



# ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

## Special Part

|              | Entity            | Signature         |
|--------------|-------------------|-------------------|
| Draft        | HSEQ              | Michele Fabozzi   |
| Verification | HSEQ              | Pier Luigi Priolo |
| Approval     | Managing Director | Giuseppe D'Arrigo |

**ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL**  
**Special Part**



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## **1. DEFINITIONS**

**PL Italy:** The terms "PL Italy" and "Company", used interchangeably below, refer to the company Petronas Lubricants Italy S.p.A.

**Decree:** The term "Decree" refers to Legislative Decree no. 231 of June 8, 2001 as subsequently modified and supplemented, relating to the administrative liability of legal persons, companies and associations, including those lacking legal personality, in compliance with Article 11 of Law no. 300 of 29 September 2000.

**Model:** The term "Model" identifies the organisational, management and control model adopted by the Company in compliance with Articles 6 and 7 of the Decree.

**Addressees:** the term "Addressees" refers to subjects to which the model applies i.e. all those who carry out, on the basis of a formal or only de facto qualification, management, administration or control activities within the Company and all those who are subject to the management and supervision of the former, as employees, consultants, agents, brokers and, in general, all third parties that carry out on behalf of the Company activities that are potentially exposed to risk due to persons perpetrating those offences set out in the Decree ("Third Party Addressees").

**BoD:** The term "BoD" refers to the Board of Directors of Petronas Lubricants Italy S.p.A.

**CC:** The term "CC" identifies the Compliance Committee established by Petronas Lubricants Italy S.p.A. in compliance with Legislative Decree no. 231 of 8 June 2001, which is responsible for supervising the implementation of the Model and ensuring it is continually updated and observed by the Recipients.

**NCLA:** the term "NCLA", where used, refers to National Collective Labour Agreements applicable.

**Offences:** the term "Offences" identifies the categories of offence pursuant to Legislative Decree no. 231 of June 8, 2001.

**MD:** the term "MD" refers to the Managing Director of Petronas Lubricants Italy S.p.A.

## **2. PREAMBLE**

The Special Part of the Organisational, Management and Control Model describes and analyses in greater depth the operational activities of PL Italy for certain offence categories envisaged by the Decree, which are considered "sensitive" following the Risk Assessment carried out prior to the revision of the Model already adopted by the Company.

The following are the purposes of this Special Part:

- to describe the offences categories deemed most relevant following the risk assessment;
- to analyse in greater depth the macroareas subject to offence risk by identifying the sensitive activities (related processes);
- to draw on and specify, where possible, the general principles of behaviour of the Model and the specific rules of conduct for the offence categories;
- to identify the control policies implemented by the Company in order to prevent the risks of commission of offence;
- to provide the CC with the necessary means to enable it to implement the activities of monitoring and checking the proper application of the organisational Model in all of its parts.



### **3. MAPPING OF AREAS SUBJECT TO OFFENCE RISK**

The mapping of the areas potentially exposed to the risk of commission of offences is based on a self-assessment process (risk assessment) conducted based on information provided by Confindustria Guidelines and on Best Practices.

This mapping process has involved analysis:

- of Company operations, in order to identify offences which could, even in theory, be committed within PL Italy, based on the characteristics of the Company and the type of activities actually carried out there;
- of activities "subject to offence risk", aimed at identifying the areas and processes in which the offences envisaged by Legislative Decree 231/01 could in theory be committed, based on the hypothetical modes of commission of offences detailed;
- of the existing internal Control System, in order to identify the control elements which are intended to safeguard activities that prove "subject to offence-risk".

The self-assessment activity conducted for the purpose of mapping the sensitive activities and the control elements which are intended to safeguard against the risks which have emerged, has been carried out by analysing the organisational structure (Company organisation chart, powers of attorney, existing documents) and by conducting interviews with persons that have decision-making and expenditure powers (description attached of the activity carried out - Annex).

#### **3.1 The identification of risk areas and sensitive processes**

The following is the risk classification used for the purpose of this mapping:

- SPECIFIC risk: directly related to the typical activity carried out by PL Italy;
- RESIDUAL risk: associated with a number of the Company's activities;
- REMOTE risk: minimal or non-existent risk, based on the nature of the Company's activities.

Subject to the foregoing, the following table summarises the results of the risk analysis activities.

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Based on the foregoing results, it was decided to focus the activities geared towards the creation of the Model on the areas and processes revealing "specific" and "residual" risks.

For these areas and processes defined as "sensitive", appropriate policies and protocols were established in order to tackle and safeguard against the associated risk.

In relation to risk areas classified as being subject to "remote risk", the general principles of conduct referred to in the Model and in the Special Part, and also in the Code of Conduct, are considered fit for purpose.

#### **3.2 The identification of controls**

A special analysis was carried out for each of the at-risk activities, aimed at verifying the existence of the following elements:

- Regulation: the regulation of the at-risk activity (e.g. cash desk procedure);
- Traceability: elements that permit *ex post* verification of the at-risk activity (e.g. filing of original documents, informal practices or usages, information systems, records, identification of those responsible for archiving);
- Power of signature: documentation supporting powers that are exercised in the performance of at-risk activities (e.g. power of attorney, delegated power);
- Power of spending: controls over powers of expenditure (e.g. authorisations, delegated powers);



- Reporting: systematic reporting by persons involved in the at-risk activities (e.g. written reports, declarations, notifications);
- Monitoring: monitoring the propriety of the activity carried out by the various Company departments or functions (e.g. compliance with applicable rules and procedures, proper filing/archiving procedures, proper use of powers of signature and spending, etc.).

Based on the analysis described, the existing operational and management procedures were identified as well as the already-existing control elements ("As is analysis").

In order to assess the Company's ability to meet the requirements imposed by the Decree, a so-called "gap analysis" was conducted i.e. a comparative analysis which compared the existing organisational and control Model with the principles contained in the more standard reference model defined pursuant to the Decree and the Confindustria Guidelines.

The results of this activity were transposed to and described within the Organisational Model and the present Special Part, the subsequent sections of which are expressly devoted to the so-called "specific" or "residual" risk areas.

## **4. OFFENCES IN RELATIONS WITH THE PUBLIC ADMINISTRATION**

### **4.1 Offence categories relevant to relations with the Public Administration**

A knowledge of the structure and manner of commission of the offences the subject of the Decree by "qualifying" subjects pursuant to Article 5 thereof, for which the Company is liable pursuant to said Decree, facilitates the prevention of those offences and, therefore, assists the entire control system provided for by said Decree. Therefore the regulatory references and the descriptions of the offences the subject of this Special Part are given.

