



**Organisation, Management and
Control Model**
for crime prevention,
ex Legislative Decree 231/01

General Part



Organisation, Management and Control Model
for the prevention of offences, pursuant to Legislative
Decree 231/01
GENERAL PART

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DESCRIPTION OF CHANGES 31



1 PRELIMINARY REMARKS

1.1 Legislation

The D.Lgs. June 8, 2001, no. 231 (hereinafter referred to as the Decree), containing the "*Regulations governing the administrative liability of legal persons, companies and associations, including those without legal personality*", introduced for the first time in Italy the liability of entities for certain offences committed in their interest or to their advantage, by persons who hold positions of representation, administration or management of the entity (so-called top management position) or one of its organisational units with financial and functional autonomy, as well as by persons who exercise, also de facto, the management and control thereof and, finally, by persons subject to the management or supervision of one of the above mentioned persons. This responsibility is in addition to that of the natural person who materially performed the act.

For offences committed, a pecuniary sanction is always applied; for the most serious cases there are also disqualification measures such as the suspension or revocation of licences and concessions, the prohibition to contract with the Public Administration, the prohibition to carry on business, the exclusion or revocation of loans and contributions, the prohibition to advertise goods and services.

Following the issue of this decree, the Legislator has, on several occasions, extended the list of offences attributable to the entity, in a continuous regulatory evolution that increasingly extends its scope of application.

1.2 The legal framework

Legislative Decree no. 231 of 8/6/2001 is part of the broad movement to combat international corruption which has imposed on the member states, including Italy, the assumption of effective means of repression and prevention of crime involving the economic sector.

The need to protect and guarantee the security of the global market, together with the transformation of the company's organisational structure, have led the international community to seek solutions to create a system capable of combating illegal conduct and identifying the specific responsibilities of companies.



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The involvement of legal persons, both in the prevention policy and in the responsibility for the conduct of the individual persons within their organisation, is a necessary step to ensure fairness and sustainability of the market.

The liability of legal persons (so-called entities) introduced into the Italian legal system is of a distinctly criminal nature, despite the fact that it has been expressly defined as "*administrative*" by Legislative Decree 231/2001.

There is a mixed liability of a mixed nature, still partly unknown in the national legal system: in fact, the peculiar characteristics of criminal liability coexist with administrative liability, while the criminal procedural system is adopted for the purposes of its ascertainment and the consequent imposition of the sanction.

The legislative provision, if on the one hand it imposes a strict penalty scheme, on the other hand it provides for a clear mitigation of such severity for the entity that has implemented effective systems of prevention of the crimes from which the liability of legal persons derives.

The aim is to encourage legal persons to equip themselves with an internal organisation capable of preventing misconduct and/or criminal behaviour. The body, in fact, is not liable for sanctions if it proves that it has adopted the measures, indicated by the legislator itself, which are presumed to be suitable for the prevention function.

There are three essential conditions for the liability of the entity to be configurable:

- 1) an offence has been committed to which the law links the liability of the entity;
- 2) the offence was committed in the interest or to the advantage of the entity itself;
- 3) the perpetrator of the crime is a subject in a so-called "top management" position, pursuant to Article 5, letter a) or is a "subordinate", pursuant to Article 5, letter b).

The liability of the entity, therefore, derives from offences committed by persons belonging to it, if such offences are indicated in the decree or, on the basis of the provisions of art. 2, if its liability is provided for by another law that came into force before the fact was committed. In fact, Article 5, paragraph 1 letters a) and b) of Legislative Decree 231/2001 identifies the categories of natural persons who, by committing crimes, cause the *administrative liability* of the company in which or for which they operate.



The first category is that of those who hold positions of representation, administration or management of the company or one of its organisational units with financial and functional autonomy as well as persons who exercise, also de facto, the management and control of the same (persons in *top management* positions).

The second category includes persons subject to the management or supervision of a person in a senior position (*subordinates*).

Therefore, Legislative Decree 231/2001 differentiates the discipline of the imputation criterion according to whether the offence is committed by a person in a senior position or by a subordinate.

In the first case, in fact, there is a reversal of the burden of proof on the company, which "... is *not liable if it proves* "... to have adopted and effectively implemented before the commission of the crime by the person in top position a model of organisation and management suitable to prevent crimes of the type that has occurred.

Furthermore, it is clarified that it is the burden of proof that an internal body with autonomous powers of initiative and control has been set up, entrusted with the task of supervising compliance with the organisational models and promoting their updating (see art. 6, paragraph 1, letter b).

Finally, the company is called upon to prove that the person in top position has committed the crime "... *by fraudulently evading*... "... the organisational and management models adopted and effectively implemented (see art. 6, paragraph 1, letter c).

The regulation of the hypothesis in which the crime is committed by a "*person subject to the management of others*", contained in art. 7 shows that no inversion of the *onus probandi* is provided for, so that the demonstration of the failure to adopt or ineffective implementation of the prescribed organisational model burdens the public prosecution.

In this way it is possible to outline the structure of the entity's exemption from liability.

