
ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

Legislative Decree n. 231/2001

Integrated with

- THE PRINCIPLES ADOPTED BY THE BUSINESS ASSOCIATIONS
- THE PREVENTION AND FIGHT AGAINST CORRUPTION
- THE PRESCRIPTIONS OF THE *ITALIAN COMPETITION AUTHORITY* (A.G.C.M.) FOR THE PURPOSE OF THE LEGALITY RATING

(updated to the PIF Directive implemented by the Legislative Decree No. 75 of 14 July 2020).

In accordance with the Legislative Decree 231/2001 issued on 8 June 2001 which introduces the "Provisions on the administrative liability of legal persons, companies and associations including those without legal personality, under Article 11 of Law No. 300 of 29 September 2000."

Reference	Review	Date	Approved
Organizational, management and control model			

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DEFINITIONS

SENSITIVE ACTIVITIES: corporate activities exposed to the risk of commission of the predicate offenses provided for by the Legislative Decree No. 231/2001. These activities are listed in the “General Part” and more thoroughly in the document “risk analysis”.

CODE OF ETHICS: it is the Code adopted by the company to set disciplinary rules for all employees and consultants who operate within the company.

RECIPIENTS: all those who operate for the achievement of the company's goals.

EMPLOYEES: all those who sign a subordinate or para-subordinate employment contract with the company.

CORPORATE BODIES: members of the board of directors and the union council of the company.

SUPERVISORY BODY: the body provided for by article 6 of the Decree responsible of the supervision and observance of the Model and all the relative upgrading.

MODEL: organizational, management and control model provided for by the Legislative Decree 231/2001 adopted and effectively implemented on the basis of the reference principles referred to in this document.

PREDICATE OFFENSES: all those types of crime which are subject to the provisions provided for by the Legislative Decree 231/2001, even afterwards possible amendments and/or integrations.

RISK ASSESSMENT: it is the process aimed at the probabilistic evaluation of the corporate risks on the basis of qualitative and quantitative estimation of the same.

RISK MANAGEMENT : it is the following step after the risk assessment aimed at mitigating, eliminating and monitoring all potential risks through the necessary measures.

COMPANY : *C.R. COSTRUZIONI SRL*

TOP MANAGERS: all those people who hold representatives, administrative or management positions within the company or its own unity with financial autonomy or all those people who actually manage the company itself.



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SUBORDINATES: all those people subject to the management or supervision of one of the people referred to in the previous point.

CHAPTER 1

PURPOSES AND GENERAL PRINCIPLES OF THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

With the Legislative Decree 231/2001 and the subsequent regulatory integrations, it has become State Law the principle for which legal entities are directly and financially responsible for the crime they commit in their interest or for their benefit, whether they cover top manager positions or are subordinates with responsible and supervision authority.

The administrative responsibility pursuant to the Decree 231/2001 does not depend on the commission of any type of offenses, but exclusively for those ones which are specifically listed in the chapter I, section III (the predicate offenses).

In particular an entity is considered responsible whether, before a crime is committed by others who are functionally connected to the company, the entity has not adopted efficiently the Organizational, Management and Control Model in order to avoid the type of crime committed.

C.R.Costruzioni S.R.L. has equipped itself with an organizational model, an internal control system and adequate rules of conduct in order to prevent the commission of all those crimes included in the Decree either if committed by top managers or subordinates with management or supervision responsibilities.

Hence, the Organizational, Management and Control Model provides information on the contents included in the Decree and defines the *C.R. COSTRUZIONI SRL*'s Organizational, Management and Control Model.

In particular it aims at:

- making aware all those who work in “sensitive” activities, according to the Legislative Decree No. 231/2001, that in case of violation of the law they might incur an offense subject to penalties towards themselves or the company;
- reaffirming that illicit behaviours is condemned as they are contrary to the provisions of the law and those ones that the company intends to adhere to for the accomplishment of the corporate mission;
- allowing internal monitoring actions addressed in particular to those business areas which are most exposed to the Legislative Decree 231/2001, in order to prevent and fight the commission of crimes.

For this purpose, the document takes into account the contents of the company's statute, the company's principles of administration and management, its organizational structure and refers to the set of internal rules and the current control systems.



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Since the business context is constantly evolving, the degree of exposure to legal consequences referred to in the Legislative Decree 231/2001 may vary over time also for the Company. Therefore, the risk recognition and mapping will be periodically monitored and updated.

CHAPER 2

LEGAL FRAMEWORK

2.1 LEGISLATIVE DECREE 231/2001

The Legislative Decree 231 issued on 8 June 2001 (as follows “The Decree”) implementing the delegation conferred on the Government with article 11 of Law n. 300 of the 29 September 2000, has introduced a new kind of responsibility into the Italian legal system: “the liability for entities for administrative offenses resulting from a crime”.

This discipline applies to “*entities, companies and associations with legal personality, but also to those ones without legal personality*” (article 1, comma 2) for all those crimes committed (or just even attempted) for personal benefit or interest. On the other hand, “*The State, public territorial bodies, other non-economic public bodies, as well as entities that perform functions of constitutional importance*” are excluded (article 1, comma 3).

According to the Decree, in case that an individual commits a crime in favour and for the benefit of a company, the individual will answer for criminal responsibility and the company will be accountable for administrative liability.

The Law strictly indicates the offenses (the predicate offenses) upon completion of which it is connected the administrative liability of the entity in favour of whom the offense has been committed (as follows “Crimes”). The categories of offenses currently envisaged by the Decree are identified in the document “231 List of offenses” which is an integral part of the Special Part.

However, the Decree allows the company to be exempted from this liability (the so-called “protective shield”) in case that, on the occasion of a crime being committed – including those ones listed in the Decree, the company is able to prove its absolute extraneousness from the criminal facts, with a consequent assessment that proves that only the author of the crime is considered accountable for.

Such extraneousness of the company from the criminal facts must be proven by demonstrating that a set of organizational rules and conduct (The Organizational, Management and Control Model) has been effectively adopted in order to prevent the commission of the offense in question.

The Model must meet the following requirements:

- identifying the activities that may incur the possibility of offenses;
- analyzing specific procedures and the internal corporate organization in order to verify the eligibility for the prevention of 231 predicate offenses;



- identifying method of managing financial resources suitable to prevent the commission of crimes;
- establishing reporting obligation to the Supervisory Body who has the duty of vigilance over the function and compliance with the Model;
- introducing a disciplinary system suitable to sanction the non-compliance with the measures indicated in the Model.

2.2 Administrative liability regime

The type of responsibility introduced by the Legislative Decree 231/2001 in the Italian legal system is an “administrative” liability regime charged to the companies and it is basically comparable to the “penal” one.

In fact, the Report which illustrates the Decree states that “a third category (*tertium genus*) must be established in order to bring together the main points of both the penal and administrative code so that the maximum efficiency of the system as well as prevention measures can be effectively guaranteed.”

The contact points can be deduced from article 2 of the Decree, in which it is stated the legal principle of the penal code, as well as from article 8, comma 1, in which it is reaffirmed the autonomy of the entity’s responsibility with respect to the ascertained accountability of the actual offender. In fact, the Decree calls the company to respond for the unlawful act regardless the concrete punishment of the offender, who could be undetected, not attributable, or could even benefit from extinguishing causes of the crime or sentence (except for amnesty) without them affecting the procedures charged to the entity. Add to this the afflictive nature of the sanctions which might be inflicted on the company.

