ORGANIZATION, MANAGEMENT AND CONTROL MODEL

ITALMOBILIARE S.p.A.

pursuant to paragraph 3, article 6
of Legislative decree no. 231 of 8 June 2001
«Regulations for the administrative liability of legal persons, companies
and associations, also without legal status, pursuant to article 11
of Law no. 300 of 29 September 2000»

Approved by the Board of Directors on 14 May 2004

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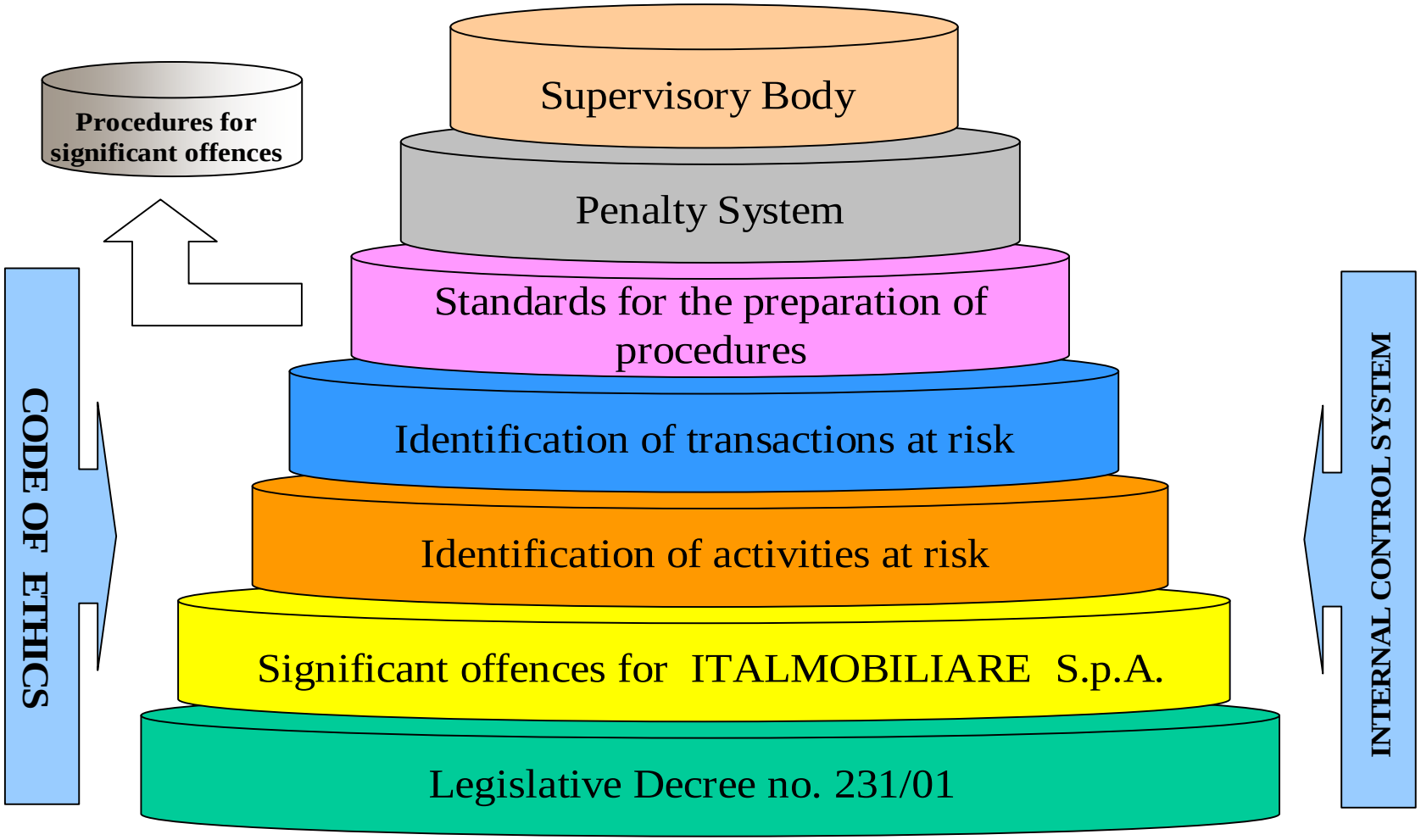
ORGANIZATIONAL MODEL



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Definitions

A) *Decree*: Legislative decree no. 231 of 8 June 2001;

B) *TUF*: Legislative decree no. 58 of 24 February 1998 (Finance Act)

C) *Offences*: offences detailed in articles 24, 25, 25-*ter* , 25-*sexies*, 25-*septies* and 25-*octies* of Legislative decree no. 231 of 8 June 2001, offences as per article 10 of Act 146/2006 and administrative torts detailed in article 187-*quinquies* of TUF;

D) *Company*: ITALMOBILIARE S.p.A.;

E) *Group companies*:

i) the Italian companies directly or indirectly controlled by the company, pursuant to article 2359 of the Civil Code;

ii) the foreign companies directly or indirectly controlled by the company, pursuant to article 2359 of the Civil Code, that have permanent establishments in Italy;

F) *Model*: this organization, management and control model;

G) *Senior persons*: persons that represent, administer or manage the company or one of its units with financial and operating independence and persons that, inter alia, de facto manage or control the company [1];

H) *Employees*: persons managed or supervised by one of the persons described in the above point[2] (and therefore all those persons that have an employee-based relationship with the company);

I) *Supervisory Body*: the body set out in article 9 of the Model.

[1] Letter a), article 5.1 of the Decree

[2] Letter b), article 5.1 of the Decree

LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

1. The Decree

The Decree introduces and regulates the liability of «bodies» (a concept that includes legal entities, companies and associations, including those without legal status[3]) for administrative torts arising from offences.

It provides for the direct liability of the body in the case of certain offences performed by persons who have a working relationship with the body. It also establishes that fines are to be applied to the body, which may have serious repercussions on the performance of its activities.

1.1. Nature and characteristics of the liability of legal persons

According to the Decree, the administrative liability of the body in the case of one of the offences which envisage it, is considered in addition to, and does not replace, the liability of the natural person who actually committed the offence and who is related to the body.

The body is liable even when the perpetrator of the offence has not been identified and also when the offence has been extinguished for a reason other than amnesty.

The statute of limitations for administrative fines against the body is five years from the moment the offence was committed, except when the statute of limitation is interrupted.

[3] Article 1.2 of the Decree

1.2. Types of offences identified by the Decree and subsequent amendments

The body is liable within the limitations established by the law: the body «*cannot be held responsible for an act that constitutes an offence, if its liability ... with respect to that act and related penalties is not expressly established by a law*» existing before such act took place (article 2 of the Decree).

The body cannot be held guilty of any act which is an offence, but only of committing *certain offences* and specific administrative torts, provided for in the original Decree and subsequent amendments, and in the laws which make express reference to the Decree.

1.3. Objective criteria for the accusation of liability

The committing of one of the offences set out in the Decree is a valid basis for applying the rules of such Decree.

There are also other objective and subjective requirements.

Objective criteria relate to the requirement that the offence has been performed «in the *interests* of or to the *advantage* of the body» and by one of the persons indicated by the Decree.

It is enough that the offence has been committed in the *interest* of the body, or to benefit the body for it to be liable, *regardless* of the circumstances in which this objective was achieved. The advantage criterion is tied to the *result* that the body objectively obtains from the commitment of the offence, regardless of the intention of the person committing it.

The body is not liable if the act was committed by one of the persons identified by the Decree acting «*in his/her own interests or for third parties*».

Moreover, the criminal offence must have been committed by one or more qualified persons: i.e., «*persons that represent, administer or manage the body or one of its units with financial and operating independence*», and persons that, «*inter alia, de facto manage or control*» the body (persons in «*senior positions*»); or «*by persons managed or supervised by one of the senior persons*» («*subordinates*»).

The perpetrators of the offence, that can give rise to the administrative liability of the body, may thus be:

- *persons in «senior positions»*, such as, for example, the legal representative, CEO, general manager or the manager of a plant and the persons who, *also de facto*, manage and control the body[4];
- *«subordinate» persons*, normally employees, but also external consultants, who receive engagements to be performed under the direction and supervision of senior persons.

When more than one person is involved in committing an offence (assumption of *participation in a crime*: article 110 of the Criminal Code), it is not necessary that the "qualified" person commits the offence, established by criminal law. It is enough that s/he has intentionally contributed to the committing of the crime.

1.4. Subjective criteria for the accusation of liability

The Decree excludes the liability of the body when this - *before the offence is committed* - has adopted and effectively implemented an «ORGANIZATION AND MANAGEMENT MODEL» suitable to prevent such forms of offence.

In this context, the liability of the body relates to «*the non adoption or*

[4] such as the de facto director (see article 2639 of the Civil Code) or the majority shareholder

non-compliance with due standards» suitable to the body's organization and activities: a weakness due to the company's policies or structural and prescribing *deficiencies* in the company's organization.

The adoption of the «ORGANIZATION AND MANAGEMENT MODEL» is not mandatory, in the sense that there is no legal *obligation* to do so.

However, if the company does not have an «ORGANIZATION AND MANAGEMENT MODEL», it cannot escape the administrative liability established by the Decree.

1.5. Offences committed by «*senior*» persons

With respect to offences committed by persons in senior positions, the Decree introduces a kind of *inconclusive presumption about the body's liability,* according to which it is not liable only if it can prove that[5]:

a) «the *management had adopted and effectively implemented, before the act was committed, organization and management models suitable to prevent such forms of offences*»;

b) «*the duty of supervising the operation of and compliance with the models and their updating was given to an internal unit with independent powers*»;

c) «*the persons committed the offence by deceitfully avoiding compliance with the models*»;

d) «*the unit charged with independent powers of initiative and control was not lax in its duties*».

The above conditions must all hold true in order for the body not to be held liable.

[5] Article 6 of the Decree

1.6. Offences committed by *«subordinate»* persons

With respect to offences committed by persons in «subordinate» positions, the body may be held liable *only* if it is found that «*it was possible to commit the offence due to non-compliance with respect to management or supervisory obligations*».

In this case, the Decree establishes that liability is related to the non-compliance with respect to management and supervisory duties, which are usually performed by top management (or persons appointed by it).

Such non-compliance does not arise «*if the body had adopted and effectively implemented, before the act was committed, an organization, management and control model suitable to prevent such forms of offence*».

Accordingly, the adoption and effective implementation of an adequate organization model equals compliance with management and control duties and absolves the body of its liability for the Decree.

1.7. Decree guidelines about the characteristics of the «Organization and management model»

The Decree does not give precise details about the nature and characteristics of the Model: it limits itself to certain general guidelines, which vary slightly depending on the persons who may commit the offence.

In order to prevent «*senior persons*» from committing offences, the model should:

- *«identify the activities within which offences can be performed»;*
- *«establish specific protocols aimed at programming the shaping and implementing of decisions by the body, with respect to offences to be prevented», as well as «disclosure obligations» to the Supervisory Body;*

- *«identify methods to manage the body's financial resources and prevent offences»;*
- *«establish information obligations to be communicated by the unit appointed to monitor the functioning and compliance with the models»;*
- *«introduce a disciplinary system with the related penalties for non-compliance with the model's measures».*

With respect to offences committed by «*subordinates*» (i.e., not senior persons), the Model should establish «*measures suitable to ensure that activities are performed in compliance with the law and to promptly discover and eliminate any risks, in line with the nature and size of the company and its activities*».

In order to ensure the effective working of the model:

- «*periodic inspections should be carried out and changes made to the model if significant violations of the provisions are discovered or if the company's organization or activities undergo change*»;
- «*a disciplinary system, which is able to apply penalties for non-compliance with the Model's measures*,» should be introduced.

1.8. Offences committed abroad

Under the terms of article 4 of the Decree, the body can be held liable in Italy for certain offences committed abroad.

The conditions for the assumption of such liability are:

a) the offence must be performed abroad by a person who has a working relationship with the body (as set out above);
b) the body must have its head office in Italy;
c) the body is only liable in the cases and at the conditions established by articles 7 to 10 of the Criminal Code (and whenever the law states that the guilty party - natural person - is to be punished at the request

of the Ministry for Justice, action is taken against the body only if the request includes it);

d) if the cases and conditions provided for by the above articles of the Criminal Code exist, the body is accountable as long as the state in which the act was committed does not take action.

1.9. Attempt to commit an offence

The administrative liability of the body is also valid when one of the offences, provided for in the above articles as giving rise to liability, is committed as a form of *attempt*.

1.10. Penalties

Financial and interdictory penalties are envisaged by the Decree .

Financial penalties are calculated by the judge using a «*quota*» based system.

If the judge holds the body to be liable, the *financial penalty* is always applied.

The penalty may be decreased in certain cases, for example, when the offender has committed the offence *mainly* in his/her own interest or that of third parties and the body has not gained any advantage therefrom or when this advantage is *minimum*, or when the related damage is *particularly insignificant*.

In addition, financial penalties are reduced by one third to a half if the body, before the opening statement of the first level court hearing is heard, has fully paid compensation for the damage or has eliminated the damaging or dangerous consequences of the offence; or it has taken measures to do this; or it has adopted a model suitable to prevent the perpetuation of *other offences*.

In the case of offences under article 25-*sexies* of the Decree and administrative torts under article 187-*quinquies* of the TUF, if the product or profit attained by the body is significant, the financial penalties are increased up to ten times such product or profit.

The *interdictory penalties* are applied *in addition* to the financial penalties and are more onerous.

The Decree provides for the following interdictory penalties:

- the temporary or permanent interdiction from performing activities;
- the suspension or cancellation of authorizations, licenses or concessions used to commit the offence;
- the ban from working with the public administration, except in the case of using a public service;
- exclusion from benefits, financing, grants or subsidies and the possible cancellation of those already granted;
- the temporary or permanent ban on advertising goods or services.

The interdictory penalties are only applied in the specially-provided for cases and when at least one of the following conditions holds true:

- the body has obtained a significant profit from the offence, which was committed:
  a) by a senior person,
  b) by a subordinate person who, when committing the offence, was facilitated by serious organizational weaknesses,
- the unlawful acts have been performed more than once.

These penalties are usually *temporary*, but they can exceptionally be applied with *permanent effect*.

They can also be applied *as a precautionary measure*, if so requested by the Prosecutor, if serious evidence about the body's liability exists and there is grounded and specific evidence that points to the real danger

that further similar offences will be committed.

They are not applied (or are revoked, if already applied on a precautionary basis) if the body, before the opening statement of the first level court hearing, has compensated or repaired the damage and eliminated the damaging or dangerous effects of the offence (or has at least taken measures to do so), has made available to the judicial authorities, for confiscation, the profits of the offence and, especially, has eliminated the organizational weaknesses that made it possible to commit the offence, adopting organizational models suitable to prevent new offences from being performed. In these cases, the financial penalty will apply.

In addition to the financial and interdictory penalties, the Decree provides for *another two types of penalty*:

a) *confiscation*, which is the State's acquisition of the price or profit of the offence (or when it is not possible to directly confiscate the price or profit, the seizure of sums of money, goods or other benefits with a value equal to the price or profit of the offence);
b) *publication of the sentence*, with the one-off publication in whole or in part of the sentence in one or more newspapers indicated by the Judge in the sentence and bill-posting in the municipality where the body has its head office at the body's expense.

1.11. Events modifying the body

The Decree provides for the liability of the body in the case of *modifying events* (transformations, mergers, demergers and sales).

The key principle, underlying the entire concept of liability of bodies, establishes that «*the obligation to pay financial penalties*», borne by the body, *«is to be met by the body alone, with its assets or the mutual fund»*.

It thus excludes the partners or associates from being liable with their assets, regardless of the legal nature of the body.

The general criterion of the legislation is that the principles of civil laws about the liability of the body undergoing the transformation with respect to the payables of the original body are to be applied to financial penalties to be borne by the body. Therefore, the interdictory penalties are always to be borne by the body which keeps (or acquires) the business unit within which the offence was committed. However, the body created by the transformation may request conversion of the interdictory penalty into a financial penalty if the reorganization undertaken after the merger or demerger has eliminated the organizational *weaknesses* that made it possible to commit the offence.

The Decree also ratifies the rule that in the case of *«transformation of the body, the liability for offences performed before the date of the transformation remains with the body»*.

Changes in the legal structure (company names, legal form, etc.) are thus irrelevant with respect to a body's liability. The new body will be subject to the penalties applicable to the original body in respect of acts committed before the transformation.

With regard to the possible effects of mergers and demergers, the Decree establishes that the body created by the merger, also by the merging of another company into it, *«is liable for offences for which the bodies involved in the merger were liable»*. When the body created by the merger takes over the juridical relationships of the merged bodies and, especially, the related business activities, including those within which the unlawful acts were performed, it follows that it also takes on the liability of the body arising from the merger.

So as to avoid that this gives rise to an incorrect diluting of liability, the Decree states that if the merger takes place before the court hearing held

to decide on the body's liability, the judge should consider the economic conditions of the original body and not those of the body created by the merger.

In the case of a partial demerger, when the demerger consists of the transfer of just a part of the assets of the demerged company, which continues to exist, this latter body continues to be liable for offences committed before the demerger. The bodies benefiting from the demerger, which have received all or part of the assets of the demerged company, are jointly and severally liable to pay the financial penalties due by the demerged body for offences committed before the demerger. The obligation is limited to the value of the assets transferred. This limitation is not valid for the beneficiary bodies that receive all or part of the business unit within which the offence was committed.

Finally, the Decree sets out regulations for the sale or transfer of a company. If a company (within which an offence has been committed) is transferred or contributed, the transferee is jointly liable with the transferor for the payment of the financial penalty (up to the value of the company being sold or transferred), and subject to the right of prior examination of the transferor.

The liability of the transferee, which is limited to the value of the company transferred (or contributed), is furthermore limited to the financial penalties shown in the obligatory accounting records, i.e., due for administrative torts of which the transferee was already aware.

2. Offences and other unlawful acts which are allegedly the responsibility of the bodies

2.1. The Decree provides for certain classes of offences (felonies and misdemeanors) that create liabilities for companies.

2.2. The catalogue of offences was subsequently extended and the

following list is updated to 20 September 2009 (see **i.** Law decree no. 350 of 25 September 2001 which introduced article 25-*bis* «*Counterfeiting money, credit cards, stamp duties and identity instruments or signs* »; **ii.** Legislative decree no. 61 of 11 April 2002 that introduced article 25-*ter* «*Corporate offences*»; **iii.** Law no. 7 of 14 January 2003 that introduced article 25-*quater* «*Crimes with terrorist objectives or for the subversion of democracy* »; **iv.** Law no. 228 of 11 August 2003 which introduced article 25-*quinquies* «*Crimes against individuals*»; ***v***. Law no. 62 of 18 April 2005 which introduced article 25-*sexies* **«***Market abuse»;* **vi**. Law no. 262 of 28 December 2005 which included the crime covered by article 2629-*bis* of the Italian Civil Code in article 25-*ter*); **vii**. Law no. 7 of 9 January 2006 which introduced article 25-q*uater*. 1. "*Female genital mutilation practices*"; **viii.** Law no. 146 of 16 March 2006 which extended the Decree to "*Transnational offences*"; **ix.** Law no. 123 of 3 August 2007 no. 123 which introduced article 25-*septies* «*Culpable homicide and culpable serious or very serious injuries, committed in violation of the rules against accidents and for the protection of hygiene and health at work*»; **x**. Legislative Decree no. 231 of 21 November 2007 which introduced article 25-*octies* «*Handling, laundering and use of assets, money or other utilities of illicit origin*»; **xi**. Law no. 48 of 18 March 2008, which introduced article 24-bis «*Computer crimes and illegal data processing* »).

2.3. The catalogues of all the offences considered by the Decree are set out below. Paragraph 4.1.1 sets out the offences considered to be relevant to ITALMOBILIARE S.p.A. for its Model.