Considering the Article 5, paragraph II, of Legislative Decree 231/2001, no liability is accepted if the active parties have acted in their own exclusive interest or that of third parties. Furthermore, Article 6 specifies that the company shall not be liable if it proves that:



- the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models suitable for preventing offences of the type that occurred, or
- a body with autonomous powers of initiative and control has been entrusted with the task of supervising the operation of and compliance with the models and keeping them up to date; or
- persons have committed the offence by fraudulently circumventing organisational and management models, or
- there has been no omitted or insufficient supervision by this body.

Recalling the fundamental principles of guarantee in criminal matters, such as the principle of legality and the principle of non-retroactivity of criminal law, dictated by Article 25 of the Constitution, Article 2 introduces the fundamental theme of the crimes to which the liability of entities is connected.

Article 7, paragraph 4, of Legislative Decree 231/01 also defines the requirements for the effective implementation of organisational models:

- the periodic verification and possible modification of the model when significant violations of the prescriptions are discovered or when changes occur in the organization and in the activity;
- a suitable disciplinary system to sanction non-compliance with the measures indicated in the model.

2 THE TYPES OF OFFENCES

The types of offences that today may give rise to the administrative liability of the company, if committed in its interest or to its advantage by the persons mentioned above, are expressly referred to in *Articles 24, 24-bis, 24-ter, 25, 25-bis, 25-bis.1, 25-ter, 25-quater, 25-quater.1, 25-quinquies, 25-sexies and 25-septies, 25-octies, 25-novies, 25-decies, 25-undecies, 25-duodecies, 25-terdecies, 25 quaterdecies and 25 quinquesdecies* of Legislative Decree 231/01, as well as Law 146/06 and Legislative Decree 58/98 (TUF).



Below is a list of the types of offences currently covered by the Decree's catalogue of offences.

2.1 Offences against the Public Administration

The Decree refers, first of all (Articles 24 and 25), to crimes committed in relations with the Public Administration, such as aggravated fraud, undue receipt of financing, corruption in acts or duties of office, etc..

2.2 Delicts relating to counterfeit coins, public credit cards and revenue stamps

Art.6 of Law no. 409 of 23 November 2001 has included in the Decree art.25-bis, on the subject of "forgery of coins, public credit cards and revenue stamps".

2.3 Corporate offences

Legislative Decree no. 61 of March 28, 2002 integrated the Decree with art. 25-ter (later amended by Law no. 262 of December 28, 2005, which included art. 2629 bis of the Italian Civil Code, regarding the failure to communicate conflicts of interest), which provides for the punishment of so-called corporate crimes.

Article 174-bis of Legislative Decree no. 58/1998 (introduced by Article 35 of the aforementioned Law no. 262/2005) provides for a special case of the crime of falsehoods in the reports or communications of auditing firms when it concerns (among others) companies with listed shares or controlled by them, establishing for these companies a penalty regime distinct from that governed by Article 2624 of the Civil Code, with the consequent inapplicability of the Decree.

2.4 Terrorism and subversion

Art. 3 of Law no. 7 of January 14, 2003 introduced in the Decree, with art. 25-quater, the punishability of the entity in relation to the commission of crimes with the purpose of terrorism and subversion of the democratic order provided by the Criminal Code and Special Laws.



2.5 Delicts against the individual personality

Article 5 of Law No. 228 of August 11, 2003 has included in the Decree Article 25-quinquies relating to the commission of crimes such as reduction or maintenance in slavery or servitude, child prostitution and pornography, possession of pornographic material, etc..

Law no. 7 of 9 January 2006 also inserted art.25-quater.1, sanctioning the entities in whose structure the crime referred to in art.583-bis of the Italian Criminal Code is committed in relation to female genital mutilation practices.

Art. 6 of Law no. 199 of 29 October 2016 (known as the "Corporate Law") has included in art. 25-quinquies also the crime of illegal intermediation and exploitation of labour under art. 603-bis of the Italian Criminal Code.

2.6 Market abuse

Art.9 of Law no. 62 of 18 April 2005 integrated the Decree with art.25-sexies concerning the crimes of insider trading and market manipulation (articles 184 and 185 of Legislative Decree no. 58/1998).

2.7 Transnational offences

Law no. 146 of 16 March 2006 (Ratification and implementation of the United Nations Protocols Convention against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001) introduced the definition of transnational crime (art.3), considering it an offence punishable by imprisonment of no less than a maximum of four years, if an organized criminal group is involved:

- is committed in more than one state;
- or is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State;
- or is committed in one State, but involves an organised criminal group engaged in criminal activities in more than one State;
- or is committed in one State but has substantial effects in another State.

The same Law (art.10) has extended the administrative liability of entities in relation to transnational crimes, for which the provisions of the Decree apply.



