;
- for the transportation of dangerous goods/waste (subject to the ADR regulations), ensure that a specific "ADR consultant" is appointed, whether the activity is undertaken by the company itself using its own staff, or subcontracted to external suppliers;

- **management of the documents accompanying the waste and notification of Public Authorities:**
  - suitably trained staff must be appointed to fill in and check the administrative documentation relating to waste management, and especially the registers of incoming and outgoing materials, the waste identification forms (FIR) and the Annual Waste Statement (MUD);
  - a system must be established for checking that the 4th copy of the FIR is returned by the set deadline;
  - a specific person must be tasked with the reporting of data to the Public Authorities, when required by the relevant local legislation (e.g. submission of the MUD, compilation of the waste section of the EPRTR (European Pollution Release and Transfer Register) statement, and annual ADR report);
- **management of the temporary waste holding facility/recycling station:**
  - specific staff must be assigned to manage these operations and shall:
    - ensure that all waste is stored in the specified areas and suitably marked;
    - check the quantities present to ensure that the entry and exit of materials is recorded in the register and guarantee surveillance during opening hours;
    - organise disposal activities in such a way that the time and management requirements of the relevant legislation are complied with;
- **definition of the inspections to be performed by Industrial Safety:**
  - arrange checks on the authorisations of suppliers of incoming goods;
  - be present at the weighing of incoming and outgoing trucks;
  - perform sample checks on outgoing vehicles to check that the material loaded corresponds to that specified in the sales order and/or transport documents and FIR;
- **storage of hazardous waste from health facilities on the production site:**
  - ensure that hazardous waste from health facilities is appropriately marked and separated (waste of human origin, contaminated waste in general, sharp and piercing objects, etc.) within the times established by the relevant legislation, and that the terms for temporary storage are complied with.

Discharge of wastewater

The management of the discharge of wastewater is closely correlated to production activities, products and plants. In order to ensure compliance with the relevant legislation, the production unit must:

- identify and describe the drainage networks present and the process phases which generate the various types of wastewater, and the internal and external monitoring points;

- ensure the correct administrative and legal management of the activities which generate wastewater, and in particular:
    - in the event that a wastewater drainage point is activated or modified, assess whether the change made leads to the need to draw up an application for authorisation/modification of the wastewater drainage procedure and submit it to the competent public authorities;
    - further to the issue of the authorisation by the competent Authorities, receive and implement the requirements it contains, including any other requirements issued by the Authority (e.g. analytical checks);
- if the authorisation includes a requirement for regular self-monitoring, and in all cases at least once a year:
    - plan analyses by specialist suppliers and identify the staff who are to be present during the sampling procedures;
    - check that the documentation issued with the findings from the checks is complete and consistent with the activity carried out, and check the values obtained against those authorised;
    - establish and apply specific procedures to guarantee that the statements submitted to the Competent Authority at the time of issue/renewal with regard to the presence of substances included in tables 3/A and 5 of annex V to part III of Legislative Decree 152/06 and subsequent amendments and additions are consistent with the actual chemical composition of the wastewater;
    - in the event of anomalies or if the alert thresholds and/or legal/authorised limit thresholds are exceeded, report the nonconformities and decide and implement the appropriate corrective and preventive actions;
- plan and implement specific inspection and maintenance cycles to ensure the reliability and correct management of the plants which generate wastewater and the treatment plants.

Atmospheric emissions

In order to ensure the correct administrative and legal management of plants which generate atmospheric emissions, the production unit must:

- identify and describe the emission points present and the process phases which generate the various types of emissions;
- in the event of the installation, transfer or substantial modification (i.e. a modification causing an increase or change in the quality of emissions or affecting the technical factors involved in their conveyance) of a plant which generates emissions, apply for and obtain a prior authorisation from the competent Public Authorities;
- further to the issue of the authorisation by the competent Authorities, receive and implement the requirements it contains, including any other requirements issued by the Authority (e.g. analytical checks);
- if the authorisation includes a requirement for regular self-monitoring:
    - plan analyses by specialist suppliers and identify the staff who are to be present during the sampling procedures;

  - check that the documentation issued with the findings from the checks is complete and consistent with the activity carried out, and check the values obtained against those authorised;
  - in the event of anomalies or if the alert thresholds and/or legal/authorised limit thresholds are exceeded, report the nonconformities and decide and implement the appropriate corrective and preventive actions;
- plan and implement specific inspection and maintenance cycles to ensure the complete reliability of the plants which generate atmospheric emissions and any treatment plants.

Use of ozone depleting substances

Any production unit which produces and/or uses cooling, air-conditioning and climate control devices which contain ozone-depleting substances (ODS) must manage these substances by means of procedures which allow, for the types of substance involved:

- compliance with the ban on sale of the substances, also bearing this in mind during the decommissioning and sale of plants;
- compliance with the permitted holding times, also considering the ban on the topping-up of systems during maintenance work, for example.

Activities to protect the soil, ground and aquifers

The production unit must manage activities intended to protect the soil, ground and aquifers on the basis of principles of precaution and prevention, involving all staff concerned in these activities in any way, in order to:

- ensure the correct performance of activities related to the handling and transportation of raw materials and waste and the purchase of chemicals, and more specifically:
  - loading/unloading, top-ups on machinery/equipment and deliveries of hazardous substances must all be carried out with all necessary precautions to prevent environmental spills;
  - staff assigned to transport and handling duties inside the production unit must be informed of the precautions to be adopted when driving (e.g. speed suitable for the type of load transported and conditions along the route);
  - provide the necessary containment and emergency systems to deal with accidental spills;
- ensure that the plants installed in the production unit are managed and maintained correctly:
  - establish suitable cycles for the inspection and monitoring of cisterns, tanks and circuits, with the aid of specialist suppliers if appropriate;
  - check that the documentation issued with the findings from the checks is complete and consistent with the activity carried out, and check the values obtained against the standard figures;
- draw up and implement an emergency plan intended to:
  - identify potential emergencies and incidents which may have environmental impact and the response procedures for preventing/mitigating the relative negative environmental impacts;

  - inform all the internal and external parties concerned about the emergency plan, by means which ensure effective communication;
  - review and/or revise the emergency plan whenever incidents, emergencies or risks for health/safety or of anomalous environmental impacts occur;
- establish the procedures for the monitoring of activities and reporting to the competent authorities to be adopted if site remediation works are required.

Management of relations with suppliers/consultants/partners

MASERATI uses the services of suppliers/consultants/partners for specific activities, including the transportation, disposal, recovery and sale of waste.

As envisaged by point 1.3 of Section V of this Model, MASERATI has delegated the monitoring of the "Supplier qualification and selection process" to Fiat Group Purchasing, which manages purchases as a provider, working under a mandate in the Company's name and on its behalf.

Fiat Group Purchasing has its own Model and appropriate control instruments for application during the selection of business counterparties to ensure that it or the companies on whose behalf it operates are not involved, even unintentionally, in illegal actions.

The selection of consultants/suppliers/partners and the management of relations with them must be carried out on the following principles:

- consultants/suppliers/partners with Environmental Management Systems which hold UNI EN ISO 14001:2004 certification or EMAS registration are to be preferred;
- check their commercial and professional soundness by acquiring, for example, the following documents:
  - standard Chamber of Commerce survey;
  - self-certification under Italian Presidential Decree 445/00 regarding any pending criminal proceedings or convictions;
  - proof of registration with the SISTRI waste traceability system;
  - copy of certificate of registration with national register of environmental management organisations;
  - authorisation of the plants which are the final destinations of the waste;
  - authorisations to transport the waste;
- include specific clauses in contracts with consultants/suppliers/partners:
  - by which they undertake to comply, and ensure that their employees, outside assistants and any subcontractors comply, with environmental protection legislation;
  - by which they declare and guarantee that they hold all the administrative authorisations required for the provision of the contract services;
  - allowing the company and/or its representatives (individuals or organisations) to perform inspections, checks and monitoring on activities correlated to significant environmental aspects;
- hold informative and training meetings with consultants/suppliers/partners who operate within the plant, to ensure that they are familiar with the Environment and Energy Policy, significant environmental factors and the procedures used to manage them.

ANNEX A: Details of the individual offences covered

1. Offences against the Public Sector (articles 24 and 25 of Legislative Decree 231/01)

The following is a brief description of the individual offences envisaged by articles 24 and 25 of Legislative Decree 231/01.

- ***Misappropriation of sums assigned by the Italian state or the European Union (art. 316 (2) of the Italian Penal Code)***

This offence occurs if subsidies or loans received from the Italian state or the European Union are not used for their intended purposes (i.e. if even part of the sum received is not spent as specified, regardless of whether or not the planned activity still took place).

Since the offence is committed at the time when the moneys are actually utilised, it may also occur with regard to sums already received in the past, which are now not allocated for the purposes for which they were granted).

- ***Fraudulent misrepresentation to obtain funds from the Italian state or the European Union (art. 316 (2) of the Italian Penal Code)***

This offence occurs if subsidies, grants or loans or other financial aid are obtained from the Italian state, other public bodies or the European Community through the use or presentation of false statements or documents, or failure to provide the necessary information.

In this case, in contrast to the previous point (art. 316 (2)), the use actually made of the moneys is irrelevant, since the offence is committed at the time when the grant is obtained.

This offence has residual status in relation to the offence of fraud against the state, since it only applies if the preconditions for the offence of fraud against the state are not met.

- ***Extortion (art. 317 of the Italian Penal Code)***

This offence is committed when a public official takes advantage of his position to obtain money or other unlawful benefits for him or herself or others. This offence is of only residual relevance in the context of the offences considered by Legislative Decree 231/01; with regard to the application of the decree, this offence could occur in the event that one of the Company's employees or agents is a party to a crime committed by a public official who takes advantage of his status to demand unlawful favours from third parties (always provided that this behaviour in some way benefits the Company itself).

The terms "public official" or "public service official" also include the following:

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

2) officers and agents hired under contract under the statute of officials of the European Communities or the regulations applicable to agents of the European Communities;

3) persons assigned by the member states or any public or private authority to the European Communities, who fulfil functions equivalent to those of the officials or agents of the European Communities;

4) the members and staff of bodies established under the founding Treaties of the European Communities;

5) those who, within the context of other European Union Member States, perform functions and activities equivalent to those of public officials and public service officials.

- ***Induced bribery (art. 319 (4) of the Italian Penal Code)***

This offence occurs if a public official or public service official takes unlawful advantage of his position to persuade someone to give or promise money or other benefits to himself or a third party.

The specified punishment is from three to eight years' imprisonment for the public official or public service official, and up to three years' imprisonment for the person or gives or promises money or other benefits.

- ***Bribery to obtain the performance of a duty or an action in breach of an official duty (articles 318, 319, 319 (2) and 320 of the Italian Penal Code)***

This offence is committed when a public official takes advantage of his position to obtain money or other unlawful benefits for himself or others in exchange for performing or omitting or delaying the performance of his official duties (generating benefits for the person paying the bribe).

The action by the public official may consist of the performance of a duty (e.g. speeding up the processing of a matter under his jurisdiction) or an action in breach of his duty (e.g. accepting cash to ensure the award of a contract).

In the case of an action in breach of the official's duty, the punishment is increased if the action relates to the award of public appointments, salaries or pensions or the award of contracts involving the public body to which the official belongs.

The punishment envisaged in the event of bribery to perform an act of duty is also enforced if the offence is committed by a public service official, in the event that he is fulfilling the role of a public employee.

The punishment envisaged in the event of breach of duty is also enforced if the offence is committed by a public service official.

This offence differs from extortion in that it involves an agreement between the briber and the bribed to their mutual advantage, while in the case of extortion the private party is the victim of the corrupt behaviour of the public official or public service official.

Punishments are also envisaged for the briber (art. 321 of the Italian Penal Code).

The terms "public official" or "public service official" also include the following:

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

2) officers and agents hired under contract under the statute of officials of the European Communities or the regulations applicable to agents of the European Communities;

3) persons assigned by the member states or any public or private authority to the European Communities, who fulfil functions equivalent to those of the officials or agents of the European Communities;

4) the members and staff of bodies established under the founding Treaties of the European Communities;

5) those who, within the context of other European Union Member States, perform functions and activities equivalent to those of public officials and public service officials.

For the purposes of establishing the punishment to which the briber is liable, the terms "public official" and "public service official" apply not only to the subjects defined above but also those who fulfil functions or perform activities corresponding to those of public officials and public service officials for other foreign states or international public organisations, if the action is taken with the aim of procuring an unlawful advantage for themselves or others in international financial operations.

- ***Bribery in judicial proceedings (art. 319 (3) of the Italian Penal Code)***

This type of offence is committed if the Company is involved in judicial proceedings and, in order to obtain an advantage in the case, it bribes a public official (not just a judge but also a clerk of the court or another official).

- ***Incitement to corruption (art. 322 of the Italian Penal Code)***

This type of offence occurs in the event in which, in the presence of behaviour aimed at bribery, the public official refuses the offer illegally made to him/her

The terms "public official" or "public service official" also include the following:

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

2) officers and agents hired under contract under the statute of officials of the European Communities or the regulations applicable to agents of the European Communities;

3) persons assigned by the member states or any public or private authority to the European Communities, who fulfil functions equivalent to those of the officials or agents of the European Communities;

4) the members and staff of bodies established under the founding Treaties of the European Communities;

5) those who, within the context of other European Union Member States, perform functions and activities equivalent to those of public officials and public service officials.

6) persons who fulfil functions or perform activities corresponding to those of public officials and public service officials for other foreign states or international public organisations, if the action is taken with the aim of procuring an unlawful advantage for themselves or others in international financial operations.

- ***Embezzlement, extortion, induced bribery, bribery and incitement to corruption of members of European Community bodies and officers of the European Communities and foreign states (art. 322 (2) of the Italian Penal Code)***

The provisions of articles 314, 316, 317 to 320 and 322 parts three and four also apply:

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

2) to officers and agents hired under contract under the statute of officials of the European Communities or the regulations applicable to agents of the European Communities;

3) to persons assigned by the member states or any public or private authority to the European Communities, who fulfil functions equivalent to those of the officials or agents of the European Communities;

4) to the members and staff of bodies established under the founding Treaties of the European Communities;

5) to those who, within the context of other European Union Member States, perform functions and activities equivalent to those of public officials and public service officials.

The provisions of articles 321 and 322 parts one and two also apply if the money or other benefit is given, offered or promised:

1) to the people referred to in the first section of this article;

2) to persons who fulfil functions or perform activities corresponding to those of public officials and public service officials for other foreign states or international public organisations, if the action is taken with the aim of procuring an unlawful advantage for themselves or others in international financial operations.

The persons referred to in the first section are classified as public officials when they fulfil equivalent functions, and as public service officials in all other cases.

- ***Fraud at the expense of the state, another public authority or the European Union (art. 420 (2) (1) of the Italian Penal Code)***

This type of offence occurs in the event in which, in order to make unlawful profit, subterfuge and deception are applied to deceive and defraud the state (or another Public Authority or the European Union).