A) Offences committed against the Public Administration (article 24 and 25 of the Decree)

- *Embezzlement to the detriment of the State* (article 316-*bis* of

the Criminal Code);

- *Misappropriation of public disbursements to the detriment of the State* (article 316-*ter* of the Criminal Code);
- *Fraud to the detriment of the State or another public body or with the aim of exempting someone from military service* (article 640, paragraph 2, no. 1, of the Criminal Code);
- *Aggravated fraud for the obtainment of public disbursements (*article 640-*bis* of the Criminal Code);
- *Computer fraud* (article 640-*ter* of the Criminal Code);
- *Corruption for an official act* (article 318 of the Criminal code - article 321 of the Criminal Code);
- *Incitement to corruption* (article 322 of the Criminal Code);
- *Extortion* (article 317 of the Criminal Code);
- *Corruption for an act not compliant with official duties* (article 319 of the Criminal code - article 319-*bis* - article 321 of the Criminal Code);
- *Corruption in judicial acts* (article 319-*ter*, paragraph 2 of the Criminal code; article 321 of the Criminal Code);
- *Corruption of a public officer* (article 320 of the Criminal Code);
- *Extortion, corruption and incitement to corruption of members of bodies of the EU and officials of the EU and foreign states* (article 322-*bis* of the Criminal Code).

B) Crimes of counterfeiting money, credit cards, stamp duties and identity instruments or signs (article 25-bis of the Decree)

- *Counterfeiting of coins/money, spending and introduction into the State, acting in concert, of counterfeit money* (article 453 of the Criminal Code);
- *Modification of money* (article 454 of the Criminal Code);

- *Spending and introduction into the State of counterfeit money, not acting in concert,* (article 455 of the Criminal Code);
- *Spending of counterfeit money/coins received in good faith* (article 457 of the Criminal Code);
- *Forgery of stamp duties, introduction thereof into the State, purchase, holding or circulation of counterfeit stamp duties* (article 459 of the Criminal Code);
- *Forging/counterfeiting of watermarked paper used to make credit cards or stamp duties* (article 460 of the Criminal Code);
- *Fabrication and holding of watermarks or instruments used to counterfeit money, stamp duties or watermarked paper* (article 461 of the Criminal Code);
- *Use of counterfeit or modified stamp duties* (article 464 of the Criminal Code).
- *Counterfeiting, modifying or utilizing trademarks or distinctive sign, on patents, models and drawings (*article 473 of the Criminal Code)
- *Introducing and trading in the State of products with false signs* (article 474 of the Criminal Code).

C) Corporate offences (article 25-*ter* of the Decree)

- *False corporate disclosures* (article 2621 of the Civil Code);
- *False corporate disclosures to the detriment of the shareholders or creditors* (article 2622 of the Civil Code);
- *False disclosures in reports or communications of audit companies* (article 2624 of the Civil Code);
- *Obstruction of supervisory activities* (article 2625 of the Civil Code);
- *Unlawful restitution of shareholders' contributions* (article

2626 of the Civil Code);

- *Illegal distribution of profits and reserves* (article 2627 of the Civil Code);
- *Illegal operations involving the shares or quotas of the company or parent company* (article 2628 of the Civil Code);
- *Transactions to the detriment of the creditors* (article 2629 of the Civil Code);
- *Failure to report conflicts of interest* (article 2629-*bis* of the Civil Code);
- *Fictitious formation of share capital* (article 2632 of the Civil Code);
- *Unlawful allocation of company assets by liquidators* (article 2633 of the Civil Code);
- *Unlawful influence on shareholders' meetings* (article 2636 of the Civil Code);
- *Stock fraud* (article 2637 of the Civil Code);
- *Hindering the activity of state supervisory authorities* (article 2638 of the Civil Code).

D) Crimes committed for terrorist objectives or for the subversion of democracy provided for by the Criminal Code and special laws and crimes which violate that set out in article 2 of the International Convention for the suppression of the financing of terrorism, which was drawn up in New York on 9 December 1999 (article 25-*quater* of the Decree)

E) Crimes against a person's life and safety (article 25-*quater.1* of the Decree)

- *Female genital mutilation practices (*article 583-*bis* of the Criminal Code).

F) Crimes against the individual (article 25-*quinquies* of the Decree)

- *Enslavement* (article 600 of the Criminal Code);
- *Juvenile prostitution* (article 600-*bis* of the Criminal Code);
- *Juvenile pornography* (article 600-*ter*, paragraphs 1 and 2 of the Criminal Code);
- *Keeping of pornographic material* (article 600-*quater* of the Criminal Code);
- *Tourist initiatives aimed at exploiting juvenile prostitution* (article 600-*quinquies* of the Criminal Code);
- *Trading in slaves* (article 601 of the *Criminal Code);*
- *Buying and selling of slaves* (article 602 of the Criminal Code).

G) Transnational crimes (article 10 Law 146/2006)

- *Criminal conspiracy* (article 416 of the Criminal Code);
- *Mafia organization* (article 416-bis of the Criminal Code);
- *Criminal conspiracy for the smuggling of foreign tobacco products* (article 291- *quater* Presidential Decree 43/1973);
- *Associating for the illegal trade of drugs and psychotropic substances* (article 74 Presidential Decree 309/1990);
- *Provisions against illegal immigration* (article 12, clauses 3, 3-*bis*, 3-*ter*, 5 Legislative Decree 286/1998);
- *Obstruction against justice: inducing to not make statements (*article 377-*bis* of the Criminal Code);
- *Obstruction against justice: abetting* (article 378 of the Criminal Code).

H) Market abuse (article 25-*sexies* of the Decree)

- *Misuse of privileged information* (article 184 of the TUF);

- *Market manipulation* (article 185 of the TUF).

I) Market abuse (article 187-*quinquies* of the TUF)

Article 187-*quinquies* of the TUF, modified by Law no.62/2005, covers the administrative liability of bodies for the administrative torts related to market abuse listed below:

- *Misuse of non-public information* (article 187-*bis* of the TUF);
- *Market manipulation* (article 187-*ter* of the TUF).

L) Homicide and serious and very serious culpable injuries (article 25-*septies* of the Decree)

- *Culpable homicide committed through violation of the rules against accidents and for the protection of hygiene and health at work (article 589 of the Criminal Code);*
- *Serious and very serious culpable injuries committed through violation of the rules against accidents and for the protection of hygiene and health at work (article 590, third clause, of the Criminal Code).*

M) Handling, laundering and use of assets, money, utilities of illicit origin (article 25-*octies* of the Decree)

- *Handling (article 648 of the Criminal Code);*
- *Money laundering (article 648-bis of the Criminal Code)*
- *Use (article 648-ter of the Criminal Code).*

N) Computer crimes (article 24-*bis* of the Decree)

- *Unauthorized access to a computer or ICT system (Article 615-ter of the Criminal Code);*
- *Holding and illegally giving away access codes for computer or ICT systems (Article 61- quater of the Criminal Code);*
- *Providing equipment, devices or computer programs aimed at*

damaging or interrupting a computer or ICT system (Article 615-quinquies of the Criminal Code);

- *Intercepting, preventing or illicitly interrupting computer or ICT communications (Article 617-quater of the Criminal Code);*
- *Installation of devices to intercept, prevent or interrupt computer or ICT communications (Article 617-quinquies of the Criminal Code);*
- *Damage to computer information, data and programs (Article 635-bis of the Criminal Code);*
- *Damage to computer information, data and programs utilized by the State or another public institution or, in any case, of public utility (Article 635-ter of the Criminal Code);*
- *Damage to computer or ICT systems (Article 635-quarter of the Criminal Code);*
- *Damage to public computer or ICT systems (Article 635-quinquies of the Criminal Code);*
- *Computer fraud by the subject providing electronic signature certification services (Article 640-quinquies of the Criminal Code);*
- *Fraudulent misrepresentation in computer documents (Article 491-bis of the Criminal Code).*

O) Organized crime (article 24-*ter* of the Decree)

- *Criminal conspiracy* (article 416 of the Criminal Code)
- *Mafia conspiracy* (article 416-*bis* of the Criminal Code)
- *Electoral intrigue with mafia-like associations* (article 416-*ter* of the Criminal Code)
- *Kidnapping for theft or ransom* (article 630 of the Criminal Code)

- *Association for the illegal trafficking of drugs and psychotropic substances* (article 74 of Presidential Decree 309/1990)
- *Production, trafficking and illegal possession of drugs and psychotropic substances* (article 73 of Presidential Decree 309/90)
- *Illegal production, introduction into Italy, sale, transfer, possession and carrying of war or warlike weapons or parts thereof, explosives, clandestine weapons, as well as various ordinary guns with the exception of those as per article 2, c. 3, of Law 110 of 18 April 1975* (article 407, paragraph 2, lett. a), no. 5 of the Code of Criminal Procedure).

P) Crimes against industry and trade (article 25-*bis.1 of the Decree*)

- *Disturbed freedom of industry and trade* (article 513 of the Criminal Code)
- *Unlawful competition with threat or violence* (article 513-*bis* of the Criminal Code)
- *Fraud against national industries* (article 514 of the Criminal Code)
- *Fraud in trade* (article 515 of the Criminal Code)
- *Sale of non genuine foods as if they were genuine* (article 516 of the Criminal Code)
- *Sale of industrial products under false marks* (article 517 of the Criminal Code)
- *Production and trade of goods made by encroaching on industrial property rights* (article 517- *ter* of the Criminal Code)
- *Counterfeiting geographical indications or denominations or*

origin of agricultural food products (article 517-*quater* of the Criminal Code).

Q) Crimes infringing copyright (article 25-*novies* of the Decree)

- *Entering protected intellectual works or parts thereof in the ICT network* (article 171, paragraph 1, letter a-*bis*, Law 633/41)
- *Infringement of protection standards for programmes or databanks* (article 171-*bis* Law 633/41)
- *Infringement of the regulations protecting literary, scientific works and of base supports containing music, audiovisual and cinema videos or phonograms or other materials for which the SIAE mark is required* (article 171-*ter* Law 633/41)
- *Infringements of regulations protecting copyright and other rights linked to its exercise* (article 171-*septies* Law 633/41)
- *Infringements of the regulations protecting copyright and other rights linked to its exercise* (article 171-*octies* Law 633/41).

R) Crime of inducement to not make statements or to make false statements to the judicial authority (article 25-*novies* of the Decree)

- *Inducement to not make statements or to make false statements to the judicial authority* (article 377-*bis* of the Criminal Code).

THE ITALMOBILIARE MODEL

GENERAL SECTION

3. Nature of the Model

3.1. This ORGANIZATION, MANAGEMENT AND CONTROL MODEL represents the internal regulations of ITALMOBILIARE S.p.A. which are binding.

3.2. It is based on the *Guidelines for the construction of Organization, Management and Control Models*, prepared by CONFIDUSTRIA (the Italian Association of Enterprises) in its document of 7 March 2002, updated at 31 March 2008.

3.3. This Model was approved by the company's Board of directors with their resolution of 14 May 2004 and subsequently modified on 21 May 2006, 13 June 2008 and, by decision of the President-CEO under § 7.3, 10 February 2010.

3.4. The company's Code of Ethics is the basis of this Model and the principles set out herein are in line with those given in the Code.

The Code of Ethics is attached hereto. (Annex "A").

4. Offences relevant to ITALMOBILIARE S.p.A.

4.1. Given the nature and activities of the company, only the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, the offences set out in article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF are considered relevant for the purposes of the Model.

4.1.1. With respect to that set out in articles 24, 25, 25-*ter,* 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, and the offences set out in article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of TUF and the steps presumably taken to commit such unlawful acts considered by the Decree, the Model identifies those activities for which a risk exists that the following offences could be performed:

1. ***Embezzlement to the detriment of the State,*** *covered by article 316*-bis of the Criminal Code consisting of the conduct of those who are outside the public administration and have obtained grants, subsidies or funding from the State or another public body or the EU, given to assist initiatives aimed at performing works or performing activities of public interest, and have not used such monies for these purposes.
2. ***Misappropriation of public disbursements to the detriment of the State***, covered by article 316-*ter* of the Criminal Code consisting of the conduct of those who, by using or presenting false statements or documents making false allegations or which lack required information, obtain fraudulently for themselves or for others grants, funding, cheap-rate loans or other funding granted or given by the State, other public bodies or the EU. This excludes acts considered offences under article 640-*bis* of the Criminal Code.
3. ***Aggravated fraud***, covered by article 640 of the Criminal Code when a person, using deceptions, misleads another person, procuring for him/her-self or another an unjust profit to the detriment of others in the case of the State or another public body or with the intention of exempting someone from military service.
4. ***Aggravated fraud for the obtaining of public disbursements***,

covered by article 640-*bis* of the Criminal Code consisting of the act under article 640 of the same code (*Fraud*), when it relates to grants, financing or cheap-rate loans or other similar aid of any form granted or provided by the State, other public bodies or the EU.

5. ***Computer fraud***, covered by article 640-*ter*, paragraph 2, of the Criminal Code consisting of the conduct of a person who modifies in some way the working of an IT or ICT system or intervenes without the right to do so changing data, information or programs in an IT or ICT system or related to it to obtain an unjust profit for him/her-self or another person to the detriment of the State or another public body.
6. ***Corruption for an official act***, covered by article 318 of the Criminal Code consisting of the conduct of a public official who receives for him/her-self or a third party in cash or other means remuneration that is not due to him/her or accepts the promise of such remuneration for performing an official act.
7. ***Incitement to corruption***, covered by article 322 of the Criminal Code consisting of the conduct of a person who offers or promises money or other benefits not due to a public official or a civil servant to incite him/her to perform an official act should the offer or promise not be accepted.
8. ***Extortion***, covered by article 317 of the Criminal Code consisting of the conduct of a public official or a civil servant who abuses his position or powers and obliges someone to give or unjustly promise him/her or a third party cash or other benefits.
9. ***Corruption for an act not compliant with official duties*** covered by article 319 of the Criminal Code consisting of the conduct of a public official who receives for him/her-self or for a third party cash or other benefits or accepts the promise

thereof for the omissions or delays or for having omitted or delayed an official act or to perform or have performed an act not part of his/her official duties.

10. ***Corruption in judicial acts***, covered by article 319-*ter*, paragraph 2 of the Criminal Code consisting of corruption in order to favor or damage a party in a civil, criminal or administrative case.
11. ***Corruption of a public officer***, covered by article 320 of the Criminal Code consisting of the act set out in article 319 of the Code when performed by a public officer: the act set out in article 318 when performed by a civil servant.
12. ***Extortion, corruption and incitement to corruption of EU body members and officials of the EU and foreign states,*** covered by article 322-*bis* of the Criminal Code consisting of the acts set out in articles 314, 316, 317-320 and 322 of the Criminal Code, paragraphs 3 and 4, performed by:
    1) members of the EU Commission, European Parliament, the European Court of Justice and the European Court of Auditors;
    2) the officials and agents hired with contracts pursuant to the statute of officials of the EU or that of the agents of the European Community;
    3) persons temporarily seconded by the member states or any public or private body to the European Community, who have powers equal to those of the officials or agents of the European Community;
    4) members and staff of bodies set up on the basis of the Treaties which created the European Community;
    5) those persons who perform offices or activities similar to those of public servants or civil servants in the other

member states of the EU.

The regulations of articles 321 and 322 of the Criminal Code, paragraphs 1 and 2, are applied if the money or other benefits have been given, offered or promised to:

1) the persons set out in 1) above, who are similar to public officers when holding similar functions and to civil servants in the other cases;

2) persons who perform duties or activities similar to those of public officers or civil servants of other foreign states or international public organizations, when the act is performed to obtain an unjust advantage for him/her-self or another party in international economic transactions.

13. ***False corporate disclosures***, covered by article 2621 of the Civil Code consisting of the conduct of directors, general managers, statutory auditors and liquidators who, with the intention of deceiving the stakeholders or the market and in order to obtain an unjust profit for themselves or others, include material facts in financial statements, reports or other corporate disclosures required by law addressed to the stakeholders or market that are untrue even though subject to assessment or omit information, the disclosure of which is required by law, about the company's or group's financial position or results, or modify such information significantly so that it is misleading. Punishment in these cases also covers information about assets held or managed by the company on behalf of third parties.

14. ***False corporate disclosures to the detriment of shareholders or creditors,*** covered by article 2622 of the Civil Code consisting of the conduct of directors, general managers, statutory auditors and liquidators who, in order to deceive the stakeholders or market and to achieve an unjust

profit for themselves or others, include material facts in the financial statements, reports or other legally-required corporate disclosures addressed to the stakeholders or the market that are untrue even though subject to assessment or omit information, the disclosure of which is required by law, about the company's or group's financial position and results, changing them significantly so as to mislead the shareholders or creditors and create a financial damage for them.

15. ***False disclosures in reports or communications of audit companies***, provided for by article 2624 of the Civil Code consisting of the conduct of audit managers/directors who, in order to achieve an unjust profit for themselves or others, conceal information related to the financial position and results of their clients (company or body) in their reports or other communications in order to mislead the recipients.
16. ***Obstruction of supervisory activities***, covered by article 2625 of the Civil Code consisting of the conduct of directors who impede or hinder the audit or supervisory activities legally attributed to shareholders, other corporate bodies or audit companies by concealing documents and using other devices.
17. ***Unlawful restitution of shareholders' contributions***, covered by article 2626 of the Civil Code consisting of the conduct of directors who return, or pretend to return, contributions to shareholders or free them from the related obligation outside the cases of the legitimate reduction of share capital.
18. ***Illegal distribution of profits and reserves***, covered by article 2627 of the Civil Code consisting of the conduct of directors who distribute profits or advances on profits not yet achieved or to be allocated to reserves as required by law, or

who distribute reserves, including those not formed by profits, that cannot by law be distributed.

19. ***Illegal operations involving the shares or quotas of the company or its parent company,*** covered by article 2628 of the Civil Code consisting of the conduct of directors who purchase or subscribe shares or quotas outside cases permitted by law damaging the maintenance of the share capital or reserves that cannot be distributed by law; or directors who purchase or subscribe shares or quotas issued by the parent company outside cases permitted by law, damaging its share capital or reserves that cannot legally be distributed.
20. ***Failure to report conflicts of interest,*** covered by article 2629-bis of the Civil Code consisting of the violation of article 2391, paragraph 1 of the Civil Code by directors or members of management committees of companies whose shares are listed on regulated markets either in Italy or another EU state or of which a considerable portion is held by the market (former article 116 of the TUF) or by a person under surveillance pursuant to the TUB, TUF, Law no. 576/1982 or Legislative decree no. 124/1993.
21. ***Transactions to the detriment of the creditors***, covered by article 2629 of the Civil Code consisting of the conduct of directors who reduce the share capital or agree mergers or demergers violating the laws safeguarding creditors and to their detriment.
22. ***Fictitious formation of share capital***, covered by article 2632 of the Civil Code, consisting of the conduct of directors and contributing shareholders who, also partly, form or increase the share capital fictitiously by allocating shares or quotas above the share capital increase, jointly subscribe

shares or quotas, significantly overvalue the contributions in kind or receivables or the assets of the company in the case of its transformation.

23. ***Illegal allocation of company assets by liquidators,*** covered by article 2633 of the Civil Code consisting of the conduct of liquidators who allocate the company assets to the shareholders before paying the creditors or setting aside the money necessary to settle the company's accounts to the detriment of the creditors.
24. ***Unlawful influence on shareholders' meetings***, covered by article 2636 of the Civil Code consisting of the conduct of those persons who claim the majority in shareholders' meetings by simulation or fraudulent means in order to obtain an unjust profit for themselves or others.
25. ***Stock fraud***, covered by article 2637 of the Civil Code consisting of the conduct of those persons who spread false information or perform simulated transactions or other devices that can trigger a significant change in the price of a listed or unlisted financial instrument, for which no application was submitted for their negotiation in a regulated market, or to have a significant impact on market confidence in the stability of banks or banking groups.
26. ***Hindering the working of state supervisory authorities***, covered by article 2638 of the Civil code consisting of the conduct of directors, general managers, statutory auditors and liquidators or bodies and other entities monitored by state supervisory authorities as required by law or obliged to meet certain requirements such as making legally-required disclosures to such authorities, aimed at hindering the working of the supervisory functions, communicating material facts that are untrue, even though subject to

assessment, about the financial position and results to the supervisory authorities or, for the same purpose, concealing by other fraudulent means, all or part of facts that should have been communicated relating to the same situation, also when the information relates to assets held or managed by the company on behalf of third parties; or the acts intentionally committed by the directors, general managers, statutory auditors or liquidators of companies or bodies or other entities subject to monitoring by public supervisory authorities by law or required to meet certain obligations by not making obligatory communications to the above authorities thus hindering their work.

