



ORGANISATIONAL MODEL

Organisation, Management and Control Model Legislative Decree
231/2001

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Organisation, Management and Control Model Legislative Decree 231/2001

General Part

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GENERAL PART

1. ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231

1.1. INTRODUCTION

Legislative Decree no. 231 of June 8, 2001 (hereinafter Decree) laying down "*Regulation on the administrative liability of legal entities, companies and associations, including those with no legal personality, pursuant to art. 11 of law no. 300 of September 29, 2000,*" introduced the criminal liability of legal entities, together with that of the natural person who has materially committed the illegal fact into the Italian legal system. Such provision adapts the Italian legislation to international conventions previously signed by Italy, in particular to *Brussels Convention dated 26 July 1995* on the protection of the European Community's financial interests, to *Brussels Convention, dated 26 May 1997* on the fight against corruption involving public officials both of *European Community* and of member States and, to *OECD Convention* dated 17 December 1997 on the fight against bribery of foreign public officials in business and international transactions.

The regime of the so-called *administrative liability* – introduced by the mentioned Decree – has the purpose of involving Entities in the sanctions of the crimes, committed in their interest or for their benefit; indeed, the Entity is not deemed liable if the authors of the crimes have acted in their own interest or that of third parties.

Administrative liability is totally independent from the natural person who committed the crime; pursuant to art. 8 of the Decree, in fact, the Entity may be declared liable even if the natural person who committed the crime cannot be charged or was not identified.

Lastly, *administrative liability* occurs also in relation to crimes connected with the activities performed by the Entity abroad, provided that the State in which the crime itself was committed does not prosecute for the same.

1.2. ADDRESSEE SUBJECTS OF THE PROVISION

Art. 5 of the Decree establishes that the Entity is liable for the crimes committed in its interest or for its benefit by:

- a) **Natural persons holding top positions** (pursuant to letter a of art. 5): it refers to the subjects holding representative, administrative or management roles in the Entity or in one of its organisational units with financial and functional autonomy¹ as well as persons who, also de facto, manage and control it (the so-called "*apical*" subjects). The expression "*apical*" refers to those who are involved in the management power of the entity, regardless of the fact they may individually exercise it (and so regardless of the delegations conferred to them) and regardless of the fact that they may, concretely, be the active subjects of the crime.
- b) **Persons managing and controlling, also de facto, the Entity**: it refers to the de facto directors and to all those who exercise an "*incisive control over the Entity*", dictating from outside the guidelines of the business policy and the performance of certain transactions.
- c) **Persons subject to the direction or supervision of one of the subjects referred to in letter a) of art.5**, the so-called "**subordinates**": it refers to the general employees and to all subjects linked to the Entity by virtue of contractual relationships and so required to comply with the Model and the Code of Ethics.

1.3. THE UNDERLYING CRIMES PROVIDED FOR BY LEGISLATIVE DECREE NO. 231/01

The type of crimes currently punishable for the purposes of the Decree refers to the following criminal offences:

- Aggravated fraud against the State, computer fraud against the State, crimes relating to public funds (art. 24)
- Computer crimes and unlawful data processing (art. 24 bis)
- Offences of organised crime (art. 24 ter)

¹ The need to recognise autonomous spaces of responsibility, also criminal, to such subjects emerged firstly in the case-law practice, through the mechanism of the delegation of functions; subsequently, the legislator expressly incorporated such reality setting out autonomous profiles of responsibility for these subjects: the reference goes obviously to the law on safety at work no. 626/94 and its extensions.

- Extortion, undue inducement to give or promise utilities and corruption (art. 25)
- Crimes against public faith, such as forgery of money, public credit cards, revenue stamps and identification instruments or signs (art. 25 bis)
- Crimes against industry and trade (art. 25 bis.1)
- Corporate crimes (art. 25 ter)
- Crimes of private bribery and incitement to private bribery (art. 25-ter lett. s bis)
- Crimes with the purpose of terrorism or subversion of the democratic order (art. 25 quater)
- Practices of mutilation of female genital organs (art. 25-quater.1)
- Crimes against individuals (art. 25 quinquies)
- Market abuses (art. 25 sexies)
- Crimes of manslaughter and serious or very serious negligent injuries, committed in violation of accident prevention regulations and on protection of health and safety at work (art. 25 septies)
- Crimes of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25 octies)
- Offences concerning violation of copyright (art. 25 novies)
- Crimes of induction not to make statements or to make false statements to the Judicial Authorities (art. 25 decies)
- Environmental crimes (art. 25 undecies)
- Crimes of employment of illegally staying third-country nationals (art. 25 duodecies)
- Offences of organised crime committed in a transnational context (Law 146/2006 art. 10)
- Attempted offences (art.26): the Company may be declared liable in all the cases in which the offence is also only attempted, pursuant to art. 56, paragraphs 1 and 2 of the Italian Criminal Code Legislative Decree 231/01.

Finally, it is specified that the entity may be held responsible in Italy for the crimes provided for by Legislative Decree no. 231/2001 committed abroad (art. 4 Legislative Decree no. 231/2001)².

The assumptions on which the Entity's liability for the crimes committed abroad is based are:

- the crime must be committed by an individual functionally connected to the Entity, pursuant to art. 5, paragraph 1, of Legislative Decree no. 231/2001;
- the Entity must have its headquarters in the territory of the Italian State;
- the Entity may only be liable in the cases and under the conditions foreseen by articles 7, 8, 9, 10 of the Italian Criminal Code (in the cases in which the law provides that the offender – natural person – is punished at the request of the Minister of Justice, proceedings are taken against the Entity only if the request is made also towards the Entity itself)³ and, also

² The illustrative Report on legislative decree no. 231/2001 underlines the need not to leave a criminal situation which frequently occurs unpunished, also in order to avoid easy circumventions of the entire legislative structure in question. Art. 4 of legislative decree no. 231/2001 provides for the following: "1. In the cases and under the conditions provided for by articles 7, 8, 9 and 10 of the criminal code, the entities having their headquarters in the territory of the State are liable also in relation to the crimes committed abroad, provided that the State of the place in which the fact was committed does not take legal action against them. 2. In the cases in which the law provides that the offender is punished at the request of the Minister of Justice, proceedings are taken against the entity only if the request is made also towards the entity."

³ Art. 7 of the Italian Criminal Code: "Crimes committed abroad - Any citizen or foreigner who commits any of the following crimes on foreign soil is punished under the Italian law: 1) crimes against the personality of the Italian State; 2) crimes of counterfeiting the State seal and use of such forged seal; 3) crimes of forging money, that is legal tender in the territory of the State, or revenue stamps or Italian public credit cards; 4) crimes committed by public officials serving the State, misusing their powers or violating the duties inherent to their functions; 5) any other crime for which special legal provisions or international conventions establish the application of the Italian criminal law". Art. 8 of the Italian Criminal Code.: "Political crime committed abroad - Any citizen or foreigner, who commits a political offence excluded from those indicated in number 1 of the previous article is punished under Italian law, at the request of the Minister of Justice. If it is a crime that is punishable upon a complaint by the injured party, in addition to such request, also the complaint is required. For the purposes of the criminal law, any crime that offends a political interest of the State, or a citizen's political right is considered a political crime. The common crime determined, wholly or in part, by political reasons is also considered a political crime." Art. 9 of the Italian Criminal Code: "Common crime committed by the citizen abroad – The citizen who, except in the cases indicated in the two previous articles, commits a crime for which Italian law prescribes a life sentence, or imprisonment for a minimum threshold of not less than 3 years, in a foreign territory shall be punished according to the same law, provided he is within the territory of the State. With respect to crimes for which a punishment restricting personal liberty for a lesser period is prescribed, the offender shall be punished at the request of the Minister of Justice or on petition or complaint of the injured party. In the cases provided for by the previous provisions, if they concern a crime to the detriment of the European Communities, of a foreign State or a foreigner, the guilty person is punished at the request of the Minister of Justice, provided always that his extradition has not been granted, or has not been accepted by the Government of the State in which he committed the crime." Art. 10 of the Italian Criminal Code: "Common crime committed by the foreigner abroad – The foreigner, who, except in the cases indicated in articles 7 and 8, commits a crime for which Italian law prescribes a life sentence or imprisonment for a minimum threshold of not less than 3 years in a foreign territory to the detriment of the State or of a citizen shall be punished according to the same law, provided he is within the territory of the State, and there is the request of the Minister of Justice, or the petition or complaint of the injured party. If the crime is committed to the detriment of the European Communities, of a foreign State or a foreigner, the guilty party is punished according to Italian law, upon request of the Minister of Justice, provided

pursuant to the principle of legality referred to in art. 2 of the Legislative Decree no. 231/2001, only with regard to crimes for which his liability is provided for by an ad-hoc provision;

- existing the cases and conditions referred to in the previous articles of the criminal code, the State of the place in which the fact was committed does not take legal action against the Entity.

1.4. DISCIPLINARY SYSTEM

For administrative offences related to crimes the Decree provides for sanctions of monetary nature and of interdictory nature, confiscation of the price or profit of the crime and publication of the sentence.

Monetary sanctions apply anyway, but the amount of the same is not predetermined; in fact they are proportionate "*for quotas*", in relation to the seriousness of the offence and to the Entity's economic conditions.

Disqualifications are applicable also in precautionary proceedings and only in relation to crimes for which they are expressly foreseen by the Decree.

The following disqualifications may be inflicted:

- disqualification from exercising the activity;
- ban on contracting with the Public Administration, except that for obtaining public-service related services;
- suspension or revocation of authorisations, licenses or concessions, which are functional to the commission of the offence;
- exclusion from facilities, financing, grants and subsidies, and/or revocation of those already granted, if any;
- ban on advertising goods or services.