2.3 Offenders: top managers and subordinates

The Legislative Decree 231/2001 states that the company is responsible for the crimes committed in its favour or for its own benefit by:

“persons who hold representative, administrative, or management functions for the entity or regarding one of its organizational units with functional and financial autonomy, as well as by those persons who exercise, indeed, the management and control of the same” (article 5, comma 1, letter A of the Legislative Decree No. 231/2001). It refers to the “top managers” in general administrators, general directors, managers in charge of secondary offices and division directors with functional and financial autonomy;

persons in charge of the management or supervision of the activities and subordinated to one of those referred to in letter A, that is top managers (article 5, comma 1, letter B of the Legislative Decree 231/2001);

it refers to the “subordinates”, to those who are connected with the company by an organic bond or who, even without being subordinated to a real power of direction by a hierarchical subordination relationship, they are, however, in charge of supervisory powers conferred to them by the top managers.

In C.R. *COSTRUZIONI SRL* top managers are considered those ones who cover the following functions:

- hierarchical placement at the top of the company or at the first level;
- assignment of spending powers and proxies which allow the execution of certain activities, within and outside the company, with a certain degree of autonomy.

2.3 The benefit of the exemption

The Decree clearly states that, under specific circumstances, the company can benefit from a real mechanism of exempting the aforementioned liability, which varies according to the person who has committed the crime.

In fact, in the case that the crime has been committed by one of the top managers, the company can be considered exempt from administrative liability if it is able to prove that:

"The leading body, before the commission of the crime, has efficiently adopted and applied the right organizational and management models suitable to prevent the commission of such similar offense (article 6, comma 1, letter A, Legislative Decree 231/2001);

"the duty of vigilance over the function and observance of the model, as well as the responsibility to supervise its upgrading, has been conferred to a specific body (The Supervisory Body) with autonomous powers of decision and control" (article 6, comma 1, letter b, Legislative Decree 231/2001);

"offenders have committed the crime evading fraudulently the organizational and management model (article 6, comma 1, letter c, Legislative Decree 231/2001);

"there was no omitted nor insufficient vigilance from the body referred to in the letter b (article 6, comma 1, letter d, Legislative Decree 231/2001);

Instead, whereas the crime has been committed by one of the people subordinated to the management and vigilance of top managers, the company is considered responsible if the offense appears to be the result of non-compliance of management and vigilance obligations (article 7, comma, 1, Legislative Decree No. 231/2001.) However, under comma 2 of the aforementioned article, it is stated that "in any cases, non-compliance with the obligations of management and vigilance is excluded if the company, before the commission of the crime, has efficiently adopted an organizational and management model suitable to prevent the commission of such similar offenses.



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Last but not least, the company is not responsible if the offenders have committed the crime only for their interest or in favour of third parties (art. 5, comma 2, Legislative Decree No. 231/2001). Obviously, in this case, it is necessary that the behaviour of these subjects is imputable to that organic relationship which for the acts of the natural person can be attributed to the company. Also, the fact that the offender acts in a way to pursue its personal interest or to benefit a third party, alongside the benefit or interest of the company, does not exclude the eventual responsibility of the entity, because, as mentioned before, it is autonomous from the liability of the physical person.

For the model to be considered exempt, it is crucial that the company carries out a real and concrete work of implementation of the measures adopted within the internal organization. In fact the Model does not have to be a mere bureaucratic fulfilment, but it has to be firmly shaped on the organizational structure of the company and evolve with it.

2.5 Types of offense

The company can be considered responsible only for the offenses stated in the Decree (art. 24, 24-bis, 24-ter, 25, 25-bis, 25-bis.1, 25-ter, 25-quater, 25-quater.1, 25-quinquies, 25-sexies, 25-septies, 25-octies, 25-novies, 25-decies, 25-undecies, 25-duodecies, 25-terdecies, 25-quaterdecies, 25-quinquiesdecies e 25-sexiesdecies of the Legislative Decree No. 231/2001, apart from the transnational offenses introduced by Law 146/2006, for other types of offenses on market abuse ex art. 187 – quinquies of the Consolidated Law of finance (TUF) as well as for the administrative offenses resulting from a crime pursuant to article 12, law of 14 January 2013, constituting a prerequisite for institutions which operate in the field of the virgin oil supply chain) if they are committed in favour of its interest or benefit by qualified parties pursuant to article 5, comma 1, of the Legislative Decree no. 231/2001.

The types of offenses included in the dictated legislation can be catalogued as follows:

CRIMES IN RELATIONS WITH THE PUBLIC ADMINISTRATION (article 24 of the Decree modified by Law No.161/2017 and article 25 of the Decree modified by Law No. 19012012 and by Law No. 312019).

"Undue receipt of disbursement, fraud to the detriment of the State, of a public body or the European Communion's one for the achievement of public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies (article 4 of the Decree).



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In particular pursuant to article 24 of the Decree there are embezzlements to the detriment of the State (article 316-bis penal code); undue receipt of disbursement (art. 316-ter penal code); fraud in public supplies (art. 356 penal code) [article added by the Legislative No. 751 of 14 July 2020]; fraud to the detriment of the State, of a public body or the European Community's one (article. 640, comma 2, n.1 penal code); aggravated scam for the achievement of public funds (art. 640-bis penal code); computer fraud to the detriment of the State or another public body (art. 640-ter penal code); article 2 of the Law No. 898 of 23 December 1986, relating to urgent measures on the control of community aid for virgin oil production. Administrative and penal sanctions on Community aid for the agricultural sector [article added by the Legislative Decree No. 75 of 14 July 2020].

"Embezzlement, concussion, undue inducement to give or promise benefits, corruption and abuse of office." (article 25 of the Decree).

Ex article 25 of the Decree listed as follows: embezzlement (art.314, comma 1, penal code) when the offense affects the financial interests of the European Community [article added by the Legislative Decree No. 75 of 14 July 2020]; embezzlement by taking advantage of other's mistake (article 31 penal code); concussion (article 317 penal code) [article modified by Law No. 69/2015]; corruption for the exercise of the function (art. 318 penal code) [article modified by Law No. 190/2012, by Law No. 69/2015 and by Law No. 3/2019]; corruption to obtain an act contrary to official duties (art. 319 penal code) [article modified by Law No. 69/2015]; aggravating circumstances (art. 319-bis of the penal code); undue inducement to give or promise benefits (art. 319-quater) [article added by Law No. 190/2012 and modified by Law No. 69/2015]; bribery of a person in charge of a public service (art. 320 penal code); penalty for the briber (art. 321 penal code); incitement to corruption (art. 322 penal code); embezzlement, concussion, undue inducement to give or promise benefits, corruption and inducement to corruption to the members of the organs of the European Communities or the officials of the European Communities or foreign States (article 322 bis penal code) [article modified by Law No. 190/2012 and by Law no. 3/2019]; abuse of office (article 323 penal code) when the offense affects the financial interests of the European Union [article added by the Legislative Decree No. 75 of 14 July 2020]; illicit influence trafficking (article 346-bis penal code) [article modified by Law No. 3/2019].

COMPUTER CRIMES AND ILLEGAL TREATMENT OF DATA (article 24-bis of the Decree) (article added by Law No. 48/2008; modified by the Legislative Decree No. 7 and 8/2016 and by the Legislative Decree No. 105/2019).

Computer documents (article 491-bis penal code); unauthorized access to computer or telematic systems (article 615-ter penal code); detention and dissemination of access codes to computer or telematic systems (article 615-quater penal code); dissemination of equipment, computer device and programs aimed at damaging a computer or telematic system (article 615-quinquies penal code); interception and illegal impediment or interruption of computer and telematic communication



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(article 617-quater penal code); installation of equipment to intercept, prevent or interrupt computer and telematic information (article. 617-quinquies penal code); corruption of information, data and computer programs (article 635 bis penal code); corruption of information, data and computer programs used by the Government or another public body or in any cases of public utility (article 635 ter penal code); corruption of computer or telematic systems (article. 635-quater penal code); corruption of computer and telematic systems of public utility (article 635-quinquies penal code); IT fraud committed by the subject providing electronic signature certification services (article 640-quinquies penal code); violation of the rules on cyber National security perimeter (article 1, comma 11, of the Law-Decree No. 105 of 21 September 2019).