For example, this offence may occur when, in the preparation of documents or data required to take part in contract bidding procedures, a Public Sector body is supplied with untruthful information (for example supported by forged documentation) in order to secure the offered contract.

- ***Aggravated fraud for the purpose of obtaining public funds (art. 640 (2) of the Italian Penal Code)***

This type of offence occurs in the event in which fraud is perpetrated to gain unlawful access to public funds.

It may be committed if subterfuge or deception are used, for example by submitting untruthful data or by preparing false documentation, in order to obtain public funds.

- ***Computer fraud at the expense of the state or another public authority (art. 640 (3) of the Italian Penal Code)***

This type of offence occurs when unlawful profit is fraudulently obtained from a third party, by modifying the operation of a IT or communications system or interfering with the data they contain. The offence may arise, for example, if, after the award of a loan, an IT system is hacked into in order to enter a loan amount that is higher than the amount obtained legally.

1.1 The Public Sector

The aim of this section is to set out general criteria and provide a list of examples of the subjects which can be classified as "active subjects" in offences of relevance to Legislative Decree 231/01, meaning the subjects which must be involved in order for the offences which it envisages to be committed.

1.1.1 Public sector bodies

For the purposes of criminal law, the term "public sector body" is generally considered to include any legal person established to serve the public interest which engages in legislative, jurisdictional or administrative activities under public law and authorising statues.

Although the Italian Penal Code does not provide a definition of the public sector, under the Ministerial Report on the Code and the offences which it envisages, it is considered that the public sector includes those bodies which perform "all the activities of the state and other public authorities".

Finally, when attempting to draw up an initial classification of the subjects which belong to this category, reference can be made to art. 1 (2) of Legislative Decree 165/01 which regulates the terms of employment of public sector employees, which defines all state administrative authorities as public sector organisations.

The following are the distinguishing features of public sector bodies.

Public Sector Body:

Any organisation established to serve the public interest, involved in:

- **law-making**
- **jurisdiction**
- **administration**

under:

- **articles of public law**
- **authorising statues**

Public Sector:

All the **activities of the state** and other public authorities.

For example, the following bodies or categories of bodies can be classified as belonging to the Public Sector:

- Institutes and schools of all types and levels and educational institutions;
- State bodies and authorities operating under their own regulations, including:
- Ministries;

- Upper and Lower Houses of Parliament;
- Community Policies Department;
- Monopolies Commission;
- Electricity and Gas Authority;
- Communications Authority;
- Bank of Italy;
- Consob;
- Data Protection Authority;
- Inland Revenue;
- Regional Authorities;
- Provincial Authorities;
- Municipal Authorities;
- Mountain District Authorities and their consortia and associations;
- Chambers of Commerce and their associations;

All non-financial national, regional and local public authorities, including:

- INPS (State Pension Authority);
- CNR (National Research Council);
- INAIL (Workplace Accident Insurance Authority);
- INPDAI (Managers' Welfare Fund);
- INPDAP (Public Employees' Pension Fund);
- ISTAT (National Statistics Authority);
- ENASARCO (Agents' Welfare Fund);
- ASL (Local Health Authorities);
- State Organisations and Monopolies;
- RAI (State Broadcaster).

Naturally, the list of public sector bodies provided above is not exhaustive. It should be noted that not all natural persons operating within the sphere and in relation to these organisations are classified as subjects in relation to whom (or by whom) the offences covered by Legislative Decree 231/01 can be committed.

The only roles of significance in this context are those of "Public Officials" and "Public Service Officials".

1.1.2 Public Officials

Under art. 357 (1) of the Italian Penal Code, a public official "*for the purposes of criminal law"* is someone who fulfils "*a public legislative, judicial or administrative function*".

The second point of the same article moves on to define the concept of an "administrative public function". No equivalent definition is provided for "legislative functions" and "judicial

functions" since the identification of those who perform them is not normally problematical or difficult.

Therefore, the second section of the article in question specifies that, for the purposes of criminal law "*public sector administration is the function regulated by public law and authorising statues which involves decision-making by the public sector, the expression of the decisions taken and their implementation by means of authorising or certifying powers*".

In other words, public sector administration is that governed by "public law", i.e. legislation intended to allow the pursuance of public purposes and the protection of the public interest, as opposed to private law.

The second section of art. 357 of the Italian Penal Code then transforms into legislation some of the general criteria established by the jurisprudence and legal precedent to establish a distinction between a "public function" and "public service".

The distinctive characteristics of the former can be summarised as follows:

Public Official: A person who **fulfils a public** legislative, juridical or administrative **function.**

Administrative public function: Administrative function regulated by **articles of public law** and **authorising statutes,** characterised by:

- **decision-making on the part of the public sector, and the expression of the relative decisions,** or
- **implementation by means of authorising or certifying powers.**

Articles of public law: Legislation intended to allow the pursuance of **public purposes** and the protection of the **public interest**.

Foreign Public Officials:

- **anyone who fulfils a legislative, administrative or judicial function in a foreign country;**
- **anyone who fulfils a public function for a foreign country or a public authority or corporation of the said country;**
- **any official or agent of an international public organisation.**

1.1.3 Public service official

Clear agreement has not yet been reached in legal precedent or in the jurisprudence concerning the definition of the category of "public service officials". For a more specific classification of "public service officials" reference must be made to the definition provided in the Italian Penal Code and the interpretations which have emerged further to its practical application. Art. 358 of the Italian Penal Code estates that "*those who perform a public service in any way are classified as public service officials.*

A public service is an activity governed by the same legislation as a public function but without the powers typical of the latter, although not consisting of the performance of simple routine tasks and provision of mere labour".

In order to be defined as public a "service" must be regulated - like a "public function" - by Italian public law, but it does not have the certifying, authorising and decision-making powers specific to the public function.

The law also specifies that "public service" never involves the "performance of simple routine tasks" or the "provision of mere labour".

The jurisprudence has established a series of "indicators" for defining an organisation as a public sector body, particularly with regard to share corporations in which government bodies hold stakes. The indicators considered are:

- organisations must be subject to control and direction for social purposes, and the state or other public bodies must be able to appoint and dismiss directors;
- the organisation must operate under conventions and/or concessions granted by government bodies;
- the state must contribute financially to the organisation;
- the business activity must serve the public interest.

On the basis of the above, the key factor for deciding whether or not an individual is a "public service official" lies not in the legal status of the organisation but in the functions assigned to it, which must consist of the service of the public interest and the satisfaction of needs of general interest.

The specific features of a public service official are summarised below:

Public Service Officials: People who provide a public service on any basis.

Public service: An activity:

- regulated by public law;
- without decision-making, authorising or certifying powers (as held by a Public Official), and
- public service never consists of the performance of simple routine tasks or the provision of mere labour.

2. Definition of administrative offences in the area of "cybercrime" (art. 24 (2) of Legislative Decree 231/01)

Law no. 48/2008 which ratifies the Convention on Cybercrime led to the addition to Legislative Decree 231/01 of art. **24-(2)**, which defines the administrative responsibility of legal persons for **"Cybercrime" offences**.

The following is a brief description of the individual offences envisaged by art. 24 (2) of Legislative Decree 231/01.

- ***Misrepresentation in a public digital document or a digital document valid as evidence (art. 491 (2) of the Italian Penal Code)***

If any of the misrepresentations envisaged in this heading concerns a public or private digital document, the provisions of the heading relating to public deeds and private agreements, respectively, apply. For the purposes of this head, a digital document is defined as any IT medium containing data or information valid as evidence, or programs specifically intended to process them.

- ***Hacking into a computer or data transmission system (art. 615 (3) of the Italian Penal Code)***

Anyone who illegally accesses a computer or data transmission system protected by security measures against the stated or implicit wishes of the party entitled to deny access is punishable by imprisonment of up to three years.

The punishment is imprisonment for from one to five years:

1) if the offence is committed by a public official or public service official and involves abuse of powers or breach of the duties inherent in the function or service, by a person acting, legally or illegally, as a private detective, or through abuse of the role of system operator;
2) if the offender uses violence against property or persons to commit the offence, or is obviously armed;
3) if the offence leads to the destruction of or damage to the system or takes it totally or partially out of service, or causes the destruction or corruption of the data, information or programs contained in the system. If the offences covered by the first and second points relate to computer or data transmission systems of relevance for the armed forces, the police, public security, health or civil protection, or of public interest in any way, the punishment is respectively, imprisonment for from one to five and three to eight years. In the circumstances envisaged by the first section, the offence will be prosecuted on receipt of a complaint from the injured party; otherwise, offenders will be prosecuted automatically.

- ***Illegal possession and disclosure of the passwords to computer or data transmission systems (art. 615 (4) of the Italian Penal Code)***

Anyone who illegally, and with the aim of procuring gain for themselves or others or causing damage to others, obtains, copies, disseminates, discloses or consigns usernames, passwords or other items capable of providing access to a computer or data transmission system protected by security measures, or in any way supplies instructions or information for the above purpose, shall be liable to imprisonment for up to one year and a fine of up to five thousand one hundred and sixty-four Euro.

The punishment is imprisonment for from one to two years and a fine of from five thousand one hundred and sixty-four Euro to ten thousand three hundred and twenty-nine Euro if any of the circumstances described in article 617 (4) (4) points 1) and 2) is met.

- ***Distribution of equipment, devices or computer programs designed to damage or interrupt the operation of a computer or data transmission system (art. 615 (5) of the Italian Penal Code)***

Anyone who obtains, produces, copies, imports, distributes, transfers communicates, delivers or in any way makes available to others equipment, devices, or IT programmes, with the aim of illegally damaging an IT or data transmission system or the information, data or programmes contained in or related to the same, or of totally or partially blocking or modifying its operation, shall be punished by up to two years' imprisonment and a fine of up to 10,329 Euro.

- ***Illegal tapping, prevention or blocking of computerised or data transmission communications (art. 617 (4) of the Italian Penal Code)***

Anyone who fraudulently taps computerisedor data transmission communications or communications between multiple systems, or prevents or blocks any such communications, shall be liable to imprisonment for from six months to four years. Unless a more serious offence has been committed, anyone who discloses all or part of the contents of the communications referred to in the first point shall be liable to the same punishment.

Prosecution for the offences described in the first and second points shall be in response to a complaint from the injured party.

The punishment is imprisonment for from one to five years if the offence was committed:

1) against a computer or data transmission system used by the government or by a public authority or by a private company engaged in the provision of public services or services of public necessity;

2) by a public official or public service official and involves abuse of powers or breach of the duties inherent in the function or service, or through abuse of the role of system operator;

3) by someone operating illegally as a private detective.

- ***Installation of equipment designed to tap, prevent or block computer or data transmission communications (art. 617 (5) of the Italian Penal Code)***

Anyone who, except in the circumstances permitted by law, installs equipment designed to tap, prevent to block communications on computer or data transmission systems or between multiple systems, shall be liable to imprisonment for from one to four years.

The punishment is imprisonment for from one to five years in the circumstances covered by article 617 (4).

- ***Damage to digital information, data and programs (art. 635 (2) of the Italian Penal Code)***

Unless a more serious offence is committed, anyone who destroys, damages, deletes, modifies or suppresses information, data, or computer programs belonging to others shall be punishable, on submission of a complaint by the injured party, by imprisonment for from six months to three years.

In the circumstances defined in article 635 (1) (2), i.e. if the offence is committed through abuse of the status of system operator, the punishment is imprisonment for from one to four years and the offence will be prosecuted automatically.

- ***Damage to digital information, data or programs used by the state or any other public authority or organisation of public utility (art. 635 (3) of the Italian Penal Code)***

Unless a more serious offence is committed, anyone who acts with the intention of destroying, damaging, deleting, modifying or suppressing information, data, or computer programs used by the state or any other public or related authority, or organisation of public utility, shall be liable to imprisonment for from one to four years.

If the action actually causes the destruction, damage, deletion, modification or suppression of the digital information, data or programs concerned, the punishment is imprisonment for from 3 to 8 years.

In the circumstances defined in article 635 (2) (1), i.e. if the offence is committed through abuse of the status of system operator, the punishment is increased.

- ***Damaging of computer or data transmission systems (art. 635 (4) of the Italian Penal Code)***

Unless a more serious offence is committed, anyone who renders the computer or data transmission systems of others totally or partially unusable or seriously obstructs their operation by means of the conduct set out in article 635 (2), or by entering or transmitting data, information or programs, is liable to imprisonment for from 1 to 5 years.

In the circumstances defined in article 635 (2) (1), i.e. if the offence is committed through abuse of the status of system operator, the punishment is increased.

- ***Damaging of computer or data transmission systems of public utility (art. 635 (5) of the Italian Penal Code)***

Unless a more serious offence is committed, if the action covered by art. 635 (4) is intended to render computer or data transmission systems of public utility totally or partially unusable or seriously obstruct their operation, the punishment is imprisonment for from 1 to 4 years.

If the action destroys or damages the computer or data transmission system of public utility or renders it totally or partially unusable the punishment is imprisonment for from 3 to 8 years.

In the circumstances defined in article 635 (2) (1), i.e. if the offence is committed through abuse of the status of system operator, the punishment is increased.

- ***Computer fraud on the part of the organisation responsible for digital authentication services (art.640 (5) of the Italian Penal Code)***

An organisation or person responsible for providing digital authentication certification services who breaches the legal obligations for issue of an approved certificate in order to generate unlawful profits for himself or others or damage others will be punished by imprisonment for up to 3 years and a fine of from 51 to 1,032 Euro.

3. Definition of offences in the area of organised crime (art. 24 (3) of Legislative Decree 231/01)

Art. 2 (29) of Law no. 94 of 15 July 2009 added offences relating to organised crime to the area covered by art. 24 (3) of Legislative Decree 231/01.

The following is a brief description of the individual offences envisaged by art. 24 (3) of Legislative Decree 231/01.

- ***Criminal conspiracy (art. 416 of the Italian Penal Code)***

When three or more people form an association for the purpose of committing more than one crime, the people who promote, establish or organise the conspiracy shall be liable, for this fact alone, to imprisonment for from three to seven years.

For the sole fact of membership of the association, the punishment is imprisonment for from one to five years.

The leaders are liable to the same punishment as the promoters. If the members bear arms in the countryside or on the public highway, the punishment is imprisonment for from five to fifteen years.

The punishment is increased if the association has ten or more members.

If the purpose of the conspiracy is the commission of one of the crimes covered by articles 600, 601 and 602, or article 12 (3) (2) of the Consolidated Law on immigration and the condition of foreigners, contained in Legislative Decree no. 286 of 25 July 1998, the punishment is imprisonment for from five to fifteen years in the cases covered by the first point and from four to nine years in those covered by the second point[2].

[2] The offences covered by articles 600, 601 and 602 of the Italian Penal Code are described in the section on *Human rights offences*, covered by art. 25 (5) of Legislative Decree 231/01.
Article 12 (3) and (3) (2) of Legislative Decree no. 286 dated 25 July 1998 (Measures to prevent illegal immigration) states that: "Unless a more serious crime is committed, anyone who, in breach of the provisions of this consolidated law, promotes, directs, organises, finances or carries out the transportation of foreigners into

- ***Mafia-like activity, including the activities of foreign crime syndicates (art. 416 (2) of the Italian Penal Code)***

Anyone belonging to a Mafia-style crime syndicate with three or more members is liable to from three to six years' imprisonment. The people who promote, establish or organise the association shall be liable, for this fact alone, to imprisonment for from four to nine years.