Such penalties are applicable only if at least one of the following conditions occurs:

always that: 1) he is within the territory of the State; 2) it is a crime for which a life sentence or imprisonment for a minimum threshold of not less than 3 years is prescribed; 3) his extradition has not been granted, or has not been accepted by the Government of the State in which he committed the crime, or by that of the State to which he belongs."

- a. the Entity has obtained a considerable profit from the crime and the crime has been committed by top managers, or by subjects under the direction or supervision of others, always provided that the criminal offence has been determined or facilitated by serious organisational shortcomings;
- b. in the event of repetition of administrative offences.

1.5. EXEMPTION

Articles 6 and 7 of the Decree provide for by specific types of exemption from administrative liability, for the crimes committed in the interest or for the benefit of the Entity, both by top management and by subjects under the direction of others.

In particular, for crimes committed by top management, art. 6 provides for the exemption for the Entity that in legal proceedings proves that:

- a. the management body has adopted and effectively implemented, before the crime was committed, an *Organisational and Management Model* capable of preventing crimes of the same kind as that which occurred;
- b. the task of supervising the functioning and compliance with the Model, as well as of proposing its update, is entrusted to a *Supervisory Body* of the Entity (hereinafter referred to as the "O.D.V.", i.e. Organismo di Vigilanza), having autonomous powers of initiative and control;
- c. the individuals who committed the crime have acted fraudulently eluding the Model;
- d. the ODV did not fail to perform the supervision or the latter was not insufficient.

With regard to subjects under the direction of others art. 7 provides for the exemption when the Entity has adopted and effectively implemented, before the crime was committed, an Organizational, Management and Control Model capable of preventing crimes of the same kind as that which occurred, or if the commission of the crime was made possible by the non-compliance with management or supervisory obligations.

With regard to the crimes committed in violation of accident prevention regulations and on protection of health and safety at work pursuant to art.25 septies, it is underlined that Legislative Decree no. 81/2008, in paragraph 5 of art.30, in this regard expressly provides that on the first-

time adoption, the corporate organisational models defined in accordance with the UNI-INAIL Guidelines for a system of management of health and safety at the work (SGSL, i.e. sistema di gestione della salute e sicurezza sul lavoro) of 28th September 2001 or with the British Standard OHSAS 18001:2007 are presumed to be compliant with the requirements of the present article for the corresponding parts. In that regard it is recalled that Ghella's Company has been BS OHSAS 18001:2007 certified since 13 October 2010.

2. GHELLA'S MODEL 231

2.1. GHELLA S.P.A.

Founded in 1894, the Company is now an international reality of leading importance in the world of large-scale public works construction.

Specialised in underground excavations, the Company is active in the realisation of infrastructure works such as undergrounds, railways, highways and hydraulic works.

Its global presence with about 3000 employees, the continuous training process of the personnel, the use of advanced technologies, the development of modern constructive methods and a particular attention to safety and respect for the environment allowed the Company to realise complex engineering works contributing to its dynamic and constant growth and converting it in a leading undertaking of the mechanised excavation sector all over the world.

In addition to its presence in the large-scale public infrastructure sector, the Company operates in the renewable energies sector with the development, construction and operation of plants for the production of energy from renewable sources, in particular photovoltaic and hydroelectric, in Italy and Central America, for a total of over 80 MW of installed capacity.

2.2. ORGANISATION, MANAGEMENT AND CONTROL MODEL

Ghella, beyond the requirements of the Decree that indicate the Model as an optional and non-mandatory element, considered it appropriate to integrate its own organisational instruments, equipping itself with Model 231, in order to increase the Company's capability to effectively combat the risk of committing offences.

Therefore, it has entrusted a collegial Supervisory Body, having the necessary autonomy, independence and professional skill with the implementation and control of the Model.

The Model, in line with the terms of art.6, paragraph 3 of Legislative Decree 231/01, was developed in accordance with the indications provided for by ANCE – i.e. Italian National Builders' Association – (approved in December 2013), by the Guidelines issued by Confindustria and the other recognised professional associations, adapting them – as necessary – to the Company's concrete reality.

The “Code of Conduct for construction companies”, drawn up by the National Association of Building Constructors – ANCE, is the reference base on which the enterprises may adapt their own organisation, management and control models.

In particular, the ANCE, in the construction sector, highlights three main at-risk areas:

- **property promotion:** the at-risk factors are mainly referred to the activities that require the issue of building permits and, in general, of authorisation ones, and to activities connected with the production of planning instruments and their modifications;
- **public residential building:** the at-risk factors are mainly referred to the activities that imply the granting of public facilities;
- **public works:** the identified at-risk factors are relating to the phases:
 - of selective procedures in the context of public tenders or of negotiations for assigning public contracts;
 - of subcontracting authorisation;
 - of managing any possible dispute with the customer;
 - of testing the performed works.

Besides, the ANCE, in the abovementioned document, specifies that the at-risk factors shall be researched in all the activities that imply a direct relationship with public officials, inspection bodies, public bodies that provide contributions or holders of authorisation, licence or permission powers.

The ANCE's Code of Conduct suggests the adoption of organisation models able to:

- offer incentive systems for information that guarantee, among other, the protection and anonymity at the organisation of the subjects able to provide useful information, by those who receive information or their hierarchical superiors;
- guarantee that the distribution of powers, competences and responsibilities and their allocation within the corporate organisation are in line with the principle of transparency, clarity, verifiability and consistency with the activity actually performed;
- provide that any awarding systems of the employees are based on objectives and results that satisfy the principles of consistency and adequacy;

- guarantee that the description and identification of the activities performed by the entity, its functional organisation and the corporate organisation chart are documented in an updated representation, with a punctual description of powers, competences and responsibilities conferred to the different subjects with reference to the performance of the single activities;
- provide training programs, aimed at guaranteeing the effective knowledge of the Model by all employees and collaborators of the company.

It should be highlighted that the failure to comply with the specific points of the Code of Conduct provided for by the ANCE and the Guidelines provided for by Confindustria does not affect the validity of the Model.

Any differences to specific points of the Guidelines and the ANCE indications, are the result of a need to adapt the organisation and management measures to the activities actually carried out by the Company and to the context in which it operates. In fact, this can require some deviations from the indications contained in the abovementioned guidelines that, for their nature, have a general character and do not assume a binding value. During the constant updating and verification of the Model, the Company takes into account also the evolution of the reference "*best practices*" and of the best experiences at an international level.

2.3. PREVENTIVE CONTROL SYSTEM

The preventive control system adopted by Ghella, is based on the following components:

- Code of Ethics
- Supervisory Body
- Disciplinary System
- General and specific control standards
- Procedures and documentation of the Integrated Management System and QSA Certified
- Powers of authorisation and signature
- Communications to the personnel and its training.

The control system, identified above, was also guided by the following principles:

- verifiability, consistency and congruity of every transaction;
- introduction of an adequate disciplinary system for the violations of the rules and procedures provided for by the Code of Ethics and the Model;
- provision of adequate manners for managing the financial resources;
- provision of periodic information flows towards the Supervisory Body in relation to the performed controls and the other relevant elements of the performed activity;
- awareness, transparency and publicity of the granted powers (within the Company and towards the interested third parties);
- clear and formal delimitation of roles, with a complete description of the duties of each Department/Function, and of the relative powers and responsibilities;
- punctual description of the lines of reporting;
- separation of duties, within each process, between the decision-maker (decision-making impulse), the subject who carries out such decision and the subject who is in charge of controlling the process (so-called "segregation of functions");
- suitable level of formalisation and archiving of the produced documents (so-called "traceability");
- periodic documented control activities.

When carrying out all operations relating to company management, for the purposes of a correct implementation of the rules, principles and contents set out in the Legislative Decree 231/2001 and subsequent amendments and additions, therefore the following organisational integrated instruments of the control system shall be complied with:

- Organisation, Management and Control Model ex Legislative Decree 231/2001
- Integrated Management System.

By way of example but not limited to, it is necessary to comply also with:

- the current regulations provided for by the Italian and community legislative system;
- the provisions of the civil code;
- the dictates of current regulations for specific subjects;

- the accounting principles prepared by the Italian Accounting Body (OIC, i.e. Organismo Italiano di Contabilità) as well as, where applicable, by International Financial Reporting Standards (IAS/IFRS);
- the requirements of the Supervisory Authorities to which the Company may be subject,
- international certification standards.

2.4. ADOPTION OF THE MODEL

In order to ensure fair and transparent conditions in the conduct of business and corporate activities, following the resolution of the Board of Directors of June 27, 2006, Ghella has formally adopted, the Organisation Management and Control Model pursuant to Legislative Decree 231/2001 appointing at the same time the Supervisory Body of a collegial composition.

The design and revision activities of the Model were performed under the direct control of the administrative Body and with full cooperation of the involved corporate Departments/Functions. The documentation produced before being transferred into the Model, was previously subject to scrutiny by managers of the corporate Departments/Functions.

The adoption of the Model was determined in the belief that the same can represent for the Company a valid instrument of awareness with respect to the workers and all the other subjects interested to the same (Customers, Suppliers, Partners, Collaborators of any nature), so that they follow, while performing their own activities, proper and coherent conducts, such as to prevent the risk of committing the crimes referred to in the Decree.

2.5. APPROVAL OF THE MODEL AND ALLOCATION OF THE MANAGEMENT RESPONSIBILITIES

The Board of Directors at the same time as the approval of the Model has:

- identified and appointed the Supervisory Body, entrusted with the verification of the Model and keeps it up to date, in accordance with the developments of the regulation and with the amendments of the Ghella's organisational structure, generally informing the Board of Directors, in the context of its own periodic ordinary reporting;

- delegated the single structures to implement the contents of the Model and to actively contribute to take care of its effective implementation and regular updating, also through proposals, suggestions, etc..