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Note: *The cases in question are as follows: criminal association (Article 416 of the Criminal Code); mafia-type association (Article 416a of the Criminal Code); criminal association for the purpose of smuggling foreign processed tobacco (Article 416a of the Criminal Code); criminal association for the purpose of smuggling foreign processed tobacco (Article 416a of the Criminal Code). 291-quater Presidential Decree 43/1973); association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (art. 74 Presidential Decree 309/1990); money laundering (art. 648-bis of the Italian Criminal Code); use of money, goods or benefits of illicit origin (art. 648-ter of the Italian Criminal Code); acts aimed at procuring entry into the territory of the State in violation of the provisions concerning immigration regulations and regulations on the condition of foreigners (art. 12 paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286/1998); induction not to make statements or to make false statements to the judicial authorities (art. 377-bis of the Italian Criminal Code); personal aiding and abetting (art. 378 of the Italian Criminal Code).*



2.8 Manslaughter and serious or very serious negligent injury

Art.9 of Law no. 123 of August 3, 2007 integrated the Decree with art.25-septies, later modified by art.300 of Legislative Decree no. 81/2008 (so-called "Test or Single Safety Test"), concerning the crimes of manslaughter and serious or very serious injuries committed in violation of accident prevention regulations and the protection of hygiene and health at work.

2.9 Receiving, laundering and use of money, goods or benefits of unlawful origin, self laundering

Legislative Decree no. 231 of 21 November 2007 introduced into the Decree, with art.25-octies, the regulations concerning the prevention of the use of the financial system for the purpose of money laundering and the financing of terrorism. It follows that the entity may be punishable for the crimes of receiving stolen goods, money laundering and use of illicit capital, even if carried out in a purely national context, provided that an interest or an advantage for the entity derives from it.

Subsequently, with Law no. 186 of 15 December 2014, which came into force on 1 January 2015, the new offence of self laundering was introduced into the Italian legal system. At the same time as it was included in the Italian Criminal Code (Article 648-ter), this offence was also included in Article 25-octies of Legislative Decree 231/01, thus becoming part of the relevant catalogue. With this measure, the Legislator intends to combat the unlawful conduct of persons who use money originally intended for the payment of taxes or duties, for reinvestment activities in their company, even if with the aim of strengthening production structures and, at most, generating new employment.

2.10 Cyber crimes and unlawful data processing

Law no. 48 of 18 March 2008 included in the Decree art. 24-bis concerning computer crimes and unlawful data processing, such as falsification of computer documents, unlawful possession and dissemination of access codes to computer or telematic systems, dissemination of equipment, devices or computer programs intended to damage or interrupt a computer or telematic system, damage to information, data and computer programs, etc..



2.11 Counterfeiting, alteration or use of trademarks, distinctive signs, patents, models and designs

Law no. 99 of 23 July 2009 introduced art. 25 bis, providing for liability also for falsity in the signs of recognition, as the underlying crime is also those provided for in Articles 473 of the Italian Criminal Code (Counterfeiting, alteration or use of trademarks or distinctive signs, or of patents, models and designs) and 474 of the Italian Criminal Code (Introduction into the State and trade in products with false signs). These last provisions have also been amended by the Law in question.

2.12 Delicts against industry and trade

Law no. 99 of 23 July 2009 introduced art. 25 bis.1, providing for the liability of the Entity for the violation of articles 513 C.P. (Distorted freedom of industry and trade), 515 C.P. (Fraud in the exercise of trade), 516 C.P. (Sale of non-genuine food substances as genuine), 517 C.P. (Sale of industrial products with mendacious signs), 517 ter C.P. (Manufacture and trade of goods made by usurping industrial property rights), 517 quater C.P. (Counterfeiting of geographical indications or origin of food products), 513 bis C.P. (Illegal competition with threats or violence) and 514 C.P. (Fraud against national industry).

2.13 Copyright infringement offences

Law no. 99 of 23 July 2009 introduced art. 25 novies, entitled "Copyright infringement offences", providing for the liability of the Company for the violation of a series of rules set out in Law no. 633 of 1941.

2.14 Environmental offences

Legislative Decree no. 121/2011 introduced into the Decree art. 25-undecies concerning numerous cases of environmental crimes, such as environmental disaster or environmental pollution (introduced by Law no. 68 of 22 May 2015), unauthorized waste management, unauthorized discharges and emissions, etc..



2.15 Employment of foreign workers

Legislative Decree no. 109/2012 introduced in the Decree art. 25-duodecies concerning "employment of third country nationals whose stay is irregular, providing for the liability of the Company in relation to the commission of the crime referred to in Article 22, paragraph 12-bis, of Legislative Decree 286/98.

2.16 Sports fraud

Law 39/2019 introduced in the Decree art.25-quaterdecies concerning the "protection of fairness in the conduct of sporting events", as per Law 13/12/1989, no. 401, paragraphs 1 and 4.

2.17 Tax offences

Law 157/2019 introduced in the Decree art.25-quinquesdecies concerning various tax offences covered by Law 74 of 10/02/2000. In detail, these are false invoicing, concealment and destruction of accounting documents, etc..

The complete list of offences included in catalogue 231 is given in the "Table of offences". The list of offences defined as applicable to the OMT reality is reported in the collection of attachments, in the position Annex A.