#### **4.1.1 Offences of corruption and extortion**

##### **Art. 317 Criminal Code - Extortion**

*"A public official who, abusing his/her position or powers, forces a person to illegitimately give or promise money or another benefit to the former or to a third party, shall be punished by a term of imprisonment between six and twelve years".*

##### **Art. 318 Criminal Code - Corruption in the exercise of official functions**

*"A public official who, in the exercise of his/her functions or powers, wrongly receives money or other benefits for oneself or for a third party, or accepts the promise thereof, shall be punished by a term of imprisonment between one and five years".*

##### **Art. 319 Criminal Code - Corruption for an act contrary to official duties**

*"A public official who receives money or other benefit for oneself or for a third party, or who accepts the promise thereof - in return for omitting or delaying, or for having omitted or delayed an official act within his or her remit, or in return for performing or for having performed an act contrary to his or her official duties - shall be punished by a term of imprisonment between four and eight years".*

##### **Art. 319-bis Criminal Code - Aggravating circumstances**

*"The penalty is increased if the act/conduct the subject of Article 319 relates to the provision of jobs in the public service or public salaries or pensions, or the signature of contracts of interest to the administration to which the public official belongs".*

##### **Art. 319-ter Criminal Code - Corruption in judicial proceedings**





*"If the acts specified in Articles 318 and 319 are committed in order to assist or to prejudice a party to civil, criminal or administrative proceedings, the punishment shall be a term of imprisonment between four and ten years. If the act results in the wrongful conviction of a person to a term of imprisonment not exceeding five years, the punishment shall be a term of imprisonment between five and twelve years; if the act results in a person's wrongful conviction to a term of imprisonment exceeding five years or to life imprisonment, the punishment shall be a term of imprisonment between six and twenty years".*

Art. 319-querter Criminal Code - Incitement by an official to bribery

*"Unless the fact constitutes a more serious offence, public officials exercising a public function or providing a public service who, abusing their position or powers, induce a person to illegitimately give or promise money or another benefit to the former or to a third party, shall be punished by a term of imprisonment between three and eight years. In the cases provided for by the first subsection, any person who gives or promises money or another benefit shall be punished by a term of imprisonment up to three years".*

Art. 320 Criminal Code - Corruption by a public servant performing a public service

*"The provisions of Articles 318 and 319 also apply to a public servant performing a public service.*

*The penalties are, in any case, reduced by no more than one third".*

Art. 321 Criminal Code - Penalties for the briber

*"The penalties laid down in the first subsection of Article 318, in Article 319, Article 319-bis and in Article 320 in relation to the aforementioned offence categories under Articles 318 and 319 are also applicable to any person who gives or promises money or another benefit to a public official exercising a public function or providing a public service".*

Art. 322 Criminal Code - Inducement to corruption (bribery)

*"Any person who illegitimately offers or promises money or other benefit to a public official exercising a public function or a public servant providing a public service in order to induce him/her to perform an official act shall be subject - if the offer or promise is rejected - to the penalty laid down in the first subsection of Article 318, reduced by one third.*

*If the offer or promise is made in order to induce a public official exercising a public function or a public servant providing a public service to omit or delay the performance of an official act or to perform an official act contrary to his/her duties, the offender shall be subject - if the offer or promise is rejected - to the penalty laid down in Article 319, reduced by one third.*

*The punishment referred to in the first subsection applies to a public official exercising a public function or a public servant providing a public service, who solicits a promise or gift of money or other benefit in return for exercising his/her public functions powers.*

*The punishment referred to in the second subsection applies to a public official exercising a public function or a public servant providing a public service, who solicits a promise or gift of money or other benefit from an individual for the purposes specified in Article 319".*

Art. 322-bis Criminal Code - Embezzlement, extortion, incitement by an official to bribery, corruption and inducement to corruption of members of European Union bodies and of officials of the European Union and of foreign States.

*"The provisions of Articles 314, 316, 317-320 and 322, subsections three and four, also apply:*

- 1. to members of the Commission of the European Union, of the European Parliament, of the Court of Justice and of the Court of Auditors of the European Union;*
- 2. to officials and agents hired by contract pursuant to the Staff Regulations of Officials of the European Union or the regulations applicable to agents of the European Union;*
- 3. to persons answerable to the Member States or to any public or private entity at the European Union, who perform similar functions to those of officials or agents of the European Union;*



4. to the members and employees of entities set up on the basis of the Treaties establishing the European Communities;
5. to those who, within other EU Member States, perform functions and activities that correspond to those of public officials exercising a public function or public servants performing a public service.

The provisions of Articles 319-*quater*, second subsection, 321 and 322, first and second subsections, are also applicable if the money or other benefit is given, offered or promised:

- 1) to the persons indicated in the first subsection of this Article;
- 2) to persons performing functions or activities that correspond to those of public officials exercising a public function or providing a public service in other foreign States or public international organisations, if the offence is committed in order to obtain for oneself or others an unfair advantage in international business transactions, or in order to obtain or continue an economic or financial activity.

The persons specified in the first subsection are treated as public officials exercising a public function if they perform analogous functions, and as public officials providing a public service in other cases”.

#### BRIEF NOTES ON THE AFOREMENTIONED OFFENCE CATEGORIES

For purposes of clarifying the present Special Part, it is appropriate to identify the persons within the public administration to whom the legislature referred in the offence categories listed above. The concepts of public official exercising a public function and public servant providing a public service (*Pubblico Ufficiale* and *Incaricato di Pubblico Servizio*) are defined by the Criminal Code in Articles 357 and 358, respectively.

The legislature applied a more substantive conception of each role, basing them not on merely formal qualifications but on activities carried out *in concreto*.

A "public official exercising a public function" within the meaning of the criminal law not only refers to a figure organically related to the Public Administration but, more generally, to one who exercises public functions and who, within the context of public authority, exercises powers of authorisation, resolution or certification.

However, a "public servant performing a public service" carries out activities aimed to achieve public purposes, even in the absence of an employment relationship with the Public Administration.

What distinguishes the two figures is that the first exercises public administrative powers, whereas the second has no such powers.

As for the concept of Public Administration, a broad definition is considered more appropriate.

For the purposes of the criminal law, therefore, a Public Administration should be understood as an entity exercising functions of a public nature attributable to the State or other Institution.

For purposes of illustration, the following is a list of subjects and entities with which the Company may come into contact with greater frequency, and to which the definition of Public Administration applies:

- Regions, Provinces and Communes;
- Judiciary, Armed Forces and Police Force (the *Guardia di Finanza* (Revenue Guard Corps), the *Carabinieri*, State Police, etc.);
- Italian Competition Authority (AGCM), Italian Data Protection Authority, etc.;
- Inland Revenue Service;
- Administrations, authorities and bodies of the National Health System;
- Chamber of Commerce;
- National Institute for Insurance against Occupational Accidents (INAIL), National Social Security Institute (INPS), National Social Security Institute for managers of industrial enterprises (INPDAI);
- Public enterprises and private subjects fulfilling a public interest function.