The Statutory Auditors monitors the compliance with the law and articles of association, the compliance with the principles of good administration and the appropriateness and effectiveness of the organisational structure and of the internal control system and of the organisational-accounting system.

The Managers of the Departments/Functions, each, as far as their competence:

- implement an effective operation management on the basis of the adopted corporate protocols and procedures and of the connected risks;
- monitor the continuous functionality, effectiveness and efficiency of the processes of their respective competence;
- constantly monitor the activities of their respective competence also in order to suggest the factors from which the risks of committing crimes can origin;
- establish effective channels of communication in order to ensure that all the personnel know the policies and procedures relating to their tasks and responsibilities;
- define the information flows aimed at ensuring full knowledge and governance of corporate facts.

2.6. PRINCIPLES OF THE MODEL

The Model adopted by Ghella, is based on a structured and organic system of procedures, principles of conduct and general and specific control standards, that essentially:

- **identify** and allow to monitor the areas and processes of possible risk in the corporate activity, on which the verification activities are to be primarily focused;
- **define** an internal legislative system, aimed at programming the formation and implementation of the Company's decisions, in relation to the risks/crimes to be prevented through:
 1. a Code of Ethics, that establishes the general guidelines;

2. a System of delegations of functions and proxies, for the signing of corporate acts that, assigned in line with the defined organisational and management responsibilities, ensures a clear and transparent representation of the process of formation and implementation of the decisions;
 3. a Disciplinary System suitable for sanctioning conducts that are in contrast with the measures provided for by the Model;
- **determine** a consistent organisational structure, aimed at inspiring and controlling the correct behaviour, guaranteeing a clear and organic allocation of tasks, applying a fair separation of functions, ensuring that the required arrangements of the organisational structure are really implemented;
 - **identify** the processes of management and control of financial resources in the at-risk activities;
 - **assign** the task of supervising the functioning and the conformity with the Model and of proposing for its update to the Supervisory Body (ODV, i.e. Organismo di Vigilanza).

2.7. STRUCTURE OF THE MODEL

The Model governs a set of consistent and uniform rules that the Company deemed it appropriate to structure, according to the different areas of corporate activities that are at risk of commission of crimes.

The Model consists of an organic set of single "components" listed below:

- General Part
- Supervisory Board Regulation
- Disciplinary System
- Training and Communication
- Special Parts
- Code of Ethics.

General Part

General Part describes the reference legislative framework, the overall functioning of the organisation, management and control system adopted by the Company aimed at preventing the commission of the underlying crimes and the methodology adopted for the activity of drawing up/updating the Organisation, Management and Control Model.

Regulation of the Supervisory Body

The Supervisory Body, set up under art.6, paragraph 1, lett. b) of Legislative Decree 231/01 and equipped with autonomous powers of initiative and control, is entrusted with the duty of supervising the functioning and observance of the Code of Ethics and Model and of keeping it up-to-date.

For this reason, the ODV shall be placed in a position of disjunction and independence from the other corporate Bodies and the subjects responsible for such control function, cannot be invested with incompatible corporate tasks.

In fact, in order to guarantee the necessary autonomy of initiative and independence by the ODV, the Model expressly provides that such Body is not entrusted with general operating tasks of external economic/financial relevance that, by making it part of the management decisions and activities, might undermine its objectivity of judgement.

Disciplinary System

The preparation of an adequate disciplinary system for the violation of the requirements contained in the Model, also including the Code of Ethics, is an essential condition to ensure the effective implementation of the whole Model 231.

The application of disciplinary measures is irrespective of the outcome of a possible pending criminal procedure, as the rules of conduct imposed by the Model are assumed by Ghella in full autonomy and independently of the type of offence that the violations of the Model may determine.

In fact, the disciplinary measure is characterised by the principles of promptness and immediacy; if the imposition of sanctions depended on the outcome of any possible criminal trial, possibly undertaken following the commission of one of the crimes provided for by the Decree 231, it would become very difficult to ensure the effective implementation of the Model.

The Ghella's disciplinary system is based in accordance with the principles of labour law and, in particular, in accordance with the typical sanctions that can be applied and with the terms of art.7 of the Workers' Charter and the special legislations.

Training and Communication

In order to give a complete implementation and the maximum dissemination of the values contained in the Code of Ethics, the rules, principles, regulations and sanctions and in general of the requirements established by Model 231 adopted by Ghella, the Company plans and organises specific training and information programs for all the Ghella's personnel, including the seconded one in other Companies/Branches/Productive Units in Italy or abroad.

In fact the Ghella's objective is to ensure a proper knowledge of the contents of the Model, both to the resources present in the Company that to the future ones, with a different degree of detail in relation to the level of involvement of the resources concerned in the sensitive processes and to the level of responsibility they have within the corporate structure.

Ghella extends the communication of the contents of the Model also to all the subjects that operate to achieve the corporate objectives by virtue of contractual relationships.

Communication and training activity is diversified according to the intended recipients, and it is based on the principles of completeness, clarity and accessibility.

Communication and training activity is carried out under supervision of the ODV, to which, among others, the tasks of "promoting proper initiatives for the dissemination of knowledge and understanding of Model 231" are delegated.

Special Parts

Special Parts of the Model are aimed at integrating the content of the General Part in relation to certain types of crime.

Each Special Part contains a description relating to:

- the **types of offences** mentioned in the Decree that the Company deemed it necessary to take into consideration due to the characteristics of the performed activity;
- the **Sensitive Activities**, meaning those activities present in the corporate context within which the risk of committing one of the crimes referred to in the previous point may arise;
- the **general principles of conduct**, aimed at specifying the rules of conduct that shall inspire the behaviour also in order to prevent the commission of crimes;
- the **general control standards** of transparency of activities guiding the instruments and methods used for structuring the specific control standards, that shall always be present in all the Sensitive Activities taken into account by the Model;
- **the specific control standards**, applicable to the single sensitive activities, drawn up on the basis of the general control standards mentioned above, such as measures of protection identified for mitigating the specific risk of committing the single crime/crime category;
- the principal **operating implementation methods** through which the Company has regulated the implementation of the specific control standards within the corporate context.

The table **Matrix Sensitive Activities – Risks of Offence** (Annex 1) which links the single sensitive activities with the risks of offence is attached to the Special Parts.

Code of Ethics

The Code of Ethics - an integral and substantial part of the Model adopted by Ghella – regulates the set of rights, duties and responsibilities that Ghella recognises as its own and assumes towards its own stakeholders, and that all the recipients of the Code shall comply with.

2.8. RELEVANT CRIMES

The adoption of the Model, as an instrument able to guide the behaviour of the subjects that operate within the Company and to promote behaviours inspired by legality and correctness at all corporate levels, has a positive effect on the prevention of any offence or crime provided for by the legal system.

However, in consideration of the analysis of the corporate context, the activity performed by the Company and the areas potentially subject to the risk-offence, only the crimes that are the subject of the Special Parts, to which reference is made for their precise identification, were considered to be relevant and so specifically examined by the Model.

With regard to the other types of crimes such as Market Abuses and Practices of mutilation of female genital organs the Company has determined that the risk is not applicable or not realistically feasible and that, in any case, the control instruments designed to prevent the other crimes can constitute, together with compliance with the legislative provisions and the Code of Ethics, a presidium also for the prevention of such crimes.

2.9. AMENDMENTS, UPDATING AND ADDITIONS OF THE MODEL

The Model (in accordance with the requirements of art. 6, paragraph 2, letter a of the Decree) is an “act of emanation from the directive body” therefore its adoption, like the subsequent amendments and additions are left to the competence of Ghella’s Board of Directors.

In particular the Board of Directors has the task to integrate the Model in relation to further types of crimes that new legislative provisions connect with the scope of the Decree, as a consequence of structural changes of the corporate organisation or in case significant violations of the requirements set out by the Model take place.

3. GOVERNANCE MODEL AND ORGANISATIONAL STRUCTURE OF GHELLA S.P.A.

3.1. ORGANISATIONAL STRUCTURE

In order to implement the Organisation, Management and Control Model ex Legislative Decree 231/2001 the Company's organisational structure, upon which the essential organisational structures, the respective areas of competence and the main responsibilities assigned to these are identified is of the utmost importance.

The role of each Department/Function is defined in the Corporate Organisation Chart that highlights tasks, responsibilities and hierarchical and functional lines of reporting of each Department/Function.

A relevant role for the purposes of compliance with Legislative Decree 231/01 is played by the following functions:

- **Internal Auditing 231:** Collaborates with the Board of Directors for the management and updating activities of the documents of the Model adopted by the Company. Collaborates with the Supervisory Body for the verification activities of the Model by providing support activities to the corporate Structure for its effective implementation and, upon issue, participates in verifying the documentation of the integrated management system for the processes considered as sensitive for the purposes of the Model.
- **Integrated Management System:** has the task of coordinating the activities concerning the application of the Integrated Management System, ensuring compliance with the rule for the three certification schemes: Quality, Environment, Health and Safety.

3.2. GOVERNANCE INSTRUMENTS

The set of the adopted governance and regulatory instruments – listed below in extreme summary - guarantees the functioning of the Company and allows to identify, in relation to all activities, how the Body's decisions were formed and implemented (see art. 6, paragraph 2 lett. b, Legislative Decree. 231/2001).

Articles of Association: in accordance with the legal requirements in force, provides for different provisions relating to corporate governance aimed at ensuring the proper execution of management activity.