27. ***Offence of misuse of privileged information***, covered by article 184 of the TUF consisting of the conduct of those with privileged information, as members of the board of directors, management committee or control body of the issuer, due to involvement in the issuer's share capital or due to their employment/position (also as a public officer), who purchase, sell or undertake transactions on their own behalf or for third parties involving financial instruments using such privileged information; or who communicate the privileged information to others, outside the normal course of work; or advise or urge others to undertake any of the above transactions.

    Information is privileged if it directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments, has not yet been made public, is exact and able, if disclosed, to have a significant effect on the price of the financial instrument to which the information relates. Information is said to be exact if it meets two conditions: it relates to a group of existing circumstances or it can

reasonably be presumed that such circumstances will arise or an event that has happened or can reasonably be expected to happen; and it is sufficiently specific to allow conclusions to be drawn about the possible effect of the above group of circumstances or the event on the prices of the financial instruments.

Information that, if made public, could have a significant effect on prices of financial instruments means information that an investor could presumably and reasonably use to base his/her investment decisions on.

«Financial instruments» are those listed in article 1, paragraph 2 of the TUF, accepted for trading or for which an application has been made to trade them on an Italian or other EU state regulated market as well as all other instruments accepted for trading or for which an application has been made to trade them on a regulated market of a EU state.

These financial instruments also include "commodities derivatives".

«Commodities derivatives» are those financial instruments listed in article 1, paragraph 3 of the TUF related to commodities accepted for trading or for which an application has been made to trade them on an Italian or other EU state regulated market and all other derivatives related to commodities accepted for trading or for which an application has been made for their trading on a regulated market of an EU state.

28. ***Offence of misuse of privileged information***, administrative tort covered by article 187-*bis* of the TUF consisting of the conduct of those with privileged information, as members of the board of directors, management committee or control

body of the issuer, due to involvement in the issuer's share capital or due to their employment/position (also as a public officer), who purchase, sell or undertake transactions on their own behalf or for third parties involving financial instruments using such privileged information; or who communicate the privileged information to others, outside the normal course of work; or advise or urge others to undertake any of the above transactions. They are subject to criminal punishment when such conduct constitutes a crime.

Reference should be made to paragraph 27 for a definition of privileged information and financial instruments.

29. ***Offence of market manipulation***, covered by article 185 of the TUF consisting of the conduct of those who spread false information, perform simulated transactions or other devices, if such conduct leads to a significant change in the price of the financial instrument affected by the information or transaction.

    «Financial instruments» are those listed in article 1, paragraph 2 of the TUF, accepted for trading or for which an application has been made to trade them on an Italian or other EU state regulated market as well as all other instruments accepted for trading or for which an application has been made to trade them on a regulated market of a EU state.

    «Commodities derivatives» are those financial instruments listed in article 1, paragraph 3 of the TUF related to commodities accepted for trading or for which an application has been made to trade them on an Italian or other EU state regulated market and all other derivatives related to commodities accepted for trading or for which an application has been made for their trading on a regulated market of an

EU state.

30. ***Offence of market manipulation***, administrative tort covered by article 187-*ter* of the TUF consisting of the conduct of those who circulate, via the Internet or any other means, information, rumors or news that is false or misleading that provides or may provide false or misleading indications about financial instruments; or that undertake transactions or purchase or sales orders that provide or are such that provide false or misleading indications about the supply, demand or the price of a financial instrument or that allow, through the action of one or more persons working together, to fix a market price of one or more financial instruments at an irregular or artificial level or, however, use devices or any other type of deception or contrivances; or put in place any other type of device to provide false or misleading indications about the offer, demand or price of a financial instrument.

    Reference should be made to paragraph 29 for the definition of a financial instrument.

31. ***Criminal conspiracy*** covered by article 416 of the Criminal Code consisting of the conduct of those who associate with three or more people for the purpose of committing several crimes. Punishment is envisaged for just the fact of being a member in the conspiracy, regardless of the implementation of its activities.

32. ***Mafia organization*** covered by article 416-*bis* of the Criminal Code consisting of the conduct of participating in a mafia organization of three or more people. The association has the character of mafia when its members make use of the intimidation force of the association bond and of the condition of subjugating and its code of silence to commit crimes, to

acquire directly or indirectly the control of business activities, concessions, authorizations, contracts and public services, or to make unjust profits or benefits for themselves or for others or for the purpose of preventing or hindering the free exercise of voting rights or procure votes for them or others on the occasion of elections.

Criminal conducts as per this part 32 and part 31 above, are only relevant for the purposes of the Decree and this Model when they can be qualified as 'transnational crimes' for which it is necessary that illegal conduct is: held in one State but has its substantial effects in another State; or it is held in just one State though substantial part of its preparation or planning or direction and control take place somewhere else; or when it is held in one State, but an organized criminal group is involved in it, which is the character of criminal behaviours in various States.

33. ***Culpable homicide committed in violation of rules against accidents and for the protection of hygiene and health at work***, covered by article 589 of the Criminal Code and consisting of the conduct of whoever causes with blame the death of a person through the violation of rules for the prevention of accidents at work.

34. ***Serious and very serious culpable injuries committed in violation of the rules against accidents and for the protection of hygiene and health at work***, covered by article 590, 3rd clause, of the Criminal Code and consisting of the conduct of whoever causes to others with blame a serious or very serious personal injury in violation of the rules for the prevention of accidents at work.

35. ***Handling,*** covered by article 648 of the Criminal Code and consisting of the conduct of those who, apart from the cases of

support in the crime above, for the purpose of procuring for themselves or others a profit, purchases, receives, and hides money or items coming from any crime, or who intercedes to have them purchased, received or hidden.

36. ***Money laundering***, covered by article 648-*bis* of the Criminal Code and consisting of the conduct of who, apart from the cases of support to the crime above, replaces or transfers money, goods or other utilities coming from non culpable crime or makes other transactions with respect to them, in order to hinder the identification of their illicit origin.

37. ***Use,*** covered by article 648-*ter* of the Criminal Code and consisting of the conduct of those, outside of cases of supporting crime or supporting the crimes envisaged by articles 648 and 648-*bis*, who utilize for economic or financial businesses money, assets or other utilities coming from a crime.

5. Persons covered by the model

5.1. The rules set out in the Model are applied to those persons who perform, also de facto, management, administration or control duties in the company, to the employees, also those seconded abroad as part of their duties, and those persons who, while not employees, have contracts with the company or relationships covered by paragraph 10.1.

5.2. The company undertakes to ensure, by means of appropriate modes, that the Model is distributed to and properly understood by all recipients.

5.3. The Company undertakes to carry out specific training programmes, for the purpose of ensuring the actual knowledge of the Decree, Model and Code of Ethics by all the members of

company positions and the Company's employees.

5.4. Training activity is mandatory for its recipients, and is differentiated in terms of contexts and modes of provision, according to the qualification of recipients, the risk level of the area in which they work, their degree of involvement in sensitive operations indicated in the Model, the exercise of Company's representational functions.

5.5. Training programmes can also be followed remotely or by using computer systems.

5.6. Staff training for the purposes of implementing the Model is managed by the Human Resources and Organization Department, in close collaboration with the Supervisory Body.

5.7 The parties covered by the Model are obliged to correctly comply with all the regulations, also in line with their obligations of loyalty, correctness and diligence created by their legal relationship with the company.

5.8. The company condemns any irregular conduct with respect to the law, the terms of the Model and its Code of Ethics, even when the acts have been performed in the interests of the company or with the intention of giving it an advantage.

6. Scope of the Model

6.1. The company has adopted the Model so as to fully comply with the legal requirements and, especially, the underlying principles of the Decree. Other reasons include making its control and corporate governance systems more efficient, in particular, with a view to preventing the committing of offences.

6.2. The model has the following objectives:

a) to provide sufficient information to the employees and those

persons who have contracts with the company or relationships as set out in paragraph 10.1 about the activities that lead to the risk of committing offences with the related application of penalties to the company or the employees/persons for violating the law or the company's internal regulations;

b) to communicate and uphold a business culture based on *lawfulness*, with explicit disapproval by the company of any conduct contrary to the law or internal regulations and, especially, the guidelines set out in this Model;

c) to communicate a *control* culture, to be used to meet the company's objectives fixed over the years;

d) to create an efficient and balanced internal *organization*, paying particular attention to transparent decision-taking, preventive and post-event controls and internal and external communication.

6.3. With respect to the nature and size of the different internal units and their activities, the Model establishes measures adequate to improve the company's efficiency while always complying with the law and regulations, identifying and eliminating risks on a timely basis.

6.4. Accordingly, the company makes and implements effective organizational and procedural decisions to:

a) ensure that the personnel are hired, managed and trained in accordance with the criteria set out in the Code of Ethics and relevant legislation, especially article 8 of the Statute of Laborers;

b) ensure the cooperation of all the employees or consultants to achieve the most efficient Model possible, while guaranteeing the protection of those who provide true and useful information about conduct which does not comply with that prescribed and keeping their identity confidential;

c) ensure that the allocation of powers, duties and responsibilities among the company employees complies with principles of transparency, clarity, accountability and is consistent with the activity actually performed by the company;

d) ensure that the company objectives, at all levels, are realistic and objectively achievable;

e) identify and describe the body's activities, its working and organization chart in documents that are kept up to date and communicated to the employees; the documents should specify the powers, duties and responsibilities allocated to the different employees for each activity;

f) introduce training programs to ensure that all the employees and consultants, both directly and indirectly involved in the activities and transactions at risk (as per paragraphs 12, 15, 18, 21, 24 and 27 below) are aware of the contents of the Code of Ethics and the Model;

g) ensure that IT instruments and access to the Internet only takes place for reasons related to the work activities of the employees, in accordance with the relevant internal regulations.

7. Adoption, modifications to and upgrading of the Model

7.1. Except for that specified later, the board of directors has exclusive powers for the adoption and modification of the Model. Such Model is to be adequate to prevent offences and, specially, those set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF.

a) The Board of directors should modify the Model on a timely basis whenever significant violations or avoidances of the

regulations set out therein are identified and when such violations or avoidances mean that the Model is unable to ensure the effective prevention of offensive acts.

b) Furthermore, the Board of directors should modify the Model on a timely basis when encouraged to do so by the Supervisory Body to reflect changes in the legislation or the company's organization and activities.

c) The relevant units make any changes to the procedures necessary to introduce the Model in line with letters a) and b). The company should inform the Supervisory Body about the procedures and changes on a timely basis.

7.2. Proposed changes to the Model as per letters a) and b) of paragraph 7.1 are communicated in advance to the Supervisory Body which should express its opinion thereon.

7.3. Notwithstanding the above, the chairman and/or managing director may make immaterial changes to the Model when needed to make it more transparent or efficient. They subsequently inform the board of directors and Supervisory Body.

7.4. The Supervisory Body immediately communicates any facts that make a review of the Model necessary in writing to the chairman of the board of directors and managing director. The chairman should then call a board meeting to take the necessary resolutions.

7.5. The above is to be applied, as far as possible, for changes to procedures necessary to introduce the Model by the relevant units. The company should inform the Supervisory Body of any changes on a timely basis.

8. The Model and the group companies

The company, by means of its organizational structure, informs the

group companies of the Model and any subsequent changes thereto through its organization.

The group companies adopt their own Organization and Management Models in line with the requirements of the Decree.

They base their models on the principles and contents of this one, unless specific situations exist with respect to their nature, size, type of activities and internal powers delegation systems that impose or require adoption of different measures in order to more reasonably and efficiently attain the Model's objectives.

8.2. The duties of the Supervisory Body can be performed directly by management of the smaller companies[6].

8.3. Each group company is responsible for adopting its own organizational model, after identifying activities subject to the risk of offences being performed and the measures suitable to prevent them. The companies may request the assistance of the group's internal audit unit to this end. While the risk activities are being identified and before a model is approved, the companies introduce internal control measures aimed at preventing unlawful conduct with the assistance of the group's internal audit unit.

8.4. When adopting the Organization Model, the group companies immediately provide the Supervisory Body with their final drafts, explaining any (significant) differences compared to the company's Model.

8.5. The group companies' Supervisory Bodies advise the Supervisory Body of the adoption and implementation of their models and notify any problematic issues that arise with respect to compliance with the guidelines of this Model on a timely basis.

8.6. The group companies' Supervisory Body notifies any changes to their models made subsequent to their implementation to the Supervisory Body and explain them.

9. Supervisory Body and disclosure requirements

9.1. The duty of constantly supervising the effective working of and compliance with the Model, and of recommending changes, lies with a special professional company unit (the «Supervisory Body»), which operates independently.

9.2. The Supervisory Body, as per the previous point, reports directly to the directors unless provided for otherwise.

9.3. The Board of directors appoints the Supervisory Body, justifying the appointment of each member individually. The members are chosen on the grounds of their professionalism, ethical standards, expertise, independence and operating independence.

9.4. In line with these requirements, the Body is composed of:

a) a member from the company's workforce, preferably the head of the internal audit unit;

b) two members who are not employees and, if they are directors, only if independent, pursuant to the Code of Conduct and any by-laws requirements.

9.5. The members of the supervisory body have the following requisites:

a) autonomy, construed as freedom of initiative, decision-making and execution of their functions;

b) independence, construed as the absence of bonds, interests or

[6] Paragraph 4, article 6 of the Decree

forms of interference with company institutions or other company functions;

c) professionalism, construed as a set of tools and specialist technical skills (juridical, accounting, corporate and organizational or internal control);

d) continuity of action, construed as the ability of the body to act rapidly and with diligent and constant commitment over time.

9.6. The members of the Supervisory Body must be provided with the following eligibility requirements:

a) not hold operating functions in the Company or in another company belonging to the Italmobiliare Group;

b) not having been sentenced, even with non final sentence, for committing one of the offences covered by Legislative Decree 231/2001;

c) not having declared bankruptcy, or being sentenced to a penalty that implies the even temporary interdiction from public offices or the inability to take managerial roles.

9.7. The members of the Supervisory Body *who do not belong to the staff* of the Company, must be provided with the following eligibility requirements:

a) not being linked to the company by means of continuous work relationships that can reasonably compromise their independence;

b) not being linked by means of family ties with directors of the Company or subsidiaries;

c) not entertain, even indirectly, financial relations with the Company or persons connected to it, such as to affect independence of judgment.

9.8. The presence of just one of the conditions as per paragraphs 9.6.

and 9.7. implies the automatic end of the function of member of the body. The Board of Directors, having checked the existence of a cause for forfeiture, shall promptly replace the member who has become unsuitable.

9.9. The Supervisory Body can prepare its own regulation, regulating the modes of performing its activities.

9.10. The Supervisory Body appoints a chairman, to whom it may delegate specific duties.

9.11. The Body may independently *take action* and *monitor* the company to ensure the effective performing of the functions established by the Model, as well as in subsequent decisions or procedures taken for its implementation.

9.12. In order to objectively and independently perform its duties, the Body has its own *budget* (prepared annually by itself) approved by the board of directors.

9.13. The Supervisory Body can use resources that exceed its spending powers for exceptional and urgent situations. It must however inform the board thereof in its first meeting held after such resources are spent.

9.14. The Body members and those who work with the Body must keep all information of which they become aware during their work *confidential*.

9.15. The Body operates so as to ensure and assist reasonable and efficient cooperation with the existing control bodies and units.

9.16. It may not be given either permanently or on a temporary basis management, decision-taking, organization or disciplinary powers related to the company's activities.

9.17. As part of its duties to supervise the effective implementation of the company's adopted Model, the Body has the following action and supervisory powers, which it exercises in accordance with the law, the individual rights of employees and relevant persons:

a) performance of periodic inspections whose frequency depends on the type of sector to be inspected;

b) access to all information related to the activities at risk;

c) request information or documents about the activities at risk from the company managers or from personnel performing the activities at risk or supervising them;

d) if necessary, request information or documents about the activities at risk from directors, board of statutory auditors and the audit company;

e) request information or documents about the activities at risk from external consultants, agents or representatives and, generally, all the parties required to comply with the Model; the obligation on the part of the latter parties to comply with the requests of the Supervisory Body should be included in each contract;

f) periodically receive information from the heads of the units performing activities at risk;

g) request information from the Supervisory Body from the group companies and the parent where necessary to complete its duties;

h) avail of the services of internal audit personnel and of one such employee on a full-time basis if needed;

i) avail of the services of external consultants, after informing the chairman or managing director, for issues that are particularly complex or require specific expertise;

j) present proposals to the chairman or managing director and to

the director of human resources for changes to the sanctions set out below in paragraphs 10.1 and 10.2;

k) review the Model periodically and propose modifications, as provided for by this Model;

l) prepare regularly, and at least every six months, a written report on its activities to be presented to the chairman of the board of directors, the chairman of the board of statutory auditors, the chairman of the Internal Control Committee and the Manager in charge of drafting the company's accounting documents, together with a detailed breakdown of its outlays. These reports, to be included in the minutes book, can comprise details of proposed changes to and upgrades of the Model;

m) carry out the duties described in paragraph 11;

n) the periodic reports, including that set out in letter l), have the additional scope of providing the directors with the necessary information to assess any changes to be made to the Model; they should at the very least contain, deal with or indicate:

   i) any issues noted with respect to implementation of the procedures provided for by the Model or adopted as part of the Model and Code of Ethics;

   ii) a list of communications received from internal and external parties about the Model;

   iii) disciplinary measures and sanctions, if any, applied by the company, solely related to activities at risk;

   iv) an overall assessment of the working of the Model with possible recommendations for additions, changes or corrections.

9.18. Company employees and consultants may approach the Supervisory Body directly to report any violations of the Model.

To this end, the company adopts suitable measures to ensure that the identity of the parties reporting to the Body is kept confidential as long as information is true and useful for the identification of conduct that does not comply with the procedures of the internal control system, the Model and procedures for its implementation.

10. Penalty system

10.1. General principles

1. In order to ensure widespread compliance with the Model and to introduce the sanction system, the Supervisory Body firstly determines the types of legal relationship with external parties to which, in order to prevent offences, the Model should be applied after consulting the Personnel head and Corporate Affairs head as well as, if necessary, the heads of the relevant units. It establishes the means of applying the Model and the different types of sanctions applicable if the Model or the procedures agreed for its implementation are not complied with.
2. Application of the sanctions does not alter or affect other possible (criminal, administrative, tax) consequences of non-compliance.
3. The sanctions for violating the guidelines of this Model are adopted by the bodies that are qualified to do so, based on their powers and duties assigned to them by the by-laws or internal regulations.
4. All violations of the Model or procedures established for its introduction, regardless of who committed the offence, are to be immediately reported in writing to the Supervisory Body, subject to the procedures and measures of the disciplinary body.

   All the recipients of this Model are obliged to communicate violations.

   The Supervisory Body takes immediate action, ensuring the

confidentiality of the party to be investigated.

5. The Body should be informed immediately when sanctions are applied for violation of the Model or its procedures established for its introduction to any of the parties obliged to comply with the Model and aforesaid procedures.