ORGANIZED CRIME OFFENSES (article 24-ter of the Decree) [article added by Law No. 952009; modified by Law No. 69/2015]

Provided for by the Penal Code, criminal associations (article 4 16 penal code) [article modified by the Law No. 236/2016]; mafia-type associations including foreign ones (article 416-bis penal code) [article modified by Law No. 69/20 15]; electoral exchange between mafia and politicians (article 416-ter penal code); kidnapping for extortion purposes (article 630 penal code); as well as associations aimed at trafficking narcotic and psychotropic substances (article 74 Decree of the Republic President No. 309 issued on 9 October 1990) [article 7-bis added by the Legislative decree No. 202/2016]; all crimes if committed using the conditions provided for by article 416-bis of the penal code in order to facilitate the activities of associations provided for by the same article (Law No. 203/91); illegal manufacture or introduction into the National domain, put up for sale, disposal, holding and port in place or open to public of war, war-type weapons or parts thereof, explosives, clandestine weapons as well as more common weapons. (article 407, comma 2, letter a), Number 5), code of the penal procedure).

CRIMES AGAINST PUBLIC TRUST (article 25-bis of the Decree)

Crimes on forging money, public credit cards and tax stamps or distinctive signs. In particular as follows: counterfeiting of coins, spending and a complicit introduction of counterfeit coins into the National domain (article 453 penal code); alteration of coins (article 454 penal code); spending and non-complicit introduction of counterfeit coins into the National domain (article 455 penal code); spending of counterfeit money received in good faith (article 457 penal code); falsification of tax stamps, introduction into the National domain, purchase, holding or transferring of such (article 459 penal code); counterfeiting watermarked paper used for the fabrication of public credit cards or tax stamps (article 460 penal code); production or holding of filigrees or instruments aimed at counterfeiting money, tax stamps or filigrees (article 461 penal code); use of counterfeit or altered tax stamps (article 464 penal code); counterfeiting, alteration or use of trademarks or distinction signs or patents, models and design (article 473 penal code); introduction into the National domain of commercial products with fake marks (article 474 penal code).



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CRIMES AGAINST THE COMPANY AND THE COMMERCE {article 25-bis. 1 of the Decree) [article added by Law No. 99/2009]

Provided for by the Penal Code, in the even that the freedom of the company or trade is disturbed (article 513 p.c.); unlawful competition or threats with violence (article 513-bis p.c.); fraud against National industries (article 514 p.c.); fraud in the exercise of trade (article 515 p.c.); sale of non-genuine food as genuine substances (article 516 p.c.); sale of industrial product with misleading signs (article 517 p.c.); manufacturing or trade of goods made by usurping industrial property rights (article 517-ter p.c.); counterfeiting of geographical indications or designation of agro-food products (article 517-quater p.c.).

CORPORATE CRIMES (article 25-ter of the Decree) [article added by the Legislative Decree No. 61/2002 ; modified by Law No. 190/2012, by Law No. 69/2015 and by the Legislative Decree No. 38/2017]

Among them, false social communications are included (article 2621 of the civil code) [article modified by Law No. 69/2015] as well as minor facts (article 2621-bis); false communications from listed companies (article 2622) [article modified by Law No. 69/2015]; prevented control (article 2625, comma 2, of the civil code); undue return of contributions (article 2626 of the civil code); illegal distributions of profits and reserves (article 2627 of the civil code); unlawful operations on the corporate quotas or on those ones belonging to the parent company (article 2628 of the civil code); operations to the detriment of creditors (article 2629 of the civil code); failure to disclose the conflict of interest (article 2629-bis of the civil code) [added by Law No. 262/2005]; fictitious formation of capital (article 2632 of the civil code); undue distribution of company assets by liquidators (article 2633 of the civil code); bribery among private parties (article 2635 of the civil code) [added by Law No. 190/2012; modified by the Legislative Decree No. 38/2017 and by Law No. 3/2019]; incitement to bribery among private parties (article 2635-bis of the civil code) [added by the Legislative Decree No. 38/2017 and modified by Law No. 3/2019]; unlawful influence on the assembly (art. 2636 of the civil code); stock manipulation (article 2637 of the civil code); obstacle to the exercise of the functions and activities of the supervisory body (article 2638, comma 1 e 2, of the civil code).

CRIMES RELATED TO TERRORISM AND SUBVERSION OF THE DEMOCRATIC ORDER (article 25-quater of the Decree) [article added by article 3 of Law No. 7 of 14 January 2003]

Those ones provided for by the Penal Code and by the special laws referred to in article 25-quater of the Decree, that is subversive associations (art. 270 p.c.); associations for terrorist purposes, including International ones or subversion of the democratic order (art. 270-bis p.c.); assistance for associates (art. 270 ter p.c.); enlistment for terrorist purposes, including International ones (art. 270-quater p.c.); training for terrorist activities including International ones (art. 270-quinquies p.c.); terrorist financing (art. 270-quinquies 1 p.c.); theft of assets or money subject to seizure (art. 270-quinquies 2 p.c.); terrorist financing conduct (art. 270-



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sexies p.c.); attempt for terroristic purposes or subversion (art. 280 p.c.); acts of terrorism with deadly or explosive devices (art. 280-bis p.c.); acts of nuclear terrorism (art. 280-ter p.c.); kidnapping for terrorist purposes or subversion (art. 289-bis p.c.); kidnapping for coercion purposes (art. 289-ter p.c.) [article introduced by the Legislative Decree 21/2018] ; instigation to commit any of the crimes foreseen by the first and second Leaders (art. 302 p.c.); political conspiracy by agreement (art. 304 p.c.); political conspiracy by associations (art. 305 p.c.); armed gang: training and participation (art. 306 p.c.); assistance to conspiracy participants or armed gang (art. 307 p.c.); detention, hijacking or destruction of an aircraft (Law No. 342/1976, article 1); damage to ground installation (Law No. 342/1976, article 2); sanctions (Law No. 422/ 1989, article 3); active repentance (Legislative Decree No. 625/1979, article 5); International convention for the suppression of financing terrorism. New York 9 December 1999 (article 2).

CRIMES RELATED TO FEMALE GENITAL MUTILATION PRACTISES (article 25- quater. 1 of the Decree) [article added by Law No. 7/2006]

Provided by the Penal Code, female genital mutilation practices (article 583-bis of the penal code)

CRIMES AGAINST THE INDIVIDUAL (article 25-quinquies of the Decree) [article added by article 5, of Law No. 228 of 11 August 2003; modified by Law No. 199/2016]

Provided by the section I of the chapters XII of the II book of the Penal Code. Reduction in slavery (art. 600 p.c.); child prostitution (art. 600-bis p.c.); child pornography (art. 600-ter p.c.); possession of pornographic material (art. 600-quater); virtual pornography (art. 600-quater.1 p.c.) [added to article 10, Law No. 38 of 6 February 2006]; tourism initiatives aimed at the exploitation of prostitution (art. 600-quinquies p.c.); trafficking in human beings (art. 601 p.c.) [added and modified by the Legislative Decree No. 21/2018]; alienation and acquisition of slaves (art. 602 p.c.); illicit intermediation and labour exploitation (art. 603-bis p.c.); solicitation of minors (art. 609-undecies p.c.).

CRIMES RELATED TO THE ABUSE OF INTERNAL INFORMATION AND MARKET MANIPULATION (art. 25-sexies of the Decree) [article added by article 9 of Law No. 62 of 19 April 2005, (Communitary Law)]

Provided for in part V, title I-bis, chapter II of the Consolidated Act referred to in the Legislative Decree No. 58 of 24 February 1998, referred to in article 25-sexies of the Decree that is the abuse of internal information (article 184 of the Legislative Decree No. 58/1998) (article modified by the Legislative Decree No. 107/2018); market manipulation (article 185 of the Legislative Decree No. 58/1998).