Corporate organisation chart: shows the organisational structure and takes into account the double role that Ghella S.p.A. plays simultaneously both as Holding and as operating Company, and was conceived and developed in order to consider also the territorial dimension of the Company, involved in different foreign geographical areas, besides Italy.

Integrated Management System for Quality, environment and safety: regulates the processes and defines the organisational structure through the Manual, the general and specialised procedures and the operational instructions. Such Management System consists of:

- Occupational Health and Safety Management System in compliance with OHSAS 18001:2007; that includes organisational structure, planning activities, responsibilities, procedures and resources to elaborate, implement, review and keep active the SSL (i.e. Health and Safety at work) policy, managing the related risks and preparing and activating the connected occupational health and safety measures;
- Environmental Management System in accordance with ISO 14001:2004; that includes organisational structure, planning activities, responsibilities, procedures and resources to elaborate, implement, review and keep active the environmental policy;
- Organisation's Quality Management System in accordance with UNI EN ISO 9001:2008; that includes organisational structure, planning activities, responsibilities, procedures and resources to elaborate, implement, review and keep active the quality policy and the objectives to be pursued formally expressed by Top Management.

In fact Ghella has obtained the main certifications, recognised at an international level, in accordance with UNI EN ISO 9001, 14001 and OHSAS 18001 standards, that allow it to guarantee the management and control of all corporate processes in the context of the Quality, Environment and Safety schemes and to continually improve its performances, also in relation to the expectations of the involved resources and figures.

Therefore, the Integrated Management System is a fundamental instrument for monitoring the Department for the purposes of the effective implementation of the Model. In fact, such system, in addition to giving a clear evidence to the corporate processes through the formal adoption of a complex set of documents including the IMS Manual and procedures, permits to spread a greater attention to compliance with the management system procedures at all corporate levels, also thanks to the internal periodic audit activities, that allow to evaluate the status of application and effectiveness of the corporate management system, so integrating in the wider control panels required by the Legislative Decree 231/01.

3.3. SYSTEM OF DELEGATIONS AND PROXIES

The "System of Delegations and Proxies" establishes the responsibilities and powers to represent or commit the Company.

The essential requirements of the system of assigning delegations and proxies adopted by Ghella, also for the purposes of an effective prevention of the crimes ex Legislative Decree 231/2001, are the following:

- a) the delegations shall combine each power with the related responsibility and an appropriate position in the organisational chart;
- b) each delegation shall define specifically and unambiguously the powers of the delegate, and the subject (body or individual) to which the delegate shall report hierarchically;
- c) all of those who have external relationships on behalf of the Company shall be equipped with a formal delegation in this sense;
- d) the management powers assigned with delegations and their implementation shall be consistent with the corporate objectives;
- e) the delegate shall have spending powers adequate for the functions conferred to him;
- f) the proxy can be conferred to natural persons that are expressly identified in the proxy itself, or to legal entities, that will act through their own agents who are vested with similar powers, within the scope of the same;

- g) specific procedures govern criteria, responsibilities and the operational manners for promptly conferring and updating the proxies and delegations issued by the Board of Directors as well as the manners of their release and subsequent communication to the interest subjects. To this end the **Register Delegations and Proxies**, regularly updated, in which all the proxies and delegations assigned within the Company are listed, is established also indicating, among others, the delegated subject, the delegating Body, the date of conferral and the description of the assigned powers;
- h) each proxy that implies the power to represent the Company towards third parties shall be accompanied by a delegation that describes its related management power;
- i) the proxies normally provide for spending and/or commitment limits; in the case in which they do not expressly provide for such limits and/or the need of joint signature, compliance with such requirements is ensured by the internal limits provided for by the internal control system.

ORGANISATIONAL MODEL

Organisation, Management and Control Model Legislative Decree 231/2001

Regulation of the Supervisory Body - ODV

REV	DATE	DRAWN UP	VERIFIED	APPROVED	NOTES
02	July 24, 2017	IA	ODV	BOD	<i>Third issue</i>
01.1	February 13, 2009	IA	ODV	BOD	<i>Review</i>
01	May 30, 2008	RGI	ODV	BOD	<i>Second issue</i>
00	June 27, 2006	RGI		BOD	<i>First issue</i>

4. SUPERVISORY BODY (ODV)

In compliance with art. 6, paragraph 1°, letter b), of the Legislative Decree no. 231/2001 and subsequent amendments and additions, a collegial Supervisory Body (ODV) is established according to the provisions hereinafter defined.

4.1. COMPOSITION, APPOINTMENT AND TERMINATION OF THE OFFICE

The ODV is composed of two to five members and is appointed by the Board of Directors; its members remain in charge for three years and may be re-appointed.

In consideration of the necessary requirements of autonomy, independence and professionalism that must be met by those who will be called to join the Ghella's ODV, in order for such body to be able to adequately and effectively fulfil its duties, the same:

- shall have specific capabilities on inspective and consulting activity (in terms of analysis of the control systems, of a judicial/corporate type etc.);
- shall not find themselves in any of the disqualifying situations indicated in art. 2382 of the Italian civil code;
- shall not be spouse, relative or relative-in-law up to the fourth degree of the Ghella's directors;
- shall not be directly or indirectly owners of such amounts of Ghella's shares as to allow them to exercise control of or a huge influence on the Company;
- shall declare to be adequately informed on the rules of conduct and ethics on which Ghella bases the exercise of all its activities;
- shall be deprived of decision-making powers of external economic/financial relevance;
- shall make a declaration given in accordance with articles 46 and 47 Presidential Decree 28/1/2000 no.445 (see Attachment 1).

For the abovementioned reasons the Supervisory Body shall report directly to the Board of Directors and is placed within the corporate structure (organisational chart), in a top-down position of absolute autonomy and independence.

The acceptance of the office shall be communicated in writing, by the interested subjects, to the Chairman of the Board of Directors.

In the case of one of the ODV's members has ceased (for resignation, waiver, etc.), the appointment of the replacement is resolved by the Board of Directors. The appointed subject remains in office until the expiration of the current term of office for the other members.

4.2. FUNCTIONS, POWERS AND TASKS

The ODV is equipped with autonomous powers of initiative and control regarding Code of Ethics and Model 231.

For performing its own functions, the ODV may use the Ghella's internal Offices.

In performing its own functions, the ODV may rely on, in case of particular needs, support of external consultants and independent advisors in compliance with the confidentiality of the Company and its relating activities. For this reason, it will be accorded a budget suitable for taking spending decisions, necessary to fulfil its own functions.

In compliance with the terms prescribed by the mentioned Legislative Decree to ODV, it is given the task of supervising over the functioning and observation of Model 231 and of keeping it updated. In particular, the ODV is vested with the following tasks:

- monitoring the application of the Code of Ethics and Model 231, checking the consistency of the concrete behaviour of individuals and the principles, regulations and general standards of behaviour laid down in such documents;
- supervising over the adequacy of the elements and measures provide for by Code of Ethics and Model 231;
- drawing up proposals concerning the updating of the Code of Ethics and Model 231, in case of organisational and/or structural corporate changes or legal measures;
- drawing up proposals concerning the adoption of disciplinary measures in case of proven breach of the Code of Ethics and Model 231.

The main responsibility of implementing control procedures, also for those strictly relating to the areas of activity exposed to the risk of crime pursuant to Legislative Decree 231/2001, is however

still demanded of the Ghella's operational management, and forms an integral part of corporate processes.

On an operational level the ODV, in coordination with the respective Heads of Department/Function involved, shall:

- conduct surveys of the company's activities, in order to update the map of areas of activities exposed to the risk of crime Legislative Decree 231/2001;
- promote suitable initiatives for spreading know-how and understanding of the Model 231 as well as, when deemed necessary, draft documents containing instructions, clarifications or updates that will be circulated by the corporate structure;
- verify and monitor that the elements provided for by the Model 231 – adoption of standard clauses, completion of procedures, staff training etc.- are adapted to its needs;
- carry out internal controls relating to the alleged violations of the provisions contained in the Model 231.

Besides, in compliance with privacy law, it shall:

- conduct periodic audits focused on specific corporate operations or activities within areas of activity exposed to the risk of crime Legislative Decree 231/2001;
- access to acts and documents relating to personnel and activities performed within the crime risk areas Legislative Decree 231/2001;
- ask for information and explanations, without needing prior authorisation from corporate bodies;
- carry out inspections, checks, audits on Ghella's personnel and other activities;
- carry out random inspections on operational procedures relating to crime risk areas Legislative Decree 231/2001.

4.3. FUNCTIONING OF ODV

1. The ODV reports to the Chairman and the Chief Executive Officer and, where it deems it necessary, to the Board of Directors and the Board of Statutory Auditors.

2. The ODV follows a verification programme in the interest of a Ghella's dynamic management activity analysis without prejudice to what is established in the following point 3.

The ODV draws up a report on the performed activity on an annual basis, addressed to the Chairman and the Chief Executive Officer ensuring at the same time to send it to the other Directors and to the Board of Statutory Auditors. Such report will cover:

- the activity performed by the Body during the year;
- the potential critical aspects or relevant facts that emerged;
- any corrective or improvement intervention of the Model 231 that were realised or to be implemented.

In case of particular events or substantial critical aspects that emerged during audits, the ODV, shall, in its judgment, immediately report to the BoD sending a special communication to the members of the Board of Directors and to the Board of Statutory Auditors for their prompt and effective resolution.