10.2. Labor contracts and disciplinary code

1. All the labor contracts, including those for management, part-time, contract work or consultancy, include compliance with the Model as a condition.
2. The disciplinary system applied to employees with blue collar, white collar and junior management contracts is that set out in article 7 of Law no. 300 of 20 May 1970 (Statute for Laborers) and the ruling national labor contracts for employees.
3. The Model is to be complied with by the employees pursuant to the related national labor contracts and their conditions about conduct and disciplinary measures. Therefore, violation of the Model's assumptions and introduction procedures entails the application of disciplinary measures and the related penalties in accordance with the law and the aforesaid labor contracts.
4. Without prejudice to the above, the following are examples of actions considered as disciplinary violations:
   a) violation, also by concealment and possible complicity with others, of procedures established by this Model or agreed for its implementation;
   b) preparation, also possibly with others, of incomplete or untrue documentation;
   c) assisting, by concealment, others with the preparation of incomplete or untrue documentation;
   d) the omitted preparation of documentation required by this Model

or the procedures agreed for its implementation;

e) violation or avoidance of the control system established by the Model in any way including the hiding, destruction or modification of documentation relating to the procedure, hindering controls, access to information and documentation by parties in charge of checking the procedures and decisions and the performing of other actions that constitute violations or avoidances of the control system.

In all cases, whenever the action is a violation of the duties provided for by the law or the labor relationship, such that it does not allow the continuation of the relationship, also on a provisional basis, the employee can be fired without notice pursuant to article 2119 of the Civil Code, subject to compliance with the disciplinary procedure.

Any proxies given to the party can be revoked when there is a dispute.

10.3. Management bodies

1. If the violating action has been performed by a manager, the Supervisory Body informs the head of the disciplinary unit and board of directors (chairman and managing director) in a written report.
2. The recipients of the report take the necessary steps within their authority to check the issue and possibly apply the penalties provided for by law and the related national labor contract.
3. If the violating action has been performed by a director, the Supervisory Body informs the board of directors (chairman and managing director) and board of statutory auditors (chairman) immediately in a written report.
4. The board of directors may take all suitable measures allowed by law against directors who violate the Model or the procedures established to introduce it, including the following penalties, depending on the

gravity of the action and negligence and the consequences thereof:

a) formal written warning;

b) financial penalty equal to an amount from twice to five times the director's monthly remuneration;

c) total or partial withdrawal of any powers.

5. For the more serious cases and, moreover, when the issue is so significant that it decreases the company's trust in that director, the board of directors calls a shareholders' meeting to propose removal from office.

6. If the violating action has been performed by a statutory auditor, the Supervisory Body immediately informs the entire board (chairman and managing director) in a written report.

7. If the violation justifies the revocation of the statutory auditor's powers, the board of directors recommends that shareholders take the necessary resolutions and the action required by law.

10.4. Consultants and contractual counterparties

1. If actions that can integrate violations of the Model by consultants or contractual counterparties take place, pursuant to the relationships determined in paragraph 10.1, the Supervisory Body informs the chairman or managing director, the personnel head, the Corporate Affairs head and the manager of the unit to which the contract or relationship relates in a written report.

2. The board resolves to apply the measures set out in paragraph 10.1.

11. Provision of intragroup services

For the purposes of the following paragraphs, group means the parent companies together with the subsidiary or associated companies that are directly or indirectly controlled by or related to the company as well as the latter’s subsidiary and associated companies.

A) Provision of services to group companies

11.1. Services provided by the company to group companies, involving activities and transactions at risk as described in the following Special Section, must be governed by a written agreement.

The company's Supervisory Body is informed of the agreement.

11.2. Moreover, the agreement should provide for:

* the obligation of the company receiving the service to attest to the truthfulness and completeness of the documentation given to, or the information reported to, the company for the purposes of providing the relevant services;
* the possibility for the Supervisory Body to request information from the Supervisory Body or equivalent body of the company receiving the service for the purpose of duly carrying out its supervisory duties in relation to the services requested;
* the obligation for the Supervisory Body to draw up a report, at least annually, detailing its duties in relation to the services requested. This report is disclosed to the Board of Directors and Supervisory Body of the company receiving the service;
* the authority of the Supervisory Body of the company receiving the service to request information to the Supervisory Body or other functions, after informing the Supervisory Body, so as to be able to duly carry out its supervisory duties.

11.3. With respect to the provision of the above services as per paragraph 11.1, in addition to the Code of Ethics, the company should comply with its Model and the procedures governing its implementation.

11.4. Should the company provide services relating to activities or transactions at risk not included in its Model, on behalf of group companies, it must establish rules and procedures that can

adequately prevent the committing of the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF.

11.5. Should the group company receiving the services reasonably require the company to comply with new procedures or procedures other than those described in this Model, or than those governing its implementation, the company must comply with such procedures only when the Supervisory Body considers them as adequate to prevent the committing of the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF.

11.6. The Supervisory Body suggests and checks the application of, and compliance with, the procedures described in the previous paragraphs.

B) <u>Provision of services by group companies to the company</u>

11.7. The provision of services that may involve activities and transactions at risk, as described in the subsequent Special Section, by group companies *to the company* are governed by written agreements.

The company's Supervisory Body is informed of the agreements.

11.8. Moreover, the agreement should provide for:

* the obligation of the company to attest to the truthfulness and completeness of the documentation or information provided for the purposes of receiving the relevant services;
* the authority of the Supervisory Body to request information of

the Supervisory Body of the company providing the services or, after informing the Supervisory Body, the units providing the service, for the purposes of duly carrying out its supervisory duties;

* the obligation for the Supervisory Body of the company providing the service set out in paragraph 11.7 to draw up a report, at least annually, detailing its duties in relation to the services requested by the company and to provide the company's board of directors and Supervisory Body with a copy of such report.

11.9. The agreements described in paragraph 11.7 should state that the group company of which the service is requested should have a Model and procedures suitable to prevent the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF from taking place.

11.10. The company can reasonably require the company providing the services as per paragraph 11.7 to comply with new procedures or procedures other than those described in its Model or than those governing its implementation. The company providing the services must comply with such procedures only when its Supervisory Body considers them as adequate to prevent the committing of the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article 10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF.

11.11. If necessary to prevent the committing of the offences set out in articles 24, 25, 25-*ter*, 25-*sexies*, 25-*septies* and 25-*octies* of Legislative Decree no. 231 of 8 June 2001, offences as per article

10 of Law 146/2006 and the administrative torts set out in article 187-*quinquies* of the TUF, the Supervisory Body, after consulting the relevant functions, suggests that the agreements described in paragraph 11.7 provide for the adoption of *specific* control procedures by the group companies providing the services.

SPECIAL SECTION

I. OFFENCES AGAINST THE PUBLIC ADMINISTRATION

(articles 24 and 25 of the Decree)

12. Identification of transactions and activities at risk

12.1. Pursuant to article 6 of the Decree, with respect to activities that:

- imply relationships with public officials, civil servants, inspection bodies, public bodies providing grants and cheap-rate loans, public bodies and civil servants that have authorization, concession, licensing, certifying or regulating powers;

the following transactions at risk have been identified, at the company and/or group companies as set out in paragraph 11 that perform such transactions on behalf of the company, for the performing or execution of which the offences set out in articles 24 and 25 of the Decree can be committed:

a) transactions that involve relationships with the tax authorities;

b) transactions that involve management of financial resources;

c) transactions that involve the issue of permits and concessions related to the management of property assets;

d) transactions that involve the preparation of statements and certificates issued to public bodies;

e) transactions that involve the hiring of persons, when the persons to be selected or hired have, or have recently had, direct or indirect relationships with the state or public administration, also foreign, or EU organizations or transactions that, by their nature, *objectively* involve direct or indirect contract with the above bodies or organizations or

relate to access to welfare support provisions and employment subsidies;

f) transactions that involve the hiring of foreign consultants;

g) inspections by public bodies and required by legislation and regulations, especially related to social security, health and the prevention of accidents at the workplace.

13. Standards for the preparation of procedures to prevent offences against the Public Administration

13.1. Specific procedures for taking and implementing company decisions have been adopted.

The taking and implementation of decisions by directors are governed by principles and guidelines included in laws, the by-laws and the Code of Conduct.

13.2. The procedures are updated constantly, also to reflect recommendations or communications by the Supervisory Body.

13.3. Specific procedures exist for each significant transaction, listed in paragraph 12.1, whereby:

a) the taking of the decisions and different authorization levels can be reconstructed to ensure transparency;

b) those persons that take or implement the decisions, those persons that have to account for the approved transactions in the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

c) the documents related to the company's activities are filed and stored by the relevant unit in such a way as to prevent their subsequent modification without the appropriate documentation;

d) should the document filing and/or storage service be provided by a third party, the service must be governed by a contract whereby, inter alia, the party providing the service to the company agrees to comply with specific control procedures that prevent the subsequent modification of filed documents without the appropriate documentation;

e) access to documents that have already been filed, as set out in the previous two letters, should always be justified and allowed only for the individuals authorized in accordance with internal regulations, the board of statutory auditors, the audit company or Supervisory Body;

f) appointment of external consultants should take place considering their professionalism, independence and expertise and the decision should be documented;

g) fees or commissions are not paid to consultants, agents or public parties that are not in line with the services provided to the company and the engagement terms, to be assessed using criteria of reasonableness and referring to conditions or practices existing on the market or established by rates;

h) all remuneration systems for employees and consultants comply with objectives that are realistic and consistent with their duties and activities and degree of responsibility;

i) in order to implement decisions about the use of financial resources, the company consults financial brokers and banks that are subject to transparency and correctness regulations in line with EU standards.

13.4. The Supervisory Body checks that the procedures set out in the above paragraph ensure compliance with the related provisions. It recommends changes and possible additions to the provisions and related implementation procedures.

13.5. Exceptions to the procedures established by the Model are permitted, under the responsibility of those parties implementing them, when decisions need to taken and implemented urgently or when it is temporarily impossible to comply with the procedures. In this case, the relevant unit informs the Supervisory Body immediately and the decision/act has to be subsequently ratified by the relevant party.

14. Essential features of the procedures for taking and implementing decisions about transactions at risk

14.1. For all significant transactions at risk:

a) the person in charge of performing the transaction is identified: if not stated otherwise, this person is the head of the function in charge of managing the relevant transaction;

b) this person may request information and clarifications from all functions, the operating units or individual persons involved in or that were involved in the transaction;

c) the person in charge of performing the transaction should communicate all significant transactions included in the list of transactions at risk set out in paragraph 12 to the function head each month providing all the information required to assess the riskiness of the transaction or its critical aspects;

d) the function head must also periodically inform the Supervisory Body of all the transactions listed in the previous letter on dates agreed with it.

14.2. Subject to the provisions set out in the previous paragraph, the procedure for significant transactions involving the management of financial resources should necessarily include the following:

a) those persons that take or implement the decisions, those persons that have to account for the approved transactions in

the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

b) limits are established for the individual allocation of financial resources, with quantity ceilings in line with the management duties and organizational responsibilities of each person;

c) these limits can only be exceeded if the existing authorization procedures are followed and sufficient justification given;

d) transactions involving the use or allocation of economic or financial resources should have a specific explanatory clause and should be documented and recorded in line with the principles of professional correctness and accounting standards. It should be possible to check the decision-making process;

e) the allocation of financial resources is justified by the applicant, who can prove its suitability;

f) for ordinary transactions that do not exceed the fixed ceilings, the justification can be limited to reference to the category or type of cost to which the transactions relate;

g) detailed justification should be given for transactions other than ordinary ones or that exceed the established ceilings.

The board of directors, or its substitute, establishes and changes, if necessary, the joint signature procedure for certain types of transactions or transactions that exceed specific ceilings. It informs the Supervisory Body thereof.

14.3. Procedures for the engaging of external consultants should include:

a) their appointment on the basis of indications from company management or in accordance with its general instructions;

b) those persons that request the consultancy, those persons which authorize it and those persons making the related payments are

different individuals;

c) company management previously sets ethical, professionalism and independence requirements for the consultants to ensure that the quality standards for professional services are met;

d) the request for authorization of engagement of external consultants is documented with specific reference to the subjective requirements listed in the previous letter.

II. CORPORATE OFFENCES

(article 25-ter of the Decree)

15. Identification of transactions and activities at risk

15.1. Pursuant to article 6 of the Decree with respect to:

- the identification, recording and presentation of the company's activities in the accounting records, reports, financial statements and other corporate documents;
- activities or conduct with respect to the performing of inspections required by law, procedures provided for by the internal control system, the Model or procedures for its implementation, sufficient to hinder inspections of the activities or accounting presentation of the company's activities;
- potential conflicts of interest generated by events or activities and, generally, activities that are potentially of detriment to shareholders, creditors and third parties,

the following transactions at risk have been identified, at the company and/or group companies as set out in paragraph 11 that perform such transactions on behalf of the company, for the performing or execution of which the offences set out in articles 25-*ter* of the Decree can be committed:

a) identification, recording and presentation of the company's activities in the accounting records, financial statements, reports and other corporate documents;

b) documentation, filing and storing of information about the company's activities;

c) management of corporate information;

d) conflicts of interest of the directors;

e) purchase, sale or any other transaction agreed in any form

involving unlisted financial instruments or instruments for which an application for their trading on a regulated market has not been made and signing of derivative contracts not traded on European and Italian regulated markets;

f) disclosure of information about the company or group companies related to unlisted financial instruments or instruments for which an application for their trading on a regulated market has not been made;

g) management of financial resources.

16. Standards for the preparation of procedures to prevent corporate offences

16.1. Specific procedures for taking and implementing company decisions have been adopted.

The taking and implementation of decisions by directors are governed by principles and guidelines included in laws, the deed of incorporation and Code of Conduct.

16.2. The procedures are updated constantly, also to reflect recommendations or communications by the Supervisory Body.

16.3. Specific procedures exist for each significant transaction listed in paragraph 15.1, whereby:

a) the taking of the decisions and different authorization levels can be reconstructed to ensure transparency;

b) those persons that take or implement the decisions, those persons that have to account for the approved transactions in the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

c) access to company data complies with Legislative decree no.

196/2003 and subsequent amendments and supplements, including regulations; access to, and use of, company data must be limited exclusively to authorized individuals; ensuring that information is transmitted confidentially;

d) the documents related to the company's activities are filed and stored by the relevant unit in such a way as to prevent their subsequent modification without the appropriate documentation;

e) should the document filing and/or storage service be provided by a third party, the service must be governed by a contract whereby, inter alia, the party providing the service to the company agrees to comply with specific control procedures that prevent the subsequent modification of filed documents without the appropriate documentation;

f) access to documents that have already been filed, as set out in the previous two letters, should always be justified and allowed only for the individuals authorized in accordance with internal regulations, the board of statutory auditors, the audit company or Supervisory Body;

g) the directors inform the board of directors, the board of statutory auditors and Supervisory Board of positions or investments held, either directly or indirectly, in other companies or bodies which can reasonably be presumed to lead to conflicts of interest due to their nature or type;

h) appointment of external consultants should take place considering their professionalism, independence and expertise and the decision should be documented;

i) fees or commissions are not paid to consultants, agents or public parties that are not in line with the services provided to the company and the engagement terms, to be assessed using

criteria of reasonableness and referring to conditions or practices existing on the market or established by rates;

l) all remuneration systems for employees and consultants comply with objectives that are realistic and consistent with their duties and activities and degree of responsibility;

m) in order to implement decisions about the use of financial resources, the company consults financial brokers and banks that are subject to transparency and correctness regulations in line with EU standards.

16.4. The Supervisory Body checks that the procedures set out in the above paragraph ensure compliance with the related provisions. It recommends changes and possible additions to the provisions and related implementation procedures.

16.5. Exceptions to the procedures established by the Model are permitted, under the responsibility of those parties implementing them, when decisions need to taken and implemented urgently or when it is temporarily impossible to comply with the procedures. In this case, the relevant unit informs the Supervisory Body immediately and the decision/act has to be subsequently ratified by the relevant party.

17. Essential features of the procedures for taking and implementing decisions about transactions at risk

17.1. For significant transactions and the *identification, recording and presentation of the company's activities in the accounting records, financial statements, reports and other corporate documents,* the procedure should necessarily ensure:

a) the adoption of an accounting manual to be regularly updated;

b) that suitable measures are adopted by each relevant organizational unit to ensure that the above transactions are

performed correctly in accordance with the principle of truthfulness, completeness and accuracy and that any irregularities are communicated on a timely basis;

c) that suitable measures are adopted to ensure that the information communicated to the parties superior in rank by the heads of the relevant organization units is true, correct, accurate, timely and documented, also on computer;

d) that suitable measures are adopted to ensure that whenever requests are made, regardless of by whom, for changes in data compared to that entered in accounts according to current procedures, the persons aware of such requests inform the Supervisory Body immediately;

e) that suitable measures are adopted to ensure that whenever unjustified requests are made for changes in the identification, recording or accounting criteria are made, the persons aware of such requests inform the Supervisory Body immediately;

f) that suitable measures are adopted to identify the person responsible for checking the information communicated by consolidated companies for the purpose of preparing consolidated financial statements ("packages"). The company requires the companies communicating such information to attest to their truthfulness and completeness;

g) the obligation for those providing the information required by this procedure to their immediate superiors to indicate the documents and sources of such information in order to be able to verify it. Whenever possible, and when useful for the understanding and checking of the information, copies of the above documents should be attached;

h) the obligation for the directors to inform, on a timely basis, the board of directors, the board of statutory auditors and the

Supervisory Body, in charge of filing and updating, of all the pertinent information about positions or investments held directly or indirectly in other companies or bodies as well as the disposal thereof or change therein, which can reasonably be presumed to lead to conflicts of interest due to their nature or type pursuant to article 2391 of the Civil Code.

17.2. For significant transactions and the *documentation, filing and storing of information about the company's activities*, the procedure should ensure that the organization unit which is asked for information by the relevant persons provides the suitable documentation, documenting its source and, where possible, the completeness and accuracy of the information, or indicates the parties that can provide such representation.

17.3. For significant transactions and the *management of corporate information*, the procedure should necessarily ensure:

a) whoever supplies or receives information about the company or its activities is obliged to ensure its reliability and completeness, and its storage;

b) adequate data access procedures are agreed with the Supervisory Body as required by Legislative decree no. 196 of 30 June 2003[7] and subsequent modifications and implementing instruments;

c) a procedure for the communication of information is introduced and adequate technical means whereby the communications are made in accordance with the principles of confidentiality and rules only allowing access and changes to data by authorized persons.

[7] This is the Code for the protection of personal data which replaces and substitutes that of Law no. 675/96

17.4. With respect to significant transactions involving the *purchase, sale or any other transaction agreed in any form involving unlisted financial instruments or instruments for which an application for their trading on a regulated market has not been made and the agreement of derivative contracts not traded on European and Italian regulated markets*, the procedure must necessarily ensure:

a) *definition and formalization* of a policy for the management of financial investments and related risks, identification of unlisted financial instruments which the company may deal in, also via other group companies, the related authorization and approval levels, counterparties with which such transactions may be carried out and thresholds set for management of the investments and related risks;

b) *definition and formalization* of operating guidelines and rules for transactions involving unlisted financial instruments or instruments for which an application for their trading on a regulated market has not been made, with differentiation, where necessary, of rules applicable to different types of financial instruments and reasons underlying transactions. These procedures should define the persons authorized to approve such transactions, carry them out and monitor them;

c) *formalization* of procedures for trading in unlisted financial instruments, and also pricing criteria, with other group companies and parents or their related companies. These transactions should be authorized by the board of directors or chairman;

d) if the trading party is not a financial broker subject to the supervision of prudence, correctness and transparency in accordance with EU legislation, the function responsible for making the decision supplies documented evidence of the

transaction and the price agreed;

e) derivative contracts are agreed in accordance with the models approved by the international best practice (ISDA).

17.5. With respect to the *communication of information about significant transactions carried out by the company or group companies, related to unlisted financial instruments or instruments for which an application for their trading on a regulated market has not been made,* the procedure should necessarily ensure:

a) measures suitable to ensure the truthfulness, completeness and correctness of the information about the company or group companies to be made available to the market;

b) measures suitable to ensure that the above information is provided, approved and circulated by different functions;

c) measures suitable to ensure that significant information communicated internally by e-mail is protected from any risk of improper use.