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OTHER TYPES OF OFFENSE ON MARKET ABUSE (ARTICLE 187-QUINQUIES OF THE CONSOLIDATED ACT ON FINANCE) [ARTICLE MODIFIED BY THE LEGISLATIVE DECREE N. 107/2018]

Provided for by the EU Regulation No. 596/2014, precisely "Prohibition of abuse of privileged information and communication of privileged information." (article 14) and "Prohibition of market manipulation" (article 15).

MANSLAUGHTER OFFENSES AND SERIOUS OR VERY SERIOUS NEGLIGENT INJURIES COMMITTED IN VIOLATION OF ACCIDENT PREVENTION RULES AND ON THE PROTECTION OF HYGIENE AND HEALTH AT WORK (article 25-septies of the Decree) [article added by art. 9, comma 1, Law No. 123 of 2007, modified by Law No. 3/2018]

Provided for by the penal code, manslaughter (article 589 of the penal code); negligent personal injuries (article 590 of the penal code), committed in violation of article 55, comma 2 of the Legislative Decree No. 81 of 9 April 2008.

HANDLING STOLEN GOODS, LAUNDERING, USE OF MONEY, GOODS OR UTILITIES OF ILLEGAL ORIGIN, SELF-LAUNDERING (article 25-octies of the Decree) [article added by the Legislative Decree No. 231/2007; modified by Law No. 186/2014]

Provided for by the Penal Code, that is handling stolen goods (art. 648 p.c.); laundering (art. 648-bis p.c.); use of money, goods or utilities (art. 648-ter p.c.); self-laundering (art. 648-ter.1 p.c.).

CRIMES RELATED TO THE VIOLATION OF COPYRIGHT (article 25-novies of the Decree) [article added by Law No. 99/2009]

Provided for by Law 633/1941 and referred to article 25-novies of the Decree, that is, the provision to the public of a protected intellectual work or a part thereof, within a system of telematic networks, through connections of any kinds (article 171, comma 1 lett. a-bis of Law No. 633 of 22 April 1941); crimes referred to in the previous point committed on the works of others not intended for publication whether the honour and reputation is offended (art. 171, comma 3, of Law No. 633 of 22 April 1941); illegal duplication of computer programs for profit; import, distribution, sell, holding for commercial or business purposes or letting of programs included into hardware supporters which are not marked by the SIAE; provisions of means to remove or evade protection devices for computer programs (art. 171-bis, comma 1, Law No. 633 of 22 April 1941) ; reproduction, transfer to another hardware support, distribution, communication, presentation or demonstration to the public of the contents of a database; extraction or reuse of the database; distribution, sell or letting of database (article 171-bis, comma 2, Law No. 633 of 22 April 1941); illegal duplication, reproduction, transmission or dissemination in public with any procedure, in whole or in part of intellectual works intended for the television and cinematographic circuit, for the sell or rental of records, tapes or similar supports which include programs or videograms of musical and cinematographic or audiovisual works assimilated or sequence of moving images; literary, drama, musical or drama-musical, scientific or didactic works even if inserted in collective or composite works or databases; reproduction, duplication,

transmission or illegal dissemination, sell or trade, disposal for any reason of illegal import of more than 50 copies of works protected by copyright and related rights; placing into telematic systems of intellectual works or parts thereof protected by copyright (art. 171-ter, Law No. 633 of 22 April 1941); failure to notify or false declaration to SIAE about the identification data of the supports that are not subject to the mark (art. 171-septies, Law No. 633 of 22 April 1941); fraudulent production, sell, import, promotion, installation, editing, use for public or private utilize of apparatuses or parts of apparatuses suitable for decoding audiovisual transmissions at conditional access carried out via air, satellite, cable either in analog and digital form (art. 171-octies, Law No. 633 of 22 April 1941).

CRIMES AGAINST THE ADMINISTRATION OF JUSTICE (article 25-decies of the Decree) [article added by Law No. 116/2009]

Provided for by the Penal Code and referred to article 25-decies of the Decree, that is, inducement not to make statements or to make false statements to the judicial authority (art. 377-bis of the penal code).

ENVIRONMENTAL CRIMES (article 25-undecies of the Decree) [article added by the Legislative Decree No. 121/2011, modified by Law No. 68/2015; modified by the Legislative Decree No. 21/2018]

Provided for by the Penal Code, the Legislative Decree 152/2006, Law 150/1992, Law 549/1993 and by the Legislative Decree 202/2007, that is environmental pollution, (art. 452-bis p.c.); environmental disaster (art. 452-quater p.c.); culpable crimes against the environment (art. 452-quinquies p.c.); trafficking and deposit of high radioactive material (art. 452-sexies p.c.); aggravating circumstances (art. 452-octies p.c.); activities organized for the illegal trafficking of waste (art. 452- quarter-decies p.c.) [introduced by article 7 of the Legislative Decree No. 21 of 1 March 2018]; killing, destruction, capture, collection, detention of specimens of protected wild animal or plant species (art. 727-bis p.c.); destruction or deterioration of habitats within a protected area (art. 733-bis p.c.); import, export, detention, use for profit, purchase, sell, exposition or detention for the sell or for commercial purposes of protected specimens (art. 1, art. 2, art. 3-bis and art. 6, Law No.150 of 7 February 1992.); industrial waste water discharges containing dangerous substances; soil, subsoil and groundwater discharges; sea water discharges by ships or aircraft; (art. 137, Legislative Decree No.152 of 3 April 2006); unauthorized waste management activities (art. 256, Legislative Decree No. 152 of 3 April 2006); soils, subsoil, surface water or ground water pollution (art. 257, Legislative Decree No. 152 of 3 April 2006); violation of supervisory obligations, breach of records and forms (art. 258, Legislative Decree No. 152 of 3 April 2006); illegal waste trafficking (art. 259, Legislative Decree No. 152 of 3 April 2006); false identification on the nature, composition, and chemical-physical features of the waste in the preparation of a waste analysis certificate; inserting a false waste analysis certificate into the waste traffic control system (SISTR); omission or fraudulent alteration of the hard copy of the waste traffick control system form – waste handling area (art. 260-bis, Legislative Decree No.152 of 3 April 2006); sanctions (art. 279, Legislative Decree No. 152 of 3 April 2006); cessation and reduction of the use of harmful substances (art. 3, Law No. 549 of 28 December 1993); wilful pollution caused by ships (art. 8, Legislative Decree No. 202 of 6 November 2007); culpable pollution caused by ships (art. 9, Legislative Decree No. 202 of 6 November 2007).

CRIMES RELATED TO IMMIGRATION AND THE CONDITION OF THE FOREIGNER (art. 25-duodecies of the Decree [article added by the Legislative Decree No. 109 of 16 July 2012, modified by article 30 of Law No. 161 of 13 October 2017])

Dispositions against illegal immigration (art. 12, comma 3, 3-bis, 3-ter, e comma 5, Legislative Decree No. 286 of 25 July 1998); employment of third countries citizens without a legal permission of stay (art. 22, comma 12 bis, Legislative Decree No. 286 of 25 July 1998).

CRIMES RELATED TO RACISM AND XENOFOBIA (article 25-terdecies of the Decree) [article introduced by article 5 of the European Law 2017]

Propaganda and instigation to entrapment due to religious and ethnic discrimination ex art. 604-bis of the penal code according to article 7, of the Legislative Decree No. 21 of 01.03.2018, in force since 06.04.2018 (the reference is no longer intended for article 3, comma 3-bis, of Law No. 654 of 13 October 1975, added by Law No. 167 of 20 November 2017).