A criminal association is defined as Mafia-like when those taking part use the membership bond and the intimidation arising from the consequent subordination and loyalty for the purposes of committing crimes, to acquire the direct or indirect management or control of businesses, concessions, authorisations, public contracts and services, or to produce unlawful profits or benefits for themselves or others.

If the association is armed, the punishment is imprisonment for from four to ten years in the cases covered by the first point and from five to fifteen years in those covered by the second point.

An association is considered to be armed when the members have access to weapons or explosives, even if they are concealed or kept in a place of storage, for the pursuance of the association's aims.

If the businesses of which the members intend to gain or maintain control are totally or finally financed with the price, product or profit of crimes, the punishments established in the previous points are increased by from one third to one half. The confiscation from the convicted party of the items which were used or intended for the commission of the crime, the items which constitute its price, product or profit, and the items in which the latter were invested, is compulsory in all cases.

The provisions of this article also apply to the Camorra and other associations, known locally by any name, which use the intimidatory strength of the membership bond to pursue aims the same as those defined for Mafia-type associations.

- ***Use of Mafia-type activities to deliver votes (art. 416 (3) of the Italian Penal Code)***

The punishment established by article 416 (2) (1) also applies to anyone who obtains the promise of votes as envisaged by the third section of the aforesaid article 416 (2) in exchange for the cash payments.

- ***Kidnapping (art. 630 of the Italian Penal Code)***

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the country, or carries out any other actions intended to gain them illegal entry to the country, or any other country of which the person is not a national or where he does not have permanent residence rights, is liable to imprisonment for from five to fifteen years and a fine of € 15,000.00 per person if: a) the action involves the illegal entry into or presence in the country of five or more people; b) the life of the trafficked person or their personal safety has been put at risk in order to gain them illegal entry or enable them to stay in the country illegally; c) the trafficked person has been subjected to inhumane or degrading treatment in order to gain them illegal entry or enable them to stay in the country illegally; d) the act is committed by three or more people working together or using international transport services, or counterfeit, forged or illegally obtained documents; e) the offenders had weapons or explosives at their disposal. 3-(2). If, in the commission of the offences covered by point three, two or more of the circumstances listed in points a), b), c), d) and e) are fulfilled, the punishment envisaged therein is increased. (*omissis*)

Anyone who kidnaps another person in order to make an unlawful profit for themselves or others in exchange for release is punished by imprisonment for from twenty-five to thirty years.

If the kidnap leads in any way to the death of the victim as the unintentional outcome of the crime, the offender is punished by thirty years' imprisonment.

If the offender causes the death of the victim, the punishment is life imprisonment.

Any member of the conspiracy who breaks with the group and enables the victim to regain their freedom without payment of the ransom is liable to the punishment envisaged by art. 605.

However, if the victim dies after release as a consequence of the kidnap, the punishment is imprisonment for from six to fifteen years.

For any member of the conspiracy who breaks with the group and, excluding the circumstances envisaged by the previous point, takes steps to ensure that there are no further consequences of the crime or works to assist the policy or judiciary in gathering decisive evidence for the identification or capture of the conspirators, the punishment of life imprisonment is reduced to imprisonment for from twelve to twenty years and the other punishments are reduced by from one third to two thirds.

When there are attenuating circumstances, the punishment envisaged in the second point is replaced by imprisonment for from twenty to twenty-four years; the punishment envisaged in the third point is replaced by imprisonment for from twenty-four to thirty years.

When there is more than one attenuating circumstance, the punishment applied after the reductions may not be less than ten years in the circumstances envisaged by the second point and fifteen years in those covered by the third point.

The punishment limits envisaged in the previous point may be exceeded in the event of the attenuating circumstances described in point five of this article.

- ***Criminal conspiracy for the purpose of the sale of mind-altering or psychotropic drugs (art. 74 of Presidential Decree 309/1990 - Consolidated Law on Drugs)***

When three or more people form an association for the purpose of committing more than one of the crimes envisaged by article 73, the people who promote, establish, organise or finance the conspiracy shall be liable, for this fact alone, to imprisonment for a period of at least twenty years. All members of the criminal conspiracy are liable to imprisonment for at least ten years. The punishment is increased if the association has ten or more members or if its members include mind-altering or psychotropic drug users. If the association is armed, the punishment must be at least twenty-four years' imprisonment in the cases described in points 1 and 3 and twelve years' imprisonment in the case envisaged in point 2. An association is considered to be armed when the members have access to weapons or explosives, even if they are concealed or kept in a place of storage. The punishment is increased if the circumstances covered by article 80 (1) (e) are met. If the conspiracy is established for commission of the offences described in article 73 (5), the first and second points of article 416 of the Italian Penal Code apply.

The punishments envisaged by points 1 to 6 are reduced by one half to two thirds for those who have taken active steps to provide evidence of the crime or to deprive the association of resources of fundamental importance for its commission.

- ***Art. 407 (2) (a) (5) of the Italian Penal Procedural Code Offences involving the illegal manufacture, importation, sale, disposal, holding or carrying in public places or places open to the public of military or military type weapons or parts of the***

same, explosives, illegal arms or ordinary firearms except for those envisaged by art. 2 (3) of Law 110/75.

4. Details of the individual transnational offences (Law no. 146 of 16 March 2006)

Law no. 146 dated 16 March 2006, published in the Official Gazette on 11 April 2006, ratified and implemented the United National Convention and Protocols against transnational organised crime adopted by the General Assembly on 15 November 2000 and 31 May 2001 (the Palermo Convention).

The core of the convention is the concept of translational crime (art. 3). A transnational crime is one which (i) passes beyond the borders of a single state in one or more of its aspects (preparation, commission or effects (ii) is committed by a criminal organisation and (iii) is fairly serious (it must be punishable by a maximum custodial sentence of at least four years in the individual jurisdictions).

Therefore, the law focuses not on occasional cross-border crimes but on crimes committed as part of a strategy by a permanent, organised operation, meaning that they may be repeated over time.

The law ratifying the Palermo Convention expands the context of application of Legislative Decree 231/01, since under art. 10 of law 146/2006, the contents of Legislative Decree 231/01 also apply to the transnational crimes which it covers.

The law defines a transnational crime as a crime punishable by a maximum custodial sentence of at least four years which involves an organised criminal group and which:

- is committed in more than one State; or
- is committed in one State but has been substantially prepared, planned, directed or controlled in another State; or
- is committed in one State but with the involvement of an organised criminal group which engages in criminal activities in more than one State; or
- is committed in one State but has substantial effects in another State.

The Company is responsible for the following offences committed in its interest or to its benefit if they classify as transnational as defined above.

<u>Conspiracy offences</u>

- ***Criminal conspiracy (art. 416 of the Italian Penal Code)***
- ***Mafia-like conspiracy (art. 416 (2) of the Italian Penal Code)***
- ***Conspiracy for the trafficking of mind-altering or psychotropic drugs (art. 74 of Presidential Decree no. 309/1990)***[3]
- ***Criminal conspiracy for the smuggling of foreign processed tobaccos (art. 291 (4) of Presidential Decree no. 43/1973)***

[3] The offences covered by articles 416, 416 (2) and 74 of Presidential Decree no. 309/1990 are described in the section on *Organised crime offences*, covered by art. 24 (3) of Legislative Decree 231/01.

This offence is committed if three or more people form an association with the aim of importing, selling, transporting, purchasing or holding in the State a quantity of more than ten kilograms of smuggled foreign processed tobacco. Those who promote, establish, direct, organise or finance the operation are liable to imprisonment for from three to eight years. Those who take part are liable to imprisonment for from one to six years.

People trafficking offences

- ***People trafficking (art. 12 (3), (3-2) , (3-3) and (5) of Legislative Decree no. 286/1998)***

This offence is committed if a subject performs actions intended to enable a person to enter the country in breach of immigration law, or intended to enable the person to gain illegal entry to another state of which the person is not a national or does not hold permanent residency rights, or to enable the foreigner to stay in the said states, in order to obtain unlawful gain from his illegal status. In this case the punishment is imprisonment for from four to fifteen years with a fine of Euro 15,000 for each person (the punishments may be increased as envisaged by the legislation of reference depending on the individual offence).

In this case the company will receive a fine of the value of from two hundred to one thousand shares and will be debarred for up to two years. The fine may therefore be as high as about 1.5 million Euro (in particularly serious cases, the fine may be tripled).

If people trafficking offences are committed, the organisation will be debarred for a period of no more than two years.

Offences involving perversion of the course of justice

- ***Incitement not to make statements or to make false statements to judicial authorities (art. 377 (2) of the Italian Penal Code)***

This offence is committed if violence or threats or the offer or promise of money or other goods are used to incite a person called to testify before the judicial authorities in criminal proceedings not to make statements or to make false statements when the individual has the right to remain silent. The relative punishment is imprisonment for from two to six years.

- ***Aiding and abetting (art. 378 of the Italian Penal Code)***

This offence is committed if actions are taken to help a subject to evade investigation or escape when sought by the Authorities after the commission of a crime. The relative punishment is imprisonment for up to four years.

In the above cases, the company is liable to a fine of the value of up to five hundred shares. The fine may therefore be of up to about 775 thousand Euro. Debarring is not envisaged as a punishment for offences of this kind.

5. Offences involving "counterfeiting of coins, legal tender, duty stamps, instruments or identification marks" and offences against trade and industry (articles 25 (2) and 25 (2((1) of Legislative Decree 231/01)

The following is a brief description of the offences covered by art. 25 (2) of Legislative Decree 231/01 and, in particular, the **offences concerning the counterfeiting of identification marks** (articles 473 and 474 of the Italian Penal Code) introduced by article 15 (7) of Law no. 99 of 23 July 2009:

- ***Counterfeiting coins, spending counterfeit coins and conspiring to bring them into the country (art. 453 of the Italian Penal Code);***
- ***Forgery of coins (art. 454 of the Italian Penal Code)***

- ***Spending counterfeit coins and bringing them into the country without conspiracy (art. 455 of the Italian Penal Code);***
- ***Spending counterfeit coins received in good faith (art. 457 of the Italian Penal Code);***
- ***Counterfeiting duty stamps, bringing into the country, purchase, possession or circulation of counterfeit duty stamps (art. 459 of the Italian Penal Code);***
- ***Counterfeiting watermarked paper used for the production of legal tender or duty stamps (art. 460 of the Italian Penal Code);***
- ***Manufacture or possession of watermarks or tools intended for use for the counterfeiting of coin, duty stamps or watermarked paper (art. 461 of the Italian Penal Code);***
- ***Use of counterfeit or forged duty stamps (art. 464 of the Italian Penal Code);***
- ***Counterfeiting, forging or using brands, identification marks or patents, models and designs (at. 473 of the Italian Penal Code).***

Anyone, in a position to be aware of the existence of industrial property rights, counterfeits or forges the national or international brands or identification marks of industrial products or anyone, who, without being a party to the counterfeiting or forgery, uses the said counterfeited or forged brands or identification marks, is liable to punishment of from six months to three years and a fine of from Euro 2,500 to Euro 25,000.

Anyone who counterfeits or forges national or foreign patents, drawings or industrial models, or, without being a party to the counterfeiting or forgery, uses the said counterfeited or forged patents, drawings or models, will be liable to punishment of imprisonment of from one to four years and a fine of from Euro 3,500 to Euro 35,000

The offences covered by the first and second points are liable to punishment on condition that the provisions of domestic law, EU regulations and international conventions on the protection of intellectual or industrial property have been complied with.

- ***Importation and sale of products with forged identification marks (art. 474)***

In circumstances where the offences covered by article 473 do not apply, anyone who imports industrial products with fake or forged brands or other identification marks for the purposes of profit, is liable to punishment comprising imprisonment for a period of from one to four years and a fine of from Euro 3,500 to Euro 35,000.

In circumstances where the offences of counterfeiting, forgery and importation do not apply, anyone who keeps for the purposes of sale, offers for sale or otherwise circulates the products covered by the first point for the purposes of profit is liable to punishment comprising imprisonment for a period of up to two years and a fine of up to Euro 20,000.

The offences covered by the first and second points are liable to punishment on condition that the provisions of domestic law, EU regulations and international conventions on the protection of intellectual or industrial property have been complied with.

Art. 15 (7) of Law no. 99 of 23 July 2009 also led to addition of **art. 25 (2) (I) of Legislative Decree. 231/01**, entitled "**Offences against trade and industry",** which are as listed below:

- ***Disruption of the freedom of industry or trade (art. 513 of the Italian Penal Code)***

Anyone using violence against property or fraudulent means in order to prevent or disrupt the business of an industrial or trading concern is liable, on prosecution further to a complaint by the injured party, if a more serious offence is not committed, to imprisonment for up to two years and a fine of from Euro 103 to Euro 1,032.

- ***Unfair competition with threats or violence (art. 513 (2))***

Anyone who, in the conduct of a trading, production or any industrial business, engages in competition with the aid of violence or threats, is liable to imprisonment for from two to six years.

The punishment is increased if the competition relates to a financial operation run entirely or partially and in any way by the State or other public authorities.

- ***Fraud against domestic industries (art. 514 of the Italian Penal Code)***

Anyone who harms domestic industry by offering for sale or otherwise circulating industrial products with counterfeited or forged names, brands or identification marks on the domestic or foreign markets shall be liable to imprisonment for from one to five years and a fine of at least Euro 516.

If the provisions of domestic laws or international conventions on the protection of industrial property rights have been complied with in relation to the brands or identification marks, the punishment is increased and the contents of articles 473 and 474 do not apply.

- ***Fraud in the exercise of trade (art. 515 of the Italian Penal Code)***

Unless a more serious offence is committed, anyone who, during the conduct of a commercial business, or in a factory shop open to the public, sells the purchaser a movable asset under the pretence that it is a different one, or a movable asset different in origin, production history, quality or quantity from that declared or agreed, is liable to up to two years' imprisonment or a fine of up to Euro 2,065.

If the offence involves valuables, the punishment is imprisonment for up to three years or a fine of at least Euro 103.

- ***Sale of non-genuine foodstuffs as genuine (art. 516 of the Italian Penal Code)***

Anyone who offers for sale or otherwise trades in non-genuine foodstuffs as genuine is liable to imprisonment for up to six months or a fine of up to Euro 1,032.00.

- ***Sale of industrial products by misrepresentation (art. 517 of the Italian Penal Code)***

Anyone who offers for sale or otherwise places on the market inventions or industrial products with national or foreign names, brands or identification marks intended to mislead the purchaser with regard to the origin, production history or quality of the invention or product is punishable, if the offence does not constitute a crime under other legislation, by up to two years' imprisonment or a fine of up to twenty thousand Euro.