As regards the conduct described in foregoing articles, it should be noted that the legal concept of "bribery" reflects how it is commonly understood, and involves a promise or gift of money or other benefit in return for performing an official act or an act contrary to the official duties of the public official exercising a public function or public servant providing a public service.

This offence may be committed not only prior to, but also subsequent to the commission by the aforementioned subjects of an act contrary to official duties or of an unlawful act.

Extortion, by contrast, should be analysed together with the offence category referred to in Article 319-quater, since the difference is rather subtle.

In fact, whereas in extortion the perpetrator from the PA "coerces" the private citizen to perform an inappropriate act (giving or promising of money or assets), exerting psychological violence which thus exempts the targeted citizen from punishment, incitement to bribery is an indirect abuse of power which the private citizen can refuse to countenance but which he or she nevertheless succumbs to in circumstances where he or she understands the message and seeks to give effect to it, thereby leaving him or her open to the full rigours of the law.

#### 4.1.2 Aggravated fraud to the detriment of the State

Art. 640, subsection 2, Criminal Code - Fraud, aggravated by commission to the detriment of the State

*"Any person who uses trickery or deception to mislead a person, thereby obtaining for oneself or others an unjust benefit to the detriment of others, shall be punished by a term of imprisonment between six months and three years and a fine between Euro 51 and Euro 1,032. The punishment will be a term of imprisonment between one and five years and a fine between Euro 309 and Euro 1,549 if the act is committed to the detriment of the State or other public body (omissis)"*

Art. 640-bis Criminal Code - Aggravated fraud to obtain public funds

*"The punishment is a term of imprisonment between one and six years, and the offence is indictable if the act referred to in Article 640 relates to grants, loans, subsidised loans or similar disbursements, however named, which are granted or disbursed by the State, other public bodies or by the European Union".*

#### BRIEF NOTES ON THE AFOREMENTIONED OFFENCE CATEGORIES

The conduct associated with these offence categories involves altering the truth in relation to facts or circumstances whose existence - in falsely represented terms - constitutes an essential precondition for financial disbursements by the PA.

A concrete example would be a case where, in drawing up documents, data or information necessary for participation in tender procedures, the PA is given untrue information (for example, supported by false documentation) in order to be awarded the tender.

#### 4.1.3 Computer fraud

Art. 640-ter Criminal Code - Computer Fraud

*"Any person who in any manner alters the operation of a computer or electronic communications system or who - by illegitimately interfering in any manner with data, information or programs contained in a computer or electronic communications system or relevant to such system - obtains for oneself or for others an unjust profit to the detriment of others, shall be punished by a term of imprisonment between six months and three years and a fine between Euro 51 and Euro 1,032.00. The punishment will be a term of imprisonment between one and five years and a fine between Euro 309 and Euro 1,549 if one of the circumstances provided for by no. 1) of the second subsection of Article 640 applies, or if the act is committed by a system operator abusing his/her role. The offence is punishable at the suit of the victim, unless any of the*



*circumstances provided for in the second subsection or another aggravating circumstance applies”.*

#### BRIEF NOTES ON THE AFOREMENTIONED OFFENCE CATEGORIES

It should be observed, firstly, that this offence is of relevance for the purposes of corporate liability only if it is committed to the detriment of the Public Administration, as understood above. Therefore, the offence may be committed if a computer system is breached and its data are altered in order to procure a benefit. This would occur, for example, in the following case: after a loan is disbursed, the computer system of the disbursing Administration is breached the purpose of entering a figure for the loan which exceeds the loan amount legitimately obtained.

##### 4.1.4 Offences relating to public disbursements

#### Art. 316-bis Criminal Code - Embezzlement to the detriment of the State

*“Any person who, outside the Public Administration, has obtained grants, subsidies or loans from the State or other public body or from the European Union destined for initiatives aimed at realising works or performing activities of public interest, but who fails to use them for the aforementioned purposes, shall be punished by a term of imprisonment between six months and four years”.*

#### Art. 316-ter Criminal Code - Misappropriation of public funds to the detriment of the State

*“Unless the act constitutes an offence pursuant to Art. 640-bis, any person who - by utilising or submitting declarations or documents that are false or that certify matters that are not true, or by omitting required information - wrongly obtains for oneself or for others grants, loans, subsidised loans or similar disbursements, however named, which are granted or disbursed by the State, by other public bodies or by the European Union shall be punished by a term of imprisonment between six months and three years. If the amount improperly received is less than or equal to Euro 3,999.96, an administrative sanction of between Euro 5,164 and Euro 25,822 will only apply. This penalty may not, however, exceed three times the gain obtained”.*

#### BRIEF NOTES ON THE AFOREMENTIONED OFFENCE CATEGORIES

The first of the aforementioned offence categories, namely embezzlement, occurs in cases where grants, subsidies or loans disbursed by a State body or by the European Union are not used for the purposes for which they are designated. The offence also occurs if the amount is only partially misappropriated, with the failure to reveal that the planned activity has been implemented.

The second offence, by contrast, occurs in cases where grants, loans, subsidised loans or other disbursements are obtained through the use or submission of declarations or documents that are false or that certify matters that are not true, or through the omission of required information.

In this type of offence, by contrast with the previous subsection (Art. 316-bis), the use made of the disbursements is of no relevance whatsoever, as the crime is committed specifically at the time the funding is improperly obtained.

##### 4.1.5 Inducement to not make statements, or to make false statements to the judicial authorities

Art. 377-bis Criminal Code - “Provided no other more serious criminal offence has been committed, any person who - with violence or threats or with the offer or promise of money or other benefit - induces a person to not make statements or to make false statements, when such person has been called before the judicial authorities to make statements that can be used in criminal proceedings, and when this person is entitled to remain silent, shall be liable to imprisonment for a term between two and six years”.



#### BRIEF NOTES ON THE AFOREMENTIONED OFFENCE CATEGORY

As indicated previously, it was decided to deal with this offence in the context of this Special Part, although provided for by an article of the Decree different from those dealing directly with protection of the Public Administration and its assets, due to a similarity in the nature of the assets protected by the offence category dealt with in Article 377-bis of the Criminal Code.

Indeed, the interest protected by this offence category is the proper implementation of the judicial function, which is one of the primary functions or powers attributed to the State by the Italian Constitution.

But there is more. There is a certain logical continuity between Article 377-bis of the Criminal Code and Article 319-ter of the Criminal Code, "Corruption in judicial proceedings".

Corruption in judicial proceedings occurs when the corruption refers to a judge, a court clerk or other officer carrying out his or her duties within the judicial system, or when the corruption refers to a witness.