3 THE EXEMPTING CONDITION

Pursuant to art. 6 of the Decree, the entity may be exempted from its liability if it proves, during criminal proceedings for one of the offences considered, that it has adopted and effectively implemented, prior to the commission of the offence, models of organisation, management and control suitable for preventing the commission of said criminal offences (hereinafter the Model).

This system provides for the establishment of an internal control body within the entity, called the Supervisory Body (SB), with the task of supervising the functioning and updating of the Model. In order for this Model to be truly effective, it is necessary that the entity also establishes a disciplinary system suitable for sanctioning non-compliance with the measures of the Model itself.



4 CONFINDUSTRIA GUIDELINES

This Model has been prepared on the basis of the "Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree no. 231/2001". (edition updated to March 31, 2008), issued by CONFINDUSTRIA and approved by the Ministry of Justice, which can be summarized and schematized as follows:

- identification of the areas of risk aimed at verifying in which area of the company it is possible to carry out the prejudicial events provided for by the Decree;
- the preparation of a control system capable of preventing risks, the most relevant components of which are:
 - code of ethics;
 - organizational system;
 - manual and IT procedures;
 - powers of authorization and signature;
 - control and management systems;
 - communication to staff and their training.

The components of the control system must be aligned with the following principles:

- verifiability, documentability, consistency and congruence of each operation;
- separation of functions (no one should be able to manage an entire process independently);
- documentation of the controls;
- Provision of an adequate system of sanctions for the violation of the rules of the code of ethics and the procedures provided for by the model;
- identification of the requirements of the Supervisory Body (SB), which can be summarised as follows:
 - autonomy and independence;
 - professionalism;
 - continuity of action.

The Guidelines drawn up by CONFINDUSTRIA are general and not absolute but are not binding, as this Organizational Model has been built on the basis of company reality.



Therefore, it is possible that, in some points, it may deviate from the Guidelines taken as reference.

5 THE OMT MODEL

5.1 Model Objectives

The adoption of the Model has the objective of increasing the level of internal control by significantly limiting the risk of committing the crimes described above; at the same time, the Model aims to put OMT in a position to benefit from the exemption provided for by the provisions of Legislative Decree 231/2001.

The Model, together with the Code of Ethics, is a tool for raising awareness and involvement of all *stakeholders* and aims to determine a full awareness in these subjects, with regard to the seriousness in case of the commission of a crime and the consequences under criminal law.

The Model therefore has the function of:

- to allow the identification of the activities carried out by the individual company functions which, due to their particular type, may entail a crime risk;
- analyse the potential risks with regard to the possible ways in which the offences may be committed in relation to the internal and external operating context in which the company operates;
- evaluate the effectiveness of the system of preventive controls and, if necessary, adapt it to ensure that the risk of offences being committed is reduced to an acceptable level;
- promote the definition of a system of rules that establishes general (Code of Ethics) and specific (Special Parts, procedures, operating instructions) lines of conduct aimed at regulating company activities in sensitive areas and processes;
- define a system of authorisation and signature powers that guarantees a precise and transparent representation of the company's decision-making and implementation process;
- structure a control system capable of promptly reporting the existence and occurrence of general and/or particular critical situations;
- establish communication channels and training initiatives for personnel, capable of providing adequate information regarding the Code of Ethics, authorization



powers, hierarchical dependencies, procedures, information flows and everything that contributes to giving transparency to the company's activities;

- attribute to a Supervisory Body the specific competences regarding the control of the effective functioning, adequacy and updating of the Model;
- establish a system of sanctions relating to the violation of the provisions of the Code of Ethics and the procedures provided for or explicitly referred to in the Model;
- to prepare the organisational and operational conditions for a possible system of encouragement with which to formally and tangibly acknowledge the positive and proactive contribution of anyone working to improve crime prevention.

5.2 Adoption of the Model

On 10 December 2013 the Board of Directors of OMT approved and adopted this Model; on the same date the Supervisory Body (SB) was also appointed.

The SB has the task of supervising compliance with this Organisational Model and updating it in the manner described below.

Its constant application will make it possible to eliminate, or at least reduce to a minimum, the risk of committing the offences provided for, also allowing to benefit from an exempt case, as provided for by the Decree.

5.3 Map of applicable offences

The OMT's Organisational Model at the time of its initial definition and implementation considers the offences identified in the "*Map of applicable offences*" reported in Attachment A to this general part and summarised below:

- **offences committed against the Public Administration**, as per articles 24 and 25 of Legislative Decree 231/01. (Articles added by Legislative Decree no. 231/2001 and amended by Law no. 190/2012, Law no. 161 of 17 October 2017 and Law no. 3 of 9 January 2019)
- **cyber crimes and unlawful processing of data**, pursuant to art. 24-bis of Legislative Decree 231/01 introduced by Law no. 48 of 18 March 2008 (amended by Legislative Decree no. 7 and 8/2016)