17.6. The procedure for all significant transactions involving the management of *financial resources* must necessarily ensure the following:

a) those persons that take or implement the decisions, those persons that have to account for the approved transactions in the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

b) limits are established for the individual allocation of financial resources, with quantity ceilings in line with the management duties and organizational responsibilities of each person;

c) these limits can only be exceeded if the existing authorization procedures are respected and sufficient justification given;

d) transactions involving the use or allocation of economic or financial resources should have a specific explanatory clause and should be documented and recorded in line with the principles of professional correctness and accounting standards. It should be possible to check the decision-taking process;

e) the allocation of financial resources is justified by the applicant, who can prove its suitability:

   i) for ordinary transactions that do not exceed the fixed ceilings, the justification can be limited to reference to the category or type of cost to which the transactions relate;

   ii) detailed justification should be given for transactions other than ordinary ones or that exceed the established ceilings.

The board of directors, or its substitute, establishes and changes, if necessary, the joint signature procedure for certain types of transactions or transactions that exceed specific ceilings. It informs the Supervisory Body thereof.

III. MARKET ABUSE

(article 25-sexies of the Decree and article 187-quinquies of the TUF)

18. Identification of transactions and activities at risk

18.1. Pursuant to article 6 of the Decree with respect to:

- activities involving the purchase, sale or any other transaction of financial instruments covered by letters a) and b) of article 180 of the TUF;
- activities for the management of relationships with investors, financial analysts, journalists and other mass media operators;
- the preparation of informative documentation and communications about the company and group companies to be disclosed to the market as required by law or an internal decision;
- communication of informative documentation, communications about the company and group and all other privileged information as per article 181 of the TUF to the market;
- all other activities and procedures of the company or group companies that are related to the putting together, preparation and communication (either internally or externally) of privileged information as per article 181 of the TUF;

the following transactions at risk have been identified at the company and group companies, as set out in paragraph 11, that perform such transactions on behalf of the company, for the performing or execution of which the offences covered by article 25-*sexies* of the Decree and the administrative torts covered by article 187-*quinquies* of the TUF can be committed:

a) the purchase, sale or any other transaction, in any form, of financial instruments covered by letters a) and b) of article 180

of the TUF, which are traded or for which an application has been made for their trading on an Italian or EU regulated market as well as any other instrument accepted for trading or for which an application has been made for their trading in an EU country regulated market, with particular reference to the following:

a.1) the purchase, sale or any other transaction, in any form, involving the own shares of the company, its subsidiaries or parent companies, including the financial instruments covered by letter a), article 180 of the TUF;

a.2) the purchase, sale or any other transaction, in any form, of other financial instruments covered by letter a), article 180 of the TUF issued by the company, its parents, subsidiaries, associates, related companies or other companies for which the company's «relevant parties» have management powers or an interest which is significant in legal terms pursuant to the «Internal Dealing Code of Conduct»;

a.3) purchase, sale or other transactions, in any form, involving financial instruments other than those listed in the above letter when they are tied to such financial instruments (i.e., derivatives);

b) preparation of informative documents, press releases and other materials in any form usually prepared for investors, financial analysts, journalists and other mass media operators and the market;

c) organization and participation in meetings, of all kinds, with investors, financial analysts, journalists and other mass media operators;

d) communications to third parties and the market of information

related to the company and group companies which has not yet been disclosed to the market or is to be disclosed in accordance with the law or internal decisions;

e) processes for the management of privileged information.

19. Standards for the preparation of procedures to prevent offences and administrative torts related to market abuse

19.1. Specific procedures for the taking, implementation and internal or external disclosure of company decisions and events that take place as part of its activities have been adopted. This also applies to information related to the group companies' activities, as per the previous paragraph, when known.

The taking and implementation of decisions by directors are governed by principles and guidelines included in laws, the deed of incorporation and Code of Conduct and guidelines for the treatment of «confidential information», when not provided for otherwise in this section.

19.2. The procedures are updated constantly, also to reflect recommendations or communications by the Supervisory Body.

19.3. Specific procedures exist for each significant transaction listed in paragraph 18, whereby:

a) the taking of the decisions and different authorization levels can be reconstructed to ensure transparency and the underlying reasons for them;

b) those persons that take or implement the decisions, those persons that have to account for the approved transactions in the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

c) the documents related to privileged information or information which will become privileged are filed and stored by the relevant unit or individual in such a way as to prevent their subsequent modification without the appropriate documentation of access to documents already filed, as per the previous two letters; access to documents that have already been filed should always be justified and allowed only for the individuals authorized in accordance with internal regulations;

d) privileged information or information that will become privileged is identified within the company as are the criteria for such qualification as privileged. The relevant internal functions should decide the criteria which are approved by the Supervisory Body. The company should also adopt measures to protect, file and update the information and, if this requires different procedures, supplement the information itself;

e) the confidentiality of the privileged information is ensured inside the company both when it is stored in an electronic format or hard copy;

f) suitable measures to avoid the improper and unauthorized communication within or outside the company of privileged information or information which will become privileged are in place. Such measures may consist of statements of the intention to respect the confidentiality of the information, signed by the individuals who have legitimate access to such information or technological nature, so as to avoid the duplication, transmission or improper removal of the documentation, within the terms of article 491-*bis* of the Criminal Code, of any nature, including the privileged information or which will become privileged or their improper discovery;

g) the individuals who manage the privileged information or

information that will become privileged in line with their work or duties are identified;

h) the individuals who have access to the privileged information or information that will become privileged in line with their work or duties are identified;

i) measures are in place to avoid selective disclosure of privileged information or information that will become privileged;

l) measures are in place to avoid the performing of transactions involving financial instruments issued by the company or related to them (paragraph 18.1, letters *a.1*), *a.2*) and *a.3*)) during certain periods of the year either before or after the disclosure of privileged information by the company (blocking periods) by individuals who engage in administrative, control or management activities for the company and managers who have regular access to privileged information and have the power to implement management decisions that may affect the company's future development («relevant parties»);

m) the truthfulness, completeness and correctness of the information communicated to investors, financial analysts, journalists and other mass media operators and the market in general, are ensured;

n) relationships with investors, financial analysts, journalists, other mass media operators and the market in general are exclusively managed by individuals working in the relevant functions, within the time frame and using the methods established by legislation, the market watch body and procedures set by the internal control system;

o) suitable measures to check and monitor in advance the legitimacy of participation at, and the contents of, meetings,

held in any form, with investors, financial analysts, journalists or other mass media operators are in place.

19.4. The Supervisory Body checks that the procedures set out in the above paragraph ensure compliance with the related provisions. It recommends changes and possible additions to the provisions and related implementation procedures.

The Supervisory Body checks that the group companies have adopted guidelines and procedures in line with those of the company so as to prevent market abuse.

19.5. Exceptions to the procedures established by the Model are permitted, under the responsibility of those parties implementing them, only when decisions need to taken and implemented urgently or when it is temporarily impossible to comply with the procedures. In this case, the relevant unit informs the Supervisory Body immediately and the decision/act has to be subsequently ratified by the relevant party.

20. Essential features of the procedures for taking and implementing decisions about transactions at risk

20.1. For the transactions set out in paragraph 18.1, letters *a.1), a.2) and a.3)*, the procedures should ensure:

a) *definition and description* of the financial instruments mentioned in paragraph 18.1, letter *a)*;

b) *definition and formalization* of a policy for the management of financial investments and related risks, identification of unlisted financial instruments which the company may deal in, also via other group companies, the related authorization and approval levels, counterparties with which such transactions may be carried out and thresholds set for management of the investments and related risks;

c) *definition and formalization* of operating guidelines and rules for transactions involving financial instruments as per letter *a)*, with differentiation, where necessary, of rules applicable to different types of financial instrument and reasons underlying transactions. These procedures should include a definition of the persons authorized to approve such transactions, carry them out and monitor them;

d) *formalization* of procedures for transactions involving the financial instruments as per letter *a)*, also in terms of price determination criteria, when such transactions are carried out with group companies and parent companies or related parties. In this case, the transactions should be authorized by the board of directors or chairman;

e) *definition of guidelines aimed at ensuring the segregation*, in subjective terms, between those individuals with the power to represent the company (also with proxies) in transactions with banks and those who are authorized to carry out transactions involving the financial instruments as per letter *a)*.

20.2. With respect to transactions related to the *management of privileged information*, the procedures should ensure:

a) *definition of the concept of privileged information*, also by means of the preparation of lists. When the information relates to events or procedures that take place in more than one stage, the definition should indicate the criteria to be used to decide when the information must be subject to procedures for the management of privileged information (information destined to become privileged);

b) *identification of the business areas* where privileged information (as per the previous letter) is usually put together, updated, communicated and managed;

c) *identification* of an *individual to be in charge* of the application

of procedures for the management of privileged information for each of the areas mentioned in the above letter;

d) *identification of the individuals* who manage or have access to specific privileged information or information which will become privileged *by setting up a register and keeping it updated*. The criteria for updating this register and access blocks should be established. Inclusion therein should be communicated to the individuals so that they are aware that they have to comply with procedures and the related constrictions;

e) *identification of an individual in charge of the above register* who will supervise its correct use and updating; he or she will have access to it and the information contained therein;

f) *protection and confidentiality* of the privileged information or information that will become privileged. Measures suitable to ensure the following should be put in place:

   1) *blocking access, also accidental*, to such information by individuals other than those identified in letter *c)* and the circulation of the information in an improper manner within the company. Documents containing privileged information or information that will become privileged should be stored in places (or on computers) to which limited access is possible and which are properly protected. Copies of documents containing privileged information should only be given to the individuals listed in letters *c)* and *d).* Any excess copies should be destroyed after meetings;

   2) *imposing* compliance with the confidentiality principle both within and outside the company by the individuals listed in letter *c).* Where possible, they should periodically sign a statement confirming that they have complied with the procedures and legal restrictions as well as the internal

rules. When privileged information is legitimately disclosed to external parties (e.g., consultants, audit companies), clauses should be included in the contracts obliging the external party to keep such information confidential and the adoption by them, if necessary, of suitable protection measures;

g) *identification of guidelines* for the selection of the group companies that generally generate privileged information and the communication to them of the procedures for managing privileged information;

h) *a forecast* of when the privileged information or information that will become privileged should be communicated to the public and *identification of the individual* who will make such communication.

20.3. With respect to significant transactions related to *communications made to the market by the company of information about it or group companies and the organization and participation at meetings, of all kinds, held with investors, financial analysts, journalists and other mass media operators*, the procedure should ensure:

a) measures suitable to ensure the truthfulness, completeness and correctness of the information about the company or group companies to be disclosed to the public and especially to investors, financial analysts, journalists or other mass media operators;

b) measures suitable to ensure the segregation between the individuals who provide, approve and circulate the information about the company or group companies to investors, financial analysts, journalists or other mass media operators;

c) measures suitable to ensure that significant information communicated internally by e-mail is protected from any risk

of improper use;

d) the organization and participation at meetings, of all kinds, with investors, financial analysts, journalists or other mass media operators is handled solely by the relevant functions in line with the current authorization procedures and the internal control system;

e) at least two individuals (among them, a representative of the company function concerned) are present at meetings with investors, financial analysts, journalists or other mass media operators.

IV. CULPABLE HOMICIDE AND CULPABLE INJURIES FROM ACCIDENTS AT WORK AND OCCUPATIONAL DISEASES

(Article 25-septies of the Decree)

This Special Part of the Model, aimed at preventing offences as per article 25-*septies* of Legislative Decree no. 231/01, includes the "Regulation for the prevention of accidents at work" («Annex B»), which forms part of the Organization, management and control model of ITALMOBILIARE S.p.A.

21. Identification of transactions and activities at risk

21.1. Pursuant to article 6 of the Decree, with respect to:

* all the sectors of activity of the Company and its business units;
* all the activities and business units with employees of ITALMOBILIARE S.p.A. and employees of third party companies and/or free lance workers, to which ITALMOBILIARE S.p.A. contracts out and/or subcontracts works;

the following items are identified:

a) risk factors for workers' safety and health, construed as the intrinsic property or quality of a specific factor that may cause damage;

b) risks for workers' safety and health, construed as the likeliness of reaching the potential level of damage in the situations of use and/or exposure to a specific risk factor, that the Company is obliged by law or by internal regulations to prevent or remove:

a) risk factors for workers' safety

1. transit areas
2. work areas
3. stairs
4. work machines/equipment
5. manual tools
6. manual handling of items
7. item storage
8. electrical system
9. lifting devices
10. means of transport
11. risks of fire and explosion
12. chemical risks to safety (in general: toners and dusts)

b) risk factors for workers' health

13. exposure to chemical and physical agents
14. exposure to biological agents (in general: legionella)
15. industrial ventilation
16. air conditioning in workplaces
17. thermal microclimate
18. lighting
19. intellectual workload
20. working on video displays

c) organizational and managerial risk factors

21. labour organization
22. tasks, functions and responsibilities
23. analysis, planning and control
24. training
25. information
26. participation
27. job rules and procedures
28. maintenance and testing
29. emergency, first aid

30. health surveillance
31. psycho-social factors

as better described in the regulatory provisions listed below:

a) Risk factors regulated by Legislative Decree no. 81 of (April 2008 (TUS) implementing Act 123/2007:

- interferences during contracted and sub-contracted works;
- manual handling of loads;
- equipment provided with displays;
- exposure to chemical agents;
- exposure to biological agents;
- exposure to explosive atmospheres;
- work places;
- work equipment.

22. Standards for the preparation of procedures to prevent culpable injuries and homicide committed in violation of the rules for the protection of health, safety and hygiene at work. Implementation rules

22.1. A Regulation for the implementation of this Special Part is adopted by the Company.

22.2. The Regulation above is approved by the Board of directors after hearing the opinion of the Supervisory Body.

22.3. The Regulation is updated:

a) in the event of substantial changes in the production process of in the general risk/impact situation, when these affect the safety and health of workers and the parties concerned;

b) in the event of changes in the organizational structure of the Company and the business units, as well as of workplaces with risks in terms of safety;

c) in the case of events (accidents, injuries, etc.) that showed the

presence of risks previously not foreseen, or the inadequacy of the adopted prevention measures;

d) if technical and scientific progress gives the opportunity to reduce or remove risks and imposes the adoption of new measures or the change of some Regulation procedures;

e) if monitoring and surveillance operations lead to remarks of suggestions for the improvement of the organizational structure of functions and with respect to processes and measures for accident prevention;

f) if improvements can be made as a result of progress in scientific and technological knowledge with respect to safety and health at work;

g) in the event of regulatory changes.

22.4. Proposals to change and update the Regulation are adopted by the CEO, after hearing the opinion of the Supervisory Body, and communicated to the Board of directors at the first meeting.

22.5. Any formal changes to the Regulation, which become necessary because of the development of the legislative rules of reference, can be made, as an exception to that established at part 22.4., by the parties expressly indicated by the Regulation.

22.6. The Regulation above includes, with reference to the risk factors mentioned in the previous paragraph, at least:

- the definition of the Company's areas of activity and business units where risk factors have been detected;
- the definition of offices and organizational units, as well as of roles and responsibilities of the persons in charge of detecting risk factors, and of implementing, updating and checking procedures for the prevention of risks factors, or stages of these activities;

- the definition of measures and processes for the prevention of risk factors.

22.7. The Regulation above, with respect to risk areas and factors defined in paragraph 21, envisages specific procedures, on the basis of which:

a) all health and safety risks are assessed;

b) prevention is planned;

c) risks are removed and, when this is not possible, are reduced to a minimum as a result of knowledge acquired on the basis of technical progress;

d) ergonomic principles are complied with in labour organization, in the conception of workplaces, in the selection of equipment and in the definition of production and work methods, in particular for the purpose of reducing effects on health of monotonous and repetitive work;

e) risks are reduced at source;

f) dangerous items and substances are replaced by non dangerous or less dangerous ones;

g) the number or workers that are, or may be, exposed to risk is limited to a minimum;

h) the use of chemical, physical and biological agents at the workplace is limited;

i) collective protection measures have the priority over individual protection measures;

l) health control of workers' is in place;

m) workers are removed from exposure to risk to their personal health and are transferred, when possible, to a different job;

n) workers are informed and adequately trained;

o) managers and supervisors are informed and adequately trained;

p) adequate instructions are given to workers;

q) appropriate measures are planned to ensure improvement of safety levels over time, also by means of the adoption of codes of conduct and good practices;

r) emergency measures are adopted to implement in the case of first aid, fire fighting, workers' evacuation and serious and immediate danger;

s) warning and safety signs are used;

t) environments and equipment are regularly maintained;

u) those in charge of defining, implementing and checking measures on safety, hygiene and health at work are provided with the necessary time, resources and means to correctly perform their tasks.

23. Essential features of the procedures for taking and implementing decisions about transactions at risk

23.1. According to the Regulation above, with respect to risk areas and factors defined in paragraph 21, the procedures as per paragraph 22.7., must contain the following essential elements:

1) the persons envisaged by the Regulation above must prepare and update documents featuring:

a) a report on the assessment of all health and safety risks at work, with the specification of the criteria adopted for the assessment;

b) the definition of procedures for the implementation of measures, as well as of the roles in the company organization in charge of this, that must be covered only by persons with adequate skills and powers;

c) the indication of the name of the head of the prevention and protection service and the authorised doctor who

participated in the risk assessment procedure;

2) the update of the above Documents and of prevention measures with respect to changes in organization and production that affect health and safety at work, or with respect to the degree of development of prevention and protection techniques;
3) the establishment of a prevention and protection Service at each production unit, whose head is provided with appropriate resources as well as independence and expertise, to whom at least the tasks as per article 33 of TUS are assigned;
4) the establishment of a health monitoring office at the business units, provided with adequate resources and professionalism;
5) the preparation of general supervision mechanisms on the correct implementation of the rules on workers' health and safety and the correct implementation of company internal provisions. In particular, the following should be envisaged:
   a) the Head of the Company *Internal Auditing* function should prepare at least every three years an inspection plan aimed at checking the correct implementation of existing regulations and of the Company's internal regulations. At the end of the checks, a report should be prepared, containing the following:
      - the results of the checks;
      - an analytical and brief assessment of the results of the checks;
      - suggestions, if any, regarding technical, procedure or organization actions for better protection from risks and compliance with internal and external regulations;
   b) the Supervisory Body must be informed on the outcome of the inspections and must also be constantly informed on the implementation of solutions and suggestions made during

the inspections. In the event of serious and repeated violations of internal or external decisions or if prompt action is needed, immediate notice must be sent to the Supervisory Body.

23.2. The Supervisory Body, as part of its powers, periodically assigns to qualified external consultants, selected by means of a specific procedure, previously approved by the Body, the task to perform inspections aimed at formally assessing the following issues:

a) the correct method to define, assess, measure and control risks for workers' health and safety, as well as the mechanisms to update this method;

b) compliance of the measures adopted for the prevention of the risks above with the Safety Policy of the Company, regulations and this Model;

c) compliance of the prevention methods and measures as per the parts above with the best international practice in the Company's industry.

The results of the assessment made by the external consultants are communicated by means of a report to the Supervisory Body for the necessary remarks and assessments.

23.3. The Supervisory Body, in the light of the results of the inspections above, suggests an update, if any, of the Model or its implementation procedures after reaching an agreement with the Head of the work safety service of the Central Office.

V. TRANSNATIONAL OFFENCES AND HANDLING, LAUNDERING, AND USE OF MONEY, GOODS OR UTILITIES OF ILLICIT ORIGIN

(article 10 Law 146/2006 and art. 25-*octies* of the Decree*)*

24. Identification of transactions and activities at risk

Pursuant to article 6 of the Decree with respect to activities that imply possible, even indirect, contacts with organized crime, the following transactions at risks are defined with respect to the Company and/or the Group Companies, as indicated at paragraph 11, that perform these activities on behalf of the Company, during which performance or execution offences can be committed as per article 10 of Law 146/2006 and as per article 25-octies of the Decree:

a) qualification, assessment and negotiation of suppliers of goods and services in Italy and abroad;
b) acquisition and disposal of stakes in companies not listed in regulated markets;
c) trading of financial instruments listed in regulated markets by means of off-market transactions;
d) loan applications;
e) acquisition and sale of assets;
f) staff selection and management;
g) management of incomes and payments.