CRIMES ON FRAUDE DURING SPORTIVE COMPETITIONS, ABUSIVE EXERCISE OF GAME AND GAMBLING EXERCISED BY MEANS OF PROHIBITED EQUIPMENT. (art. 25-quaterdecies of the Decree) [article introduced by article 5 of Law No. 39 of 3 May 2019]

Crimes on fraude during sportive competitions (article 1 of Law No. 401 of 13 December 1989); abusive exercise of game and gambling (article 4 of Law no. 401 of 13 December 1989).

TAX OFFENSES (article 25-quinquedecies of the Decree) [article added by Law 157/2019]

Provided for by the Legislative Decree No. 47 of 10 March 2000, (article 25-quinquiesdecies of the Legislative Decree 231/2001 has been into Law 157/2019), that is fraudulent declaration through the use of receipts or other documents for non-existing operations (article 2 of the Legislative Decree No. 74 of 10 March 2000); fraudulent declaration through other ways (article 3, legislative decree No. 74 of 10 March 2000); emission of receipts or other documents for non-existing operations (art. 8, Legislative Decree No. 74 of 10 March 2000); hiding or destruction of accounting documents (art. 10, Legislative Decree No. 74 of 10 March 2000); fraudulent evasion of the taxes payment (art. 11, Legislative Decree No. 74 of 10 March 2000 ,).

In addition, the following crimes are included if they are committed within a cross-border fraudulent range:

unfaithful statement (art. 4, Legislative Decree No. 74 of 10 March 2000); omitted declaration (art. 5, Legislative Decree No. 74 of 10 March 2000); undue compensation (art. 10-quater, Legislative Decree No. 74 of 10 March 2000) [articles added by the Legislative Decree no. 75 of 14 July 2020].

SMUGGLING (art 25-sexiesdecies of the Decree) [article added by the Legislative Decree No. 75 of 14 July 2020]

Related to the commission of crimes provided for by the Decree of the Republic President No. 43 of 23 January 1973, in relation with customs offenses [article added by the Legislative Decree No. 75 of 14 July 2020].

TRANSNATIONAL CRIMES

Provided for by Law No. 146 of 16 March 2006, which ratifies and executes the Convention and Protocol of United States against the transnational organized crime adopted by the general Assembly on 15 November 2000 and 31 May 2001. This law has expanded the number of crimes so that, if committed, they may induce to administrative sanctions at the expenses of the involved entity according to the Legislative Decree No. 231/2001, where the principle of "transnationality" of the criminal behaviour is in force. The provided offenses are: mafia-type associations including the foreign ones (art. 416-bis penal code); inducement to omit declarations or to make false statements to the judicial authority (art. 377-bis penal code); personal aiding and abetting (art. 378 penal code); criminal association with the purpose of smuggling of foreign manufactured tobaccos (art. 291-quater of the consolidated act as referred to the Decree of the Republic President No. 43 of 23 January 1973); criminal association with the purpose of illicit trafficking of narcotic or psychotropic substances (art. 74 of the consolidated act as referred to the Decree of the Republic President No.309 of 9 October 1990); provisions against illegal immigration (art. 12, comma 3, 3-bis, 3-ter e 5, of the consolidated act as referred to the Legislative Decree No. 286 of 25 July 1998).

LIABILITY OF BODIES FOR ADMINISTRATIVE OFFENSES RELATED TO CRIME

Article 12, Law No.9 of 14 January 2013 "Liability of entities for administrative offenses resulting from a crime" [they are prerequisite for the entities operating in the area of the virgin oil supply]



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2.6 Sanctionary system: principles.

The different sanctions provided for by the Law at the expenses of the company in case of commission or attempted commission of specific crimes are listed as follows:

- pecuniary sanction up to 1.549.370,69 Euros (conservative seizure as precautionary measure);
- interdictive sanction (also applicable as precautionary measure) lasting no less than three months and no more than two years, that can consist themselves of:

- a. disclaimer of the exercise of activities;
- b. suspension or revocation of authorizations, licenses or concessions which are functional to the commission of the offense;
- c. prohibition to contract with the Public Administration;
- d. exclusion from concessions, loans, contributions or subsidiaries and possible revocation of those ones granted;
- e. confiscation of the profit that the entity derived from the crime (precautionary seizure);
- f. publication of the sentence (which can be ordered in the event of the application of a disqualification sanction).

The system by which the pecuniary sanction is determined is based on “quotas”, in number no less than 100 and no more than 1.000, but their amount can vary between a minimum of 258,22 Euros and a maximum of 1549,37 Euros. The judge determines the number of quotas taking into account the seriousness of the crime, the level of responsibility as well as the activity carried out to eliminate or mitigate the consequences of the actual crime and to prevent the commission of further offenses.

The amount of the quota is fixed taking into consideration the economic and financial conditions of the entity, with the aim of ensuring the effectiveness of the sanction (art. 11 of the Legislative Decree No. 231/200 1).

The interdictive sanctions apply only in relation to offenses which for the sanctions are provided, when at least one of the following conditions recurs:

- the entity has derived an ingent profit from the crime and when the crime has been committed by top managers subordinated to the direction of others, when in the latter case the commission of the crime has been determined or facilitated due to serious organizational deficiencies. In case of repetition of offenses;



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- sanctions related to the disclaimer of the exercise of activities, the prohibition to contract with the Public Administration, the prohibition on advertising goods or services may apply – in severe cases – in a permanent way.

In addition it is reported the possible prosecution of the entity (in case of sanction imposition) by a commissioner appointed by the judge according to the article No. 15 of the Legislative Decree 231/2001 when one of the following situations recurs:

- a) The entity performs a public service or a service of public need whose interruption can cause a serious damage to the community;
- b) The interruption of the activity of the institution, considering its dimensions and the economic conditions of the territory in which it is located, may cause significant repercussions on the occupation.



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CHAPTER 3

PRINCIPLES OF PREVENTION AND CONTROL SYSTEMS

3.1 Principles of prevention

The Organizational Model features are inspired by the principles listed here:

- The presence of procedures and regulations that plan the operating procedures and make explicit behaviours;
- Clear accountability: each activity must refer to a person or an organizational unit that holds the responsibility, in order to identify accurately the accountability in case of possible deviations from procedures and regulations;
- Authorization, execution and control activities: within the company process, the separate functions and in opposition to each other must decide and authorize the operations;
- Traceability of the process and controls: each operation or management fact must be documented in order to identify the accountability of the person/body that operates
- Independent checks on the transactions carried out;
- Autonomy of the bodies responsible for the management of economic resources suitable to prevent and avoid the commission of offense;
- Respect for the system of proxies and signatory powers that must be verified by the control systems.

Correct use of financial resources that must be employed within certain qualitative and quantitative limits as well as documented and authorized.

3.2 Structure of the Organization

Within the Model two types of control are defined and they differ according to the subject in charge of the controls themselves:



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First level controls: it is about control operations carried out within the responsible function of the correct execution of the activity in question. Within this category verifications are carried out by the responsible/director of the function on the work of his/her own collaborators.

Second level controls: it is about controls carried out by functions, internal or external the company, which do not take part into the process. Within this category verifications are carried out by the Supervisory Body and audits of entities, in charge of issuing declarations of conformity.

In addition it is crucial that all the subjects of the Organization understand the preventive control system and that the underlying constraints by the Organizational Model are such that they cannot be circumvented unless intentionally.



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CHAPTER 4

ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

4.1 231 SYSTEM WITHIN C.R. COSTRUZIONI SRL: OBJECTIVES

Introduction

In the introduction it is specified that the company *C.R. COSTRUZIONI SRL* is equipped with certifications that guarantee the existence of a high level organizational structure. They are, in fact, present all the principle elements which are the basis of a good model of business prevention model with explicit references to subjects, tasks, responsibilities, analysis, evaluations measures, actions, controls and improvement goals.