- ***Manufacture and sale of goods by infringing industrial property rights (art. 517 (3))***

Subject to the application of articles 473 and 474 anyone who, being in a position to be aware of industrial property rights, manufactures or uses for industrial purposes objects or other goods produced through the infringement or breach of an industrial property right is liable, on submission of a compliant by the injured party, to up to two years' imprisonment and a fine of up to Euro 20,000

Anyone who brings goods as described in the first section into the country, holds them for sale, offers them for sale by direct marketing or in any way places them in circulation is liable to the same punishment.

The provisions of articles 474 (2), 474 (3) (2) and 517 (2) (2) apply.

The offences covered by the first and second points are liable to punishment on condition that the provisions of domestic law, EU regulations and international conventions on the protection of intellectual or industrial property have been complied with.

- ***Counterfeiting of geographical indications and designations of origin for agro-food products (art. 517 (4)***

Anyone who counterfeits or otherwise forges the geographical indications or designations of origins of agro-food products is liable to imprisonment for up to two years and a fine of up to Euro 20,000.

Anyone who brings the said products with counterfeit geographical indications or designations into the country, holds them for sale, offers them for sale by direct marketing or in any way places them in circulation is liable to the same punishment.

The provisions of articles 474 (2), 474 (3) (2) and 517 (2) (2) apply.

The offences covered by the first and second points are liable to punishment on condition that the provisions of domestic law, EU regulations and international conventions on the protection of geographical indications and designations of origin of agro-food products.

6. Definition of offences in the area of corporate crime (art. 25 (3) of Legislative Decree 231/01)

The following is a brief description of the individual offences envisaged by art. 25 (3) of Legislative Decree 231/01.

- ***False corporate reporting (art. 2621 of the Italian Civil Code)***

This offence is committed if directors, general managers and the executives tasked with drawing up the company's accounts, the auditors or the liquidators, enter in the company's financial statements, reports or other corporate reporting required by law, addressed to shareholders or the general public, material facts that are untrue, doubtful or misleading for the recipients of the company's financial and economic reporting or that of the group to which it belongs with the intention of deceiving the shareholders or the general public, or omit information the disclosure of which is required by law in the same context, in a way which can be expected to mislead with regard to the aforesaid situation.

The actions described above must be carried out with the clear intent of generating unlawful gains for themselves or others; the false or omitted information must be important and capable of significantly modifying the portrayal of the company's financial and economic situation; the offence is also committed if the information relates to goods held or administered by the company on behalf of third parties.

- ***False corporate reporting to the detriment of the company, shareholders or creditors (art. 2622 of the Italian Civil Code)***

The offence covered by art. 2622 of the Italian Civil Code occurs if one of the offences envisaged by art. 2621 of the Civil Code causes financial damage to the company, its shareholders or its creditors.

The offence will be prosecuted in response to a complaint except in the case of listed companies, when prosecution will be automatic.

- ***False reporting in prospectuses (art. 2623 of the Italian Civil Code)***[4]

The offence consists of:

- the inclusion of false information in the prospectuses required to solicit investment or launch stock market listing, or in the documents for publication during public offerings for purchase or trade, or
- the concealment of data or information in the aforesaid documents.

It should be noted that:

- the actions must be intended to generate unlawful gains for the perpetrator or others;
- the actions must be such as to mislead the recipients of the prospectus.

- ***Misrepresentation in the reports or communications of the external auditor (art. 2624 of the Italian Civil Code)*** [5]

The offence consists of false statements or concealment of information by the persons responsible for auditing the accounts with regard to the company's economic or financial situation, with the aim of generating unlawful gains for themselves or others.

The punishment will be more severe if this conduct has caused financial harm to the recipients of the reports.

The active perpetrators of the offence are the administrators of the auditing firm (being the only parties enabled to commit this specific offence), but the members of the Company's governing and auditing bodies and its employees may also be implicated. In fact, the directors, auditors or other personnel within the company being audited may be classified as accessories to the offence under art. 110 of the Italian Penal Code if they encouraged or incited the illegal behaviour on the part of the auditing firm manager.

- ***Obstruction of inspection (art. 2625 of the Italian Civil Code)***[6]

The offence is committed when the inspection or auditing activities assigned by law to the shareholders, other corporate officers or the auditing firm are hindered or obstructed through the concealment of documents or other deceitful actions.

- ***Unlawful restitution of capital contributions (art. 2626 of the Italian Civil Code)***

Generally, this offence involves the actual or simulated return of capital contributions to shareholders, or their release from the obligation to make the contributions, except in the event of legally permitted reductions in the company's share capital.

- ***Illegal distribution of profits or reserves (art. 2627 of the Italian Civil Code)***

This offence involves the distribution of profits or advances on profits not actually achieved, or which the law requires to be allocated to reserve funds, or the distribution of reserves (of profits or of other kinds) that are non-distributable in the eyes of the law.

If the profits are repaid or the reserves restored before the deadline for approval of the financial statements, the offence is cancelled.

[4] Abrogated by art. 34 (2) of Law no. 262 dated 28 December 2005.
[5] Abrogated by art. 37 (4) of Legislative Decree no. 39 of 27 January 2010.
[6] Amended by art. 37 (35) of Legislative Decree no. 39 of 27 January 2010, which excludes auditing from the list of activities the obstruction of which by directors constitutes an offence.

- ***Illegal transactions involving shares or holdings in the company or the controlling entity (art. 2628 of the Italian Civil Code)***

This offence involves the purchase or underwriting of shares or holdings in the company or its controlling entity which causes an improper reduction in the share capital or reserves that are non-distributable by law.

If the share capital or reserves are restored before the deadline for approval of the financial statements for the financial year during which the offence was committed, it is cancelled.

- ***Transactions prejudicial to creditors (art. 2629 of the Italian Civil Code)***

This offence is committed in the event of a reduction of the share capital or mergers with other companies, or demergers, in breach of creditor protection legislation, that result in losses to creditors.

Compensation for the loss caused to the creditors before going to court cancels the offence.

- ***Failure to state conflict of interest (art. 2629 (2) of the Italian Civil Code)***

This offence is committed when a member of the board of directors or of the board of management of a company the shares in which are listed on the regulated stock market in Italy or another European Union Member State, or held by members of the general public to a significant extent as defined by article 116 Legislative Decree no. 58 of 24 February 1998 (Consolidated Law) and subsequent amendments, or a subject subject to supervision pursuant to Legislative decree no. 385 of 1 September 1993, the aforesaid Legislative Decree no. 58 of 1998, law no. 576 of 12 August 1982 or Legislative Decree no. 124 of 12 April 1993, fails to inform the other directors and the board of auditors of all his interests, on his own account or on behalf of third parties, in a given transaction undertaken by the company, and to specify their type, terms, origin and extent.

If the conflict of interest involves the Chief Executive Officer, he must also withdraw from the management of the transaction and appoint the Board of Directors to handle it.

- ***Fraud in the formation of share capital (art. 2632 of the Italian Civil Code)***

This offence is committed when: the company's share capital is fraudulently formed or increased through the allocation of shares or holdings for sums lower than their nominal value; reciprocal underwriting of shares or holdings; or significant overvaluation of assets conferred on the company in kind, receivables or the company's assets in the event of a corporate transformation.

- ***Unlawful distribution of the company's assets by liquidators (art. 2633 of the Italian Civil Code)***

This offence is committed if company assets are shared among shareholders prior to the payment of company creditors or the allocation of the amounts necessary to pay them, thus resulting in a loss to company creditors.

Compensation for the loss caused to the creditors before going to court cancels the offence.

- ***Bribery between private parties (art. 2735 of the Italian Civil Code)***

Unless a more serious crime has been committed, this offence occurs when anyone gives or promises cash or other benefits to the directors, general executives and managers of a company tasked with drawing up its accounts, the auditors or the liquidators, or anyone acting under their direction or supervision, in order to persuade them to act or omit to act in breach of the duties relating to their office or in breach of the duty of loyalty to the company incumbent upon them.

The offence is punishable by imprisonment for from one to three years and prosecution is automatic if its effects interfere with competition in the purchase of goods or services.

- ***Illegal influence over the general meeting (art. 2636 of the Italian Civil Code)***

The typical criminal conduct involves the adoption of simulated acts or fraud to establish a majority in the general meeting in order to secure unlawful gains for the perpetrator or for others.

- ***Market rigging (art. 2637 of the Italian Civil Code)***

The offence consists of the distribution of false information, the simulation of transactions or other deceitful acts actually capable of causing a significant alteration in the prices of unlisted financial instruments or financial instruments for which no application for admission to listing on a regulated market has been submitted, or of significantly affecting public faith in the financial soundness of banks or banking groups.

- ***Obstruction of the duties of the public supervisory authorities (art. 2638 (1) and (2) of the Italian Civil Code)***

The offence involves the provision in the legally required disclosures to the supervisory authority envisaged by the law of false information or information still requiring verification concerning the economic and financial situation of subjects subject to supervision, or the complete or partial concealment, by other fraudulent means, of facts which should have been disclosed concerning the said situation.

7. Sensitive Processes with regard to offences relating to terrorism and the subversion of the democratic order (art. 25 (4) of Legislative Decree 231/01)

The following are brief descriptions of the main offences listed by art. 25 (4) of Legislative Decree 231/01.

- ***Conspiracies to commit acts of terrorism, including international terrorism, and subversion of the democratic order (art. 270 (2) of the Italian Penal Code)***

The law makes it an offence to promote, establish, direct or finance conspiracies with the aim of committing acts of violence for the purpose of terrorism or the subversion of the democratic order.

For the purposes of criminal law, the definition of terrorism also includes acts of violence against a foreign state or an international institution or body.

- ***Assistance to conspirators (art. 270 (3) of the Italian Penal Code)***

This article makes it an offence to give refuge or provide sustenance, hospitality, means of transport or means of communication to any of the persons who take part in terrorist or subversive conspiracies as defined above.

The crime is not punishable if it is committed in favour of next of kin.

- ***Recruitment for acts of terrorism, including international terrorism, (art. 270 (4) of the Italian Penal Code)***

With the exclusion of the cases covered by article 270 (2) above, anyone who recruits one or more people for the performance of acts of violence or sabotage of essential public services for the purposes of terrorism, also against a foreign state or an international institution or body, shall be liable to imprisonment for from seven to fifteen years.

- ***Training for acts of terrorism, including international terrorism, (art. 270 (5) of the Italian Penal Code)***

With the exclusion of the cases covered by article 270 (2) above, anyone who trains or in any way provides instruction on the preparation or use of explosives, firearms or other weapons, or harmful or dangerous chemicals or bacteriological substances, or any other technique or method for the performance of acts of violence or sabotage of essential public services for the purposes of terrorism, also against a foreign state or an international institution or body, shall be liable to imprisonment for from five to ten years. The person trained will be liable to the same punishment.

- ***Terrorism (art. 270 (6) of the Italian Penal Code)***

Behaviour which, by its nature or context, may cause serious damage to a country or international organisation, and which is carried out in order to intimidate the population or force the public authorities or an international organisation to perform or omit to perform any act of any kind, or in order to destabilise or destroy the political, constitutional, economic and social foundations of a country or international organisation, and all other behaviour defined as terrorist or committed for terrorist ends by conventions or other international laws binding for Italy, is classified as terrorism.

- ***Terrorist or subversive attack (art. 280 of the Italian Penal Code)***

Anyone who attacks another person with the aim of causing death or bodily harm for the purposes of terrorism or subversion is punishable under this article of law.

The offence is aggravated if it leads to the death or very serious injury of the victim or if the attack is made on members of the judiciary, the prison service or the security services during the exercise of or by reason of their duties.

- ***Act of terrorism with lethal or explosive devices (art. 280 (2) of the Italian Penal Code)***

Unless a more serious offence has been committed, anyone who performs any action with the aim of damaging the real estate or movable property of others using explosives or any other kind of lethal devices for the purposes of terrorism is liable to imprisonment for from two to five years. Explosives or any other kind of lethal device are defined as the weapons and equivalents described in article 585 of the Italian Penal Code, designed to cause major material harm.

If the act is directed against the residence or offices of the President of the Republic, the Legislative Assemblies, the Constitutional Court, Government bodies or any bodies envisaged by the Constitution or constitutional laws, the punishment is increased by up to one half.

If the act generates danger to public safety or serious damage to the national economy, the punishment is imprisonment for from five to ten years.

- ***Kidnapping for the purposes of terrorism or subversion (art. 289 (2) of the Italian Penal Code)***

This offence involves the kidnapping of a person for the purposes of terrorism or subversion of the democratic order.

The offence is aggravated in the event of the intentional or unintentional death of the victim.

- ***Incitement to commit one of the crimes against the State (art. 30 of the Italian Penal Code)***

Under this article of law, anyone inciting another person to commit one of the criminal acts covered by the section of the Penal Code dealing with crimes against the State the punishment for which is imprisonment, including life imprisonment, is liable to imprisonment for from one to eight years if the incitement is unsuccessful or if the incitement is successful but the crime is not committed.

- ***Political conspiracy by agreement and by association (articles 304 and 305 of the Italian Penal Code)***

This article of law establishes the offence of entering into an agreement to commit one of the crimes referred to in the previous point (art. 302 of the Penal Code).

- ***Formation of and participation in armed gangs; assistance of members of conspiracies or armed gangs (articles 306 and 307 of the Italian Penal Code)***

This offence occurs when an armed gang is formed in order to commit one of the crimes referred to by article 302 of the Italian Penal Code, listed above.

- ***Terrorism offences covered by the special laws: the whole body of Italian law, passed in the 1970s and 1980s, intended to combat terrorism***
- ***Offences other than those covered by the Italian Penal Code and the special laws committed in breach of art. 2 of the New York Convention of 8 December 1999***

Under the aforesaid article, it is a crime for anyone, by any means, directly or indirectly, illegally and intentionally to supply or collect funds with the aim of using them or knowing that they are destined for use, in whole in part, for the purposes of:

a) an action which constitutes an offence as defined by one of the treaties listed in the annex; or

b) any other action intended to cause the death or serious bodily harm of a civilian or any other person not actively involved in situations of armed conflict, when the purpose of the said action, by its nature or context, is to intimate a population or force a government or an international organisation to perform or not to perform a specific act.

For an action to constitute one of the aforesaid offences, it is not necessary for the funds to actually have been used to perform the actions described in points (a) and (b).

Anyone who attempts to commit the offences described above is still guilty of the offences concerned.

The following actions also constitute offences:

- participation as an accomplice in the commission of one of the offences described above;

- organisation or direction of other people for the purposes of committing one of the offences described above;
- contribution to the commission of one or more of the offences described above with a group of people acting with common intent. The aforesaid contribution must be intentional and:
- must be provided with the aim of facilitating the group's criminal activity or aim, if the aforesaid activity or aim implies the commission of the offence; or
- must be provided with full knowledge that the group intends to commit an offence.

Of the criminal acts classified as terrorism offences, those most likely to occur are the acts involving "financing" (see art. 270 (2) of the Italian Penal Code).

In order to establish whether or not the risk of the commission of this type of offence actually exists, it is necessary to examine the subjective profile required by the law as a precondition for the offence.