3. The ODV meets to carry out checks at least four times a year and, anyway, every time that the ODV itself deems it appropriate. It is convened by email at least five days before the date of the meeting. If all the members of the ODV are present, the meeting is duly constituted even without the said convening formalities.
4. The meetings of the ODV are valid with the presence of the majority of the members of the Body itself. Upon completion of every check the ODV draws up a specific report, to be forwarded, where deemed necessary, to the Chairman and the Chief Executive Officer that will inform the other Directors and Board of Statutory Auditors, by sending a specific information or convening, to this end, the Board of Directors.
5. The members of the Body may proceed to also individually carry out checks, subsequently sharing their outcomes with the other members of the ODV that will sign the related minutes to attest that they have read and accept them.
6. The Chairman of the Board of Statutory Auditors shall convene a meeting with the ODV every six months in order to mutually transfer the information acquired within their respective

activities on the degree of compliance with the rules of corporate law and Corporate Governance.

7. The Chairman of the Board of Statutory Auditors, at least once a year, convenes a meeting with the ODV and the other control and/or supervisory bodies/functions of the Company (Audit Firm, Internal Auditing, any other established bodies and/or functions) in order to share the outcomes of the mutual verification activities, with particular reference:
 - to compliance with rules, principles, regulations and other provisions provided for by the Articles of Association;
 - to compliance with accounting, audit and internal control principles;
 - to compliance with any existing regulation;
 - to compliance with procedures and control standards provided for by the Organisation, Management and Control Model adopted by Ghella and the Code of Ethics.
8. The ODV establishes a register, stored at the Company's headquarters, in which the minutes of the performed checks are chronologically recorded.
9. The ODV receives reports regarding alleged violations to the Code of Ethics and Model 231; the decision whether to conduct further inquiries or to proceed to file the report is taken by majority, reporting – by way of a written notice – to the Chairman and the Chief Executive Officer that will inform the Board of Directors and the Board of Statutory Auditors, when the decision to file a report is not taken unanimously.

4.4. INFORMATION FLOWS

The ODV shall promptly be informed on acts, behaviours or events that may determine a violation to the Model or that, more in general, are relevant to the purposes of a greater effectiveness and efficacy of the Model.

All the recipients of the Models communicate any useful information for checking the correct implementation of the Model to the ODV. In particular:

1. the Departments/Functions, in accordance with the respective organisational empowerments and with what is provided for by the procedure of the "Information Flows towards the

Supervisory Body" Model, shall inform, with the necessary speed, the ODV, by way of a written notice, about any information concerning:

- the issue and/or updating of the organisational documents;
 - the turnover in the responsibilities of the Departments/Functions/Production Units and the updating of the system of corporate delegations and proxies;
 - the reports prepared by the Bodies/Departments/Functions and by the Audit Firm within their verification activities, from which facts, acts, events or inactions can emerge with critical profiles in relation to compliance with the rules of the Decree or the provisions of the Model;
 - the requests for legal assistance forwarded by employees in the event of legal proceedings against them and in relation to the crimes referred to in Legislative Decree 231/2001, unless expressly prohibited by the Judicial Authorities;
 - the proceedings started up due to violations of the Code of Ethics and the Model, dismissal orders for such proceedings and relative motivations or the sanctions applied for such violations;
 - any measures and/or news from judicial police departments, or any other authority or those directly concerned, which indicate the performance of investigations for the crimes provided for by the Legislative Decree 231/2001, in compliance with any confidentiality and disclosure system of files relating to the criminal proceedings;
2. the members of Corporate Bodies and the Company's staff shall promptly report the commission or alleged commission of crimes referred to in the Decree or the reasonable danger of commission, whether they are inherent or not to the operational processes of their competence, of which they became aware directly or through their own collaborators, as well as any violation or alleged violation of the Model;
3. the other recipients of the Model are requested to directly and immediately report to the ODV if they, directly or indirectly, receive a request from one of the Company's employees/representatives to adopt behaviours that could determine a violation the Model.

In addition to the reports relating to the general violations and the information described above, a proper procedure of the “Information Flows towards the Supervisory Body” Model defines specific reporting activities, relating to the different Sensitive Activities identified in the Special Parts, in which the following are identified: person in charge, frequency and information to be reported.

4.5. OBLIGATION OF CONFIDENTIALITY

The Company adopts suitable measures so that it is always guaranteed confidentiality about the identity of the person sending the ODV information useful for identifying the conducts that do not comply with the terms of the Model, the procedures established for its implementation except for the legal obligations and the protection of the rights of the Company or persons wrongly accused and/or accused in bad faith.

Any form of reprisal, discrimination or penalisation against those subjects who report to the Supervisory Body in good faith is forbidden. The Company reserves any action against those who make untrue reports in bad faith.

The members of the ODV shall refrain from obtaining or using confidential information for purposes other than those referred to in the Legislative Decree 231/2001, and in any case the acquired information will be processed in compliance with the current law on protecting people and other subjects in relation to personal data processing.

Non-compliance with the above-mentioned obligations implies the automatic removal from the office.

In order to allow punctual compliance with the provisions and to facilitate the flow of communications and information for the purposes provided for by the Model, a dedicated mailbox ODVGhella@Ghella.com has been set up.

Besides, the reports may be sent also by ordinary mail to the attention of the ODV at the address of the Company’s seat.

The ODV will use the abovementioned e-mail address for sending, also in a selective way, specific update or information emails, and may also be used by the Recipients to ask for explanations and raise questions on specific issues of interest relating to the Model and, more in general, to

	<p style="text-align: center;">ORGANISATIONAL MODEL</p> <p style="text-align: center;">Organisation, Management and Control Model Legislative Decree 231/2001</p>	<p style="text-align: right;">Third issue</p> <p style="text-align: right;">July 24, 2017 Page 34 of 57</p>
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Legislative Decree 231/01.

4.6. REMUNERATION OF THE ODV

The remuneration for the functions and tasks assigned to the ODV is established by the Board of Directors.

4.7. DECLARATION OF AUTONOMY AND INDEPENDENCE REQUIREMENTS

DECLARATION

(Made pursuant to articles 46 and 47 of Presidential Decree 28 January 2000 no. 445)

The undersigned....., born in on ..., resident in, address, Fiscal Code, appointed as a member of the Supervisory Body of the Company Ghella S.p.A. – with registered office in Rome, Fiscal Code and VAT code,

declares

- he is not in any of the conditions disqualifying from the appointment to the office referred to in art. 2, paragraph 1, and paragraph 2, letter a) of the Decree of Ministry for the Treasury, Budget and Economic Planning no. 468/1998;
- he is not in any of the ineligibility or forfeiture conditions provided for by art. 2382 of the Italian civil code;
- he was not subject to any criminal sanctions or measures affecting legal capacity that would imply the loss of integrity requirements referred to in the Decree no. 468/1998;
- he was not subject to, in Countries other than the country of residence, any measures that correspond to those that would imply the loss of integrity requirements referred to in the Decree no. 468/1998 according to the Italian legal system, with particular reference to the application of criminal sanctions, declarations of bankruptcy and other measures affecting legal capacity;
- he is not in any of the causes of prohibition, forfeiture or suspension referred to in art. 10 of the Law 31.5.1965 no. 575 and subsequent amendments and additions.

Yours truly

ORGANISATIONAL MODEL

Organisation, Management and Control Model Legislative Decree 231/2001

Disciplinary System

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02	July 24, 2017	IA	ODV	BOD	<i>Third issue</i>
01.1	February 13, 2009	IA	ODV	BOD	<i>Review</i>
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00	June 27, 2006	RGI		BOD	<i>First issue</i>

5. DISCIPLINARY SYSTEM AND MEASURES IN THE CASE OF NON-COMPLIANCE WITH THE REQUIREMENTS OF THE MODEL

5.1. GENERAL PRINCIPLES

Art. 6, paragraph 2, lett. e) and art. 7, paragraph 4, lett. b) of Legislative Decree 231/2001 establish, as a condition for the effective implementation of the Organisation, Management and Control Model, the introduction of a Disciplinary System suitable to punish failure to comply with the measures indicated in the Model itself.

The definition of an adequate Disciplinary System is therefore an essential prerequisite for the justifying value of the Model pursuant to Legislative Decree 231/2001 for the purposes of the entities' administrative liability.

The Disciplinary System identifies breaches of principles, conducts and the general and specific control standards contained in the Model and the Code of Ethics, and these are connected with the sanctions provided for the employed personnel by Law of 20 May 1970 no. 300 and subsequent amendments and additions (so-called "Workers' Statute) and by National Collective Employment Contracts (CCNL) applicable to Ghella's staff.

The Disciplinary System therefore operates in compliance with the current rules on labour law, and it cannot be considered to be in substitution, but additional in relation to the legal provisions, the collective bargaining and the current regulations.

The violations of the Model and the Code of Ethics that are subject to sanction are in particular those committed:

- by the subjects holding "top" positions, as they hold representative, administrative or management roles in the Entity or in one of its organisational units with financial and functional autonomy, or they, also de facto, manage and control the Entity itself;
- by persons subject to the direction or supervision of others or operating in the name or on behalf of the Company.

The establishment of a disciplinary procedure, as well as the application of the sanctions indicated in the subsequent paragraphs, are irrespective of any criminal proceedings established against

	<h2 style="margin: 0;">ORGANISATIONAL MODEL</h2> <p style="margin: 0;">Organisation, Management and Control Model Legislative Decree 231/2001</p>	<p style="margin: 0;">Third issue</p> <p style="margin: 0;">July 24, 2017</p> <p style="margin: 0;">Page 38 of 57</p>
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Ghella and/or of their outcome, concerning the same conducts that are relevant for the purposes of the Disciplinary System.