The Certifications acquired are listed as follows:

- Iso 9001 –Quality management system
- Iso 14001 – Environmental management system/EMAS
- Iso 45001 (ex Ohsas 18001)- Health and safety management system
- Iso 50001 – Energy management system
- SA 8000- Social accountability

The first three schemes can be integrated among them and they constitute already a an excellent premise for the construction of an Organizational Model that is in accordance with the 231 Legislative Decree purposes.

The company shows to have paid attention to Health, Social and Environmental Accountability. In fact, since October 2016, when the certification SA 8000 was acquired, the company has proved that not only was respecting its obligations on health and safety matters but also on social accountability whose principles are included in the Code of Ethics that regulates this 231 Organizational Model.

There are important similarities between the prescriptions imposed by the certification schemes and the key points that qualify a good 231 Organizational Model. As mentioned before, there are references to subjects, tasks, responsibilities, analysis, evaluations,

actions controls and improvement goals. There are IO part controls (internal audits) and IW part controls (certification bodies).



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Something different would be the lack of a II level control (Supervisory body) if a sanctionary system is not implemented; the identification of management measures for the financial resources in order to prevent the commission of crimes.

However, what mainly differentiates a management system from a 231 Organizational Model is the level of analysis. It cannot be limited to compliance with regulatory prescriptions and certain techniques typical of the reference regulation (UNI EN ISO SA 8000) but it also has to be expanded to the ability of keeping in the long term the same regulatory compliance currently claimed, with particular attention to **the corporate operational conditions which can reasonably prevent or mitigate the risk of crimes.**

Hence, it is the type of approach that has to be improved in order to achieve the objectives stated in the Legislative Decree 231.

Last but not least, it is clarified that regarding Health and Safety, since the company *C.R. COSTRUZIONI I SRL* has awarded the ISO 45001 certification (ex OHSAS 18001), whose principles meet the requirements indicated by article 30 of the Legislative Decree No. 81 of 9 April 2008 ("Consolidation Act") the company proves to satisfy the conditions provided by comma 5 of the same article 30. It guarantees exemption from administrative liability to juridical persons, in case that crimes are committed under violation of the regulations on health and safety at work; to the corporate organizations which can claim a health and safety management system certified ISO 45001 :2018 (ex British Standard OHSAS 18001:2007).

Furthermore, since the presumptions of compliance with certification requirements provided for by the Law are limited only to Health and Safety, the company *C.R. COSTRUZIONI SRL*, in the perspective of a great management of its structure and organization, has decided to implement the 231 Organizational Model not only to the type of crimes on health and safety at work, but also to all other types of offenses which fall under the administrative liability of the entities as provided by the Decree 231.

Objectives

The company has adopted the Organizational, Management and Control Model as referred by the Legislative Decree 231/2001 not only to ensure the exemption of the company from the administrative liability with reference to the commission of predicate offenses, but also to create a control system within the company able to monitor and improve the conduct and behaviour of its employees and make these principles consistent with those ones expressed in the Code of Ethics.

During the "drafting" of the Model, it is crucial to optimize as much as possible all those points coming from the organizational asset of the company, from the structure to its implementation including the current control systems in use.

This choice aims at ensuring the well functioning of the 231 Model through the possible integration of the management prescriptions and protocol of sensitive activities within the range of the actual corporate activities.

4.2 Recipients of the Model

the Model is addressed to:

- social Organizations (Shareholders, Administrators, or any other body/entity who exercises representative, decisional and/or control powers within the company);
- staff employed: either on the basis of an employment contract or any other collaborative relationship; Consultants and freelancers;
- all those parties who enter in contact with the company;
- to all recipients it is prohibited to adopt behaviours which are not in line with the requirements provided by the Model even if they are executed with the intent-to-benefit the company.

4.3 Identification of risk areas

As clearly expressed in article 6, comma 2, letter A) of the Decree, among the several requirements that the Model must meet, there are those ones related to the identification of risk areas with reference to the commission of crimes (“sensitive activities”).

The object is to create a control system that cannot be bypassed unless intentionally and fraudulently in order to guarantee exemption from the administrative liability of the entity (article 6, comma 1. Letter C, “*people have committed the crime by evading fraudulently the management and organizational models*”).

In addition, article 7, comma 3 of the Legislative Decree 231/2001, states that “*the Model provides, in relation with the dimensions of the organization as well as the type of the activities carried-out, suitable measures able to guarantee the execution of the activities in compliance with law and promptly avoid risk situations*”.

To this purpose, taking into account the typology of activities executed within the company, it has been assessed that the risk related to the commission of the following predicate offenses is only abstractly and not concretely conceivable:

The crime as referred to article 24 of the Legislative Decree 231/2001, limited to the crime referred to in article 2, related to the urgent measures on controls of community aids on the virgin oil production. Administrative and penal on community aids on the agriculture sector.

Crimes as referred to article 25-bis of the Legislative Decree No. 231/2001, that is “*counterfeiting of coins, forgery of public credit cards, falsification of stamp duties, instruments and identification marks*”.

Crimes as referred to article 25-bis.1 of the Legislative Decree No. 231/2001 , that is “*Crimes against the company and the industry*”.

Crimes as referred to article 25-quater of the Legislative Decree No. 231/2001 , that is "*Crimes with terrorism or subversion of the democratic order purposes*".



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Crimes as referred to article 25-quater . 1 of the Legislative Decree No.231/2001, that is "*Female genital mutilation practices*".

Crimes as referred to article 25-quinquies of the Legislative Decree No. 231/2001, that is "*Crimes against the individual personality*". With the exception of the illicit intermediation and labour exploitation (article 603-bis of the penal code).

Crimes as referred to article 25-sexies of the Legislative Decree No. 231/2001, that is "*Crimes of market abuse*".

Crimes as referred to article 187-quinquies del TUF, that is "*Other types of market abuse*".

Crimes as referred to article. 25-novies of the Legislative Decree No. 231/2001, that is "Crimes on the violation of copyright".

Crimes as referred to article 25-terdecies of the Legislative Decree No. 231/2001 , that is "*Racism and Xenophobia*";

Crimes as referred to article . 25-quaterdecies of the Legislative Decree No. 231/2001, that is "*Crimes on fraude during sportive competitions, abusive exercise of game and gambling exercised by means of prohibited equipment.*"

Transnational crimes as referred to the Law No. 146 of 16 March 2006.

Crimes as referred to Law No. 9 of 14 January 2013, "*Entities' liability for administrative offenses depending on a crime*" which constitute presupposition for the entities that operate within the virgin oil production chain.

The Organizational Model focuses as a matter of fact on all the other predicate offenses which can be potentially achievable.

Monitoring constantly and continuously the Model, in all the different areas exposed to risk situations, entails the adoption of necessary integrations or amendments aimed at:

- >- improving the effectiveness of the organization in order to minimize the risk of crime commission;
- >- adapting the structure whereas integrations or amendments to the internal organization have been carried out;
- >- intervening when relevant violations of the prescription have been committed.



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4.4 Organizational Model document structure

The Organizational Model is made of a variety of documents considered as a whole:

In particular the Organizational Model is made of:

The Code of Ethics

The descriptive general part (this document) of the Organizational, Management and Control Model;

apart from the following documents which constitute an important part :

List of the predicate offenses for accountability ex Legislative Decree 231/2001.

Rules of procedure (Supervisory Body).

Sanctionary and disciplinary system.

The risk analysis will highlight the organizational principles adopted for the prevention of risks in certain areas, and in particular:

The Governance;

The corporate organization;

Sensitive activities at risk of crime;

the identification of the recipients for each type of offenses;

the relevant control principles within the singular areas;

the principles of conduct to be observed;

The Supervisory Body's specific duties.