From the subjective point of view, terrorism offences are performed with criminal intent. It thus follows that, for an offence of this kind to be committed, in psychological terms the person performing the action must have full knowledge of the planned illegal event and intend his actions to contribute to its realisation. Therefore, an offence of this kind is only possible if the person performing the action is aware that the planned activity constitutes terrorism and acts with the clear aim of assisting it.

In view of this principle, the offence of assisting terrorism cannot be committed unless the person performing the action is aware that the aims of the association to which he is granting financial assistance include terrorism or subversion and intends to facilitate these activities.

This offence could potentially also be committed through wilful misconduct. In this case the person performing the action would have to foresee and accept the risk of the event taking place, even though he does not actually wish it to occur. The fact that the person has foreseen the risk that the event may occur and has intentionally acted in a criminal manner must be clearly, objectively established.

8. Definitions of human rights offences (art. 25 (4), (1) and 25 (5) of Legislative Decree 231/01)

The following are brief descriptions of the offences against human rights listed by art. 25 (5) of Legislative Decree 231/01.

- Reducing individuals to or maintaining them in slavery or servitude (art. 600 of the Italian Penal Code)

Anyone who exercises powers over an individual that correspond to those of ownership rights or anyone who reduces an individual to or maintains them in a state of continual subjection, forcing them to work, provide sexual favours or beg or in any case to work in a manner that involves their exploitation, is liable to imprisonment for a period of between eight and twenty years.

An individual is reduced to or maintained in a state of subjection when they are forced to undertake specific actions through the use of violence, threats, deception or abuse of authority, or the exploitation of a situation of physical or mental inferiority or a of need, or through the promise of money or other advantages given by the individual in the position of authority over the person concerned.

- Child prostitution (art. 600 (2) of the Italian Penal Code)

Anyone who induces an individual of less than eighteen years to engage in prostitution or encourages or exploits prostitution is liable to imprisonment for a period of between six and twelve years and a fine of from Euro 15,493 to Euro 154,937.

Unless the offence in question constitutes a more serious offence, anyone who has sexual relations with a minor between fourteen and eighteen years of age in exchange for money or other economic benefits is liable to imprisonment for a period of between six months and three years and a fine of not less than Euro 5,164.

If the offence in section two is committed against a person less than sixteen years of age, the penalty is imprisonment for from two to five years.

If the person who commits the crime is a juvenile of less than eighteen years of age, the custodial sentence or fine is reduced by from one to two thirds.

- Child pornography (art. 600 (3) of the Italian Penal Code)

Anyone who uses children less than eighteen years of age to give pornographic shows or produce pornographic material, or induces an individual of less than eighteen years of age to take part in pornographic shows, is liable to imprisonment for a period of between six and twelve years and a fine of from Euro 25,822 to Euro 258,228.

Anyone trading in the pornographic material referred to in section one is liable to the same punishments.

Apart from the circumstances referred to in sections one and two, anyone who distributes, discloses, circulates or publishes the pornographic material referred to in section one, or distributes or discloses news or information aimed at the sexual enticement or exploitation of children under eighteen yeas of age, by any means, including by computer, is liable to imprisonment for a period of between one and five years and a fine of between Euro 2,582 and Euro 51,645

Apart from the circumstances referred to in sections one, two and three, anyone who offers or gives the pornographic material referred to in section one to third parties, even free of charge, is liable to imprisonment for a period of up to three years and a fine of between Euro 1,549 and Euro 5,164.

In the circumstances covered by sections three and four, the punishment shall be increased by a proportion of not more than two thirds if the amount of material involved is very large.

- Possession of pornographic material (art. 600 (4) of the Italian Penal Code)

Apart from the circumstances covered by article 600 (3), anyone who knowingly obtains or holds pornographic material produced using children less than eight years of age, is liable to imprisonment for a period of up to three years and a fine of not less than Euro 1,549.

The punishment shall be increased by a proportion of not more than two thirds if the amount of material involved is very large.

- Virtual pornographic (art. 600 (4) (1) of the Italian Penal Code)

The provisions of articles 600 (3) and 600 (4) shall also apply if the pornographic material features virtual images created using images of children under eighteen years of age or parts of the same, but the punishment is reduced by one third.

Virtual images are defined as images created using graphic processing techniques not associated or only partly associated with real situations, the quality of which makes unreal situations appear to be real.

- Tourism for the purposes of the exploitation of child prostitution (art. 600 (5) of the Italian Civil Code)

Anyone who organises or advertises travel for the purposes of the exploitation of child prostitution, or which in any way includes this activity, is liable to imprisonment for a period of between six and twelve years and a fine of from Euro 15,493 to Euro 154,937.

- People trafficking (art. 601 of the Italian Penal Code)

Anyone involved in people trafficking as described in article 660 or, in order to commit the offences referred to in the same article, induces people to enter, remain in or leave the country or move around within it, by means of deception or forces them to do so by the use of violence, threats, abuse of authority, or through the exploitation of a situation of physical or mental inferiority or need, or through the promise of money or other advantages given by the individual in the position of authority, is liable to imprisonment for a period of between eight and twenty years.

- Purchase and sale of slaves (art. 602 of the Italian Penal Code)

Anyone who, apart from the circumstances indicated in article 601, purchases, sells or disposes of an individual who is in one of the conditions described in article 600, is liable to imprisonment for a period of between eight and twenty years.

- Female genital mutilation (art. 583 (2) of the Italian Civil Code)

Anyone who causes mutilation of the female genital organs except for the provision of medical treatment is liable to punishment by imprisonment for a period of between four and twelve years. For the purposes of this article, female genital mutilation is defined as clitoridectomy, excision and infibulation and any other practice with similar effects. Anyone who, except for the provision of medical treatment, causes damage to the female genital organs other than that described in the first section, with the aim of impairing sexual functions, which leads to physical or mental illness, is liable to punishment by imprisonment for a period of between three to seven years.

The sentence shall be reduced by up to two thirds if the damage is slight.

The sentence shall be increased by one third if the practices described in the first and second sections are performed on a juvenile or for financial gain. The provisions of this article also apply if the offence is committed abroad by an Italian national or a foreigner resident in Italy, or if the victim is an Italian national or a foreigner resident in Italy. In this case, the guilty party shall be punished on the request of the Ministry of Justice.

In the event of offences relating to slavery, the guilty parties shall include not only the person who actually committed the illegal act but also anyone who knowingly assists it, even only financially.

In this case, the key factor may be the illegal procurement of labour through people trafficking and trafficking in slaves.

9. Definition of administrative offences in the area of market abuse (art. 25 (6) of Legislative Decree 231/01)

9.1 Administrative offences

Market abuse offences are governed by the new Title I (2), Section II, Part, V of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), entitled "Abuse of Insider Information and market manipulation".

Under the new legislation, the organisation may be held responsible in the event that criminal offences involving the misuse of insider information (art. 184 Consolidated Law) or market manipulation (art. 185 Consolidated Law) are committed in its interest or to its advantage, or if the said conduct constitutes an administrative rather than a criminal offence (articles 187 (2) Consolidated Law for the abuse of insider information and 187 (3) for market manipulation, respectively).

If the illegal act constitutes a criminal offence, the company's responsibility arises from art 25 (6) of Legislative Decree 231/01; if it is classified as an administrative offence, the organisation is liable under art. 187 (5) Consolidated Law.

Criminal offences:

- ***Insider trading (art. 184 Consolidated Law)***

Anyone in possession of privileged or insider information as a result of their position as a member of an administrative, managerial or controlling body of the company issuing the information, or as a shareholder in the issuing company, or after acquiring the information through their work in the public or private sector, commits the criminal offence of insider trading if they:

- buy, sell or carry out any other operations, either directly or indirectly, on their own behalf or on behalf of third parties, concerning financial instruments7 making use of the inside information acquired as described above;
- communicate the aforesaid information to other individuals, in a manner not part of the routine tasks arising from their work, profession, role or office (regardless of whether or not the recipients of the said information use it for transactions);
- recommend or induce other individuals to carry out any of the operations listed in the first point on the basis of the insider information in their possession.

The criminal offence of insider trading is also committed by anyone who finds themselves in possession of insider information as a result of the preparation or performance of criminal acts and carries out any of the actions referred to above (this refers, for example, to "information piracy", in which an individual acquires price sensitive confidential information after hacking into a company's computer system).

[7]"Financial instruments" are defined as: a) negotiable shares and other negotiable equity securities; b) negotiable debentures, government bonds and other debt instruments; b-2) negotiable securities as defined by the Italian Civil Code; c) shares in unit trust investment funds; d) titles normally traded on the money market; e) any other normally negotiable security which can be used to purchase the instruments referred to in the previous points and the relative indexes; f) futures contracts on financial securities, interest rates, currencies, goods and the relative indexes, even if they are fulfilled through the payment of cash differentials; g) face and term swap contracts on interest rates, currencies, goods and stock market indexes (swap equities), even if they are fulfilled through the payment of cash differentials; h) term contracts linked to financial securities, interest rates, currencies, goods and the relative indexes, even if they are fulfilled through the payment of cash differentials; i) option contracts for the purchase or sale of the instruments referred to in the previous points and the relative indexes, and option contracts on currencies, interest rates, goods and the relative indexes, even if they are fulfilled through the payment of cash differentials; j) the combinations of contracts and securities referred to above.

Example:

The company's CFO issues orders for the purchase or sale of shares in a listed company (e.g. one of the company's business partners) on the basis of insider information.

- ***Market manipulation (art. 185 Consolidated Law)***

Anyone who circulates false information (i.e. manipulation by means of information) or carries out fake operations or other subterfuges intended to cause a significant variation in the price of financial instruments (i.e. price manipulation) is guilty of market manipulation.

Moreover, market manipulation through the issue of false or misleading information also includes cases in which the misleading impression is also created through the breach of reporting obligations by the issuer or other subjects under this obligation.

Examples:

The company's CEO issues false information on corporate events (e.g. ongoing restructuring projects) or the company's situation with the aim of influencing the prices of listed securities *(information manipulation*).

The CFO issues orders to buy or sell one or more specific securities or a derivative nearing expiry with the aim of modifying its final price (*price manipulation*).

With reference to the examples provided, it should be underlined that the company is only held responsible if the actions described were carried out in its interest or to its benefit by people with the status of representatives, directors or managers of the organisation itself or one of its financially and functionally independent organisational units, persons exercising even the de facto management and control of the organisation, or persons subject to the management or supervision of one of the categories of persons referred to above.

Administrative offences:

- ***Insider trading (art. 187 (2) Consolidated Law)***

Anyone in possession of privileged or insider information as a result of their position as a member of an administrative, managerial or controlling body of the company issuing the information, or as a shareholder in the issuing company, or after acquiring the information through their work in the public or private sector, commits the administrative offence of insider trading if they:

- buy, sell or carry out any other operations, either directly or indirectly, on their own behalf or on behalf of third parties, concerning financial instruments making use of the inside information acquired as described above;
- communicate the aforesaid information to other individuals, in a manner not part of the routine tasks arising from their work, profession, role or office (regardless of whether or not the recipients of the said information use it for transactions);
- recommend or induce other individuals to carry out any of the operations described on the basis of the insider information in their possession.

The administrative offence of insider trading is also committed by anyone who finds themselves in possession of insider information as a result of the preparation or performance of criminal acts and carries out any of the actions referred to above.

The offence described in this article is largely the same as that covered by art. 184 of the Consolidated Law; the main difference is that the illegal act is carried out without criminal intent (a necessary precondition for the criminal offence of insider trading). For insider trading to be classified as an administrative offence, the individual's conduct must be constituted as negligent but undertaken without criminal intent.

The punishments envisaged by this article also apply to anyone who commits any of the acts it describes while holding insider information while aware, or being in a position to be aware with ordinary diligence, of its confidential nature.

In conclusion, it should be noted that with regard to the offences covered by this article the attempt along constitutes the offence, regardless of outcome.

Example:

The Merger & Acquisition Manager negligently (without due consideration) encourages other people to buy or sell securities on the basis of confidential information acquired in the course of his duties.

- ***Market manipulation (art. 187 (3) Consolidated Law)***

Art. 187 (3) Consolidated Law extends the definition of the actions which constitute the administrative offence in relation to those punishable under criminal law to include anyone who, by any means, issues false or misleading information, rumours or news which provide or may potentially provide false or misleading information concerning financial instruments (i.e. information manipulation).

Therefore, in this case, the administrative offence of market manipulation is committed regardless of the effects of the illegal actions, since in its definition of what constitutes the offence of market manipulation, art. 185 of the Consolidated Law requires the false information to be "actually capable" of significantly affecting the prices of financial instruments.

Moreover, art. 187 (3) (3) Consolidated Law establishes the illegality of the following ("price manipulation"):

- purchase and sale transactions, or orders for the same, which give or may give false or misleading impressions with regard to the supply, demand or price of financial instruments;
- purchase and sale transactions, or orders for the same, which allow, through the coordinated action of one or more people, the market price of one or more financial instruments to be fixed at abnormal or artificial levels;
- purchase and sale transactions, or orders for the same, which use subterfuges or any other kind of trick or expedient;
- subterfuges which give or may give false or misleading impressions with regard to the supply, demand or price of financial instruments.

Example:

The Investor Relations Manager spreads false or misleading information in the press with the aim of moving the price of a security or an asset in a direction which favours the position held with regard to this security or asset by the subject which spreads the information, or favours an operation which it has already planned.

9.2 The concept of Insider Information

The concept of insider information is the foundation of all legislation on insider trading and corporate information regulated by Title III, Section I, art. 114 and following articles of the Consolidated Law and the Consob Regulations no. 11971/1999 (hereinafter the "Issuer Regulation").

Under art. 181 of the Consolidated Law, **insider information** (referred to below as "Insider Information") is:

- **precise**;

(i.e. information relating to circumstances or events which are actually current or have occurred, or events which can be reasonably expected to exist or occur; moreover, it must be sufficiently explicit and detailed to enable the person using it to believe that its use will actually trigger specific effects on the prices of financial instruments).

- **not yet in the public domain;**

(i.e. information which has not yet been made available to the market, for example through publication on Internet sites or newspapers, or through reporting to the Supervisory Authorities).

- **directly relating to one or more issuers of financial instruments or one or more financial instruments;**

(i.e. it must be corporate information, meaning information relating to the issuer's economic and financial situation or organisational affairs or market information and thus information relating to the circumstances affecting one or more financial instruments).

- **such as to significantly affect the prices of the financial instruments concerned if made public;**

(i.e. information which a reasonable investor - or an average investor - would use as one of the factors on which to base his investment decisions).

In conclusion, for information to be classified as insider information, all the characteristics described above must occur simultaneously; if even just one of them is missing, the information is no longer defined as insider information.

9.3 Obligations to inform

The implementation of EU directives on market abuse has led to major innovations to the reporting system in force for listed companies.