5.2. RECIPIENTS

Recipients of the Disciplinary System are:

- **the Ghella’s employed personnel operating at any level:** in this regard, it concerns the position of all the employees linked to Ghella by a subordinate employment contract, regardless of the duration, the applied agreement, the qualification and/or the recognised corporate framework (e.g. managers, middle management, clerical staff, workers);
- **subjects holding a “top” position within Ghella’s organisation:** pursuant to art. 5, paragraph 1, lett. a) of Legislative Decree 231/2001 this category concerns people “*holding representative, administrative or management roles in the Entity or in one of its organisational units with financial and functional autonomy*” as well as the subjects who “*also de facto, manage and control*” the Entity. Therefore, those who belong to this category are Directors, Executive officers with financial and functional autonomy, as well as any special attorneys of Branches (Italy and abroad) with financial and functional autonomy. Such subjects may be linked to the Company both by a subordinate employment contract and by other relationships of private nature (e.g. mandate, agency, etc.);
- **self-employed, para-subordinated workers, suppliers and partners of Ghella:** in particular it concerns all the subjects that without a dependent lien with the Company are anyway required to comply with the Model and Code of Ethics, as they operate by virtue of contractual relationship in favour of Ghella. The following subjects belong to such category:
 - a. all those who do not have a relationship of employment nature for Ghella including, by way of example but not limited to:
 - a.1. legal professionals, auditors, advisors
 - a.2. Head/Heads and Assigned Employees to Prevention and Protection Service, First-Aid Officers, the Workers’ Safety Representative/Representatives, Plant Physician and

all those entrusted with, or that however perform, specific functions and/or tasks on health and safety at work, if they are not Ghella's employees

- a.3. all the other para-subordinated workers that operate for Ghella in any form
- b. attorneys, agents and all those who act in the name and/or on behalf of Ghella
- c. suppliers
- d. partners.

5.3. DISCIPLINARY OFFENCES AND SANCTIONING CRITERIA

The behaviours of the recipients of the present document in breach of the rules (provisions, rules, requirements, prohibitions, obligations) principles of conduct and general and specific control standards deriving from the Model and the Code of Ethics adopted by Ghella are defined as disciplinary offences.

The Disciplinary System entirely applies to all the corporate figures that are relevant to and have legal obligations for the purposes of safety at work as identified in the Legislative Decree 81/08 and subsequent amendments and additions and provided for by the health and safety Management System adopted by Ghella and realised in compliance with the terms of art. 30 of the certified Consolidated Law in compliance with the OHSAS 18001:2007 standard or with subsequent/integrative certifications for safety purposes that Ghella will decide to obtain on the basis of national and international standards.

When applied, the disciplinary sanctions for the employed personnel will take into account the principle of proportionality provided for by art. 2106 of the Italian Civil Code, considering for each case, the objective seriousness of the event that represents the disciplinary offence, the level of blame, the possible repetition of the same conduct, as well as the intentional nature of the conduct concerned.

With particular reference to the principles, rules, fulfilments and requirements provided for by the Model and the Code of Ethics adopted by Ghella in compliance with Legislative Decree 231/2001 and subsequent amendments and additions the seriousness of the conducts will be evaluated also in relation to the possible/probable "external relevance" of the committed violation.

Violation with an “external relevance” means an action having a probable and/or possible punitive impact on the Company by the Public Administration⁴.

The type and entity of the sanctions applicable to the single cases of disciplinary offence vary in relation to the seriousness of the deficiencies and according to the following general criteria in force in Ghella and laid down by the CCNL:

- conduct of the employee: intent or negligence (negligence, carelessness or inexperience)
- tasks and grade of the employee
- importance of the violated obligations
- potential resulting damage to the Company, also in relation to the possible application of the sanctions provided for by Legislative Decree 231/01 and subsequent amendments and additions
- presence of aggravating or mitigating circumstances: in particular whether or not there are previous disciplinary actions, within the limits permitted by law.

With regard to the violations on occupational health and safety some punishable types of behaviour, graduated in an ascending order of seriousness are shown below, by way of example but not limited to:

1. failure to compliance with the Model, if the violation determines a situation of real danger for the physical integrity of one or more persons, including the author of the violation, and unless either of the conditions provided for in the subsequent points 2, 3 and 4 applies;
2. failure to compliance with the Model, if the violation determines an injury to the physical integrity of one or more persons, including the author of the violation, and unless either of the conditions provided for in the subsequent points 3 and 4 applies;
3. failure to compliance with the Model, if the violation determines an injury, qualified as “serious” pursuant to art. 583, paragraph 1, of the Italian Criminal Code⁵, to the physical integrity of one

⁴ Public Administration means: national Public Administration, Public Entities in the European Union, International Bodies/Organisations including also Supranational Funding Bodies such as for example: FED, World Bank, European Investment Bank etc.

⁵ Pursuant to art. 583 of the Italian Criminal Code, **personal injury is serious**, and imprisonment from three to seven years applies: 1) if the fact results in an illness that endangers the life of the injured person, or an illness or capacity to attend to the ordinary activities for a period exceeding forty days; 2) if the fact results in a permanent weakening of a sense or organ.

or more persons, including the author of the violation, and unless either of the conditions provided for in the subsequent point 4 applies;

4. failure to compliance with the Model, if the violation determines an injury, qualified as “very serious” pursuant to art. 583, paragraph 1, of the Italian Criminal Code⁶ to the physical integrity or the death of one or more persons, including the author of the violation.

5.4. SCOPE

In accordance with article 5, letter b) in conjunction with art. 7 of the Legislative Decree 231/2001, without prejudice to prior reprimand and the procedure provided by art. 7 of Law no. 300/1970, the sanctions apply in respect of the employees that commit – by way of example but not limited to – disciplinary offences deriving from the failure to comply with the measures aimed at guaranteeing the performance of the activity and/or to discover and promptly eliminate at-risk situations, pursuant to Legislative Decree 231/2001, and in particular:

- a. failure to compliance with the rules provided for by the Model and the Code of Ethics adopted by Ghella and aimed at regulating the relationships to have with the Public Administration, at impeding behaviours than may constitute the case of corporate offences; of the crimes of receiving stolen goods, money laundering and self-laundering; of the crimes committed in violation of regulations protecting health and safety at work; of environmental crimes; of offences of organised crime and obstruction against justice, of transnational crimes, of terrorism crimes, of crimes against individuals; of computer crimes and unlawful data processing, offences of violation of copyright, and in general of all the crimes provided for by Legislative Decree 231/2001 and subsequent amendments and additions;
- b. non-observance, false or incomplete compliance with the rules provided for by the Model and the Code of Ethics, with reference to the ways of documentation, storage and control of the acts, thus impeding that the same are transparent, truthful and easily verifiable;

⁶ Pursuant to art. 583 of the Italian Criminal Code, **personal injury is very serious**, and imprisonment from six to twelve years applies if the fact results in: 1) an illness that is certainly or probably incurable; 2) the loss of a sense; 3) the loss of a limb, or a mutilation which renders the limb useless, or the loss of the use of an organ or of the ability to procreate, or a permanent and serious difficulty of the speech; 4) the facial deformation or permanent disfigurement.

- c. violation and/or avoidance of the control systems, by removing, destroying or altering the related documentation;
- d. prevented control or access to information and the documentation towards the subjects in charge, including the Supervisory Body;
- e. failure to fulfil the obligation to send the periodic Information Flows or the prompt reports provided for by the Model to the Supervisory Body;
- f. failure to comply with the provisions relating to the powers of signature, the ways to join signatures, and the terms of the system of delegations, in particular in relation to the risks connected with the crimes against Public Administration, with regard to the acts and documents formed and/or sent to it, with the crimes against public faith, with corporate crimes and the crimes concerning health and safety at work, with environmental crimes and the crimes of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin;
- g. failure to fulfil the obligation inherent to the issue of declarations or falsity in declarations requested by the Model;
- h. failure to report situations of conflict of interests, especially regarding the relationships with the Public Administration;
- i. lack of controls and information regarding the financial statements and the other corporate communications;
- j. failure to supervise on the behaviour of the personnel operating within its own responsibility sphere in order to verify their actions and, in any case, the performance of activities instrumental to the operational processes provided for by the Model.

5.5. SANCTIONS TOWARDS EMPLOYEES

Infringements inherent to failure to compliance by employees with the rules, principles of behaviour and general and specific control standards indicated in the Model and Code of Ethics, without prejudice to prior reprimand and the procedure provided for by art. 7 of Law no. 300/1970, may be punished, depending on the seriousness, with the following disciplinary measures:

- A. verbal warning
- B. written reprimand
- C. fine not exceeding the value of three hours' pay
- D. suspension from work and pay up to 3 working days
- E. dismissal with notice
- F. dismissal without notice.

A. VERBAL WARNING

The sanction of verbal warning will be applied to the case of negligent violation of the principles of the Code of Ethics and/or rules provided for by the Model and/or procedural errors, not having an external relevance, due to the worker's proven negligence.

B. WRITTEN REPRIMAND

The sanction of written reprimand will be applied to the cases of:

- repeated violations referred to in point A;
- negligent violations of the principles of the Code of Ethics and/or rules provided for by the Model and/or procedural errors, having an external relevance, due to the worker's proven negligence. Such category includes the violations of any possible declaratory/information obligation towards management and/or control bodies such as: Board of Directors, Board of Statutory Auditors, Supervisory Body, Employer, Auditors, the Head of the Prevention and Protection Service, the Head of the Integrated Management System and Certifying Bodies, etc.