Indeed, a witness is designated as a Public Official at the moment of his or her deposition (see, most recently, the Supreme Court of Cassation in joint session, 25 February, 2010, no. 15208). The testimony is, moreover, deemed a "judicial act", since it is an act functional to judicial proceedings (Supreme Court of Cassation in joint session, as cited).

On the other hand, the offence referred to in Article 377-bis of the Criminal Code provides that the person who is induced to not make statements or to make false statements must be a person who may avail of the right to remain silent: these include defendants in connected or associated offences, or persons subject to investigation or accusation in the same criminal proceedings in which they make statements, or in proceedings which have an evidential link with the latter proceedings.

In order for both offences to apply, the briber must promise or offer money or other benefit to a person who is under an obligation to make statements.

#### ***4.2 "Sensitive processes" in relations with the Public Administration, with reference to the offence categories referred to in Articles 24 and 25***

The Company carries out activities related to or associated with the production and marketing of lubricants and fluids for vehicles, and lubricant products for industrial use.

In particular, PL Italy's marketing activity is divided into various sales channels, including the Public Administration channel, with exclusive reference to lubricant products for haulage. Therefore - as well as being engaged in normal dealings with public bodies relating to authorisation and verification procedures - it also has commercial dealings with them, including participation in public tenders.

Furthermore, the Company participates at the Italian and European level in R&D projects, which include the disbursement of public grants.

In relation to the Arexons Division, its product offering is geared directly towards the end consumer and, therefore, Arexons's business areas do not include contracting with the Public Administration.

In any case, in the event of public tenders or competitions that concern it, the procedure adopted by the other PL Italy Entities will be implemented and will be made subject - by the Sales Manager and/or Division Manager - to specific information flows to the CC.

In any case, the Arexons Division monitors all "activities that are instrumental to corruption" by means of specific procedures, as further specified in the subsection below.

With reference to all of the offences described above, the activities that are considered most at risk, namely the "principal sensitive processes" which involve direct relations or dealings with the PA, are in substance attributable to the categories listed below.

##### ***4.2.1 Corruption and extortion***

**omissis**

4.2.2 Aggravated fraud to the detriment of the State

**omissis**

4.2.3 Computer fraud

**omissis**

4.2.4 Cases of embezzlement or misappropriation of public disbursements

**omissis**

4.2.5 Corruption in judicial proceedings and inducement to not make statements, or to make false statements to the judicial authorities

**omissis**

### **4.3 General principles of conduct**

In order to ensure maximum transparency and propriety in PL Italy's relations and dealings, on any basis whatsoever, with members of national, EU and international public administrations, certain general principles of conduct have been drawn up which must be scrupulously respected by Addressees of the Model when carrying out their specific activities.

The following general prohibitions apply to the corporate bodies, managers and employees of the Company.

Based on the provisions contained in the Code of Conduct and in the Company's procedures and rules, the following persons are forbidden from engaging in the activities listed below, in order to ensure that all dealings with the PA are initiated and maintained based on criteria of absolute propriety and transparency:

- engaging in, contributing to or causing acts or conduct which directly or indirectly involve the commission of the offences considered within this Special Part;
- contravening the corporate principles and procedures elaborated by the Company to prevent offences occurring in the context of dealings with the PA.

More particularly, in the management of normal company activities, it is always forbidden:

- to distribute gifts other than in accordance with normal company practice (thus any kind of gift which goes beyond normal business practice or common business courtesy, or is aimed at obtaining favourable treatment in the conduct of any business activity). The Company, in full conformity with the policy adopted by the holding company, does not permit gifts or gratuities of any kind and value.
- to give gifts in cash;
- to promise or pay money or goods in kind to any person (whether a director, officer or employee of the PA) in order to further or favour the Company's interests, also subsequent to undue pressure being applied;



- to grant benefits of any kind (promises of recruitment, etc.) to representatives of Italian or foreign public administrations who are in a position to further or favour the Company's interests;
- to render services or make payments to consultants, external collaborators, partners which cannot be justified in the context of the contractual relationship between them or by local business practice;
- to receive or solicit gifts of money or other gifts, freebies or other benefits where these go beyond normal business practice or common business courtesy;
- to resort to other forms of subsidy, contribution or donation which, in the guise of sponsorships, appointments, consultancies or advertising, in fact have the aforementioned forbidden purposes;
- to create funds for goods/services contracted at prices higher than market prices or for invoices which do not exist, either in whole or in part;
- to make payments in cash or in kind, except for transactions of modest economic value decided by the Company management;
- to submit false statements to national or EU public bodies in order to receive public disbursements, grants, subsidised loans or illegitimate contract awards from tender procedures organised by public bodies;
- to allocate funds received as public disbursements or grants or loans from national or EU public bodies, for purposes other than those for which they were intended;
- to alter the accounting particulars associated with the management of the aforementioned amounts;
- to illegally and improperly alter and/or use the Company's information systems. More specifically, it is forbidden to use the Company's assets for personal ends, or in order to alter data and communications relating to any aspect of its activities.

In order to ensure compliance with the Model, particularly having regard to the provisions of this Part, the Company will not initiate or continue any relations or dealings with Company representatives, external collaborators, contractors, suppliers or commercial partners who do not intend to apply the principle of strict observance of the legislative and regulatory provisions applicable in all States where the Company operates.

#### ***4.4 Specific procedures of conduct to be applied in the "sensitive activities"***

Following the risk analysis as described in subsection 2.2. above, PL Italy has deemed it appropriate to implement the system of management of company activities and the system of internal controls by drawing up a number of procedures aimed at reducing the risk of commission of the offences relevant to this Part.

The Model's Addressees are obliged to comply with the general principles laid down in the preceding chapter and with those specified in the Code of Conduct, but they are also obliged to comply strictly with the procedures contained in the "Procedures Manual", which constitutes an integral part of the Model.

The following are the procedures adopted:

- Sales to the Public Administration (231 VN P 04);
- Management of relations with public authorities (231 VNA P 07);
- Inspection, verification and controls (231 VNA P 02);
- Management of loans from public bodies (231 VNA P 06);
- Assets cycle (231 VN P 01);
- Assets cycle Arexons (231 A P01);
- Liabilities cycle (231 VN P 02);
- Liabilities cycle Arexons (231 A P02);
- Cash (231 VN P 03);
- Cash Arexons (231 A P 03);



- Recruitment and selection of Personnel (231 VNA P 01);
- Management of agents (231 VNA P 04).

Addresses are also required to strictly observe the procedures referred to in the Quality Manual, in accordance with the standard ISO 9001, and the procedures specified in the Management Systems adopted by the Company.

Information flows to the CC relating to compliance with the principles and procedures mentioned above, which result in said Body receiving the information necessary for it to carry out its activities of verification and control, are expressly governed by Section 13 of this Special Part, to which reference is hereby made.