On 29 November 2005, the Consob amended its Issuer Regulation to include new rules relating to:

- **the publication of information about transactions involving financial instruments carried out by "relevant individuals"**[8]". The following is a summary of the obligations to inform imposed on the following subjects:

[8] Where relevant individuals are defined as: the members of the governing and controlling bodies of FIAT S.p.A. and its **significant subsidiaries** and the individuals who, by virtue of their roles within FIAT S.p.A. or its **significant subsidiaries,** perform management functions or are managers or individuals who have the power

- listed issuers and their controlling entities;
- members of governing and controlling bodies;
- managers;
- subjects which possess a significant holding as defined by art. 120 Consolidated Law (on the one hand, those who hold more than two per cent of the capital in a listed company and on the other, listed companies which hold more than ten per cent of the capital of an unlisted company);
- subjects which are party to an agreement as defined by art. 122 of the Consolidated Law (i.e. a shareholders' agreement covering the exercise of voting rights in listed companies and their controlling entities);
- under the new legislation governing the publication of information about transactions involving financial instruments carried out by relevant individuals:
- subjects with administrative, controlling or management functions in a listed issuer or a significant subsidiary and the managers of the issuer or a significant subsidiary, who have regular access to Insider Information as defined by art. 181 of the Consolidated Law and have the power to make management decisions which may affect the evolution and future prospects of the listed issuer, must inform the Consob and listed issuer of any transactions on its shares and related financial instruments which they (or people with close links to them) have undertaken [9] within 5 trading days after the date on which the operation took place. The issuer will then be obliged to disclose the information to the public by the end of the next trading day after its receipt (art. 152 (8) (1), (2) and (3) Issuer Regulation);
- subjects which hold at least 10 percent of the voting capital in the listed issuer must report any operations of relevance to the regulations on insider dealing to Consob and then publicly disclose the information within 15 days after the transactions take place. They may leave the disclosure to the issuer, in which case they must notify the issuer and Consob within 5 days.

  The Issuer Regulation extends the aforesaid obligations to transactions involving the purchase, sale, underwriting or exchange of shares or financial instruments linked to shares (art. 152 (7) (2)).

  The following operations carried out by relevant individuals and closely connected persons are exempted from the obligation to disclose;

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within the company to take management decisions which may affect the evolution and future prospects of FIAT S.p.A. and its **significant subsidiaries** and have access to insider information. "Significant subsidiaries" are those the book value of the holding amounts to more than 50% of the listed company's balance sheet assets, as recorded in the latest approved financial statements.

[9] "persons closely associated with relevant persons" mean:

- spouses, unless legally separated, dependent children, including those of the spouse, and, if they have cohabited for at least one year, parents and persons related by consanguinity or affinity;
- legal persons, partnerships and trusts in which a relevant person or one of the persons referred to above is solely or jointly responsible for the management;
- legal persons controlled directly or indirectly by a relevant person or one of the persons referred to in the first point;
- partnerships whose economic interests are substantially equivalent to those of a relevant person or one of the persons referred to in the first point;
- trusts set up in favour of a relevant person or one of the persons referred to in the first point.

- operations the total value of which does not amount to five thousand Euro by the end of the year; for financial instruments connected to derivatives, the amount is calculated with reference to the underlying shares;
- operations implemented between the significant subject and the persons directly connected with it;
- operations carried out by the listed issuer itself and by companies it controls;

– **the public disclosure of Insider Information**

Under the new regulations governing the public disclosure of Insider Information:

– The disclosure obligations placed on listed issuers and their controlling subjects (hereinafter the "Obliged Subjects") with regard to Insider Information directly concerning the issuer and its subsidies are met when the public is informed without delay upon the coming into existence of a set of circumstances or the occurrence of an event, albeit not yet formalized (art. 66 (1) Issuer Regulation).

  The Consob has specified that the phrase "not yet formalised" refers to events or circumstances which have already occurred but which have not yet been made definitively official.

  The said information must be published by means of dispatch of a communiqué to the market manager, who will make it available to the public, and at least two press agencies, as well as Consob (art. 66 (2), Issuer Regulation).

  The issuer must also publish the press release on its Internet site, if any, and conserve it for at least two years (art. 66 (3), Issuer Regulation).

– Listed issuers give the necessary instructions to ensure that their subsidiaries provide all necessary information for the fulfilment of the disclosure obligations imposed by the law. Subsidiaries provide the information required without delay.

– Obliged Subjects' Insider Information and the marketing of their assets must not be combined together with the intention to mislead (art. 66 (6) (b). Issuer Regulation). Consob has specified that in this context the term marketing, taken directly from the level 2 directive, also includes any type of promotional activity.

– Obliged Subjects must make full public disclosure of any Insider Information which, intentionally or unintentionally, they have provided in the course of their work, their professional activity or the fulfilment of their role or office to third parties not subject to any confidentiality obligation (art. 114 (4) of the Consolidated Law).

  Moreover, in the event that the prices of securities change from the last price of the previous day further to the disclosure of information concerning the financial or economic situation of their issuer, or extraordinarily financial operations involving the issuer, Obliged Subjects must issue a press release concerning the truthfulness of the information concerned, by the specific procedures, supplementing or correcting the contents of the information disclosed, in order to restore a level playing field in information (art. 66 (8), Issuer Regulation).

– In accordance with art. 114 (3) of the Consolidated Law, Obliged Subjects may delay the disclosure of Insider Information to the market in order not to prejudice their legitimate interests (art. 66 (b), Issuer Regulation). Relevant circumstances which justify the exercise of this option are those in which the public disclosure of Insider Information may jeopardize the carrying out of an operation by the issuer or may lead to incomplete assessments by the public.

The Consob describes two specific cases which can certainly be defined as relevant circumstances in this context:

- one is the eventuality in which there are negotiations in course where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such public disclosure might seriously jeopardize the interest of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long-term financial recovery of the issuer;
- the other refers to the case of decisions taken or contracts made by the governing body of an issuer which need the approval of another body of the issuer other than the shareholders' meeting in order to become effective, where the organisational structure of the issuer requires the separation between these bodies, provided that public disclosure of the information before any such approval together with the simultaneous announcement that this approval is still pending would jeopardize the correct assessment of the information by the public
- Obliged Subjects which exercise the right to delay disclosure must adopt appropriate procedures to guarantee the confidentiality of the information concerned, and disclose the Insider Information without delay in the event that this confidentiality is breached (art. 66 (2) (2), Issuer Regulation). Subjects exercising this right shall immediately inform Consob of the delay and the reasons for it (art. 66 (4), Issuer Regulation). Having been informed of a delay in the public disclosure of Insider Information, the Consob may require the subjects concerned to proceed with the said disclosure without delay and make the disclosure itself at their expense in the event that they fail to comply.
- In general terms, the Consob may request the Obliged Subjects, the members of their boards of directors and internal control bodies and their directors, as well as subjects which possess a significant holding as defined by art. 120 of the Consolidated Law (on the one hand, those who hold more than two per cent of the capital in a listed company and on the other, listed companies which hold more than ten per cent of the capital of an unlisted company), or who are signatories to any of the agreements covered by art. 122 of the Consolidated Law (i.e. a shareholders' agreement covering the exercise of voting rights in listed companies and their controlling entities) to publish news and documents necessary to ensure the proper information of the public, by the procedures decided by the Consob itself.

  In case of non-compliance, the Authority may publish the necessary information itself at the expense of the non-compliant party (art. 114 (5) of the Consolidation Law as amended by art. 14 Section III of Law no. 262 dated 28 December 2005).

10. The offences of manslaughter and culpable serious or very serious bodily harm committed in violation of occupational health and safety regulations (art. 25 (7) Legislative Decree 231/01 - Legislative Decree no. 81 of 9 April 2008)

Art. 9 of Law no. 123 of 3 August 2007 amended Legislative Decree 231/01 by introducing the new art. 25 (7), which extends organisations' liability to offences related to the infringement of health and safety legislation.

Legislative Decree no. 81 dated 9 April 2008 on occupational health and safety has come into force, implementing art. 1 of Law 123/07.

This is a Consolidated Law which coordinates and harmonises all existing legislation in this area, with the intention of providing a single, user-friendly piece of legislation for all those involved in safety management.

Specifically, Legislative Decree 81/2008 abrogates a number of important items of legislation on safety, including Legislative Decree 626/94 (Implementation of EU Directives on the improvement of workers' health and safety at work), Legislative Decree 494/96 (Implementation of the EU Directive relating the minimum health and safety measures to be adopted on temporary or mobile worksites), and finally articles 2, 3, 4, 5, 6 and 7 of Law 123/2007.

Art. 300 of Legislative Decree 81/2008 replaced the contents of art. 25 (7) of the previous Legislative Decree 231/01, relating to the offences covered by articles 589 (manslaughter) and 590 (3) (culpable serious or very serious bodily harm) of the Italian Penal Code, committed in violation of occupational health and safety regulations.10

The new text redefines the penalties levied on the organisation, introducing a gradual scale proportional to the offence and any relative aggravating circumstances.

– ***Manslaughter (art. 589 of the Italian Penal Code)***

This offence is committed whenever a person culpably causes the death of another person.

However, as defined by Legislative Decree 231/01, this offence only relates to circumstances in which the death-event has been caused not by culpability of a general nature (e.g. carelessness, imprudence or negligence) but by a specific culpable action, consisting of a breach of occupational health and safety legislation.

With regard to this offence, under the new art. 25 (7) of Legislative Decree 231/01 the organisation is liable to a fine of the value of one thousand shares and debarring of from three months to one year, but only if the offence has been committed through breach of art. 55 (2) of the Consolidated Law, i.e. when the criminal conduct takes place within some specific types of company (i.e. industrial firms with more than 200 employees or those in which workers are exposed to biological risks, asbestos, etc.).

If this same offence is committed solely through breach of the health and safety regulations, a fine of the value of from 25 to 500 shares is applied, while in the event of a conviction for the offence, debarring of from three months to one year is enforced.

– ***Serious or very serious culpable bodily harm (art. 590 (3) of the Italian Penal Code)***

10."Art. 25 (7) (Manslaughter and culpable serious or very serious bodily harm committed in violation of occupational health and safety regulations)
1. In relation to the offence referred to in article 589 of the Italian Penal Code, committed through breach of article 55 (2) of the legislative decree implementing law 123 dated 2007 on occupational health and safety, a fine of not less than the value of one thousand shares is applied. In the case of a conviction for one of the offences referred to in the previous point, the debarring contained in article 9 (2) is applied for a period of not less than three months and not more than one year.
2. Subject to the provisions of point 1, with regard to the offence covered by article 589 of the Italian Penal Code, committed through a breach of occupational health and safety legislation, a fine of the value of not less than 250 shares and no more than 500 shares is applied.
In the case of a conviction for one of the offences referred to in the previous point, the debarring contained in article 9 (2) is applied for a period of not less than three months and not more than one year.
3. With regard to the offence covered by article 590 of the Italian Penal Code, committed through breach of occupational health and safety legislation, a fine of the value of not more than 250 shares is applied. In the case of a conviction for one of the offences referred to in the previous point, the debarring contained in article 9 (2) is applied for a period of not more than six months."

This offence occurs whenever an individual causes serious or very serious bodily harm to another individual through a breach of occupational health and safety legislation.

Under art. 583 (1) of the Italian Penal Code, bodily harm is considered to be serious in the following cases:

"1) if the event leads to an illness which puts the life of the injured person at risk, or an illness or an inability to live a normal life lasting for longer than forty days;

2) if the event leads to the permanent weakening of a sense or organ".

Under art. 583 (2) of the Italian Penal Code, bodily harm is considered to be very serious if the event gives rise to:

- *"an incurable or probably incurable disease;*
- *the loss of a sense;*
- *the loss of a limb, or a mutilation which renders the limb unusable, the loss of the use of an organ or the ability to procreate, or a permanent, serious speech impairment;*
- *deformation or permanent disfigurement of the face".*

If the offence in question is committed through breach of the health and safety regulations, a fine of the value of not more than 250 shares is applied to the organisation, and while in the event of a conviction for the offence, debarring of up to six months is enforced.

In all cases, art. 5 of Legislative Decree 231/01 specifies that the offences must have been committed in the interest or to the benefit of the organisation.

Moreover, in order to prevent administrative liability on the part of the organisation, art. 30 of Legislative Decree 81/2008 requires that an Organisation, Management and Control Model under Legislative Decree 231/01 must be adopted and effectively implemented, and must comply with specific legal obligations, relating specifically to:

- compliance with legal technical and structural standards with regard to plants, workplaces and working equipment;
- risk assessment and the adoption of the consequent preventive and protective measures;
- activities of an organisational nature (i.e. first aid, management of contracting, regular safety meetings, consultation of workers' health and safety representatives);
- worker education and training activities, and health monitoring;
- supervisory activities overseeing workers' compliance with procedures and instructions to ensure safety at work;
- the acquisition of the legally required documentation and certifications;
- regular audits of the application and efficacy of the procedures adopted.

11. The offences of receiving, laundering and using money, goods or profits from illegal activities (art. 25 (8) of Legislative Decree 231/01 - Legislative Decree 231/2007)

Legislative Decree 231/2007, also known as the "Money Laundering Decree" (which implemented Directive 2005/60/EC intended to prevent the use of the financial system for laundering the proceeds of criminal activities and for financing terrorism, and Directive 2006/70/EC containing implementing measures), extended Legislative Decree 231/01 with the addition of the new art. 25 (8), which extends the responsibility of legal persons to the offences of receiving, laundering and using money, assets or profits of illegal origin (articles 648, 648 (2) and 648 (3) of the Italian Penal Code) even if these offences are committed at the national level.

Under Law 146/2006 (article 10 (5) and (6), now abrogated by the Money Laundering Decree) organisations were responsible for the crimes of money laundering and the use of money, assets or profits of illegal origin only, and only if the offences had been committed at the cross-border level.

The offences of receiving, laundering and using money, assets or profits of illegal origin are considered as such even if the activities which generated the assets for laundering took place in another member state or in a non EU country.

Therefore, the aim of Decree 231/2007 is to protect the financial system from use for the purposes of money laundering or the financing of terrorism, and it is aimed at a wide range of subjects including not only banks and financial intermediaries but also all companies involved in businesses such as the safekeeping and transportation of cash and securities, estate agents, etc. ("non-financial operators").

- Receiving Stolen Goods (art. 648 of the Italian Penal Code)

This offence is committed, apart from circumstances of complicity in crime, if a subject acquires, receives or conceals money or goods from any type of offence in order to obtain a profit for themselves or others, or is involved in the acquisition, receipt or concealment of the same. The offence is punishable by imprisonment for a period of between two and eight years and a fine of between Euro 516 and Euro 10,329. The penalty is reduced to imprisonment for a period of up to six years and a fine of up to Euro 516 if the offence is particularly slight. The provisions of this article are applied even if the person who committed the offence from which the money or goods originated cannot be charged or convicted.

- Money Laundering (art. 648 (2) of the Italian Penal Code)

This offence is committed, apart from cases of complicity in crime, if a subject substitutes or transfers money, goods or other profits obtained from a criminal offence, or who carries out other operations in relation to these items in such a way as to conceal their criminal origins. The offence is punishable by imprisonment for a period of between four and ten years and a fine of between Euro 1,032 and Euro 15,493. The penalty is increased when the offence is committed as part of professional duties.