C. FINE

In addition to the cases of repeated commission of infringements that can result in the application of the written reprimand, a fine will be applied to the cases in which, for the hierarchical or technical level of responsibility, or where aggravating circumstances exist, the wrongful and/or

negligent conduct may undermine, if only just potentially, the effectiveness of the Model, the Code of Ethics and the certified Integrated Management System; by way of example but not limited to:

- failure to comply with the principles of the Code of Ethics and/or rules provided for by the Model and concerning in particular the relationships with the Public Administration;
- failure to comply with the principles of the Code of Ethics and/or the rules provided for by the Model aimed at impeding behaviours than may constitute the case of corporate offences; of the crimes of receiving stolen goods, money laundering and self-laundering; of the crimes committed in violation of regulations protecting health and safety at work; of environmental crimes; of offences of organised crime and obstruction against justice, of transnational crimes, of terrorism crimes, of crimes against individuals; of computer crimes and unlawful data processing, offences of violation of copyright, and in general of all the crimes provided for by the Legislative Decree 231/2001 and subsequent amendments and additions.

D. SUSPENSION FROM WORK AND PAY

The sanction of suspension from work and pay up to 3 working days will be applied, in addition to the cases of repeated commission of infringements referred to in the previous point C, to the cases of violations of a serious nature such as to expose Ghella to liability towards third parties.

By way of example but not limited to the sanction of suspension from work and pay applies in case of:

- failure to comply with the principles of the Code of Ethics and/or the rules provided for by the Model, with expressed reference to the crimes in the relationships with the Public Administration, to corporate offences; to the crimes of receiving stolen goods, money laundering and self-laundering; to the crimes committed in violation of regulations protecting health and safety at work; to environmental crimes; to offences of organised crime and obstruction against justice, to transnational crimes, to terrorism crimes, to crimes against individuals; to computer crimes and unlawful data processing, offences of violation of copyright, and in general to all the crimes provided for by the Legislative Decree 231/2001 and subsequent amendments and additions;

- failure to comply with the provisions relating to the powers of signature, and/or with the terms of the system of delegations, in particular in relation to the risks connected with the crimes against Public Administration, against public faith, corporate crimes, crimes concerning health and safety of the workers, environmental crimes, crimes relating to induction not to make statements or to make false statements before Judicial Authorities and the crimes of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin, with reference to all the acts formed with the Public Administration and/or sent to the same;
- falsity in declaratory/information obligations required by the Model towards the Board of Directors, the Employer, the Board of Statutory Auditors, the Supervisory Body, the Auditors, the Head Prevention and Protection Service, the Head of the Integrated Management System and Certifying Bodies, etc.;
- failure to report situations of conflict of interests, especially regarding the relationships with the Public Administration;
- lack of controls and/or incorrect/omitted information regarding the financial statements and the other corporate communications; failure to supervise on the behaviour of the personnel operating within its own responsibility sphere in order to verify their actions and, in any case, the performance of activities instrumental to the operational processes provided for by the Model;
- failure to supervise on the principles of the Code of Ethics and/or the rules provided for by the Model in relation to the crimes in the relationships with the Public Administration, to corporate offences; to the crimes of receiving stolen goods, money laundering and self-laundering; to the crimes committed in violation of regulations protecting health and safety at work; to environmental crimes; to offences of organised crime and obstruction against justice, to transnational crimes, to terrorism crimes, to crimes against individuals; to computer crimes and unlawful data processing, offences of violation of copyright, and in general to all the crimes provided for by the Legislative Decree 231/2001 and subsequent amendments and additions.

E. DISMISSAL WITH NOTICE

The sanction of dismissal with notice will be applied to the cases of a repeated serious violation of the conducts indicated below, including the violation of any declaratory/information obligations towards the management, supervisory and/or control bodies (Board of Directors, Employer/Employers, Board of Statutory Auditors, Supervisory Body, Auditors, Head of the Prevention and Protection Service, the Head of the Integrated Management System, Certifying Bodies), having an external relevance:

- failure to comply with the principles of the Code of Ethics and/or the rules provided for by the Model for performing activities implying actions towards the Public Administration;
- failure to comply with the principles of the Code of Ethics and/or the rules provided for by the Model, with particular reference to corporate offences; to the crimes of receiving stolen goods, money laundering and self-laundering; to the crimes committed in violation of regulations protecting health and safety at work; to environmental crimes; to offences of organised crime and obstruction against justice, to transnational crimes, to terrorism crimes, to crimes against individuals; to computer crimes and unlawful data processing, offences of violation of copyright, and in general to all the crimes provided for by the Legislative Decree 231/2001 and subsequent amendments and additions;
- failure to comply with the provisions relating to the powers of signature and with the terms of the system of delegations, in particular in relation to the risks connected with the crimes against Public Administration, against public faith, corporate crimes, crimes concerning health and safety of workers, terrorism crimes, crimes against individuals, environmental crimes, crimes relating to induction not to make statements or to make false statements before Judicial Authorities and the crimes of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin, with reference to all the acts formed with the Public Administration and/or sent to the same;
- falsity in declaratory and/or information obligations required by the Model towards the Board of Directors, the Employer, the Board of Statutory Auditors, the Supervisory Body, the Auditors, the Head of Health and Safety at Work, the Head of Integrated Management System and Certifying Bodies, etc.;
- failure to report situations of conflict of interests, especially regarding the relationships with the Public Administration;

- lack of controls and/or voluntary omissions of information regarding the financial statements and the other corporate communications that can integrate the risk of commission of the crimes provided for by the Legislative Decree 231/01 and subsequent amendments and additions;
- failure to supervise on the behaviour of the personnel operating within its own responsibility sphere in order to verify their actions in the performance of activities instrumental to operational processes at risk of crime within the scope of the Model;
- failure to comply with the principles of the Code of Ethics and/or the rules provided for by the Model in relation to corporate offences; to the crimes of receiving stolen goods, money laundering and self-laundering; to crimes committed in violation of regulations protecting health and safety at work; to environmental crimes; to offences of organised crime and obstruction against justice, to transnational crimes, to terrorism crimes, to crimes against individuals; to computer crimes and unlawful data processing, offences of violation of copyright, and in general to all the crimes provided for by the Legislative Decree 231/2001 and subsequent amendments and additions.

F. DISMISSAL WITHOUT NOTICE

The sanction of dismissal without notice will be applied for misconducts committed with intent or negligence so serious as to preclude the continuation of the employment relationship even on a temporary basis; by way of example but not limited to:

- intentional violation of the principles of the Code of Ethics and/or of the rules provided for by the Model, having an external relevance and/or fraudulent avoidance realised through a conduct unequivocally directed at committing one of the crimes contemplated by the Legislative Decree 231/2001 and subsequent amendments and additions, in such a way as to breach the relationship of trust with Ghella;
- violation and/or avoidance of the control system, committed with intent by removing, destroying or altering the documentation, or by preventing control or access to information and documentation to the subjects in charge, including the Supervisory Body, the

Employer/Employers, the Head of the Prevention and Protection Service, the Head of Integrated Management System, the Board of Statutory Auditors, Auditors, Certifying Bodies etc.;

- omitted, or untrue documentation of the performed activity relating to the ways of documentation and storage of the acts, intentionally directed at preventing the transparency, control and verifiability thereof.

If the employee has been guilty of any of the misconducts referred to in the present point F, the Company may impose his interim suspension and not a disciplinary one, with immediate effect, for a period not exceeding 10 days.

If Ghella decides and may proceed with dismissal, by applying the legislation in force, the same will take effect from the day on which the interim began.

5.6. MEASURES TOWARDS DIRECTORS, STATUTORY AUDITORS AND MEMBERS OF THE SUPERVISORY BODY

In the event of a violation of the terms of the Model adopted by Ghella on the part of the Directors and the members of the Board of Statutory Auditors, the Supervisory Body will inform the entire Board of Directors and the Board of Statutory Auditors, which shall proceed to adopt the appropriate measures provided for by the current legislation, including the convening of Shareholders' Meeting for the examination and adoption of the consequent measures including the revocation for a just cause.

In case of violations concerning the members of the Supervisory Body, the Chairman of the Board of Directors will inform the Board so that it proceeds to the appropriate investigations and adopts the appropriate relevant resolutions, possibly further an opinion rendered by the Board of Statutory Auditors.

The imposition of the sanctions shall in any case take into account the principles of proportionality and adequacy in relation to the claimed violation.

In this respect, the following elements shall be taken into due consideration:

- the type of the committed crime
- the circumstances in which the illicit conduct developed
- the ways of commission of the conduct.

If the commission of a violation by one or more of the subjects indicated in the present paragraph is ascertained, in compliance with the constitutional principle of legality, as well as of that of proportionality of the sanction, taking into account all the related elements and/or circumstances, the Shareholders' Meeting shall apply the following sanctions, graduated in an ascending order of seriousness:

1. formal warning
2. reduction in emoluments or variable/rewarding fee to the extent determined by the Board of Directors
3. revocation of the office.

In particular the sanctions referred to in the previous points 2 and 3 may be imposed in case of:

- violation suitable to integrate the only fact (the objective element) of one of the crimes provided for by the Decree;
- violation aimed at the commission of one of the crimes provided for by the Decree, or in any case there is the danger that the Company's liability is contested pursuant to the Decree;
- non-fulfilment by the Directors and the members of the Supervisory Body, each for his own specific competences assigned by the Legislative Decree no. 231/2001 and subsequent amendments and additions that, for negligence or inexperience, do not constantly and effectively fulfil the obligation conferred to them by the Decree to supervise, monitor and possibly update the Model 231 adopted by Ghella.