25. Standards for the preparation of procedures to prevent offences

25.1. Specific procedures for the taking and implementation of company decisions have been adopted.

The taking and implementation of decisions by directors are governed by principles and guidelines included in laws and in the by-laws.

25.2. The procedures are updated constantly, also to reflect recommendations or communications by the Supervisory Body.

25.3. Specific procedures exist for each significant transaction listed in paragraph 24, whereby:

a) the taking of the decisions and different authorization levels can be reconstructed to ensure transparency;

b) those persons that take or implement the decisions, those persons that have to account for the approved transactions in the books and those persons that perform the inspections required by law and procedures included in the internal control system are different individuals;

c) the documents related to the company's activities are filed and stored by the relevant unit in such a way as to prevent their subsequent modification without the appropriate documentation;

d) access to documents that have already been filed, as set out in the previous letter, should always be justified and allowed only for the individuals authorized in accordance with internal regulations, the board of statutory auditors, the audit company or Supervisory Body;

e) appointment of external consultants should take place considering their professionalism, independence and expertise and the decision should be documented;

f) fees or commissions are not paid to consultants, agents or public parties that are not in line with the services provided to the company and the engagement terms, to be assessed using criteria of reasonableness and referring to conditions or

practices existing on the market or established by rates;

g) all remuneration systems for employees and consultants comply with objectives that are realistic and consistent with their duties and activities and degree of responsibility;

h) in order to implement decisions about the use of financial resources, the company consults financial brokers and banks that are subject to transparency and correctness regulations in line with EU standards;

i) each relationship with selling or buying counterparts is documented in writing and is solely authorized by persons provided with suitable powers under a system of delegations and proxies consistent with organization and management responsibilities;

l) each significant relationship with suppliers of goods and services above the relevant threshold defined by internal procedures, is regulated by written contract, solely authorized by persons provided with suitable powers under a system of delegations and proxies consistent with organization and management responsibilities;

m) data and information gathered on buying or selling counterparts or suppliers are exhaustive and updated, in order to ensure their appropriate and timely detection and a precise assessment and check of their profile;

n) the provisions included in Legislative Decree 231/2007 are fully implemented, inasmuch as they can be applied to the company, aimed at preventing money laundering operations or the use of money, goods or utilities of illicit origin.

25.4. The Supervisory Body checks that the procedures set out in the above paragraph ensure compliance with the related provisions. It recommends changes and possible additions to the provisions and

related implementation procedures.

25.5. Exceptions to the procedures established by the Model are permitted, under the responsibility of those parties implementing them, when decisions need to taken and implemented urgently or when it is temporarily impossible to comply with the procedures. In this case, the relevant unit informs the Supervisory Body immediately and the decision/act has to be subsequently ratified by the relevant party.

26. Essential features of the procedures for taking and implementing decisions about transactions at risk

26.1. For significant transactions regarding *assessment, qualification and selection of suppliers of goods and services,* the procedure should necessarily ensure:

a) that the process for supplier selection and assessment is formalized, as well as the management of the relationship with it;

b) that for each stage of supplier selection, assessment and management, a person in charge is identified and the authorization levels for decision making and implementation;

c) that offence risk indices are previously identified and constantly updated, as well as possible exceptions with respect to each category of suppliers, also inspired, where compatible with the activity performed, by GAFI and UIF recommendations;

d) that for supplier selection and assessment stages suitable criteria and modes of supplier selection are defined;

e) that suitable modes of document collection and preservation are established, regarding the process of supplier selection, assessment and management;

f) that, in any case, for each area of competence a "list of qualified suppliers" is prepared. When it is necessary to turn to new suppliers, they must be previously qualified and included in the list. Supplier qualification is always assessed also in the light of the reputation and reliability of the subject in the marketplace, as well as by the supplier sharing common values to those expressed in the Company's Code of Ethic;

g) that the "list of qualified suppliers" is periodically updated, or at least every year, and in any case on the occasion of new significant supplies;

h) that each relationship with the suppliers is regulated by a written contract, solely signed by the person provided with appropriate powers under the existing system of delegations and proxies, which clearly establishes the price of the good or performance or the criteria to determine it;

i) that in case of doubt on the qualification or current qualification of the supplier or in the case of abnormal profiles in the relationships with the supplier or in the type of requests put forward by it, the job is assigned or the relationship is maintained only after previous express authorization by the CEO or the General Manager and after favourable opinion by the Supervisory Body;

l) in contracts that regulate the relationship with suppliers the opportunity is assessed, under paragraph 5 of the General Section, to envisage specific clauses referring to the performances and responsibilities resulting from the Decree and the compliance with this Model and its parts, as well as the obligation to fulfill request for information or showing documents by the Supervisory Body of the Company.

26.2. For all transactions concerning *Company or business unit*

acquisition or disposal or the establishment of temporary business combinations and joint ventures, the procedure must necessarily ensure:

a) that instrumental checks are previously carried out to assess the identity, main office, legal nature, certificate of registration to the Camper of Commerce with the (anti-mafia) statement that there are no restrictions under article 10 of Law 575/1965 of the selling person or the buying person for any reason;

b) in the event significant shareholdings are acquired, that checks are previously carried out to assess the existence, with respect to the Company or the person owning the business unit to be acquired, of final sentences or criminal cases from which there may derive sentences under and for the purposes of the Decree;

c) that the acquisition or disposal of shareholdings in unlisted companies mainly occurs by means of the support of qualified advisors, under that established by a specific internal procedure.

26.3. For all transactions regarding *staff selection and hiring*, the procedure must necessarily ensure:

a) that a staff Budget is defined, approved by the General Manager. The staff selection and assessment must be carried out solely by the Human Resources and Organization Department;

b) that the functions that request staff selection and hiring, in compliance with the budget as per part above, should formalize the request to the Human Resources and Organization Department by means of specific forms;

c) that the request is authorized by the person in charge under internal procedures;

d) that hiring applications outside the budget are grounded and

duly authorized in line with internal procedures;

e) that for the hiring, the criminal record certificate is requested, for work use, issued by the specific Court office of the place of residence; together with the certificate for "charges pending" issued by the Public Prosecutor's office at the Court of the place of residence; and the direct or indirect relationships between the candidate and the Public Administration are previously analyzed and assessed by the personnel selecting function;

f) that whoever is aware or has objective elements to support the legitimate suspicion that Company employees or collaborators belong to organized criminal groups must immediately notify the Supervisory Body. The communication can also take place anonymously;

g) the assessment of candidates is formalized in specific documents that will be filed in the archives by the Human Resources and Organization Department.

26.4. For all transactions regarding *the management of receipts and payments*, the procedure must necessarily ensure that any financial transaction is based on the knowledge of the identity, main office and legal nature of the counterpart that makes or receives the payment. Reference should also be made to provisions in paragraph 14.2. of Section I of the Special Section regarding "Offences against Public Administration".

26.5. For all transactions regarding the *off-market trading of financial instruments listed in regulated markets*, the procedure must necessarily ensure that instrumental checks are carried out beforehand, aimed at assessing that the final counterparts, when they can be identified, are not included in the lists relating to the regulation for the prevention of laundering and terrorism.

26.6. For all transactions regarding *requests for loans to third parties*, the procedure must necessarily ensure that loans can only be requested from banks with offices in countries that are subject to brokers' transparency and correctness regulations in line with those of the European Union.

26.7. For all transactions at risk as defined in paragraph 24, the procedure must ensure that each financial transaction is based on the previous knowledge of the identity, main office and legal nature of the other party making or receiving the payment.

26.8. For all transactions at risk as defined in paragraph 24, the procedure must forbid payments in cash, unless express authorization is given, also by means of the indication of categories of cost by the Administration and Control Department, and after hearing the opinion of the Supervisory Body.

Annex "A" to the Model of organization, management and control of Italmobiliare S.p.A.

CODE OF ETHICS

CONTENTS

Introduction

The Group, intended as the parent company and its subsidiaries that have adopted this code of ethics (the "code") in its activities and in the conduct of business, assumes as motivating principles the observance of the law and legislation of the relevant country as well as group policies, in a framework of integrity, fairness and confidentiality. It also seeks to reconcile the pursuit of market competitiveness in compliance with legislation on the protection of the competition and, from the perspective of corporate responsibility and environmental protection, to promote the correct and efficient use of resources.

The company undertakes to circulate the code, to periodically update it and to make available all instruments that encourage its full application.

Targets and areas of application

The code applies, without exception, to all group employees and all those that, directly or indirectly, permanently or temporarily, establish relations with the group or cooperate in achieving its objectives (hereafter the "targets").

The targets must adequately inform third parties of the requirements of the code, ensure they are met and take appropriate measures in the case of non-fulfilment.

Ethics and conduct

General Principle

Relations and conduct at all levels must be characterised by the principles of honesty, fairness, integrity, transparency and reciprocal respect, as well as being open to verification and based on accurate and complete information.

Honesty and loyalty

The group has a relationship of reciprocal trust and loyalty with each of its employees.

Under the commitment of loyalty employees cannot:

1) take on employment relationships, consulting appointments or other responsibilities with third parties, without the prior written authorisation of the group company to which the employee belongs;
2) carry out activities adverse to the company's interest or incompatible with the employees' duties.

Finally, all employees must consider the observance of the code of ethics to be an essential part of the contractual requirements, in the framework of a relationship of trust and loyalty.

Impartiality and conflicts of interest

Targets must avoid situations and/or activities that may lead to conflicts with the interests of the Group or that could interfere with their ability to make impartial decisions, in order to safeguard the group's interests.

In relations with the group and third parties, targets must act in accordance with ethical and legal practices. These must take place without recourse to unlawful means. The following are explicitly prohibited: corrupt practices, unlawful favours, collusive conduct, solicitation of personal advantage for the individual or for others.

Any information that could imply a situation of potential conflict with group interests must be reported to the employee's superior officer, if an employee, or the internal reference if a third party.

Confidential information and safeguarding of privacy

Information of a confidential nature, related to data or knowledge belonging to the group, may not be acquired, used or communicated

other than by generally or specifically authorised persons.

As an example, but not limited to it, the following is considered confidential information: action plans, including sales, business and strategic plans, information relating to know-how and technological processes, financial transactions, operating strategies, investment and disinvestment strategies, operating results, the personal data of employees and the lists of customers, suppliers and third party collaborators.

Furthermore, also in accordance with the legislation safeguarding privacy, targets must undertake to protect the information generated or acquired and to avoid its improper or unauthorised use.

In terms of confidential information, price sensitive information assumes particular importance. This may be defined as information that is not public and which, if made public, could significantly influence the price of financial instruments.

In accordance with the insider trading legislation, this information must not in any way be used to gain advantage of any type, either direct or indirect, immediate or future, personal or financial.

According to group procedures, external communication of price sensitive information may be made only by authorised individuals, and only ever in accordance with the current legislation and in observance of the principles of equal and concurrent information.

Safeguarding of the individual

In the countries where it is operational, the group performs its activities in accordance with the relevant legislation regulating working conditions. As relates to their tasks, all targets undertake to conduct their activities based on the prevention of risks and the protection of the health and safety of themselves, co-workers and third parties.

Relations between group employees must be characterised by the principles of working together politely and must observe reciprocal respect for the individual's rights and personal freedom. In particular, no discrimination or reprisals must take place on the basis of nationality, religious beliefs, political and trade union membership, language or sex. In this sense, targets must actively work together to maintain an atmosphere of reciprocal respect for the dignity and reputation of each person.

Relations between the various levels of hierarchy must take place with honesty and fairness, in accordance with professional secrecy. Those in charge of the organisational units must exercise the related powers objectively and fairly, giving appropriate care to the well-being and professional growth of their co-workers. In turn, all employees must give their maximum collaboration to those in charge, diligently observing the instructions for the work assigned to them.

Safeguarding of the environment

In carrying out their tasks, targets undertake to observe the legislation relevant to environmental safeguarding and protection and to base the conduct of their activities on the correct use of resources and respect for the environment.

Safeguarding of company assets

Each target is directly and personally responsible for the protection and care of the assets, both tangible and intangible, and resources, both human, tangible and intangible, assigned to them in order to perform their tasks, and the proper use thereof, consistent with the company's interests.

No assets or resources of the group may be used for purposes other than those stated by the related group company.

Control processes

Targets must be aware of the existence of the control procedures and conscious of their contribution to the achievement of company objectives and efficiency.

Responsibility for creating an effective internal control system exists at all operating levels; consequently, in carrying out their tasks, all employees are responsible for the establishment, implementation and correct functioning of the controls relating to their operating areas.

Keeping of accounting and management information

Each action or transaction of any type carried out by the targets must be adequately documented and reasonably verifiable.

Information included in the periodical reporting and/or general ledger, both general and detailed, must comply with the principles of transparency, fairness, completeness and accuracy.

Targets who become aware of omissions, falsifications or negligence in the supporting information and documentation are obliged to inform their superior thereof if an employee, or their internal reference if a third party.

Ethical practice with respect to third parties

Customers

In managing customer relations and complying with internal procedures, each target must aim for maximum customer satisfaction providing, among other things, exhaustive and accurate information about the products and services supplied, so as to encourage informed choices.

Targets must not promise or offer payment or goods to promote or further the interests of the group. Gifts or offers of hospitality are allowed only when, on the basis of their nature and value, they cannot be interpreted as being intended to obtain special treatment.

Suppliers

The selection of suppliers and the establishment of the terms of purchase must be made on the basis of an objective and transparent evaluation which, among other things, takes account of price, the ability to supply and ensure an adequate level of service, and also of the honesty and integrity of the supplier.

Targets may not accept giveaways, gifts or similar, unless directly attributable to normal courtesy and provided they are of moderate value.

If a target receives an offer of benefits from a supplier, he/she must immediately inform his/her superior.

Relations with the public administration and public bodies

The acceptance of engagements with the public administration and public bodies is reserved exclusively to the appointed and authorised corporate figures.

Targets must not promise or offer payment or goods to public officials or employees in general of the public administration or public bodies in order to promote or further the interests of the group.

A target who receives requests or offers of benefits from public officials must immediately inform their superior if an employee, or their internal reference if a third party.

Targets who, as part of their tasks, have a justified relationship with the public administration and public bodies are responsible for the prior verification, with due diligence, that the information declared and/or

certified in the interest of the group, is true and correct.

Political and trade union organizations

As a rule, the company does not make contributions to political and trade union parties, committees or organisations.

When a contribution is believed appropriate in the public interest, the relevant company establishes whether it is admissible under the relevant legislation.

However, all contributions must be paid in such a way that is strictly in accordance with the relevant legislation and appropriately recorded.

Targets must recognise that any form of involvement in political activity occurs on a personal basis in the target's free time, at their own expense and in conformity with relevant legislation.

Mass Media

Relations between the company and the mass media are the responsibility of the designated company officers and must be carried out consistently with the communication policy established by the parent company.

Participation in committees and associations of any type, either scientific, cultural or industrial, in the name of the company or on behalf of the company, must be regularly authorised and formalised in writing, in accordance with company procedures.

The information and communications provided must be true, complete, accurate, transparent and consistent.

Violations of the Code

Violation of this code harms the relationship of trust established with

the group and may lead to disciplinary, legal or criminal action. In the most serious cases, violation may lead to the termination of the employment contract for employees, or to the discontinuance of the relationship for third parties.

Annex "B" to the organization, management and control Model of Italmobiliare S.p.A

REGULATION

FOR THE PREVENTION OF ACCIDENTS AT WORK

CONTENTS

REGULATION FOR THE PREVENTION OF ACCIDENTS AT WORK

Section I – General principles and definitions

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1. Policy for safety, health and prevention of risks at work

The objective of the Safety policy developed by ITALMOBILIARE S.p.A. is to bring accidents at work down to zero through the application of the best safety standards and to disseminate a culture based on risk prevention and increase responsible behaviours by all employees and those who work or entertain relationships with the Company.

The Company's approach aims at developing a corporate culture of safety; the objective is to ensure optimum safety terms not only to the employees but also to those who work or entertain relations with the Company.

In the Manual, programmes and tools are described to reduce risks of accidents at work in the company environment.

2. Definitions

2.1. Employee

A person who, regardless of the type of contract, works within the organization of a public or private employer, with or without remuneration, even for the sole purpose of learning a job, an art or a profession. This definition of employee also applies to: the working member of a cooperative or company, even unregistered, who works for the company and the institution; the partner as per article 2549, and following of the Civil Code; the beneficiary of vocational and orientation training programmes as per article 18 of Law no. 196 of 24 June 1997, and as per specific provisions of regional laws promoted for the purpose to set up study and work programmes or to facilitate professional decisions through the direct knowledge of the world of

labour; a student of education and university facilities and the participant in vocational training courses featuring the use of laboratories, working equipment in general, chemical, physical and biological agents, including devices provided with video displays limited to the times when the student is actually working with the equipment or in laboratories above; the volunteer, as defined by Law no. 266 of 1 August 1991; volunteers of the Firemen and civil defence; the volunteer active in community service; the employee as per Legislative Decree no. 468 of 1 December 1997, and subsequent amendments.

2.2. Employer

The employer is responsible for the work relationship with employees working for him or however, the person who, according to type and organization of the business, has the responsibility of the business or production unit, being the owner of decision-making and expenditure powers.

Under article 2, clause 1, letter b, of Legislative Decree no. 81/08, the employer of ITALMOBILIARE S.p.A. is the Administration and Finance General Co-Manager.

2.2.1. Employer Client for the jobs contracted out or assigned by a works contract under article 26 of Legislative Decree no. 81/08

Employer Client is the Employer as defined in paragraph 2.2. who assigns works within his/her production unit to contractors or the self-employed. Building and civil engineering works and/or works performed in a building industry or civil engineering temporary and mobile building site are not included in the scope of article 26 of Legislative Decree no. 81/08.

2.2.2. Client for jobs contracted out under section IV clause I Legislative Decree no. 81/08[8]

Client is the person on behalf of whom the whole project is constructed, regardless of any subdivision of the work.

Under Section IV, Clause I, of Legislative Decree no. 81/08, a "Client" is the person who executes a contract agreement or a works contract and assigns building and/or civil engineering works to contractors and subcontractors.

In ITALMOBILIARE S.p.A., the "Client" for the activities above relates to those Senior Managers who can sign contract agreements.

2.2.2.1. Person in charge of jobs under Section IV - Clause I Legislative Decree no. 81/08[8]

The Person in charge of jobs, under article 89 of Legislative Decree no. 81/08, is the person who receives the assignment by the client, to design or check the execution of the work; this person is the designer at the design stage of the project and the work supervisor for the work execution stage.

2.2.2.2. Design coordinator[9]

The design coordinator is the coordinator with respect to health and safety during the design of the work, who has been asked by the client or the person in charge of the works, to perform the tasks as per paragraph 3 letter a.3.) below.

[8] A mandatory figure in Italmobiliare S.p.A., in case works are performed of construction, repair, maintenance, demolition, preservation, reclamation, renovation of equipment, dismantling of fixed, permanent or temporary works, in brick or metal, wood or other materials

[9] A mandatory figure when, to execute the activities described in note to part 2.2.2 two or more executing companies are working, even not simultaneously.

The appointment of the design coordinator is mandatory in the building sites where various companies are present, even not simultaneously, with the exclusion of works not subject to building authorization.

2.2.2.3. Coordinator for work execution

The Coordinator for work execution is the coordinator of health and safety issues during work construction, other than the employer of the building firm or one of his employees or the RPPS he appointed, who has been asked by the client or the person in charge of the work, to perform tasks as per paragraph 3, lett. a.4.) below.

The appointment of the coordinator for work execution is mandatory in those building sites with the presence, even not simultaneous, of various companies.