- Use of money, goods or profits from illegal activities (art. 648 (3) of Italian Penal Code)

This offence is committed if money, goods or profits derived from crimes are used in economic or financial operations. The offence is punishable by imprisonment for a period of between four and twelve years and a fine of between Euro 1,032 and Euro 15,493. The penalty is increased when the offence is committed as part of professional duties.

Under the new art. 25 (8), organisations may be fined up to Euro 1,500,000 and debarred for a period of up to two years if one of the offences covered by this article is committed, even if at the purely national level, if the offence generates benefits for the organisation.

The powers and functions of the Supervisory Body tasked with overseeing the implementation of the Organisational, Management and Control Model have been redrawn.

12. Offences relating to copyright infringement (art. 25 (9) of Legislative Decree 231/01)

Art. 15 (7) of Law no. 99 of 23 July 2009 introduced offences relating to copyright infringement covered by art. 25 (9) of Legislative Decree 231/01.

The following are the individual offences covered by the legislation:

- ***Art. 171 (1) (a) (2) and (3) (L.633/1941)***

Subject to the provisions of article 171 (2) and article 171 (3), a fine of from Euro 51.00 to Euro 2,065.00 may be imposed on anyone who, without having the right, for any purpose and in any form:

a-bis) makes a protected work of intellectual property, or part of the same, available to the public by putting the said work on a computer network by means of a connection of any kind;

The punishment is imprisonment for up to one year or a fine of at least € 516.00 if the above offences are committed on the work of others not intended for publication, through plagiarism, or through deformation, mutilation or other modifications of the work, if this renders it detrimental to the author's honour or reputation.

- ***Art. 171 (2) (L.633/1941)***

Anyone who illegally copies computer programmes for the purpose of personal gain, or, for the same reasons, imports, distributes, sells, keeps for commercial or business purposes or rents programmes contained on media that do not bear the mark of the Italian society of authors and publishers (S.I.A.E) shall be punishable by from six months to three years of imprisonment and a fine of from Euro 2,582 to Euro 15,493. The same punishment is applied if the offence concerns any medium used solely for the purposes of allowing or facilitating the illegal removal or functional disabling devices applied to protect a computer programme. The punishment shall be at least two years' imprisonment and the fine shall be at least Euro 15,493 if the offence is considered serious.

Anyone who, for the purposes of personal gain, copies the contents of a database onto media which do not carry the SIAE mark, transfers them onto other media, or discloses, communicates or publicly presents or shows the same in breach of articles 64 (5) and 64 (6), downloads or reuses the database in violation of the provisions of articles 102 (2) and 102 (3), or distributes, sells or leases a database, shall be shall be punishable by six months to three years of imprisonment and a fine of from Euro 2,582 to Euro 15,493. The punishment shall be at least two years' imprisonment and the fine shall be at least Euro 15,493 if the offence is considered serious.

- ***Art. 171 (3) (L.633/1941)***

If the offence is not committed for personal use only, the penalty of imprisonment for a period of between six months and three years and a fine of between Euro 2,582 and Euro 15,493 shall be enforced in relation to anyone who, for the purposes of financial gain:

a) illegally duplicates, copies, broadcasts or publicly distributes, by any procedure, in whole or in part, intellectual property destined for television, cinema, sale or rent, discs, tapes or similar media or any other type of media containing sound or video recordings of music, films or similar audiovisual works, or sequences of moving images;

b) illegally copies, broadcasts or publicly distributes, by any procedure, the whole or parts of literary, theatrical, scientific or educational, musical or operatic works, or multimedia works, even if they are included in collective or composite works or databases;

c) even though not involved in the duplication or reproduction, imports, keeps for sale or distribution, or distributes, offers for sale, rents or in any way transfers to any other person, publicly shows, broadcasts on television by any procedure, broadcasts on the radio, or publicly plays, the illegal copies or duplicates referred to in points a) and b);

d) keeps for sale or distribution, offers for sale, sells, rents, transfers to anyone else in any form, publicly shows, broadcasts by radio or television by any procedure, videocassettes, music cassettes or any other medium containing sound or video recordings of musicals, films or audiovisual works or sequences of moving images or other media required under current law to carry the mark of the Italian authority for authors and publishers (S.I.A.E.), without this mark or with a forged or disfigured mark;

e) without the agreement of the legitimate distributor, rebroadcasts or circulates, by any medium, an encrypted programme received by means of equipment or parts of equipment for decoding protected transmissions;

f) imports, keeps for sale or distribution, distributes, sells, rents, transfers to anyone else in any form, markets or installs special decoding equipment that provides access to an encrypted service without the payment of the relative charge.

f-2) makes, imports, distributes, sells, rents, transfers to anyone else in any way, publishes for sale or rent or keeps for commercial purposes equipment, products or components or offers services the main commercial aim or purpose of which is to evade effective technological measures pursuant to art. 102 (4) or which are mainly designed, produced, adapted or made in order to allow or facilitate the evasion of the aforementioned measures. The technological measures include those applied, or that remain, following the removal of the measures themselves through the voluntary intent of the owners of the rights or as a result of an agreement between the owners and exceptional beneficiaries, or as a result of the implementation of measures issued by administrative or judicial authorities;

h) illegally removes or alters the electronic information referred to in article 102 (5), or distributes, imports for distribution, broadcasts on the radio or television, discloses or makes publicly available works or other protected materials on which the said electronic information has been removed or altered.

Punishment comprising imprisonment for a period of between one and four years and a fine of between Euro 2,582 and Euro 15,493 will be enforced on anyone who:

a) reproduces, duplicates, broadcasts or illegally distributes, sells or otherwise offers for sale, transfers to anyone else by any means or illegally imports more than fifty copies or editions of works covered by copyright and connected rights;

a-2) in breach of art. 16, makes a work of intellectual property protected by copyright, or part of the same, available to the public by putting said works on a computer network by means of a connection of any kind;

b) by operating a business involving the reproduction, distribution, sale, marketing or importation of works protected by copyright and connected rights, commits the offences described in point 1;

c) promotes or organises the illegal activities described in point 1.

The penalty is reduced if the offence is particularly slight.
Conviction for one of the offences described in point 1 involves:

a) application of the secondary punishments detailed in articles 30 and 32 (2) of the Italian Penal Code;
b) publication of the sentence in one or more daily newspapers, at least one with nationwide circulation, and in one or more specialist magazines;
c) the suspension for a period of one year of the radio-television broadcasting licence or authorisation for production or commercial activities.

The amounts raised from the fines described in the previous points are transferred to the national pensions and welfare authority for painters, sculptors, musicians, writers and playwrights.

– ***Art. 171 (7) (L.633/1941)***

The punishments referred to in article 171 (3) are also applied:

a) to the producers or importers of media not required to carry the mark referred to in article 181 (2) who do not inform the SIAE of the data required for the unique identification of the said media within thirty days of the date when such products are put on sale in Italy or imported into the country;
b) if the offence does not constitute a more serious offence, anyone who falsely claims to have fulfilled the obligations referred to in article 181 (2) (2) of this law.

– ***Art. 171 (8) (L.633/1941)***

If the offence in question does not constitute a more serious offence, anyone who fraudulently produces, puts on sale, imports, promotes, installs, modifies or utilises for public and private use equipment or parts of equipment for deciphering audiovisual broadcasts with restricted access, broadcast via the airways, via satellite, via cable or in analogue or digital form, is liable to a period of imprisonment of between six months and three years and a fine of between Euro 2,582 and Euro 25,822. Restricted access is taken to mean all audiovisual signals transmitted by Italian or foreign broadcasters in such a form as to make them only visible to closed groups of viewers chosen by the subjects that broadcast the programmes, with or without a subscription fee.

The punishment shall be at least two years' imprisonment and the fine shall be at least Euro 15,493 if the offence is considered serious.

13. Offence of Incitement not to make statements or to make false statements to judicial authorities (art. 25 (10) of Legislative Decree 231/01)

Law no. 116 dated 3 August 2009 added the offence of **" Incitement not to make statements or to make false statements to judicial authorities"** to art. 25 (10) of Legislative Decree 231/01**.**

This offence - already envisaged by Legislative Decree 231/01 amongst the cross-border offences covered (art.10 (1) L. 146/2006)- now also becomes significant in the domestic context.

– ***Incitement not to make statements or to make false statements to judicial authorities (art. 377 (10) of Legislative Decree 231/01)***

Unless a more serious offence has been committed, anyone who uses violence or threats or with the offer or promise of money or other goods to incite a person called to testify before the judicial authorities in criminal proceedings not to make statements or to make false statements when the individual has the right to remain silent is liable to imprisonment for a period of between two and six years.

14. Environmental offences (art. 25 (11) of Legislative Decree 231/01)

Legislative Decree no. 121 of 7 July 2011, which implements Directive 2008/99/EC and Directive 2009/123/EC, in response to the obligation enforced by the European Union to introduce legislation banning practices seriously damaging to the environment, added art. 25 (11) to Legislative Decree 231/01.

The offences listed by art.25 (11) are the following:

OFFENCES ADDED TO THE PENAL CODE

– ***Killing, destruction, trapping, picking or possession of plants and animals of protected species (art. 727-2 of Italian Penal Code)***

Unless a more serious offence has been committed anyone who kills, captures or possesses wild animals of a protected species, except in the permitted circumstances, shall be punishable by imprisonment for from one to six months and a fine of up to Euro 4,000, unless the act involves a negligible number of specimens of the species and has only a negligible impact on its conservation status. Anyone who destroys, picks or possesses specimens of a protected wild plant species, except in the permitted circumstances, shall be punishable by a fine of up to Euro 4,000, unless the act involves a negligible number of specimens of the species and has only a negligible impact on its conservation status.

– ***Destruction of or damage to habitats within a nature reserve (art. 733 (2) of Italian Penal Code)***

Anyone who destroys a habitat within a nature reserve or damages it to a point which puts its conservation at risk, except in the permitted circumstances, shall be punishable by imprisonment for up to eighteen months and a fine of at least Euro 3,000.

CRIMES ENVISAGED BY THE "CONSOLIDATED LAW ON THE ENVIRONMENT"

– ***Punishments for criminal offences (art. 137 (2), (3), (5), (11), and (13) of Legislative Decree no. 152/2006, Consolidated Law on the Environment)***

c. 2) Unauthorised dumping of hazardous substances.

When the actions described in point 1 relate to the discharge of industrial wastewaters containing the hazardous substances included in the categories and groups of substances contained in tables 5 and 3/A of Annex 5 to the third part of this decree, the punishment is imprisonment for from three months to three years.

c. 3) Discharge in breach of legal requirements.

Anyone who, except for the circumstances envisaged in point 5, discharges industrial wastewaters containing the hazardous substances included in the categories and groups of substances included in tables 5 and 3/A of Annex 5 to the third part of this decree without complying with the requirements of the authorisation, or the other instructions issued by the competent authorities further to articles 107 (1) and 108 (4), shall be liable to imprisonment for up to two years.

c. 5) Discharge in breach of legal limits.

Anyone who, during the discharge of industrial wastewater, exceeds the limit values set in table 3, or in the case of discharge onto the ground, in table 4 of Annex 5 of the third part of this decree, or any tighter limits set by the regional or independent provincial authorities or the competent Authority under art. 107 (1), with regard to the substances listed in table 5 of Annex 5 of the third part of this decree, shall be liable to imprisonment for up to 2 years and a fine of from Euro 3,000 to Euro 30,000. If the limit values set for the substances listed in table 3/A of the said Annex 5 are also exceeded the punishment shall be imprisonment for from six months to three years and a fine of from Euro 6,000 to Euro 120,000.

c. 11) Ban on discharge into the soil, ground and groundwaters.

Anyone not complying with the bans on discharge contained in articles 103 and 104 shall be punishable by imprisonment for up to three years.

c. 13) Discharge into the sea by ships or aircraft.

The punishment shall be imprisonment for from two months to two years if the materials discharged into the sea by ships or aircraft contain substances or materials the discharge of which is absolutely forbidden under the relevant international conventions, ratified by Italy, unless they are in quantities such that they are rapidly rendered harmless by the physical, chemical and biological processes which occur naturally in the sea and provided they have been authorised in advance by the competent authorities.

- ***Unauthorised waste management activities (art. 256 – (1a) (1b), (3 - first and second sections), (4), (5) and (6 - first section) - Legislative Decree 152 /2006 - Consolidated Law on the Environment)***

c. 1a, b) Unauthorised waste management.

Anyone who collects, transports, recycles, disposes of, trades in or acts as broker for waste without the necessary authorisation, registration or notification under articles 208, 209, 210, 211, 212, 214, 215 and 216 shall be punishable:

a) by imprisonment for from three months to one year and a fine of from Euro 2,600 to Euro 26,000 in the case of non-hazardous waste;

b) by imprisonment for from six months to two years and a fine of from Euro 2,600 to Euro 26,000 in the case of hazardous waste.

c. 3) Creation and operation of unauthorised landfills.

Anyone who creates or operates an unauthorised landfill shall be punishable by imprisonment for from six months to two years and a fine of from Euro 2,600 to Euro 26,000. The imprisonment shall be for from one to three years and the fine from Euro 5,200 to Euro 52,000 if the landfill is even partly used for the disposal of hazardous waste. A conviction or a

sentence issued under art. 444 of the penal procedural code shall be followed by confiscation of the area on which the illegal landfill has been created if it belongs to the guilty party or an accomplice in the crime, subject to the obligation to remediate or restore the area.

c. 5) Ban on mixing of types of waste.

Anyone who, in breach of the ban contained in article 187, illegally mixes different types of waste, shall be liable to the punishments set out in point 1 (b).

c. 6) Storage of waste from health facilities.

Anyone who temporarily stores dangerous waste from health facilities at the production location, in breach of the provisions of article 227 (1) (b), shall be punishable by imprisonment for from three months to one year and a fine of from Euro 2,600 to Euro 26,000. An administrative fine of from Euro 2,600 to Euro 15,500 shall be levied for quantities not exceeding 200 litres or equivalent quantities.

- ***Remediation of sites (art. 257 (1), (2) - Legislative Decree no. 152/2006 - Consolidated Law on the Environment)***

c. 1) Failure to remediate sites.

Anyone who pollutes the soil, ground or surface or groundwaters, exceeding the risk threshold concentrations, shall be punishable by imprisonment for from six months to one year or a fine of from Euro 2,600 to Euro 26,000 if they fail to remediate the site in accordance with the project approved by the competent authorities in the context of the proceedings under article 242 and following articles. In case of failure to submit the report required by article 242, the offender shall be punishable by imprisonment for from three months to one year or a fine of from Euro 1,000 to Euro 26,000.

c. 2) Hazardous substances.

The punishment shall be imprisonment for from one to two years and a fine of from Euro 5,200 to Euro 52,000 if the pollution is caused by hazardous substances.

- ***Breach of the obligations with regard to reporting and the keeping of the compulsory records and forms (art. 258 (4, second section) - Legislative Decree 152 /2006- Consolidated Law on the Environment).***

c. 4) Transportation of waste without the correct documentation.

The punishment envisaged under art. 483 of the Italian Penal Code shall be applied to anyone who states false information about the type, composition or chemical-physical nature of waste in the relative analysis certificate, and anyone who uses a false certificate during transportation.