5.6.1. Procedure for the imposition of sanctions towards the Board of Directors, the Board of Statutory Auditors, the Supervisory Body

The Supervisory Body, in case of finding a violation of the Model or the Code of Ethics adopted by on the part of a subject holding the position of Director or member of the Board of Statutory Auditors, sends the Board of Directors and the Board of Statutory Auditors a report containing:

- personal details of the subject responsible for the violation;
- the description of the charged conduct;
- the indication of the Model's provisions allegedly violated;
- any documents proving the violation and/or other justifying elements;
- a proposal for the sanction which is deemed to be appropriate in the specific case.

Within ten days from acquisition of the report from the Supervisory Body, the Chairman shall convene the Board of Directors - which must be held by and no later than thirty days from reception of the report thereof – to which the Supervisory Body and the subject author of the violation will be invited to participate.

The notice of calling shall:

- be made in writing
- contain the indication of the charged conduct and the violated provisions of the Model
- inform the subject concerned of the date of the meeting, specifying he has the right to produce any written or oral objections and/or reasonings.

The notice must bear the signature of the Chairman or of at least two members of the Board of Directors.

On the occasion of the meeting of the Board of Directors the hearing of the subject concerned, the acquisition of any reasonings submitted by the latter and any further assessments deemed to be appropriate are scheduled.

The Board of Directors, on account of the acquired elements, determines which sanction should be inflicted, stating the reasons for any disagreement with the proposal put forward by the ODV.

When the sanction deemed to be applicable consists of the reduction in emoluments or in the revocation of the office, the Board of Directors proceeds to convene the Meeting, transferring all the acquired and produced documentation so that the same has all the necessary elements to take a decision. The resolution of the Board of Directors and/or that of the Meeting, depending on the cases, is communicated in writing, by the Chairman of the Board of Directors, to the person concerned as well as to the ODV, for the appropriate verifications.

The procedure described above is applied, *mutatis mutandis*, also when the violation of the Model by one or more members of the Supervisory Body is found, except for the transmission of the report that will be made by the Chairman of the Board of Directors.

In all the events of a Model's violation by a Director, linked to the Company by a subordinate employment contract, being found, the procedure for assessing the offence described above will be carried out in compliance with the current legal provisions, as well as with the applicable collective agreements.

5.7. MEASURES TOWARDS SELF-EMPLOYED, PARA-SUBORDINATED WORKERS, SUPPLIERS, OTHER SUBJECTS LINKED BY RELATIONSHIPS OF A PRIVATE NATURE AND PARTNERS

In case of a violation of the Code of Ethics and the rules of the Model adopted by Ghella on the part of suppliers, other subjects linked by relationships of a private nature and partners, the Head of the contract/service assesses, consulting the Supervisory Body if necessary, whether to apply written disciplinary warnings or in the event of a recurrence to terminate the contractual relationship.

In fact such violations are sanctioned according to the terms of the specific contractual clauses inserted in the related contracts or agreements with which third parties declare: i) to know Legislative Decree 231/01 and the provisions contained in the Code of Ethics and in the Model, ii) undertake to behave in line with the principles laid down in the abovementioned regulation, in the Code of Ethics and in the Model and more in general nor to carry out any act or omission and not to give rise to any fact that can lead to a liability pursuant to Legislative Decree 231/01.

If the abovementioned conducts result in tangible damage to the Company, Ghella reserves the right also to claim compensation for any suffered damages.

With particular reference to the establishment of an SCE, it is provided that a protection clause is inserted in the shareholders' agreements in the case in which at any time a final interdictory sanction pursuant to Legislative Decree 231/01 is imposed on a partner.

Moreover, a safeguard clause that provides for the exclusion of one or more members in the event of a sanction – at any time - for the same member pursuant to the Legislative Decree 231/01 is

	<p style="text-align: center;">ORGANISATIONAL MODEL</p> <p style="text-align: center;">Organisation, Management and Control Model Legislative Decree 231/2001</p>	<p style="text-align: right;">Third issue</p> <p style="text-align: right;">July 24, 2017 Page 52 of 57</p>
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inserted in the Memorandum/Articles of Association of the Company – that is set up downstream from the SCE for the purpose of the unitary realisation of the works in case of award.

ORGANISATIONAL MODEL

Organisation, Management and Control Model Legislative Decree 231/2001

Training and communication

REV	DATE	DRAWN UP	VERIFIED	APPROVED	NOTES
02	July 24, 2017	IA	ODV	BOD	<i>Third issue</i>
01.1	February 13, 2009	IA	ODV	BOD	<i>Review</i>
01	May 30, 2008	RGI	ODV	BOD	<i>Second issue</i>
00	June 27, 2006	RGI		BOD	<i>First issue</i>

6. TRAINING AND COMMUNICATION OF THE MODEL

In order to give full effect and the maximum dissemination to the values contained in the Code of Ethics, to the rules, principles, regulations and sanctions and in general to the provisions established by the Model 231 adopted by Ghella, the Company plans and organises specific training and information programs for all the Ghella's personnel, including the seconded one at the other Companies/Branches/Production Units in Italy or abroad.

In fact, the Ghella's objective is to ensure a proper knowledge of the contents of the Model, both to the resources present in the company and to the future ones, with a different degree of detail in relation to the involvement level of the same resources in the sensitive processes and to the level of responsibility they hold within the corporate structure.

Ghella extends the communication of the contents of the Model also to all the subjects operating for achieving the corporate objectives by virtue of contractual relationships.

The communication and training activity differs based on the recipients to which it addresses, and it is guided by the principles of completeness, clarity and accessibility.

The communication and training activity is carried out with the supervision of the ODV, to which, among others, the tasks of "promoting suitable initiatives for the dissemination of the knowledge and understanding of the Model 231" are delegated.

6.1. COMMUNICATION

The Ghella's personnel operating in Italy and abroad is guaranteed the possibility to consult the Code of Ethics and the documents of the Model, through access to a specific section of the website (<https://portal.ghella.com/SisGestIntegr/modello231/Pagine/default.aspx>); in this section in addition to the above-mentioned documents, under the impulse of the Supervisory Body, the relevant law and the related updates, the relevant theory and case-law and any training material are published.

The Disciplinary System 231 adopted for the purposes of the Model is displaced, together with the sanction system of the applicable CCNLs, in a place accessible to everyone as provided for by the Workers' Charter pursuant to the Law 300/1970.

Moreover, the Code of Ethics can be consulted by third parties on the Company's website www.ghella.com.

Upon recruitment, the Employees are informed of the existence of the corporate Portal, of the documentation inherent to the Legislative Decree 231/01 it contains and of the related access methods. Besides, the new recruits issue an adequate declaration to Human Resources on the successful information concerning the Model and the Code of Ethics by the Company.

For the subjects external to the Company that are recipients of the Model and the Code of Ethics, appropriate forms of communication of the Model and the Code of Ethics are provided. To this end, the Code of Ethics is published on the Company's website.

6.2. TRAINING

The Company promotes the knowledge of the Model, the Code of Ethics, the System procedures (<https://portal.ghella.com/SisGestIntegr/Pagine/default.aspx>) and their updates among all the Recipients of the Model, that thus are expressly required to know their contents, to comply with and to contribute to implement them.

Training activity is carried out through:

- classroom and/or on-line training
- update e-mail.

Participating in training activities is an obligation and it is formalised by signing the form for registering the presences (or registration of access to e-learning training modules). The names of the formed personnel are inserted in a database by Human Resources.

Training is differentiated as to contents and manners of delivery based on the qualification of the Recipients and whether or not they hold responsibilities and/or representative powers.

In particular training is divided into the levels indicated as follow:

- **managerial staff:** training on the general principles of the Legislative Decree 231/and subsequent amendments and additions and on the consequences arising for the Company from the possible commission of offences by subjects that act for it, as well as on the specific preventive purposes of the Model 231 and on the ethical-behavioural contents; further details on

the operational manners of the single documents that are part of the Model with particular degree of detail regarding the sanctions provided for by the Disciplinary System.

- **other personnel, non-managerial:** general training on the general principles of the Legislative Decree 231/01 and on the ethical-behavioural contents, typically aimed at understanding the characteristics and the main aspects of the Legislative Decree 231/01, the features of the Code of Ethics, the Model and the applicable sanctions in case of their violation.
- **workers:** upon recruitment, the workers operating at the work sites Italy and abroad are supplied with the Code of Ethics and the Disciplinary System by the Head of Human Resources or other corresponding figure at the Production Unit. The new recruits shall be required to issue an adequate declaration on the successful receipt of the Code of Ethics and the Disciplinary System.

Following the update of the Model or relevant changes to the corporate structure, also specific training meetings will be scheduled.

Other dissemination tools: the Supervisory Body promotes the dispatch, also selective, of specific update or information e-mail by e-mail.

The email address of the ODV (ODVGhella@Ghella.com) may also be used by all the Ghella's personnel for sending communications to the Body itself, as well as for raising questions on specific issues of interest relating to the Model 231 adopted by the company and on the Legislative Decree 231/01 and subsequent amendments and additions.

Specific training on occupational Hygiene, Health and Safety.

Within the mandatory training ex art.37 of Legislative Decree 81/2008 there is a provision for a specific module devoted to the illustration of the Disciplinary System adopted by the Company. Mandatory specific training ex Legislative Decree 81/2008 is provided to the workers based on the risks and according to the procedures provided for by the corporate Integrate Management System, in compliance with the mandatory legislation in force.

6.3. COMMUNICATION TO THE GROUP COMPANIES

The Administration and Finance Department communicates Model 231 and the Code of Ethics adopted by Ghella and the solution adopted for the Supervisory Body to all the subsidiary Companies by email, so that such Companies adopt solutions in line with those of the parent Company, while respecting their autonomy and subject to any adjustments which may be rendered necessary by their own dimensions and the contexts in which they operate.