- **crimes against industry and trade**, pursuant to art. 25bis-1 of Legislative Decree 231/01 introduced by Law no. 99 of 23 July 2009;
- **corporate offences** pursuant to art. 25ter of Legislative Decree 231/01, inserted by Legislative Decree no. 61 of 11 April 2002;
- **offences against the individual** as per Article 25quinquies of Legislative Decree 231/01, introduced by Law no. 228 of 11 August 2003 and amended by Law no. 199 of 29 October 2016;
- offences relating to **copyright infringement**, as per art. 25novies of Legislative Decree 231/01, introduced by Law no. 99 of 23 July 2009;
- **receiving stolen goods, money laundering and use of goods of illegal origin, self-laundering** as per art. 25octies of Legislative Decree 231/01, introduced by Legislative Decree no. 231 of 21 November 2007 and Law no. 186 of 15 December 2014 (self-laundering)
- **organised crime** offences, as per art. 25ter of Legislative Decree 231/01, introduced by Law no. 94 of 15 July 2009;
- **induction not to make statements or to make false statements to the Judicial Authority**, as per art. 25decies of Legislative Decree 231/01, introduced by Law no. 116 of August 3, 2009;
- **employment of foreign citizens with irregular residence**, as per art. 25-duodecies, introduced by Legislative Decree no. 109 of 16 July 2012 (amended by Law no. 161 of 17 October 2017)
- **culpable homicide and serious or very serious negligent injuries** committed in violation of the accident prevention regulations and the protection of hygiene and health at work (Articles 589 and 590, paragraph 3, of the Criminal Code), introduced into Legislative Decree 231/01 (Article 25-septies) by Law 123/07, then amended by Law 11 January 2018, No. 3);
- **Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited equipment**, as per articles 1 and 4 of Law no. 401 of 13 December 1989, introduced into Legislative Decree no. 231/01 (art. 25-quaterdecies) by Law no. 39 of 3 May 2019;
- **tax offences** pursuant to art. 25-quinquesdecies and regulated by Law no. 74 of 10/03/2000, introduced into Legislative Decree no. 231/01 by Law no. 157/2019;



- **environmental crimes** pursuant to art. 25-undecies, introduced by Legislative Decree 121/2011, implementing Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC. The liability of Entities is therefore extended for crimes committed pursuant to Articles 727-bis and 733-bis of the Italian Criminal Code, as well as for some crimes pursuant to Legislative Decree 152/06 (Environmental Consolidation Act, Articles 137, 256, 257, 258, 259, 260, ~~260-bis~~, 279), as well as for the crimes provided for by Law no. 150 of 07/02/1992 (Articles 1 and 2). and 3-bis), Article 3, paragraph 6, of Law no. 549 of 28/12/1993, and Legislative Decree no. 22/07 (Articles 8 and 9) (articles amended by Law no. 68/2015 and Legislative Decree no. 21 of 01/03/2018).
- **racism and xenophobia** referred to in Article 25-terdecies, introduced by Law no. 167 of 20 November 2017 (amended by Legislative Decree no. 21 of 1 March 2018), to combat any form of racial discrimination.

5.4 Sensitive processes

Processes and activities whose decision-making and operational flows may constitute the ground for the commission of offences considered within this Organisational Model are considered *sensitive*. Sensitive processes and activities, as well as their decision-making and operational phases that may generate offences, are identified through a *risk analysis* whose purpose is to identify the decision-making and operational phases in which the offences referred to in the previous point may be committed.

Sensitive processes are listed in the Special Parts of this Model.

5.5 General behavioural principles and preventive protocols

In order to prevent the offences referred to in point 5.3, the behaviour of all company personnel, consultants, partners, suppliers and all those who for any reason interact with it must comply with the provisions of company regulations, this Model and the Code of Ethics (Annex C). In particular, a system of protocols is prepared to effectively prevent the possibility of crimes being committed in relation to the sensitive processes identified. This system of protocols is described in the Special Parts of the Model, procedures and operating instructions of the Integrated Management System.



6 KEY ELEMENTS OF THE OMT MODEL

6.1 The organisational structure

OMT has an organisational structure divided into corporate functions (Annex B), each with its own tasks and related responsibilities. This structure also responds to specific operational requirements for the primary and support processes put in place to achieve the company's objectives.

OMT uses the following tools for the allocation of functions, tasks and responsibilities:

- **proxy** - is the internal act of attribution of specific functions and tasks of the delegating party to a delegated party of ascertained competence. The delegate performs the assigned functions with organisational, decision-making and economic autonomy appropriate to the scope specified in the proxy. The delegating party is relieved of the charges of the delegated functions, without prejudice to the obligation to supervise the proper performance of the functions by the delegated party;
- **power of attorney** - is the legal transaction by which the Company grants powers of representation to third parties. Where necessary, the power of attorney is accompanied by specific communications setting out the extent of these powers and, if necessary, the limits of expenditure, while at the same time recalling compliance with the constraints imposed by the budget approval processes and any extra-budgets;
- **appointment** - formal instrument for the assignment of specific functions, tasks and responsibilities of persons holding a position within the company hierarchy, or holding operational tasks for which specific personal skills, experience, abilities or abilities are required. The existence of the appointment also has the function of excluding all other persons from the role that is the subject of the appointment;
- **designation** - instrument for the assignment of an assignment for which there is no provision for refusal, except for a justified reason, usually directed to persons responsible for ensuring the continuity of operations, the safety of persons and the protection of company assets in critical situations. The designation is also used as an expression of the will to represent the company.