- ***Waste trafficking (art. 259 (1) - Legislative Decree no. 152/2006 - Consolidated Law on the Environment)***

c. 1) Cross-border shipment of goods which constitutes trafficking.

Anyone who makes an illegal shipment of waste pursuant to article 26 of EEC Regulation no. 259 of 1 February 1993, or ships any of the types of waste listed in Annex II to the aforesaid regulation in breach of article (1), (3), (a), (b) and (c) of the same, shall be liable to a fine of from Euro 1,550 to Euro 26,000 or imprisonment for up to two years The punishment shall be increased if the waste shipped is classified as hazardous.

- ***Organised waste trafficking (art. 260 (1) and (2) - Legislative Decree no. 152/2006 - Consolidated Law on the Environment)***

c. 1) Illegal management of waste.

Anyone who illegally sells, receives, transports, exports, imports or in any way manages huge quantities of waste in more than one operation, by means of organised, continuous activities and resources, with the aim of making an illegal profit, shall be liable to imprisonment for from one to six years.

c. 2) Highly radioactive waste.

If the waste concerned is highly radioactive, the period of imprisonment shall be from three to eight years.

– ***IT system for monitoring the traceability of waste under Art. 260 (2), (6, 7 points two and three, 8) - Legislative Decree no. 152/2006 - Consolidated Law on the Environment)***

c. 6) False statements in waste traceability certificates.

The punishment envisaged under article 483 of the Italian Penal Code shall be applied to anyone who indicates false information about the type, composition or chemical-physical nature of waste in the relative analysis certificate for use in the waste traceability monitoring system (SISTRI), and anyone who enters a false certificate in the data for use for the purposes of waste traceability.

c. 7) Transportation of hazardous waste without a copy of the traceability (Sistri) form or using a form containing false information.

The punishment envisaged under art. 483 of the Italian Penal Code shall be applied in case of the transportation of hazardous waste. This punishment shall also be applied to anyone who uses a waste analysis certificate containing false information about the type, composition or chemical-physical nature of the waste transported during transportation operations.

c. 8) Transportation of waste using a Sistri form modified to contain false data.

A forwarder who ships waste with a paper copy of the SISTRI - TRANSPORTATION AREA form which has been modified to contain false data shall be punishable under the combined provisions of articles 477 and 482 of the Italian Penal Code. The punishment shall be increased by up to one third if the waste is classified as hazardous.

– ***Punishments (art. 279 (5) - Legislative Decree no. 152/2006 - Consolidated Law on the Environment)***

c. 5) Exceeding of emission limits and exceeding of air quality thresholds.

In the circumstances envisaged by point 2, the punishment will always be imprisonment for up to one year if the exceeding of the emissions limits also causes the air quality thresholds envisaged by the relevant legislation to be exceeded.

CRIMINAL OFFENCES RELATING TO THE PROTECTION OF ANIMAL AND PLANT SPECIES

– ***Art. 1 (1), (2), of Law no. 150/1992***

1. Unless the offence committed constitutes a more serious crime, the punishment of imprisonment for from three months to one year and a fine of from fifteen million to one hundred and fifty million lire shall be applied to anyone who, in breach of the provisions of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments, with regard to plants and animals of the species listed in Annex A of the Regulation and subsequent amendments:

a) imports, exports or re-exports plants and animals under any customs jurisdiction without the necessary certificate or licence, or with a certificate or licence which is not valid under article 11 (2a) of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementation and amendments;

b) fails to comply with the instructions for the protection of plants and animals provided in a licence or certificate issued in compliance with Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments;

c) uses the aforesaid plants and animals in breach of the instructions contained in the authorisations or certificates issued together with the import licence or subsequent certificates;

d) transports or allows the passage, on his own account or that of third parties, of plants and animals without the necessary licence or certificate issued in compliance with Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments and, in the case of exportation or re-exportation from a third country which is a signatory to the Washington Convention, issued in accordance with the same, or without sufficient proof of the existence of the said certificates;

e) trades in plants bred artificially in breach of the provisions of article 7 (1) (b) of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments;

f) keeps, uses for gain, purchases, sells, exhibits or holds for sale or commercial purposes, offers for sale or in any way disposes of plants or animals without the required documentation.

2. Repeat offenders shall be subject to imprisonment for from three months to two years and a fine of from twenty million to two hundred million lire. If the aforesaid offence is committed in the conduct of business, offenders' licences shall be suspended for from a minimum of six to a maximum of eighteen months.

– ***Art. 2 (1) (2), of Law no. 150/1992***

1. Unless the offence committed constitutes a more serious crime, the punishment of a fine of from twenty million to two hundred million lire and imprisonment of from three months to one year shall be applied to anyone who, in breach of the provisions of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments, with regard to plants and animals of the species listed in Annexes B and C of the Regulation:

a) imports, exports or re-exports plants and animals under any customs jurisdiction without the necessary certificate or licence, or with a certificate or licence which is not valid under article 11 (2a) of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementation and amendments;

b) fails to comply with the instructions for the protection of plants and animals provided in a licence or certificate issued in compliance with Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments;

c) uses the aforesaid plants and animals in breach of the instructions contained in the authorisations or certificates issued together with the import licence or subsequent certificates;

d) transports or allows the passage, on his own account or that of third parties, of plants and animals without the necessary licence or certificate issued in compliance with Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments and, in the case of exportation or re-exportation from a third country which is a signatory to the Washington Convention, issued in accordance with the same, or without sufficient proof of the existence of the said certificates;

e) trades in plants bred artificially in breach of the provisions of article 7 (1) (b) of Regulation EC 338/97 of the Council dated 9 December 1996 and subsequent implementations and amendments and Regulation EC no. 939/97 of the Commission dated 26 May 1997 and subsequent amendments;

f) keeps, uses for gain, purchases, sells, exhibits or holds for sale or commercial purposes, offers for sale or in any way disposes of plants or animals without the required documentation, with regard to species listed in Annex B of the Regulation only.

2. Repeat offenders shall be subject to imprisonment for from three months to one year and a fine of from twenty million to two hundred million lire. If the aforesaid offence is committed in the conduct of business, offenders' licences shall be suspended for from a minimum of four to a maximum of twelve months.

- ***Art. 3 (2) (1), of Law no. 150/1992***

1. The offences envisaged by article 16 (1) (a), (c), (d), (e) and (l) of Regulation EC no. 338/97 of the Council dated 9 December 1996 and subsequent amendments, concerning the faking or modification with false data of certificates, licences, import registrations, declarations or the provision of information for the purposes of acquisition of a licence or certificate, or the use of fake or falsely modified certificates or licences, shall incur the penalties contained in book II, title VII, section III of the Italian Penal Code.

- ***Art. 6 (4) of Law no. 150/1992***

4. Anyone breaching the provisions of point 1 shall be liable to imprisonment for up to three months or a fine of from fifteen million to two hundred million lire.

CRIMINAL OFFENCES RELATING TO THE OZONE LAYER AND THE ENVIRONMENT

- ***Termination and reduction of the use of ozone depleting substances (art. 3 (6) of Law no. 549/1992)***

6. Anyone breaching the provisions of this article shall be liable to imprisonment for up to two years and a fine of up to three times the value of the substances used in production, imported or offered for sale. In the most serious cases, a guilty verdict shall lead to withdrawal of the authorisation or licence under which the illegal activity was conducted.

CRIMINAL OFFENCES RELATING TO POLLUTION CAUSED BY SHIPS

- ***Pollution with criminal intent (art. 8 of Legislative Decree no. 202 / 2007)***

1. Unless the offence constitutes a more serious crime, the Commander of any vessel, operating under any flag, and the members of the crew, the owner and the operator of the vessel, if the offence is committed with their collusion, which breaches the provisions of art. 4

with criminal intent shall be liable to imprisonment for from six months to two years and a fine of from Euro 10,000 to Euro 50,000.

2. If the offence referred to in point 1 causes permanent or particularly serious damage to water quality, plant or animal species or parts of the same, the punishment shall be imprisonment for from one to three years and a fine of from Euro 10,000 to Euro 80,000.

3. Damage shall be classified as particularly serious when the elimination of its consequences is particularly complex from the technical point of view, particularly expensive, or only possible with the aid of exceptional measures.

- ***Pollution through criminal negligence (art. 9 of Legislative Decree no. 202 / 2007)***

1. Unless the offence constitutes a more serious crime, the Commander of any vessel, operating under any flag, and the members of the crew, the owner and the operator of the vessel, if the offence is committed with their collusion, which breaches the provisions of art. 4 with criminal intent shall be liable to imprisonment for from six months to two years and a fine of from Euro 10,000 to Euro 50,000.

2. If the offence referred to in point 1 causes permanent or particularly serious damage to water quality, plant or animal species or parts of the same, the punishment shall be imprisonment for from one to three years and a fine of from Euro 10,000 to Euro 80,000.

3. Damage shall be classified as particularly serious when the elimination of its consequences is particularly complex from the technical point of view, particularly expensive, or only possible with the aid of exceptional measures.

Penalties incurred by the organisation under Legislative Decree no. 121/2011

Fines are payable in all cases in which the organisation is judged to be responsible. The Decree envisages three categories of gravity of the offence, as detailed below:

- fine of the value of from 150 to 250 shares for offences punishable by up to two years' imprisonment;
- fine of the value of up to 250 shares for offences punishable by a fine or up to one year's imprisonment, or up to two years' imprisonment (in combination with a fine);
- fine of the value of from 200 to 300 shares for offences punishable by up to three years' imprisonment.

This classification does not include offences covered by art. 260 (1) of Law 152/06 (Consolidated Law on the Environment), for which the most severe punishments are only applied, as described below, for the organised illegal trade in waste:

- fines of the value of from 300 to 500 shares.

The debarring (under art. 9 (2) of Legislative Decree 231/01) of legal persons is only envisaged in the following cases:

1) art. 137 (2), (5 second section) and (11) of Legislative Decree no. 152/2006;

2) art. 256 (3 second section) of Legislative Decree no. 152/2006;

3) art. 260 (1) and (2) of Legislative Decree no. 152/2006;

In these cases only, therefore, the same measures may be enforced in relation to the legal person as a precautionary measure under articles 45 and following articles of Legislative Decree no. 231/01.

The most serious punishment envisaged by Legislative Decree no 231/01, i.e. definitive debarring from business under art. 16 (3), is only envisaged if the legal person or one of its

organisational activities is permanently used for the sole or main purpose of enabling or facilitating the commission of the offences involving criminal association for waste trafficking (art. 260 (1) and (2) of Legislative Decree no. 152/2006).

15. Offence of employment of non-EU nationals who are not legally resident (art. 25 - 12 of Legislative Decree no. 231/01)

Art. 2 of Legislative Decree no. 109 of 16 July 2012 added the offence of "***Employment of non-EU nationals who are not legally resident"*** to art. 25 - 12 of Legislative Decree 231/01, which envisages that if this offence is committed, the organisation will be liable to a fine of the value of from 100 to 200 shares, with a limit of Euro 150,000.

This offence is governed by art. 22 (12-2) of Legislative Decree no. 286 of 25 July 1998 (Consolidated Law on immigration and legislation on the status of foreigners):

- **Employment of non-EU nationals who are not legally resident**

The punishments for the offence envisaged by art. 22 (12) of Legislative Decree no. 286 of 25 July 1998, in which "*An employer who employs foreign workers who do not hold the residence permits required under this article, or whose permits have expired without submission of a renewal application within the legal term, or have been withdrawn or cancelled, shall be punishable by imprisonment for from six months to three years and a fine of 5000 Euro for each worker employed*" - shall be increased by from a third to a half:

a) if more than three workers are employed;

b) if the workers employed are juveniles below working age;

c) if the workers employed are subjected to the other employment conditions classified as exploitative under article 603 (2) of the Italian Penal Code.

ANNEX B: Reference Guidelines

The Company has drawn up this Model with reference to the Confindustria Guidelines, which are outlined below:

The points which the Guidelines establish as fundamental for the creation of a model can be summarised as:

- Identification of the **risk areas**, to specify the areas/sectors of the company's operations in which offences may be committed.
- Creation of a control system to prevent risks through the adoption of specific procedures.

The main parts of the control system as conceived by Confindustria are:

- code of ethics;
- organisational system;
- manual and IT procedures;
- authorisation and signatory powers;
- management and control systems;
- staff information and training.

The constituent parts of the control system must be based on the following principles:

- every operation must be verifiable, documentable, consistent and congruent;
- the principle of separation of functions must be applied (no-one can handle an entire process on their own);
- documentation of controls;
- provision of a suitable disciplinary system for breach of the code of ethics and the procedures established by the Model.
- Specification of the prerequisites of the supervisory body, which can be summarised as follows:
- autonomy and independence;
- professionalism;
- continuity of action;
- honourableness and absence of conflicts of interest.
- Characteristics of the Supervisory Body (composition, function, powers, etc.) and the relative reporting obligations.

To ensure that it has the necessary decision-making autonomy and independence, the Supervisory Body must not be assigned operational tasks which would involve it in operating decisions and activities and thus undermine its objectivity of judgement when performing audits on behaviour and the Model.

Under the Guidelines, the Supervisory Body may consist of just one or several members. The choice between the two solutions must consider the aims of the legislation, and thus ensure effective control, bearing in mind the size of the organisation and the complexity of its structure.

In the event that the Supervisory Body consists of several members, they may be from inside and outside the organisation, provided each of them meets the autonomy and independence criteria set out above. However, if the Supervisory Body comprises a combination of members from inside and outside the organisation, since the internal members' complete independence of the organisation cannot be guaranteed, the Confindustria Guidelines require the body's level of independence to be assessed overall.

With regard to its legal competences, considering that the relevant legislation consists basically of an item of criminal law, and that the Supervisory Body's activities are intended to prevent the commission of offences, knowledge of the structure and modes of commission of the offences concerned is essential, and the Supervisory Body can also be provided with this knowledge by internal resources or external advisers.

On this head, with regard to all topics relating to occupational health and safety, the Supervisory Body is required to draw on the assistance of all the resources assigned to manage the various aspects (as already mentioned, the RSPP – Occupational Health and Safety Manager, ASPP – Health and Safety Service Staff, RLS – Workers' Health and Safety Representative, MC – Company Medical Officer, first aid staff and company fire team members).

Within groups of companies, organisational solutions in which the functions of Legislative Decree 231/01 are performed by the Parent Company are permitted, provided that:

- each controlled entity establishes its own Supervisory Body (although this function can be attributed directly to the controlled entity's governing body if it is small in size);
- the Supervisory Body established by the controlled entity must be able to use the resources assigned to the same organisation within the Parent Company;
- when performing audits on other Group companies, employees of the Parent Company's Supervisory Body act as external professionals operating on behalf of the controlled entity, and report directly to its Supervisory Body.

Naturally, the decision not to follow some recommendations in the Guidelines when creating the Model does not adversely affect its validity. Since the individual Model was drafted with regard to the specific circumstances of the company's operations, it may well differ from the Guidelines, which are inevitably of a general nature.