## **5. COMPUTER CRIMES**

### ***5.1 Offence categories and regulatory principles***

A knowledge of the structure and manner of commission of the offences the subject of the Decree by "qualifying" subjects pursuant to Article 5 thereof, for which the Company is liable pursuant to said Decree, facilitates the prevention of those offences and, therefore, assists the entire control system provided for by said Decree.

Article 24-bis, which provides for "Computer crimes and the illegal processing of data", was introduced by Law no. 48/08 which ratified and implemented the Council of Europe Convention on Cybercrime drawn up in Budapest on 23 November 2001.

The definition of information system is of key importance in order to properly classify the offence categories contemplated by Article 24-bis.

"Information system" means any system of equipment intended to carry out functions useful to man, by using information technologies characterised by the electronic recording or storage of data on suitable media.

Given the subject matter of this section, reference should also be made to the offences pursuant to Article 25-novies, "Copyright offences".

Therefore the regulatory references and descriptions of the offences the subject of this section will be described.

#### ***5.1.1 Computer crimes***

##### **Art. 491-bis Criminal Code - Electronic documents**

*"If any of the acts of falsification provided for by this chapter relates to a public or private electronic document of probative value, the provisions of this chapter relating to public documents and private deeds, respectively, will be applicable".*

The aforementioned provision punishes the commission of offences of falsification of an electronic document; the following are the offences of falsification referred to:

- Material falsity by a public official in official documents (Article 476 of the Criminal Code): "A public official who, in the exercise of his/her functions creates, in whole or in part, a false document or alters a true document, will be punished by a term of imprisonment between one and six years. If the falsity relates to a document or part thereof which is accepted as valid until the falsity is disputed in law, the term of imprisonment will be between three and ten years".
- Material falsity by a public official in administrative certificates or authorisations (Article 477 of the Criminal Code): "A public official who, in the exercise of his/her functions, forges or alters certificates or authorisations or who, by means of forgery or alteration, creates the impression that the conditions required for their validity are duly fulfilled, shall be punished by a term of imprisonment between six months and three years".





- Material falsity by a public official in certified copies of public or private documents and in certificates attesting to the content of documents (Article 478 of the Criminal Code): "A public official who, in the exercise of his/her functions, presupposing the existence of a public or private document, falsifies a copy of said document and issues it in legal form, or issues a copy of a public or private document that is different from the original, will be punished by a term of imprisonment between one and four years. If the falsity relates to a document or part thereof which is accepted as valid until the falsification is disputed in law, the term of imprisonment will be between three and eight years. If the falsity is committed by a public official in a certificate attesting to the content of public or private documents, the punishment will be a term of imprisonment between one and three years".
- False statement by a public official in public documents (Article 479 of the Criminal Code): "A public official who - receiving or creating a document in the exercise of his/her functions - falsely certifies that an act was performed by him/her or occurred in his/her presence, or certifies that statements were received by him/her which were not in fact made to him/her, or omits or alters statements received by him/her, or otherwise falsely attests to facts the truth of which it is the purpose of the document to prove, will be subject to the penalties set out in Article 476".
- False statement by a public official in administrative certificates or authorisations (Article 480 of the Criminal Code): "A public official who, in the exercise of his/her functions, falsely attests in administrative certificates or authorisations to facts the truth of which it is the purpose of the document to prove, is liable to a term of imprisonment between three months and two years".
- False statement in certificates committed by persons performing an essential public service (Article 481 of the Criminal Code): "Any person who - acting as a legal or health professional or performing another essential public service - falsely attests in a certificate to facts the truth of which it is the purpose of the document to prove, will be punished by a term of imprisonment up to one year or by a fine ranging from Euro 51 to Euro 516.00. These punishments will be applied jointly if the offence is committed for purposes of profit".
- Material falsity committed by a private party (Article 482 of the Criminal Code): "If any of the acts provided for by Articles 476, 477 and 478 is committed by an individual, or by a public official outside of the scope of his/her official functions, the respective penalties laid down by the above articles are applied, reduced by one third".
- False statement by a private party in a public document (Article 483 of the Criminal Code): "Any person who falsely attests to a public official, in a public document, to facts the truth of which it is the purpose of the document to prove, is liable to a term of imprisonment up to two years. If the false statements are contained in civil registry documents, the imprisonment shall be for a term not less than three months".
- Falsification in register entries and notifications (Article 484 of the Criminal Code): "Any person who - being legally obliged to make register entries subject to inspection by the law enforcement authorities, or to make notifications to those authorities relating to industrial, commercial or professional operations - writes or causes to be written false entries or information shall be punished by a term of imprisonment up to six months or a fine up to Euro 309.00".
- Falsification in a private deed (Article 485 of the Criminal Code): "Any person who, in order to obtain a benefit for oneself or others or to cause detriment to others, composes a false private deed, in whole or in part, or alters a true private deed, shall be punished - if he/she makes use of it or allows another to make use of it - by a term of imprisonment between six months and three years. Additions falsely made to a true private deed after it is finally executed are also deemed to be alterations.
- Falsification in a signed blank sheet. Private deed (Article 486 of the Criminal Code): "Any person who - in order to obtain a benefit for oneself or others or to cause detriment to others, by illegitimately using a signed blank sheet kept for reasons associated with the obligation or the authority to fill it out - writes or causes to be written a false private deed which produces



valid legal effects, other than that which he/she was required or authorised to write or cause to be written, shall be punished - if he/she makes use of the sheet or allows another to make use of it - by a term of imprisonment between six months and three years. A signed blank sheet is one in which the signatory has left blank space which is intended to be filled in".

- Falsification in a signed blank sheet. Public instrument (Article 487 of the Criminal Code): "A public official who - illegitimately using a signed blank sheet held by reason of his/her office and involving the obligation or the authority to fill it out - writes or causes to be written on said signed blank sheet a public instrument other than that which he/she was required or authorised to fill out, will be subject to the penalties laid down respectively in Articles 479 and 480 of the Criminal Code".
- Other falsification in a signed blank sheet. Applicability of the provisions on material falsity (Article 488 of the Criminal Code): "to cases of falsification in a signed blank sheet other than those envisaged by the two preceding Articles; the provisions on material falsity in public instruments or private deeds are applicable".
- Use of false instrument (Article 489 of the Criminal Code): "Any person who makes use of a false instrument - without having participated in the act of falsification - is subject to the penalties pursuant to the preceding Articles, reduced by one third. In the case of private deeds, a person who commits this offence is punishable only if he/she has acted in order to obtain a benefit for oneself or to cause detriment to others".
- Suppression, destruction and concealment of authentic instruments (Article 490 of the Criminal Code): "Any person who, in whole or in part, destroys, suppresses or conceals an authentic public instrument or private deed is subject to the penalties set out respectively in Articles 476, 477, 482 and 485, based on the distinctions contained therein. The preceding article is applicable".
- Falsification by public officials providing a public service (Article 493 of the Criminal Code): "The provisions of the preceding Articles on falsification committed by public officials exercising a public function also apply to employees of the State or another public body who provide a public service, in relation to documents which they draw up while carrying out their duties".