The organisational structure is updated as a result of changes affecting the Company. Each assignment of functions, tasks and responsibilities is expressed in writing, in compliance with the provisions of the law and defines specifically and unequivocally the management and organisational powers, spending powers, operational areas of intervention, supervisory obligations, reporting duties to the delegating functions.

6.2 The system of controls

OMT's Organisational Model provides for the implementation of a system of controls divided into various activities, the purpose of which is to intercept voluntary or negligent violations of the Code of Ethics and of the procedures to combat the crimes provided for within the model itself. The key elements of the control system are

- **authorisation of expenditure** - represents the implementation of the principle of separation between the person dealing with a good or service and the person authorising the expenditure. In order to avoid removing fluidity from the company's operations, the authorisation to spend is applied to goods and services that do not fall within the spending powers of the various delegated parties, such as investment property, the purchase of machinery, plant or instruments of great value, etc.;
- **supervision of economic transactions** - is the privileged instrument with which delegating parties exercise surveillance over their delegates, with regard to the correctness of the exercise of the delegation itself and the related spending powers. The supervision of transactions can be exercised with the contribution of the corporate functions in charge of administration and accounting;
- **accessibility to records** - is based on the transparent preservation of documents attesting to the implementation of sensitive processes and activities, and in particular related cash flows. Transparency is achieved through the archiving of these documents in the relevant functions, other than those that have intervened in various ways in decisions relating to sensitive processes and activities;
- **internal audits** - this is a systematic and continuous activity, conducted by qualified personnel on the basis of predefined plans and programmes, aimed at verifying the degree of application of the provisions of current legislation, the Code of Ethics, the Organisational Model and the Integrated Management System.



Internal audits are conducted through objective evidence gathered through examination of documents, interviews, direct observations, etc.. The internal audit reports (*audit reports*) are transmitted and discussed with the functions responsible for the processes examined; a copy of the *audit reports* is transmitted to the Supervisory Body. The elements of the Model subject to audit are indicated in Annex G.

6.3 The prevention system for safety and the environment

Due to the culpable nature of offences relating to safety and the environment, the prevention system must provide for specific and systematic operational and control procedures aimed at instilling awareness and thus generating responsible behaviour.

For these reasons, OMT's Organisational Model also includes the provisions of the Integrated Management System for the Environment and Safety.

The Model also represents the response to what is indicated in art. 30 of Legislative Decree 81/08: with the adoption of the Model, OMT intends to distance itself from the condition of "reprehensibility" (as defined by jurisprudence) of companies that do not adopt effective measures to prevent accidents and occupational diseases.

The organisational structure described in point 6.1 shall take account of the tasks and responsibilities relating to health and safety at work and environmental protection requirements.

At the top is the Employer, who has the indelegable task of assessing all risks and adopting the necessary prevention and protection measures, as well as appointing the Head of the Prevention and Protection Service.

The Employer carries out his duties of protection of workers and the environment through the organization and the division of tasks and functions among the figures provided for by the legislative framework, and more specifically Managers and Supervisors who are assigned respectively organizational and supervisory obligations.

The workers themselves are directly responsible for their own safety and that of the other persons present in the workplace in accordance with the training, instructions and means provided to them.



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This structure is flanked by the Competent Doctor and the Prevention and Protection Service, who assist the Employer in the risk assessment and in the elaboration and application of a correct and effective accident prevention system.



In order to further spread a work culture based on safety and respect for the environment, OMT has implemented an Integrated Management System for the Environment (in accordance with ISO 14001) and for safety (in accordance with ISO 45001:2018); this second measure is in line with the indications of current legislation on health and safety at work (art.30, paragraph 5, Legislative Decree no. 81/2008).

6.4 The Documentary Implantation

The OMT's Organisational Model is documented by means of this "General Section" and by individual "Special Sections" prepared for the applicable categories of offence and reported in point 5.3. The Special Parts are set out in the Annexes to this General Section. Each Special Part contains:

- the list of offences covered by it as deemed applicable;
- sensitive processes relating to the offences indicated;
- the behaviours and/or procedures to be implemented to reduce the risk of crime;
- the flow of information intended for the SB;
- surveillance, control and monitoring of sensitive processes.

The special parts may contain references to procedures implemented within the Integrated Management System or to consolidated company practices.

The following documents are also an integral part of the Model:

- the Code of Ethics;
- the Disciplinary System;
- the Integrated Management System Manual and related documents (procedures, instructions, internal specifications, etc.), for the parts of interest;
- the functional organization chart;
- the documents of appointment, delegation, power of attorney or designation.

6.5 The reporting system

OMT's Organisational Model applies the so-called "*whistleblowing*" discipline by promoting and supporting initiatives to report illegal or suspicious conduct, provided that such reports are based on precise, consistent and detailed facts; moreover, reports must concern facts that may compromise the integrity of the company and its Organisational and Management Model.