Such articulation aims at facilitating the documental upgrade (each document can be updated separately and will be marked by a number of reviews which will allow their traceability) and preserving their confidentiality. The documental upgrade do not need specific resolutions as they are part of the ordinary activity of the Administrative Body. In case of board of Directors, this activity is delegated to the President.



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CHAPTER 5

THE SUPERVISORY BODY AND REPORTING OBLIGATIONS

5.1 The Supervisory Body and relative requirements

Article 6, comma 1, letter b), of the Legislative Decree n. 231/2001, states that the entity could be exempt from the liability coming from the commission of a predicate crime that has been committed by top managers or others subjected to their control and management, whether the management body has given the authority to a Supervisory Body to control and ensure observance of the model as well as its updating (as follows "Supervisory Body").

The conferment of these tasks to the Supervisory Body and the right and efficient execution of them are essential requirements so that the company can claim exemption from accountability.

For this reason it is crucial that the function of the Supervisory Body will not be just a mere formal fulfilment, but, to the contrary, would allow the Supervisory Body to efficiently execute the tasks and duties conferred to him.

The Supervisory Body, in order to continuously supervise on the efficient functioning of the Model as well as to ensure its updating, has to be autonomous, independent, professional and persistent in the execution of his activities.

In particular, as indicated by *Confindustria* (General Confederation of Italian Industries) guidelines:

the requirements of independence and autonomy envisage the elimination of personal and economic interference and conditioning by top managers, as well as effective ineligibility and forfeiture of the role of Supervisory Body, in order to guarantee integrity, absence of conflict of interest and kinship relationships with the social bodies and the top management; it is then necessary that the Supervisory Body will not be directly involved in management activities that constitute the object of his control activity. These requirements can be met by ensuring the maximum hierarchical dependence of the Supervisory Body who is supposed to report his activities to the Administrative Body.

The professional requirement refers to "the baggage of technical tools" which will allow the efficient execution of the activities. It is then necessary to nominate competent subjects on inspection and consultancy matters capable of carrying out sampling, evaluation and risk containment activities as well as to elaborate and evaluate questionnaire; the Supervisory Body has to count on professionals with technical expertise according to the functions they are called to, as these are the requirements that along with the autonomy guarantee an objective response.



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In order to guarantee a persistent right contribution, a structure dedicated to supervise the observance of the Model must be implemented.

The Supervisory Body, as individual or collegiate body, is ruled by the following dispositions: the Administrative Body nominates the Supervisory Body on the basis of professionalism, integrity, expertise and financial autonomy.

The individual and/or the members of a collegiate body forming the Supervisory Body are selected among subjects with specific expertise on health and safety, environmental, legal as well as the internal control organization field.

In the event that the Supervisory Body is a member of a collegiate body and he is revoked or he renounces the position, he is promptly substituted by another candidate who will remain in office until the expiry of the Supervisory Body in force at the time of the appointment. If, for any reason, the subordinative or para-subordinative relationship between the company and the nominated candidate as member of the Supervisory Body terminates, he will have to be promptly substituted.

The Supervisory Body claims autonomous powers of control and initiative within the company in order to ensure the efficient execution of the functions provided by the law, the Model and any further provision or procedure integrated to it.

In order to perform his own function with autonomy and objectiveness, the supervisory body claims autonomous powers to set budgets on the basis of an annual quote which is approved and made available by the Administrative Body.

The Supervisory Body might exceed the limits of these budgets only under exceptional circumstances and in this case he has the obligation to inform and report it to the Administrative Body at the immediately following meeting.

All members of the Supervisory Body have the obligation to maintain confidentiality about the information they come across with during the execution of their activities.

The Supervisory Body executes his own activities by creating an efficient cooperation among all the bodies and the current control functions of the company.

The Supervisory Body cannot claim, under no circumstances, any decisional, management, organizational or disciplinary powers related to the implementation of the corporate activities.

5.2 General principles on ineligibility, forfeiture and revocation

The following principles constitute reasons for ineligibility/forfeiture of the Supervisory Body:

The occurrence of one of the circumstances provided for by article 2382 of the Civil Code in relation to the singular member of the Supervisory Body (interdiction, incapacitation, failure, sentence to a penalty that leads to an interdiction, even temporarily, from public office, or the inability to exercise management office);

- Having marital, kinship or affinity relationships up to the fourth degree with the members of the Administrative Body of the company, with the members of the Administrative Body of the companies that *C.R. Costruzioni s.r.l.* controls, with the members of the Administrative Body of the companies that control *C.R.Costruzioni s.r.l.* and all those other companies subjected to ordinary controls;

- The conviction with sentence passed in court due to the commission of the crimes provided for by the Legislative Decree 231/2001;

The conviction, with final judgement, to a penalty that leads to interdiction even temporarily from public office, that is the temporary interdiction from executive office of legal persons and companies.

The following constitute reasons for revocation:

- serious breach of control and observance obligation;
- the lack of autonomy, independence and professionalism requirements;
- prolonged inactivity.

5.3 Functions and powers of the Supervisory Body

The Supervisory Body in the execution of his own responsibilities that aim at ensuring the effective observance of the Model, claims certain powers of initiative and control that he executes in compliance with law as well as with the individual rights of workers and all the other individuals involved in the corporate activity:

- he performs a regular inspectional activity;
- he has got access to all information regarding activities at risk;
- he can ask information or request the documentation regarding activities at risk either to the company's managers or to all the staff involved in the execution of the above mentioned activities;

- whenever required he can ask information or request the documentation regarding activities at risk to the Administrators, the Board of the Statutory Auditors or to the equivalent body;
- he can ask information or request the documentation regarding activities at risk to co-workers, consultants and external representatives of the company and in general to all parties subjected to the observance of the Model;
- he periodically receives information from those subjects in charge for activities at risk;
- he can contact, after having informed the Administrative Body, external consultants for situations of high complexity or that require specific expertise;
- he submits to the Administrative Body proposals about the adoption of sanctionary procedures; he submits the Model to periodical controls and promotes its upgrades.

In order to guarantee an efficient and effective execution of his activities, apart from the general dispositions imposed by the Administrative Body, the Supervisory Body establishes specific operative rules and adopt a personal internal regulation with the aim of ensuring the maximum organizational autonomy.



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5.4 General guidelines for the regulation of the Supervisory Body

The regulation, provided by the same Supervisory Body, and approved unanimously by the Administrative Body and the Board of Statutory Auditors, when existing, must ensure the persistent and efficient performance of the Supervisory Body's function; for this purpose the regulation must include:

- a minimum number of annual meetings;
- a periodical, at least annual, reporting activity to the Administrative Body regarding the activities executed;
- management measures to control the resources and the preparation of the report;
- predisposition measures to set spending plan and the fund for urgent interventions;
- management of the documentation relating the activities executed by the Supervisory Body and filing system;
- collecting, treatment and archiving procedures of possible information, also anonymous, which identify relevant circumstances for the implementation of the Model or for the administrative responsibility of the Company.

5.5 Reporting obligation to the Supervisory Body: the whistleblowing

All the employees of the company, collaborators and any other subject that entertains relations with the company have the obligation to report to the Supervisory Body, through the apposite way of communication, any type of behaviour or situations which might determine violation, presumed or actual, of the Model as well as any type of relevant illicit conduct as referred to the Decree, either occurred or in progress.

The same subjects have the obligation to submit to the Supervisory Body all the documentation that he requires as provided by the execution of his own function.

The reports must be substantiated, based on actual facts, precise and concordant and they cannot be presented in an anonymous way.

The Supervisory Body convenes separately the author of the report and the responsible of the violation.