Art. 615-ter Criminal Code - Unauthorised access to a computer or electronic communications system

*"Any person who gains unauthorised access to a security protected computer or electronic communications system or who maintains such access against the express or implied wishes of a person entitled to exclude the former, shall be punished by a term of imprisonment up to three years.*

*Punishment shall be a term of imprisonment between one and five years:*

- 1) if the offence is committed by a public official exercising a public function or a public servant providing a public service, with abuse of power or infringement of the obligations or duties pertaining to the function or service, or by a person who acts (legitimately or otherwise) as a private investigator, or while abusing one's status as system operator;*
- 2) if the guilty person uses violence against property or persons, or is obviously armed;*
- 3) if the act results in destruction of or damage to the system or the total or partial interruption of its operation, or results in the destruction or corruption of the data, information or programs contained therein.*

*If the acts in the first and second subsections relate to computer or electronic communications systems of military interest or relate to public order or public safety or public health or civil defence, or if they otherwise affect the public interest, the punishment shall be a term of imprisonment, respectively, between one and five years and between three and eight years.*

*In the case referred to in the first subsection, the offence is punishable upon a complaint filed by the injured party; in other cases, the offence is indictable".*



The offence involves unauthorised access, using any means, to a security protected computer or electronic communications system or the continuance of such access against the express or implied wishes of a person entitled to exclude the former.

It should be noted that the offence is indictable only if it has been committed in aggravated form, or if the act is committed by a public official exercising a public function or a public servant providing a public service, by a person who acts (legitimately or otherwise) as a private investigator, or while abusing one's status as system operator, or if in committing the act violence is used against persons or property, or if the act results in destruction of or damage to the system or the total or partial interruption of its operation, or results in the destruction or corruption of the data, information or programs contained therein.

Art. 615-quater Criminal Code - Unauthorised holding and distribution of access codes to computer or electronic communications systems

*Any person who, in order to obtain a benefit for oneself or others or to cause detriment to others, illegitimately obtains, reproduces, disseminates, communicates or delivers codes, passwords or other means of access to a security-protected computer or electronic communications system, or provides directions or instructions suitable for such purpose, shall be punished by a term of imprisonment up to one year and a fine up to Euro 5,164.*

*The punishment shall be a term of imprisonment between one and two years and a fine of between Euro 5,164 and Euro 10,329 if any one of the circumstances apply which are referred to in nos. 1) and 2) of the fourth subsection of Article 617-quater".*

Art. 615-quinquies Criminal Code - Distribution of equipment, devices or computer programs designed to damage or interrupt a computer or electronic communications system

*"Any person who - in order to unlawfully damage a computer or electronic communications system, the information, data or programs contained therein or relevant thereto, or in order to facilitate the total or partial interruption or alteration of the system's operation - procures, produces, reproduces, imports, distributes, communicates, delivers or otherwise makes available equipment, devices or computer programs to others, shall be punished by a term of imprisonment up to two years and a fine up to Euro 10,329".*

This offence is one that endangers a legal interest, and its commission does not depend on whether or not computer or information systems are damaged.

The threshold of protection is based on merely "procuring".

Furthermore, the offence covers not just malware but also hardware used illegitimately.

Art. 617-quater Criminal Code - Unlawful interception, obstruction or interruption of computer or electronic communications

*"Any person who fraudulently intercepts communications relating to a computer or electronic communications system or between multiple systems, or hinders or interrupts them, shall be punished by a term of imprisonment between six months and four years.*

*Unless the act constitutes a more serious offence, the same punishment applies to any person who reveals, using any public media, in whole or in part, the content of the communications referred to in the first subsection.*

*The criminal offences provided for by subsections one and two are punishable upon a complaint filed by the injured party.*

*However, the offence is indictable and the punishment shall be a term of imprisonment between one and five years if the act is committed:*

- 1) to the detriment of a computer or electronic communications system used by the State or other public body or by an enterprise performing public services or essential public services;*
- 2) by a public official exercising a public function or a public servant providing a public service, with abuse of power or infringement of the obligations or duties pertaining to the function or service, or while abusing one's status as system operator;*
- 3) by a person who acts (legitimately or otherwise) as a private investigator".*



Art. 617-quinquies Criminal Code - Installation of equipment designed to intercept, obstruct or interrupt computer or electronic communications

*"Any person who - save in the cases allowed by law - installs equipment suitable to intercept, hinder or interrupt communications related to a computer or electronic communications system or occurring between multiple systems, shall be punished by a term of imprisonment between one and four years.*

*Punishment shall be a term of imprisonment between one and five years in the cases provided for in the fourth subsection of Article 617-quater".*

Art. 635-bis Criminal Code - Damaging computer information, data or programs

*"Unless the fact constitutes a more serious offence, any person who destroys, damages or renders unusable - in whole or in part - computer information, data or programs belonging to another person or programs, information or data belonging to others shall be punished by a term of imprisonment between six months and three years.*

*If one or more of the circumstances referred to in the second subsection of Article 635 apply, or if the act is committed with abuse of the status of system operator, the punishment shall be a term of imprisonment between one and four years".*

The offence is committed through the destruction, impairment, deletion, alteration or removal of information, data or software belonging to others.

The offence is at the suit of the injured party, whereas it is indictable if the act is committed using violence to persons or threats, or with abuse of one's status as system operator.

Art. 635-ter Criminal Code - Damaging computer information, data or programs used by the State or other public bodies or which are provided as a public service

*"Unless the act constitutes a more serious offence, any person who commits an act intended to destroy, impair, delete, alter or eliminate computer information, data or programs used by the State or other public body or pertaining to them, or which are provided as a public service, shall be punished by a term of imprisonment between one and four years.*

*If the act results in the destruction, damage, deletion, alteration or elimination of the computer information, data or programs, the punishment shall be a term of imprisonment between three and eight years.*

*If the circumstance referred to in no. 1) of the second subsection of Art. 635 is applicable, or if the act is committed with abuse of one's status as system operator, the punishment shall be increased".*

The provision punishes acts aimed at destroying, impairing, deleting, altering or removing information, data or programs used by the State or other public body or pertaining to them, or which are provided as a public service, even if the conduct does not actually result in the destruction, impairment, deletion, alteration or removal of the information, data or computer programs, which is merely regarded as an aggravating factor.