2.2.2.3.1. Professional requirements of design and execution coordinators

The design coordinator and the coordinator for works execution must have the following requisites (Legislative Decree no. 81/08, article 98):

a) degree attained in one of the following classes: LM-4, from LM-20 to LM-35, LM-69, LM-73, LM-74, as per decree by the Minister of university and research of 16 March 2007, published in the ordinary supplement to the Official Gazette no. 157 of 9 July 2007, or specialist degree achieved in the following classes: 4/S, from 25/S to 38/S, 77/S, 74/S, 86/S, as per decree of the Minister of university and scientific and technological research on 4 August 2000, published in the ordinary supplement to the Official Gazette no. 245 of 19 October 2000, or corresponding degree diploma under Decree of the Ministry for education, university and research on 5 May 2004, published in the Official Gazette no. 196 of 21 August 2004, as well as certification from employees or clients that proves that he/she has worked in the building sector for at least one year;

b) degree achieved in the following classes L7, L8, L9, L17, L23, as per above mentioned Ministerial Decree on 16 March 2007, or degree attained in classes 8, 9, 10, 4, as per above mentioned Ministerial Decree on 4 August 2000, as well as certification by employers or clients, proving that working activities have been carried out in the building industry for at least two years;

c) diploma of surveyor or non-graduate engineer or agronomist, as well as certification from employers or clients, proving that working activities have been carried out in the building industry for at least three years.

The above persons must also be in possession of a statement of presence, with final learning test, at a specific course on safety organized by regions, by means of technical structures active in the field of prevention and vocational training or, alternatively, ISPESL, INAIL, the Italian Institute Social Medicine, the relevant orders or professional boards, universities, employers' associations and trade unions or joint bodies established in the building industry.

Contents, modes and duration of the above programmes must at least comply with the provisions as per annex XIV of Legislative Decree no. 81/08.

Certification is not required for those who, no longer active, have carried out technical activities with respect to safety in the building industry, for at least five years, as civil servants or public service officials and for those who own a university certificate stating that an exam was passed regarding a specific subject in the degree course in whose curriculum there were the minimum contents as per annex XIV to Legislative Decree no. 81/08, or the certificate of attendance at a university specialization course with the same minimum contents. The above certificate is not required for those possessing degree LM-26.

2.3.Company

The overall structure organized by the public or private Employer.

2.4. Manager

The Manager, because of his/her professional skills and hierarchical and functional powers in line with the nature of the task assigned, implements the Employer's directives by organizing the working activity and supervising it.

In ITALMOBILIARE S.p.A., managers are usually those responsible for various services.

2.5. Supervisor

The supervisor, because of professional skills and within the limits of hierarchical and functional powers suitable for the nature of the task assigned, supervises working activities and ensures the implementation of the directives received, checking the appropriate execution by employees and exercising a functional power of initiative.

The Supervisor is responsible, within the scope of his/her organizational functions, for compliance with safety standards by employees, to whom he/she provides adequate instructions and information.

In terms of hierarchy and function, the supervisor reports to the Manager.

2.6. Person responsible for the prevention and protection service (RPPS)

The Person responsible for the prevention and protection service possesses at least the requirements as per article 32 of Legislative Decree no. 81/08, appointed by the Employer, to whom he/she reports, to coordinate the risk prevention and protection service, after consulting the safety delegate, for the performance of tasks as per paragraph 3, lett. d) below.

2.7. Competent doctor (MC), Substitute doctor and Coordinating doctor

The Competent doctor is a doctor appointed by the Employer for each production unit, possessing one of the following titles:

1) specialization in occupational medicine or preventive workers' medicine and applied psychology;
2) teaching qualification or university teaching qualification in occupational medicine or workers' preventive medicine and applied psychology or industrial toxicology or industrial hygiene or physiology and hygiene at work or in occupational internal medicine;
3) authorization as per article 55 of Legislative Decree no. 277 of 15 August 1991;
4) specialization in preventive medicine and hygiene or forensic medicine and mandatory attendance at specific university training programmes.

To carry out the functions of competent doctor it is also necessary to be part of the ongoing medicine education programme under Legislative Decree no. 229 of 19 June 1999, and subsequent amendments and supplements. Credits envisaged by the three-year programme must be achieved for no less than 70 per cent of the total amount in «occupational medicine and safety of working environments ».

The Competent doctor carries out the tasks as per paragraph 3, lett. e.) below.

Substitute doctor is the Doctor appointed to replace the Competent doctor when the latter cannot perform his/her function.

Coordinator Competent doctor is the Competent doctor appointed to coordinate the health surveillance activity of all competent doctors.

The competent doctor carries out his/her job as:

a) employee in an external public facility or a private facility that has an agreement with the employer to carry out the tasks as per this clause;
b) free lance;
c) Employer's employee.

If the competent doctor works for the Employer, the latter provides the means and ensures the necessary conditions for the performance of his/her tasks.

The employee of a public facility cannot act as competent doctor if he/she carries out surveillance activities.

2.8. Workers' delegate for safety (WDS)

The Workers' delegate for safety is one or more persons elected or appointed to represent workers with respect to the issues of health and safety at work.

2.9. Accident register

This is a register in which accidents at work registered on a time basis, that imply at least one day of absence from work, not including that of the event. The register features name, family name, professional qualification of the injured worker, causes and circumstances of the accident, as well as the date of leaving and returning to work. The register is drafted by the Employer and kept at the workplace, available to the surveillance body.

2.10. Risk assessment document (RAD)

The risk assessment document - RAD, is the evidence of a permanent risk prevention process for workers' health and safety. This document is prepared, under procedure as per paragraph 4.1. below, by the Employer in collaboration with the head of the prevention service and the competent doctor in those cases where healthcare surveillance is

mandatory, after consulting the safety delegate, and includes:

a) a report on the assessment of risks for health and safety at work, with the specification of criteria adopted for the assessment. The risk assessment is made with respect to the nature of the activity of the company or business unit;

b) the definition of prevention and protection measures and of the personal protection equipment, following the assessment as per letter a);

c) the programme of actions considered as appropriate to improve safety levels over time;

d) the definition of procedures for the implementation of actions to take, as well as of the company organization positions in charge of them, to which only persons possessing adequate skills and powers should be assigned;

e) the definition of the name of the RPPS, WDS, and CP;

f) the definition of tasks that may expose workers to specific risks that require recognized professional skills, specific experience, adequate training and coaching.

The document is kept with the company or production unit.

2.11. Risk assessment document for interferences during contracted (or sub-contracted) works to external contractors and/or the self-employed, prepared by the client Employer - DUVRI

This is the Risk assessment document for interferences that may occur during works contracted to external contractors or the self-employed, prepared by the Client Employer, with the indication of actions taken to eliminate these risks and promote cooperation and coordination. This document must be attached to the contract agreement or works contract.

The document exclusively deals with risks from interferences between

the client's activities and the activity of the contractor (or contractors), or free lance person and does not apply to specific risks typical of the activity of contractors or the self-employed.

2.12. Periodical meeting

Meeting for the purposes as per paragraph 3, lett. a) below, with the participation of:

a) the Employer or a delegate;

b) the Person responsible for the prevention and protection service;

c) the competent doctor, where applicable;

d) the workers' delegate for safety.

2.13. Safety and coordination plan

Document drafted, under the terms as per article 100 of Legislative Decree no. 81/08, by the planning coordinator with the indication, analysis and assessment of risks, consequent procedures, layouts and equipment which ensure, for the duration of the works, compliance with standards for the prevention of accidents and the protection of workers' health.

The Plan is part of the tender and includes also the estimate of the costs regarding work safety, with particular reference to those costs connected with the specific contract, which are not subject to rebate in the bids of contracting companies (article 100 paragraph 2 annex XV to Legislative Decree no. 81/08).

The plan also includes risk prevention measures resulting from the simultaneous or successive presence of various companies or free lance operators and sets out, when this is necessary, criteria for the use of common systems such as facilities, logistics and collective protection equipment.

The plan includes a technical report and provisions connected to the complexity of the work to be carried out and any critical stages in the building process. It includes, with respect to the type of building site concerned, the following elements:

1) modes to follow for building site fencing, accesses, signs;
2) protections or safety measures against possible risks from the outside;
3) hygiene, healthcare services;
4) protections or safety measures connected with the presence in the building site area of overhead lines and underground pipes;
5) supply systems and electricity, water, gas and every sort of energy mains;
6) earthing and protection systems against atmospheric discharges;
7) general protection measures against the risk of being buried during excavations;
8) general protection measures to take against the risk of falling from a height;
9) general safety measures to take in the case of extended demolitions or maintenance, when technical implementation modes are defined at the planning stage;
10) safety measures against possible risks of fire or explosion connected with hazardous processes and materials utilized in the building site;
11) assessment, with respect to the type of works, of likely expenditures for the implementation of the individual items in the plan;
12) general protection measures to take against excessive temperature fluctuations.

2.14. Brochure

A document prepared the first time by the planning coordinator any time safety coordinators are appointed, except for building sites for the

ordinary maintenance of a building (repair, renewal and replacement of existing finishes and systems).

The brochure can be changed at the executive stage according to the progress of works and is updated by the client following changes in the building during its existence.

It includes an overall assessment of even future risks that can be identified in the planned works, to which workers are exposed.

The brochure must record the feature of the work and the useful elements with respect to hygiene and safety, to take into account in the case of any later works, in particular maintenance and repair works. Nature and modes of execution of any later works inside or near the building site area must therefore be defined.

The brochure includes three chapters:

Chapter 1: Brief description of the work and indication of the parties concerned;

Chapter 2: definition of risks, preventive and protective measures in the building and ancillary measures, for likely subsequent actions on the building, such as ordinary or extraordinary maintenance, as well as for other subsequent actions which are already envisaged or planned;

Chapter 3: references to existing supporting documents.

2.15. Operating safety plan

Document prepared by the Employer of the contracting company, with reference to the individual building site concerned, under article 17 of Legislative Decree no. 81/08.

The operating safety plan is complementary to the safety and coordination plan, which it details.

2.16. Person in charge of the prevention and protection service

A person with the professional skills and requirements adequate for the nature of the risks at the workplace and regarding working activities.

2.17. Prevention

Prevention is the set of necessary provisions or measures also according to the specific character of the job, experience and technique, to avoid or reduce professional risks while respecting population health and the integrity of the environment.

2.18. Risk prevention and protection service

The risk prevention and protection service involves all the people, systems and means, outside or inside the company, aimed at the prevention and protection of occupational risks for workers.

2.19. Healthcare surveillance

Healthcare surveillance is the set of medical acts, aimed at protecting the state of workers' health and safety, with respect to the working environment, occupational risk factors and the modes of performing the work.

2.20. Health

Health is a state of complete physical, mental and social wellbeing, which is not simply the absence of disease or disability.

2.21. System for the promotion of health and safety

The system for the promotion of health and safety involves all the institutional parties that contribute, with the participation of social

partners, to the implementation of action programmes aimed at improving workers' health and safety conditions.

2.22. Risk assessment

Risk assessment is the global and documented assessment of all risks for the health and safety of workers present in the organization in which they work, aimed at defining adequate prevention and protection measures and to prepare the programme of actions suitable to ensure the improvement of health and safety levels over time.

2.23. Danger

Danger is the intrinsic feature or quality of a specific factor with damage-causing potential.

2.24. Risk

It is the likeliness of achieving the potential level of damage in the conditions of use or exposure to a specific factor or agent or their combination.

2.25. Production unit

A production unit is the company headquarters as well as any other unit aimed at the provision of goods or services, provided with financial and technical and functional independence.

2.26. Technical standard

A technical standard is the technical specification, approved and published by an international organization, a European institution or a national standardization institution, whose compliance is not mandatory.

2.27. Good practices

These are the solutions in terms of organization or procedure in line

with existing regulations and with good technical standards, voluntarily adopted and aimed at promoting health and safety at the workplace by reducing risks and improving working conditions, drafted and collected by regions, the Higher Institute for prevention and safety at work (ISPESL), the National Insurance Institute against accidents at work (INAIL) and joint bodies as per article 51, validated by the permanent consulting committee as per article 6, after technical investigation by ISPESL, that ensures their most extensive circulation.

2.28. Information

The activities aimed at providing useful knowledge for the identification, reduction and management of risks at work.

2.29. Training

This is the educational process by means of which knowledge and procedures are communicated to workers and the other subjects in the company prevention and protection system, which are useful for the acquisition of skills to safely carry out their tasks in the company and for risk identification, reduction and management.

2.30. Coaching

Coaching is the set of activities to teach workers how to correctly use equipment, and also personal protection, machines, systems, substances, devices, and work procedures.

2.31. Industrial Relations and Administration - IRA

This is the company function that deals with the definition of orientations and policies with respect to industrial and trade union relations.

Section II – Organization and parties

3. Obligations of the parties in charge

With respect to the nature of the activity of the company or production unit, the parties in charge of measures regarding safety, hygiene and health at the workplace are given the following tasks:

a) The **Employer**, as defined in paragraph 2.2. above, has the following obligations:

exclusively, since these obligations cannot be delegated:

- the preparation, together with the RPPS, in collaboration with the competent doctor and after consulting the WDS, of the Risk assessment document and definition of the prevention and protection measures (RAD), under article 28 clauses 1, 2, 3 of Legislative Decree 81/08;
- the update of the RAD;
- the appointment of the RPPS;

as well as, *also by delegation:*

- the appointment of the Competent doctor;
- promote, coordinate and check the Health and Safety System of workers in the production unit;
- promote organization and coordination actions among all managers, which are necessary to develop the SGS;
- periodically summon, or at least once every year, all managers to examine the general issues regarding SGS and for the analysis of the implementation status. The meeting can be the same as the risk protection and prevention periodical meeting as per article 35 of Legislative Decree no. 81/08, with the participation of the Employer, the RPPS, the competent doctor, the workers' delegate for safety and sometimes all the managers of the production unit.

During the meeting the Employer asks all participants to examine:

a) the document as per article 17, clause 1 lett. a) of Legislative Decree no. 81/08;

b) the trend of accidents and occupational diseases and health surveillance;

c) criteria of choice, technical features and efficacy of PPE;

d) information and training programmes for managers, supervisors and workers with respect to safety and health protection.

- strategic lines for the unitary and coordinated management of health and safety in the production unit;
- the analysis of the dynamics of accidents and/or injuries that occurred in the unit and/or other workplaces, with a view to finding prevention or protection measures suitable to avoid the repetition of the same events;
- prepare the necessary and suitable workers' personal protection equipment, having heard the Person responsible for the prevention and protection service (Legislative Decree no. 81/08, article 18, paragraph 1, lett. d);
- prepare suitable measures to ensure that only workers who received adequate instructions can access areas where they are exposed to serious and specific risk (Legislative Decree no. 81/08, article 18, paragraph 1, lett. e);
- require compliance by the individual workers with existing rules, as well as with provisions on hygiene and safety at work, and the use of collective protection equipment and personal protection equipment available to them (Legislative Decree no. 81/08, article 18, paragraph 1, f);
- require compliance by the competent doctor with obligations envisaged by Legislative Decree no. 81/08 informing him/her about processes and risks connected with production (Legislative

Decree no. 81/08, article 18, paragraph 1, g);

- adopt measures to control risk situations in case of an emergency and instructions so that workers, in the case of serious, immediate and inevitable danger, leave the workplace and the dangerous zone (Legislative Decree no. 81/08, article 18, paragraph 1, h);
- inform workers exposed to the risk of serious and immediate danger as soon as possible about the risk and decisions taken or to take with respect to protection (Legislative Decree no. 81/08, article 18, paragraph 1, i);
- refrain, except for duly motivated exceptions, from asking workers to go back to work in a work situation with serious and immediate danger (Legislative Decree no. 81/08, article 18, paragraph 1, m);
- give workers the opportunity to check, through the safety delegate, the application of safety and health protection measures and promptly give the safety delegate, upon his/her request and for the performance of his/her functions, a copy of the risk assessment document and let him/her access company information and documents regarding the obligation to communicate to INAIL, for statistical and information purposes, data on accidents at work that imply at least one day of absence from work, not including that of the event and, for insurance purposes, information on accidents at work that imply more than three days of absence from work (Legislative Decree 81/08 article 18 paragraph 1 lett. n);
- take appropriate measures to avoid technical measures adopted from causing risks to the population's health or from deteriorating the environment by periodically ensuring the absence of risk;
- communicate to INAIL, for statistical and information purposes, data on accidents at work that imply at least one day of absence from work, not including that of the event and, for insurance purposes, information on accidents at work that imply more than

three days of absence from work (Legislative Decree 81/08 article 18 paragraph 1 lett. n);

- consult the workers' delegate for safety in the cases as per article 50 of Legislative Decree no. 81/08;
- take the necessary measures for the purposes of fire prevention and workplace evacuation, as well as for the case of serious and immediate danger. These measures must be appropriate to the nature of the activity, the size of the company or production unit, and the number of people present;
- when performing an activity as contract or subcontract, give an identity card to workers, with photograph, including the workers' data and the indication of the Employer;
- update prevention measures with respect to organization and production changes which are relevant for the purposes of health and safety at work, or with respect to the degree of development of prevention and protection technique;
- communicate every year to INAIL the names of the workers' delegates for safety;
- monitor that workers for which there is an obligation of healthcare surveillance are not sent to the specific job without the necessary opinion of suitability.
- provide information to the prevention and protection service and the competent doctor with respect to:
  a) the nature of the risks;
  b) labour organization, planning and implementation of preventive and protective measures;
  c) the description of systems and manufacturing processes;
  d) data as per paragraph 1, letter r), and those regarding occupational diseases;
  e) decisions taken by surveillance authorities.

a.1.) The **Client Employer**, as defined in paragraph 2.2.1. above, in the event of assigning works to the contractor or free lance operators within his/her own company, or of a single production unit of the company, as well as within the framework of the whole production cycle of the company, has the following obligations (Legislative Decree no. 81/08, article 26, paragraph 7):

- in general, previously assess skills, resources and organization models owned and made available by contractors;
- in particular:
  1) assess technical and professional requirements of the contractor and/or free lance operator;
  2) provide detailed information on specific risks of the environment where they will work and on prevention and emergency measures taken with respect to their activity;
  3) ensure collaboration between employers, contractors and client;
  4) ensure coordination of prevention and promote cooperation;
  5) draft a single risk assessment document that indicates measures adopted to rule out interferences. This document is attached to the contract agreement or work contract - DUVRI.

a.2.) The **Client or Work supervisor,** as defined in paragraph 2.2.2. and 2.2.2.1. above, have the following obligations (Legislative Decree no. 81/08, article 90):

- in the work planning stage, and in particular at the moment of technical decisions, during project execution and in the organization of building site operations, he/she sticks to the principles and general protection measures as per article 15 of Legislative Decree no. 81/08. In order to ensure execution planning in a situation of working safety or work stages that

must be performed simultaneously or in sequence, the client or the work supervisor included in the project the duration of these works or work stages.

- at the work design stage, assesses documents as per article 91, paragraph 1, letters a) and b) of Legislative Decree no. 81/08.
- in building sites where the even non simultaneous presence of various companies is expected, the client, even in the cases of overlapping with the building company, or the work supervisor, at the same time as the assignment of the design task, appoints the project coordinator.

  In the latter case, the client or work supervisor, before assigning jobs, appoints the coordinator to execute the works, having the requirements as per article 98 of Legislative Decree no. 81/08.

  The decision above is applied also if, after assigning works to one single company the execution of works or part of them is given to one or more companies.

The client or the work supervisor, when possessing the requirements as per article 98 of Legislative Decree no. 81/08, has the power to act as project coordinator and coordinator for work execution.

The client or work supervisor communicates to executing companies and free lance operators the name of the project coordinator and that of the coordinator for work execution. These names are indicated in the sign of the building site.

The client or the work supervisor has the power to replace at any moment, also personally, when possessing the requirements as per article 98 of Legislative Decree no. 81/08, the Project coordinator and the coordinator for work execution.