The authors of the reports are protected by the Supervisory Body that will keep their identity under confidentiality.

The only exception to the confidentiality obligation refers to the following situations:

- when a consent by the reporting party is given;
- in case of liability for slander and defamation pursuant to the provisions of the penal code or article 2043 of the civil code;
- when anonymity cannot be affixed by law (e.g. criminal, tax, administrative investigations or those ones related to the Supervisory Bodies...)

all those subjects involved in the subsequent procedure of the report must keep the information reserved. To this end the company adopts measures and ways of reporting suitable to guarantee confidentiality about the identity of the subject who communicate such information to the Supervisory Body.

Apart from general violations regarding the situations mentioned above, the corporate management must immediately report to the Supervisory Body information relating to:

- provisions coming from the judicial policy body or from any other authority that carries out investigations, also towards unknown persons, for the crimes provided by the Decree 231/2001.
- The request for legal assistance implemented by employees or administrators in the event of judicial proceeding being initiated for the crimes provided by the Decree "231".
- The reports redacted by the persons in charge of other corporate functions regarding their control activities in which facts, events or omissions that compromise the provisions of the Decree "231" might emerge.

5.6 Reporting obligation for the Supervisory Body to the Corporate, Administrative and Control Bodies

The Supervisory Body redacts (at least annually) a report and submits it to the Administrative Body and to the Control Body - whether existing. Whenever required, the Supervisory Body can communicate further reports to the Administrative Body and propose amendments and/or integrations to the Organizational Model.

The periodical reports prepared by the Supervisory Body are redacted also to allow the Administrative Body to make necessary evaluations and approve possible amendments to the Model and they have at least include, execute or identify:

- possible problems emerged from the application of the implementation procedures provided by the Model and the Code of Ethics;
- the summary of the report received by internal and external subjects regarding the Model;
- disciplinary and sanctionary procedures possibly applied by the company, with the exclusive reference to the activities at risk;
- a full evaluation on the functioning of the Model with possible indications for integrations, corrections and amendments.

5.7 Confidentiality of information preserved by the Supervisory Body

Information and all type of reports provided by the Model are preserved by the Supervisory Body in a specific archive (computer or paper based) for ten years.

The access to the archive is consented to the Supervisory Body, the members of the Administrative Body and to the Control Body under explicit request to the Supervisory Body.

CHAPTER 6

COMMUNICATION AND STAFF TRAINING

Communication and staff training are two necessary aspects identified by the Legislative Decree 231/2001 for the correct functioning of the Organizational Model.

The company states that the recipients must be informed at least on:

- The theoretical principles that are at the basis of the administrative liability;
- Identification of sensitive areas, relevant risks and all the other types of crimes proper of those field in which employees operate;
general guidelines for the right conduct;
- sanctions provided for all those subjects who violate the dispositions expressed in the Model.

In order to ensure the right dissemination of the regulations imposed by the Model, the Code of Ethics and the General Part are made available to all recipients through their publication on the company website.

The training and communication system is managed by the Supervisory Body and all the other responsible subjects involved in the implementation of the Model itself.

6.1 Communication between management and employees

The company engages in a communication campaign related to singular subjects as social individuals who operate within the corporate activity, with reference to the prevention of crimes which may involve administrative liability ex Legislative Decree No. 231/2001.

To this end, the intra-business dissemination of this document as well as the Code of Ethics, at different levels of details, is guaranteed in relation to the kind of involvement that the human resource can claim on the sensitive areas and that are functional to the potential commission of crimes relevant to the Decree.

In particular:

to all employees, at any level and certification, an informative letter about the adoption of the Model will be delivered in order to provide its understanding and to ensure its acknowledge, observance and adoption as a prerequisite for all of them; the same letter will be delivered, along with the letter of employment, to all personnel recently employed;



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Along with this policy, despite the way in which it will be communicated, it will have to be specified that the observance of the Model constitutes disposition for the implementation and labour discipline ex art. 2104 of the Civil Code;

each employee in charge of his/her own functions will have to inform all the other employees working in his/her own areas about such dispositions and will have to ensure that all the staff operating within the company is sufficiently informed about all the prescriptions imposed by the Model;

furthermore, the company will have to organize a specific meeting anytime a relevant amendment is made to the Model in order to illustrate the new contents to all recipients, including third parties and in general all those who entertain relations with the company.

Per each meeting a corresponding report will be redacted that includes the people involved and the topics discussed.

6.2 Staff training

The training activity, aimed at disseminating the understanding of the regulation provided by the Decree 231/2001, is differentiated by contents and delivery modes according to the different qualifications of the recipients, the level of risk in certain areas in which they operate, the responsibilities and tasks conferred to them.

The training plan, in general, envisages the use of different delivery modes which are functional to the position- either if it refers to top managers or others subjected to their supervision – and the level of penal risk assumed in the area in which they operate (specific workshop, classroom training on specific protocols on risk prevention, etc...).

6.2 Other recipients

The communication activity regarding the contents and the principles of the Organizational Model must be addressed to all third parties who entertain relations with the company either if they are ruled by an employment contract or if they cover a representative role of the company even without dependence constrains.

To all external collaborators and suppliers an informative related to the existence of the Model will be delivered, with relative letter of acceptance.



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CHAPTER 7

DISCIPLINARY AND SANCTIONARY SYSTEM

A crucial point forming part of structure of the Model is constituted by the provision of a disciplinary and sanctionary system for the violation of the regulations of the Code of Ethics, as well as for the procedures provided by the Model. In order for the entity to claim efficient exemption, the entity must ensure that this system is adopted and well implemented.

The efficient implementation requires that “*the adoption of a disciplinary system suitable to sanction the non-compliance with the measures indicated by the Model*”, is valid for either for top managers (article 6 comma2, letter e) or for subjects under other’s supervision (article 7, comma 4, letter b).

7.1 The preventive function of the disciplinary system

The non-compliance with the measures provided by the Organizational Model must actuate a sanctionary process despite a penal judgement is issued for the offense committed.

In fact, a model can be considered efficient only when it activates a disciplinary process able to prevent opportunistic behaviours.

A disciplinary system aimed at sanctioning behaviours that have already been considered as offense risks to provide only a mere duplication of a sanction already imposed by the legislation. To the contrary, it is necessary that the disciplinary system is able to prevent “external” sanctions imposed by the Government.

As mentioned before, the disciplinary systems completes and gives effectiveness to the Organizational Model, whose objective is to prevent the commission of crimes and not just suppress them after having been committed.

At the same time, the decision of applying a certain sanction, especially if it is expulsive, without waiting for the penal judgement, implies a strict assessment of the fact, and taking into account that there could be the possibility to recur to the administrative leave whenever the assessment appears to be of a particular complex.

For further details it is possible to read the General Part “*Disciplinary and sanctionary system*”.



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CHAPTER 8

UPDATING AND ADAPTATION OF THE ORGANIZATIONAL MODEL

8.1 UPDATING AND ADAPTATION

Amendments, integrations and variations of this Model are adopted by the Administrative Body, directly or under request of the Supervisory Body.

The documental upgrades do not need specific resolutions as they are integral part of the ordinary activity executed by the Administrative Body; In case of a meeting with the Board of Directors, this activity is delegated to the President.

The Model must be promptly modified when relevant amendments are implemented within the regulatory system and corporate organizational structure, as they may cause the urgency of modifying the provisions stated by the Model in order to ensure its efficiency.

This Model must be modified also when violations or evasions of the prescriptions are identified as they undermine the efficiency of the model itself as guarantor of risk prevention.

The subjects responsible of the corporate functions, each one within the range of their own expertise, must periodically verify the efficiency and effectiveness of the procedures aimed at preventing the commission of crimes, and whether considered necessary, they will have to bring amendments and upgrades and inform both the Administrative and Supervisory Body.