Art. 635-quater Criminal Code - Damaging computer or electronic communications systems

*"Unless the fact constitutes a more serious offence, any person who - by acting in the manner specified in Article 635-bis or by introducing or transmitting data, information or programs - destroys, damages, renders unusable (in whole or in part) computer or electronic communications systems belonging to others or seriously impedes the operation thereof shall be punished by a term of imprisonment between one and five years.*

*If the circumstance referred to in no.1) of the second subsection of Article 635 is applicable, or if the act is committed with abuse of the status of system operator, the punishment shall be increased".*

Art. 635-quinquies Criminal Code - Damaging computer or electronic communications systems provided as a public service



*"If the offence referred to in Article 635-quater is aimed at destroying, damaging, rendering unusable (in whole or in part) computer or electronic communications systems provided as a public service, or at seriously impeding the operation thereof, the punishment shall be a term of imprisonment between one and four years.*

*If the act results in the destruction of or damage to the computer or electronic communications system provided as a public service or if it is rendered unusable in whole or in part, the punishment shall be a term of imprisonment between three and eight years.*

*If the circumstance referred to in no.1) of the second subsection of Article 635 is applicable, or if the act is committed with abuse of the status of system operator, the punishment shall be increased".*

Art. 640-quinquies Criminal Code - Computer fraud by persons providing electronic signature certification services

*"A person providing electronic signature certification services who, in order to obtain an unjust benefit for oneself or others or to cause detriment to others, violates the obligations provided for by law for the issuance of a valid certification, shall be punished by a term of imprisonment up to three years and a fine between Euro 51 and Euro 1,032".*

5.1.2 Offences relating to breach of copyright (Law 633/1941)

Art 171 – (predicate offences highlighted in capitals)

*Subject to the provisions of Articles 171-bis and 171-ter, a person shall receive a fine of between Euro 51 and Euro 2,065 if he/she, illegitimately and for any purpose and in any form:*

*a) reproduces, transcribes, performs in public, broadcasts, sells or offers for sale or otherwise places on the market a work belonging to another, or reveals the content thereof before it is made public, or introduces and circulates within the State copies produced abroad contrary to Italian law;*

*a-bis) makes available to the public a copyright-protected work of intellectual property, or part thereof, by placing it on an electronic communications network using connections of any kind;*

*b) represents, plays or performs in public or disseminates, with or without variations or additions, a work belonging to others adapted for public performance, or a musical composition. Representation or performance includes the public projection of the cinematographic work, the performance in public of musical compositions appearing in cinematographic works and broadcast by loudspeaker in public;*

*c) commits the acts indicated in the foregoing letters using one of the methods envisaged by this Act;*

*d) reproduces a number of copies or performs or presents a number of performances or representations greater than that which he/she is entitled to produce, perform or represent;*

*e) (Omissis);*

*f) rebroadcasts by cable or radio - or records on photographic discs or other similar equipment - radio broadcasts or rebroadcasts or sells off phonograph discs or other devices containing illegal recordings, in violation of art. 79.*

*Any person who commits the offence pursuant to the first paragraph, letter a-bis) will be allowed to pay - prior to the hearing or prior to the criminal sentence - an amount corresponding to half the maximum punishment laid down by the first subsection for the offence committed, as well as the costs of the proceedings. The payment extinguishes the offence.*

*The applicable penalty is a term of imprisonment up to one year or a fine of not less than euro 516 if the offences referred to above are committed in relation to a work of others that is not intended for publication, or by usurping the authorship of the work, or where there is a distortion, mutilation or other alteration of the work resulting in damage to the author's integrity or reputation.*

*The infringement of the provisions of the third and fourth paragraphs of Article 68 involves the suspension of the photographic or xerographic copying activities, or similar system of*



reproduction, for a period between six months and one year, as well as a fine of between Euro 1,032 and Euro 5,164”.

Art. 171-bis

*"Any person who unlawfully duplicates computer programs for profit or, for the same purposes, imports, distributes, sells, holds for commercial or business purposes or leases computer programs on media not marked by SIAE (Copyright Authority), is subject to a term of imprisonment between six months and three years and a fine between Euro 2,582 and Euro 15,493. The same penalty applies if the act in question relates to any method used exclusively to allow or facilitate the unauthorised removal or circumvention of devices designed to protect a computer program. The penalty shall not be less than a minimum of two years' imprisonment and a fine of Euro 15,493, for a particularly serious offence.*

*Any person who for profit, using media not marked by SIAE (Copyright Authority), reproduces, transfers to other media, distributes, communicates, presents or shows in public the contents of a database in violation of the provisions of Articles 64-quinquies and 64-sexies, or extracts or re-utilises the database in violation of the provisions of Articles 102-bis and 102-ter, or distributes, sells or leases a database, shall be subject to a term of imprisonment between six months and three years and a fine between Euro 2,582 and Euro 15,493. The penalty shall not be less than a minimum of two years' imprisonment and a fine of Euro 15,493, for a particularly serious offence”.*

Art. 171-ter

*"Any person who - for profit - performs the acts listed below shall be punished by a term of imprisonment between six months and three years and by a fine between Euro 2,582 and Euro 15,493, if the act is committed for a use other than personal use:*

- a) unlawfully duplicates, reproduces, transmits or disseminates in public - by any procedure or method, whether in whole or in part - intellectual property intended for television, film, sale or rental, disk, tape or similar media or any other medium containing sound or video recordings of corresponding musical, cinematographic or audiovisual works or sequences of moving images;*
  - b) unlawfully reproduces, transmits or disseminates in public, by any procedure or method, works or parts of literary, dramatic, scientific or educational, musical or dramatic-musical works, or multimedia works, also if included in collective or composite works or databases;*
  - c) without having participated in duplication or reproduction processes, introduces into the State, holds for sale or distribution or distributes, markets, rents or otherwise transfers in any manner, or projects in public, broadcasts on television using any method or procedure, broadcasts on radio or plays in public the illegal duplications or reproductions referred to in letters a) and b);*
  - d) holds for sale or distribution, markets, sells, rents, transfers in any manner, projects in public, broadcasts on television or radio using any method or procedure, video cassettes, music cassettes, any medium containing sound or video recordings of musical, cinematographic or audiovisual works or sequences of moving images or any other medium required by this law to carry the SIAE mark, without this mark or with a forged or falsified mark;*
  - e) without the agreement of the lawful distributor, re-transmits or broadcasts by any means an encrypted service received using equipment or parts of equipment designed to decode transmissions or programs subject to conditional access;*
  - f) introduces into the State, holds for sale or distribution, distributes, sells, rents, transfers in any manner, commercially promotes or installs special decoding devices or items which permit access to an encrypted service without paying the applicable fee;*
- f-bis) manufactures, imports, distributes, sells, rents, transfers in any manner, advertises for sale or rent or holds for commercial purposes appliances, devices, products or components or performs services whose main purpose or commercial use involves circumventing the effective technological means indicated in Art. 102-quater, or which are predominantly designed, produced, adapted or implemented in order to make possible or facilitate the circumvention of such measures. The technological means mentioned include those applied, or those which*



remain to be applied, following the removal of the aforementioned technological means at the initiative of the rights holders or following agreements between the latter and the beneficiaries of exemptions, or following the enforcement of orders of the administrative or judicial authorities.

h) unlawfully removes or alters the electronic information referred to in Article 102-quinquies, or distributes, imports for distribution, transmits by radio or television, communicates or makes publically available protected works or other material in respect of which such electronic information has been removed or altered.