The signalling system has the following features

- guarantees the confidentiality of the reporting entity. This is done both by means of IT tools, through the electronic mailbox under the exclusive competence of the Supervisory Body, and through the "*suggestion box*" set up in the canteen premises for the collection of reports, also anonymously, which can be formalised on the traditional paper vehicle, in a sealed envelope addressed to the SB;
- guarantees the protection of the reporting person, if their identity is known, protecting the same person from any retaliation or discriminatory or harassing behaviour that may be implemented as a result of the report;
- applies appropriate disciplinary sanctions against anyone who adopts discriminatory, harassing or punitive behaviour towards those who have reported offences;
- also applies appropriate disciplinary sanctions against persons who make false or biased reports, with intent or gross negligence.

7 THE SUPERVISORY BODY

7.1 Name composition and term in office

Pursuant to art. 6 of the Decree, it is necessary to identify an internal body with autonomous powers of initiative and control, with the task of supervising the functioning and observance of the Model and updating it.

In compliance with this requirement, the Board of Directors appointed the Supervisory Body at the same time as approving the Model.

The SB of OMT consists of one to three members, (in the latter case the SB itself will appoint the Chairman), and remains in office for three years or until it is revoked by the Board of Directors. The Board of Directors has the power to provide for the SB to remain in office until the expiry of the mandate of the Board of Directors that appointed it.



The characteristics of the members of the Supervisory Body are such that the Body itself is suitable to carry out the activities of supervision and updating of the Model with professionalism, competence and continuity of action, in compliance with the requirements of independence and autonomy required by Legislative Decree 231/01.

The Board of Directors establishes the remuneration due to the Chairman and the members of the Supervisory Board.

The composition, requirements, powers, causes of ineligibility and other elements necessary for proper functioning are described in the "SB Regulation".

7.2 Powers and tasks

The Supervisory Board is entrusted with the task of:

- supervise the operation and compliance with the Model;
- verify the effective suitability of the Model and the existing protocols to prevent the commission of the offences referred to in Legislative Decree no. 231/2001;
- promote the constant updating of the Model and of the supervisory system on its implementation, suggesting, where necessary, the necessary updates to the management body;
- maintaining relations and ensuring the flow of information within the scope of competence to the Chief Executive Officer, the Board of Directors and the Board of Statutory Auditors;
- collect, process and store relevant information regarding compliance with the Model, as well as update the list of information that must be transmitted to him or kept at his disposal;
- formulate an expense forecast for the performance of its activities to be submitted to the Board of Directors for approval (any extraordinary expenses, not included in the forecast document, must also be submitted to the Board of Directors for prior approval).
- the Supervisory Board draws up periodically, and in any case at least once a year, a written report on the activities carried out, sending it, together with any reasoned statement of expenses incurred, to the Chairman of the Board of



Directors and the Chairman of the Board of Statutory Auditors. The reports, reported in the minutes, contain any proposals for integration and modification of the Model.

The personnel and all those who operate in the name and on behalf of O.M.T. S.p.A. who come into possession of information regarding the commission of crimes within the Company or practices not in line with the rules of conduct and the principles of the Code of Ethics are required to promptly inform the Supervisory Body. Such reports, the confidentiality of which must be guaranteed, may be sent by e-mail to the following address: odv@omt-torino.it; in this regard, it should be remembered that the employees have a duty of diligence and an obligation of loyalty to the employer pursuant to articles 2104 and 2105 of the Italian Civil Code and, therefore, the correct fulfilment of the obligation to provide information by the employee cannot give rise to the application of disciplinary sanctions.

7.3 The Regulations of the Supervisory Body

The SB is responsible for drawing up its own internal document aimed at regulating the concrete aspects and modalities of the exercise of its action, including with regard to the relative organisational and operating system. In particular, the following profiles are regulated within the scope of these internal rules:

- the type of verification and supervisory activities carried out by the SB;
- the type of activities related to updating the Model;
- the activity related to the fulfilment of the tasks of information and training of the Recipients of the Model;
- the management of information flows to and from the SB;
- the functioning and internal organisation of the SB (e.g., convocation and decisions of the Body, minutes of meetings, etc.).



7.4 Monitoring system and periodic checks

At the beginning of each year of operation the SB prepares a programme of its activities; this programme defines the frequency and methods of the checks to be carried out pursuant to the Decree, in accordance with the principles contained in the Model.

The SB may carry out these checks at its own discretion both periodically and occasionally. The sectors of activity to be examined are chosen according to the sensitive processes and activities, as identified in the relevant risk map.

Checks on the Model are carried out by the Supervisory Board, which can use all the company's personnel, competent in the various areas, for this purpose. These checks may also be carried out by third party personnel, outside the Company, if technical aspects or reasons of opportunity so require.

7.5 Spending powers

In order to carry out its duties, the SB has at its disposal a budget established from year to year and approved by the Board of Directors at the motivated and detailed request of the SB. This sum may be used, for example, to carry out audits by third parties and/or to request advice and opinions from competent parties in technical-legal matters.