The client or the work supervisor, even when assigning the job to one single company:

a) checks the technical and professional eligibility of the assignee

company, of executing companies and free lance operators with respect to functions or works to assign, under the modes as per annex XVII to Legislative Decree no. 81/08. In the case of private works, the requirement as per the previous sentence is considered met by means of the presentation by the company of the certificate of registration at the Chamber of Commerce, industry and crafts and of the single document of tax payment regularity, accompanied by self-certification with respect to the possession of the other requirements envisaged in annex XVII to Legislative Decree no. 81/08 (in the cases when works are not subject to work permit, these requirements are met by the executing company, of the Certificate of registration at the Chamber of commerce, industry and crafts and of the document of tax payment regularity accompanied by self-certification with respect to the possession of the requirements as per annex XVII to Legislative Decree no. 81/08);

b) asks executing companies for a statement of the average yearly employees, broken down by qualification, accompanied by the data of workers' reports made to the National Social Security Institute (INPS), to the National Insurance Institute for Accidents at work (INAIL) and to building industry funds, as well as a statement regarding the collective agreement signed by most representative trade unions, applied to employees. In the case of private works, the requirement as per the previous sentence is considered as met by the presentation from the companies of the single document of tax payment compliance and the self-certification regarding the applied collective agreement;

c) sends to the competent administration, before the start of works which are the object of the building permit or of the start of works report, the name of the work executing companies,

together with the documents as per letters a) and b). The obligation as per the previous sentence exists also in the case of works performed on a time and material basis by assigning single jobs to free lance operators, or works directly performed with own employees without using contracts. If there is no single document of tax payment compliance, also in the case of change of the company executing the works, the efficacy of the habilitation document is suspended.

If there is no safety and coordination plan as per article 100 of Legislative Decree no. 81/08 or of the brochure as per article 91 of Legislative Decree no. 81/08, paragraph 1, letter b), when required, or if there is no notice as per article 99 of Legislative Decree no. 81/08, when required, the efficacy of the certification is suspended. The Supervisory Body communicates the failure to the relevant administration.

The provision above does not apply to works which are not subject to building authorization. In any case, that envisaged in article 92, paragraph 2 of Legislative Decree no. 81/08 will apply.

a.3.) The **Project coordinator,** as defined in paragraph 2.2.2.2. above, in the work planning stage and however before the request to submit bids, has the following obligations (Legislative Decree no. 81/08, article 91):

a) draft the safety and coordination plan as per article 100, paragraph 1 of Legislative Decree no. 81/08, whose contents are detailed in annex XV;

b) prepare a brochure, whose contents are defined in annex XVI, with useful information for the prevention and protection of risks to which workers are exposed, bearing in mind specific good technical standards. The brochure is not prepared for ordinary maintenance jobs as per article 3, paragraph 1, letter

a) of the single text of legislative and regulatory provisions on building, as per Presidential Decree no. 380 of 6 June 2001.

The brochure as per letter b) above, is taken into consideration for any later jobs on the work.

a.4.) The **Coordinator for work execution,** as defined in paragraph 2.2.2.3. above, has the following obligations during the work execution stage (Legislative Decree no. 81/08, article 92):

- check, by means of suitable actions of coordination and control, the application by executing companies and free lance operators of the provisions regarding them, included in the safety and coordination plan, and the correct execution of the relevant work procedures;
- check the eligibility of the safety operational plan (complementary, detailed plan of the safety and coordination plan), ensuring its consistency with the safety and coordination plan;
- adjust the safety and coordination plan and the brochure with useful information for the prevention and protection of risks to which workers are exposed, in line with the development of jobs and any changes occurred in their execution;
- check that executing companies adjust, when necessary, the relevant safety operational plans;
- organize collaboration and coordination of activities between employers, including free lance operators, involved in the work execution and ensure that they are informed;
- check the implementation of that envisaged in the agreements with social partners in order to make the coordination between safety representatives in order to improve safety at the building site;
- notify the client or work supervisor, after sending a written

claim to the companies concerned and free lance operators, about the failure to comply with the protection measures and provisions of the safety and coordination plan, also suggesting the suspension of works, the removal of companies and free lance operators from the building site, or the termination of the contract. In the case the client or work supervisor does not take any measure with respect to the notice without an appropriate motivation, the coordinator for the execution communicates the failure to the geographically competent local health unit and to the provincial direction of labour;

- in the case of serious and imminent danger, directly acknowledged, suspend the individual works until it has been verified that the companies involved in the work execution have implemented the necessary adjustments and improvements to the safety measures;
- in the cases when, after assigning works to one company, works execution or part of them is assigned to one or more companies, the coordinator for the execution drafts the safety and coordination plan and prepares the brochure as per article 91, paragraph 1, letters a) and b) of Legislative Decree no. 81/08.

b) The **Manager**, as defined in paragraph 2.3. above has, under article 18 paragraph 1 of Legislative Decree no. 81/08, the following obligations:

- assign tasks to workers taking into account their skills and conditions with respect to their health and safety;
- provide workers with the necessary and suitable personal protection equipment, having heard the Person responsible for the prevention and protection service and the competent doctor, if present;
- require compliance by individual workers with existing standards,

as well as company decisions on safety and hygiene at work and the use of collective protection equipment and personal protection equipment made available to them;

- take measures to control risk situations in case of emergency and give instructions so that workers, in the event of serious, immediate and inevitable danger, leave the workplace or the dangerous area;
- inform possible workers exposed to the risk of serious and immediate danger as soon as about the risk and decision taken or to take about protection;
- fulfil obligations of information, training and coaching as per articles 36 and 37 of Legislative Decree no. 81/08;
- refrain, except for duly motivated needs of health and safety protection, from asking workers to return to work in a situation with serious and immediate danger;
- monitor that workers for which there is an obligation of healthcare surveillance are not sent to the specific job without the necessary opinion of suitability.

In particular, **company managers**, have the following specific obligations:

- check the correct and precise implementation and efficacy of all prevention and protection measures applied in the organization with respect to their technical or administrative sector, as they are defined in the risk assessment made at the company;
- check compliance with existing regulations on workers' health and safety of machinery and systems, as well as equipment used by employees in their service or department;
- inform, train and coach workers, with particular attention to workers working on electric works, the use of machines or equipment, for which particular knowledge or responsibility is

required;

- check and assess the efficacy of prevention/protection measures as per the Single Document for the assessment of interfering risks prepared by the Employer client for contracted works.

c) The **supervisor**, as defined in paragraph 2.4. above, has the following obligations, within his/her organizational functions (article 19 paragraph 1 of Legislative Decree no. 81/08):

- supervise and monitor compliance by individual workers with their Law obligations, as well as company provisions on health and safety at work and the use of collective protection equipment and personal protection equipment made available and, in case non compliance remains, inform their direct bosses;
- require compliance with measures for the control of risk situations in case of emergency and give instructions so that workers, in case of serious, immediate and inevitable danger, leave the workplace or the dangerous area;
- inform workers exposed to the risk of serious and immediate danger as soon as possible about the risk and decisions taken or to take with respect to protection;
- refrain, except for duly motivated exceptions, from asking workers to go back to work when there is still serious and immediate danger;
- promptly notify the Employer or the Manager about shortcomings in terms of means and work equipment and personal protection equipment, as well as any other situation of danger during work, of which he/she becomes aware on the basis of the training received;
- attend specific training programmes under that envisaged by article 37 of Legislative Decree no. 81/08.

d) The **Person responsible for the prevention and protection service**

(RPPS), as defined in paragraph 2.6. above, has the following tasks:

- implement that established by article 33 of Legislative Decree no. 81/08, that is:
  1) define risk factors, assess risks and define measures for workplaces safety and health, in compliance with existing standards on the basis of the specific knowledge of the company organization;
  2) prepare, with respect to his/her province, preventive and protective measures and systems as per article 28, paragraph 2, of Legislative Decree no. 81/08 and control systems for these measures;
  3) prepare safety procedures for various company activities;
  4) suggest workers' information and training programmes;
  5) participate in consultations on the protection of health and safety at work, as well a to the periodical meeting as per article 35 of Legislative Decree no. 81/08;
  6) provide worker with information as per article 36 of Legislative Decree no. 81/08;
- collaborate with all managers and supervisors for information/training/coaching activities for workers, giving them from time to time "specialist" technical support;
- ensure "specialist" technical support in check activities, in close collaboration with various managers and supervisors, of the correct and precise implementation and preventive efficacy of all prevention and protection measures applied in the activity of the service and defined in the risk assessment performed at the cement plant;
- check compliance with existing regulations about health and safety of workers of machines, systems and workers' equipment;
- ensure "specialist" technical support in workers' information and

training activities on the right use of personal protection equipment (PPE);

- coordinate and collaborate with top functions of contracting companies;
- check and verify the efficacy of prevention/protection measures as per the single Document for the assessment of interfering risks, prepared with the Employer client for contracted works.

e) The **competent doctor,** as defined in paragraph 2.7. above, has the following obligations:

- collaborate with the Employer and with the prevention and protection service, on the basis of the specific knowledge of the company organization or the production unit and risk situations, the preparation of the implementation of measures for the protection of the health and mental and physical integrity of workers;
- perform health tests as per article 41 of Legislative Decree no. 81/08;
- express opinions regarding the specific job (article 41 of Legislative Decree no. 81/08):
  a) suitability;
  b) partial, temporary or permanent eligibility, with prescriptions or limitations;
  c) temporary non suitability;
  d) permanent non suitability.

  In case of an opinion of temporary lack of suitability, time validity limits apply.

  The competent doctor informs in writing the Employer and the worker of the judgments regarding the specific job.

  The opinions of the competent doctor can be opposed, within thirty days of the day of notifying the opinion, to the geographically

competent surveillance body that decides, after further investigation, the confirmation, change or cancellation of the judgment;

- prepare and update and keep under his/her responsibility for each worker under healthcare surveillance, a health and risk report;
- provide information to workers on the meaning of healthcare surveillance to which they are subject. Also provide, upon request, similar information to workers' delegates on safety;
- inform any worker concerned of the results of healthcare tests as per letter b) and, upon request, give copy of the healthcare documentation;
- communicate to delegates on safety, at meetings under article 35 of Legislative Decree no. 81/08, collective anonymous results of clinical and instruments tests performed and provide indications on the meaning of the results;
- together with the Person responsible for the risk prevention and protection service, visits workplaces at least twice every year and participates in planning workers' exposure control whose results are promptly given to him for his assessment and opinion;
- except for healthcare tests as per paragraph 1 of article 41 of Legislative Decree no. 81/08, carry out medical examinations on worker's request, if the request is connected to professional risks or health conditions, liable to become worse due to the working activity;
- collaborate with the Employer to prepare first aid service as per article 45 of Legislative Decree no. 81/08;
- collaborate to workers' training and information activity;
- in the event of workers' partial, temporary or total non eligibility, inform in writing the Employer and the worker.

f) The **workers' delegate for safety (WDS)**, as defined in paragraph

2.8. above, has the following attributions (article 50 of Legislative Decree no. 81/08):

- access workplaces and receive information and company documents regarding risk assessment and prevention measures, hazardous substances and preparations, machines, systems, organization, workplaces, accidents and occupational diseases;
- request and obtain from the Employer a copy of the Risk assessment document (RAD), of the single Document for the assessment of interfering risks regarding contracted (or subcontracted) activities, the register of accidents at work;
- be previously and promptly consulted with respect to risk assessment, the definition, planning, implementation and check of prevention measures suitable to protect health and physical integrity of workers in the company or production unit;
- be consulted on the appointment of the Person responsible for the prevention and protection service and the members of the prevention and protection service, as well as on the appointment of people in charge of fire prevention, first aid, workers' evacuation;
- be consulted for workers' organization and training;
- receive suitable training on standards dealing with health and safety at the workplace and on specific risks connected with the performance of one's function, in order to ensure adequate notions on the main risk control and prevention techniques;
- take part in the risk prevention and protection periodical meeting;
- inform the company responsible for the risks defined during his activity;
- make remarks on the occasion of visits or checks by the public authorities in charge of surveillance;
- turn to competent public authorities if he believes that risk prevention and protection measures adopted by the Employer and

the means used to implement them are not suitable to ensure health and safety at work.

Section III – Risk assessment and control

4. Risk assessment and prevention mechanisms

4.1. Risk assessment document (RAD)

The RAD, as defined in paragraph 2.12. above, must have a certain date and include:

a) a report on the assessment of all risks for health and safety at work, which specifies the criteria adopted for this assessment;

b) the indication of prevention and protection measures taken and of personal protection equipment adopted, following the risk assessment as per article 17, paragraph 1, letter a of Legislative Decree no. 81/08);

c) the programme of measures considered as appropriate to ensure the improvement in safety levels over time;

d) the definition of procedures for the implementation of measures to take, as well as of the roles of the company organization in charge of this, to which only persons must be assigned who possess sufficient skills and powers;

e) the indication of the name of the Person responsible for the prevention and protection service, of the workers' or local delegate for safety and of the competent doctor who participated in risk assessment;

f) the definition of tasks that may expose workers to specific risks that require well-known professional skills, specific experience, suitable training and coaching.

The RAD is drafted based on the following stages:

1. *Identification of Risk Sources (risk factors)*

   These are identified at RPPS and highlighting them in a risk

assessment scheme, risk factors which use can cause according to objective criteria (entity, mode of functioning, etc.) potential exposure, accident and hygienic and environmental risk**.**

An accurate description of the working cycle that is performed in the work environment . The description of the working cycle or the operating activity gives the opportunity to have a general vision of processes and operations carried out in the work environment and, as a consequence, to make an analytical examination to search the presence of any risk source for Healthy and Safety for staff.

The following is examined and described:

- the purposes of the working process or operation, with the description of the technological process, machines, systems and equipment used, substances used; the description of the processes includes cleaning operations, maintenance, waste treatment and disposal and any concomitant processes;
- the operating destination of the work environment;
- the structural features of the work environment (surface, rise/foot ratio in fixed stairs, volume, doors, windows, floor surface / window surface ratio etc.);
- the number of workers in charge of processes and/or operations carried out in that work environment;
- information from Healthcare Surveillance.

In the search for all potential risk sources that may be present in the whole working process, the Employer and the person responsible for the prevention and protection service shall have the collaboration and indications of workers and the WDS.

2. *Defining the risks of exposure*

The Employer assesses if the presence of risk factors in the working cycle, identified in the previous stage, can imply, when performing a specific activity, a real risk of exposure with respect to Safety and

Health protection in the work processes analysed.

Exposure risk is the risk of exposing to *residual risks*, that remain, in consideration of operating modes followed, features of the exposure, of protections and existing safety measures.

The following were examined:

a) operating modes for performing the work;

b) the number of processes based on the time taken during the workday;

c) the organization of the activity;

d) existing documents and certification in the company proceedings (e.g. check of the electrical system, systems under pressure, etc.).

3. Estimate of exposure risks

The Employer makes an "estimate" of the risk of exposure to residual dangers (risk factors) or risks that remain from the test of previous stages (Stage I, Stage II) by:

a) checking the compliance with the application of safety standards;

b) checking the acceptability of working conditions, with respect to the objective examination of number and duration of processes, operating modes and all factors affecting exposure mode and entity, also in the light of data regarding similar exposure conditions in the same operating sector;

c) an assessment of safety and hygiene conditions, also by collecting documents and certifications existing when the company was established;

d) the measurement of risk parameters (Environmental Risk Factors), for the purpose of objective quantification and a consequent estimate of risks by means of a comparison with indices of reference.

4.1.1. RAD Update

The Risk assessment document (RAD) is always updated:

a) on the occasion of substantial changes to the production process or the general situation of risk, when significant for the purposes of workers' health and safety and of the parties concerned;
b) in the case of changes in workplaces that show risks for safety;
c) after improvement actions;
d) if there have been events (accidents, incidents, etc.) that showed the presence of previously unexpected risks or the lack of adequacy of suitable prevention measures;
e) if technical and scientific progress reduces or cancels some risks;
f) if monitoring and surveillance activities highlight issues;
g) if measures can be taken to improve health and safety at work because of progress in scientific and technological knowledge;
h) in case of new regulations that introduce new items for the analysis of risk factors.

The document is updated by the RPPS, as defined above, who constantly monitors the field of systems safety, with particular reference to collective protection equipment, and prepares constantly updated guidelines in the light of the Italian and European regulatory landscape and the development of technical standards.

Without prejudice to the above, the assessment of specific risks is always planned and carried out at mandatory intervals, by qualified staff in the framework of the prevention and protection service that possess specific knowledge on the issue.

In particular, for physical risks from: electromagnetic fields, manmade optical radiations, microclimate, the assessment is planned and performed **at least every four years.**

5. Programme of action and integrated prevention

In the light of the results of the risk assessment document - RAD – a programme of action and integrated technical, organizational, and procedural prevention is defined.

The programme is prepared in the light of principles and criteria defined in paragraph 4.1. above, indicating times expected to put the actions in place, as well as any better prevention measures to replace existing ones, devoting specific attention not to imply additional environmental risks for the health of workers and of the population, or the deterioration of the environment.

Prevention and protection measures suitable to eliminate or reduce risk can be of a technical structural and organizational procedural type.

When choosing these measures, technical structural ones must always be preferred, by means of actions aimed at eliminating the “source” of risk and the application of the best available technology.

6. Prevention and protection service

The Employer organizes in the company the prevention and protection service, or assigns this task to persons or services outside the company.

The Employer appoints in the company, one or more employees to perform the tasks as per paragraph 4.2. lett. a.), among whom the person responsible for the service, possessing professional requirements and skills as per article 32 of Legislative Decree no. 81/08, after consulting the workers’ delegate for safety.

Employees working at the prevention and protection service must be sufficient, possess the necessary skills and be provided with adequate time and means to perform the tasks assigned to them. They cannot be subject to prejudice because of the activity carried out in fulfilling their

job.

The Employer can use people outside the company possessing the necessary professional skills to supplement the prevention and protection action and except for that envisaged by article 31, paragraph 6, of Legislative Decree no. 81/08.

Except for that envisaged by article 31, paragraph 6, of Legislative Decree no. 81/08, if employees' skills in the company are insufficient, the Employer must use persons or services outside the company, after consulting the delegate for safety.

The external service must be appropriate for the features of the company or production unit, for which it will provide its service, also with reference to the number of workers.

The person responsible for the external service must possess professional skills and requirements as per article 32 of Legislative Decree no. 81/08.

7. Analytical control on the correct implementation of internal and external standards

In line with existing regulations, the control of the correct and precise implementation of rules on workers' health and safety and on the implementation of company internal provisions in the business units and services of ITALMOBILIARE S.p.A., is the task of the Employer and his organization, each within the scope of their attributions and skills.

In particular, the following parties have the institutional obligation to ensure that standards for workers' health and safety are complied with in the production unit:

- Employer
- Managers with respect to their sector in the Production Unit

- Supervisors

and are supported in the performance of the control activity by the Person responsible for the Prevention and Protection Service of the production unit.

The Employer, Managers, the person responsible for the prevention and protection service and the competent doctor, having previously consulted the Workers' delegate for safety, precisely check compliance with safety measures at least once every year, on the occasion of the periodical risk prevention and protection meeting for the review of RAD. During the review of RAD, on the basis of the results of checks and verifications performed, the Employer and the Managers, having heard the Person responsible for the Prevention and Protection Service, Workers' Delegated on safety and possibly other SGS figures, take corrective and preventive actions for the ongoing improvement of SGS. These corrective and preventive actions are documented by the Person responsible for the Prevention and Protection Service.

8. Surveillance and controls

The Head of the Internal Auditing function at the Company prepares with the RPPS an inspection plan at least every three years aimed at checking the appropriate implementation of existing standards and internal regulations approved by the Company.

The inspection plan is previously shared with the Coordinating Competent Doctors and the R.I.A.

Inspections are directly performed by the Internal Auditing Function supported by the RPPS.

At the end of the inspections, a report is drafted with:

- control outcomes;
- analytical and brief assessment of the results of the controls made;

- any suggestions regarding technical, procedural, or organizational and functional actions for better risk control and better compliance with internal and external regulations.

The Internal Auditing function informs the Supervisory Body on the outcomes of the inspections made. In case of serious or repeated infringement of internal or external provisions or in case prompt action is needed, the communication to the Supervisory Body must be immediate.

The Internal Auditing function also updates the Supervisory Body on the state of implementation of remedies and suggestions made during the inspections.