The remuneration of the members of the SB is not included in this quota, nor are the costs incurred for the internal audit system.

8 THE DISCIPLINARY SYSTEM

8.1 General principles

The penalty system represents one of the elements of the Model whose existence and application is provided for by Legislative Decree 231/01, art. 6, paragraph 2, letter e).

This system is described in the document '*Disciplinary system*' in Annex E.

Violation of the Model committed by any person in various capacities linked to OMT entails the opening of an investigation by the SB.



Should the result of this investigation confirm the violation of the Model, the SB, as the person entitled to ascertain the violations, shall refer the person responsible for this violation to the Chief Executive Officer, who will decide on the possible application of a disciplinary sanction.

This sanction is in any case independent of the opening of any criminal proceedings and of the fact that the action taken may or may not constitute a crime, since this Model has been adopted by the company, regardless of the possible offence that certain conduct may entail.

8.2 Measures against Directors and Statutory Auditors

The SB will report to the Board of Statutory Auditors any violations of the procedures provided for in the Model, or conduct that does not comply with them, by the Directors; it will also inform the Board of Directors if such conduct is adopted by one or more of the Statutory Auditors, so that appropriate action can be taken.

8.3 Measures against Employees

The conduct of employees, whatever category or classification they belong to, in violation of the rules and procedures contained in this Model are defined as disciplinary offences and subject to sanctions as provided for in Article 7 of the Workers' Statute and National Collective Bargaining Agreements.

8.4 Measures towards Suppliers, Consultants and External Collaborators

Any violation by Suppliers, Consultants and External Collaborators will have the consequences foreseen in the specific clauses included in the relevant contracts.

This is without prejudice to any claim for compensation if such conduct results in concrete damages for the Company, as in the case of application by the Judge of the measures provided for by the Decree.



9 DIFFUSION OF THE MODEL

9.1 General principles

The Organisational Model must be brought to the attention of the various stakeholders in order to allow its effective application. This is implemented through activities of:

- **disclosure** - consists in the dissemination of an extract of the Model to all external interested parties, for information purposes only, without any request for feedback of understanding or acceptance. Generally speaking, disclosure is made by publication on the Company's website;
- **communication** - consists in transmitting specific documents of the Model to external parties that establish business relationships or are in any case stakeholders in relation to OMT. The communication requires a return feedback in the form of a subscription for acknowledgement, acceptance, application, etc., based on the type of recipient and document transmitted;
- **training and updating** - this is the continuous process of cultural growth in the prevention of illegal behaviour and the transfer of the notions necessary for the correct and punctual application of the Model and its modifications, directed to internal staff, external collaborators and all those considered strategic because their activity can influence sensitive processes. The feedback of the training consists of learning tests and subsequent effectiveness checks, conducted by OMT itself and the SB or through the *internal auditing* system.

9.2 Updates

The Organizational Model may be subject to updates according to the evolution of the reference legislation, changes in the company's organizational structure or the introduction of new elements in products, processes, plants, etc..

The updating of the Model is communicated to the addressees using the tools described in point 9.1.

10 MODEL CHANGES

All changes to the Model are recorded in accordance with the procedures set out in the Integrated Management System.



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Amendments to the Model are evaluated in advance by the Supervisory Body, which makes its observations, justifying them in the light of legislative references and legal practice.

The amendments to the Model become effective from the date of approval by the Board of Directors.

List of changes to the Model documentation

Date	Edition	Rev.	DESCRIPTION OF CHANGES
01/12/13	0	0	First issue
01/12/14	0	1	Integration of new organisation chart.
22/04/15	0	2	Introduction of the offence of self laundering (Article 648-ter of the Criminal Code)
30/06/16	0	3	Verification of alignment with the updated legislative framework with Law 68/2015 (crimes against the environment) and Law 69/2015 (crimes against P.A., mafia associations and false accounting)
02/01/2017	0	4	Inserted amendments pursuant to Law 199/2016 on "caporalato" and the fight against undeclared work (p. 9, 15)
31/01/2018	0	5	Inserted references to Legislative Decree 7/2016 (amendment of the Criminal Code) and Legislative Decree 8/2016 (decriminalization of crimes) and Law 161/2017 (amendment of the anti-mafia code)
31/12/2018	0	6	Added references to whistleblowing (p. 5.3 and 6.5) and specified training and refresher courses (p. 9.1). Introduced updates to Law no. 03/2018 (amendment of art. 589 of the Criminal Code on manslaughter following the introduction of the crime of road homicide) and to Legislative Decree no. 21/2018 (amendments to the Criminal Code for environmental crimes and racial discrimination).
12/06/2019	0	7	Inserted references to art. 346-bis of the Criminal Code introduced by Law 3/2019 Inserted references to sports offences introduced in art. 25-quaterdecies of Law 39/2019 Eliminated art. 260-bis of Legislative Decree 152/06 (SISTRi traceability) and related references, from the General Part and Special Part 9
24/03/2020	0	8	Par. 5.3: inserted references to tax offences (amended by Law 157/2019)