2. Any person shall be punished by a term of imprisonment between one and four years and a fine between Euro 2,582 and Euro 15,493: if he or she:

a) reproduces, duplicates, transmits or broadcasts contrary to law, sells or otherwise markets, transfers in any manner or imports contrary to law more than fifty copies or specimens of works protected by copyright and by related rights;

b) by reproducing, distributing, selling, marketing or importing for business purposes works that are protected by copyright and by related rights, is guilty of carrying out the acts provided for by subsection 1;

c) promotes or organises the illicit activities referred to in subsection 1.

3. The punishment is reduced if the offence is not particularly serious.

4. Conviction for one of the offences referred to in subsection 1 involves:

a) application of the additional penalties provided for by Arts. 30 and 32-bis of the Criminal Code;

b) publication of the judgment in accordance with Article 36 of the Criminal Code;

c) suspension for one year of the radio/television broadcast concession or authorisation for the exercise of production or commercial activities.

5. The amounts deriving from the application of the pecuniary sanctions provided for in the preceding subsections are paid to the national social security agency for painters and sculptors, musicians, writers and playwrights.

#### Art. 171-septies

The penalty referred to in Article 171-ter, subsection 1 also applies:

a) to manufacturers or importers of media not subject to the mark pursuant to Article 181-bis, who fail to communicate to the Italian Society of Authors and Publishers (SIAE) the data required to enable those media to be clearly identified, within thirty days from the date they are placed on the domestic market or imported;

b) unless the act constitutes a more serious offence, to any person who falsely declares that the obligations referred to in Article 181-bis, subsection 2, of the present law have been duly fulfilled".

#### Art. 171-octies

"If the act does not constitute a more serious offence, a term of imprisonment between six months and three years and a fine between Euro 2,582 and Euro 25,822 will apply to any person who fraudulently produces, offers for sale, imports, promotes, installs, modifies, utilises for public and private use equipment or parts of equipment for decoding audiovisual transmissions subject to conditional access, effected over the airwaves, by satellite, cable, in analogue or digital form. All audiovisual signals broadcast by Italian or foreign broadcasters in a form that render them visible only to closed user groups selected by the subject transmitting the signal, are deemed to be conditional access signals, regardless of the existence of any obligation to pay a service user fee.

Punishment shall be not less than two years' imprisonment and a fine of Euro 15,493 for a particularly serious instance of this offence".



## **5.2 Sensitive activities**

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## **5.3 General Principles of Conduct**

For the purposes of prevention of the aforementioned offences, the Model expressly forbids the Addressees from causing, engaging in or contributing in any form to conduct involving the offences considered in this Special Part.

To this end, more specifically, the Company prohibits the following:

- altering public or private computer documents having probative value;
- accessing without authorisation the computer or electronic communications system of public or private subjects;
- accessing without authorisation one's own computer or electronic communications system in order to alter and/or delete data and/or information;
- accessing the computer or electronic communications system, or to parts thereof, or databases of the Company, or parts thereof, without the appropriate access credentials or by using the access credentials of other colleagues so entitled;
- holding and using without authorisation codes, passwords or other means of access to a computer or telecommunications system of competing entities, public or private, in order to obtain confidential information;
- holding and using without authorisation codes, passwords or other means of access to a computer or telecommunications system of competing entities, public or private, in order to obtain confidential information;
- procuring and/or producing and/or distributing equipment and/or software for the purpose of unlawfully damaging a computer or electronic communications system belonging to public or private subjects, or the information, data or programs contained therein, or in order to facilitate the total or partial interruption or alteration of the system's operation;
- fraudulently intercepting, obstructing or interrupting communications relating to a computer or telecommunications system belonging to public or private subjects, in order to obtain confidential information;
- installing equipment for intercepting, obstructing or interrupting communications of public or private subjects;
- using unauthorised technical devices or software tools (e.g. viruses, worms, trojans, spyware, dialers, keyloggers, rootkits) designed to obstruct or interrupt communications relating to a computer or electronic communications system or occurring between multiple systems;
- altering and/or deleting data, information or programs belonging to public or private subjects or which are provided as a public service;
- damaging computer or electronic information, data or programs belonging to others;
- destroying, damaging or rendering unusable computer or electronic communications systems provided as a public service;
- producing and transmitting electronic documents containing false and/or altered data.

The following obligations are provided for, in particular, within the context of the aforementioned rules:

- a) the obligation to act in accordance with legislative and regulatory provisions and Company procedures applicable to any activities that involve the use of a terminal and access to computer systems. Each employee is responsible for the proper use of the computing resources assigned to him or her (e.g. desktop or portable personal computers), which should be used exclusively for the performance of their activities and not transferred or sold to third





- parties. These resources should be appropriately preserved and the Company should be promptly informed of any theft or damage;
- b) the obligation on each employee/system administrator to report any security incidents to the Information Systems Manager (including attacks on the computer system from external hackers), making available and filing all documentation relating to the incident;
  - c) the obligation to ensure strict compliance with Privacy rules and to act at all times in compliance with the internal Company procedures that are based on these rules. To this end, an organic data protection plan is provided for;
  - d) the obligation to guarantee and facilitate all forms of control pursuant to Article 4 of the Workers' Statute, aimed at preventing the commission of criminal offences.
  - e) the obligation not to introduce and/or keep in the Company (in paper or electronic form or using Company equipment) - on any basis whatsoever or for any reason - electronic documentation and/or material that is confidential in nature and owned by third parties, unless it has been obtained with their express consent, or applications/software that have not been authorised in advance;
  - f) the obligation not to transfer outside the Company and/or transmit files, documents or any other confidential documentation owned by the Company or the Group, save for purposes strictly related to the performance of their duties;
  - g) the obligation not to use passwords of other users in the Company, including for access to protected areas in its name and on its behalf;
  - h) the obligation not to use any software and/or hardware media or devices designed to intercept, forge, alter or remove the content of electronic communications and/or documents;
  - i) the obligation to use the internet connection for the purposes and time periods strictly necessary to perform the activities requiring such connection. Access to the internet must be associated exclusively with one's work duties, save as otherwise specifically authorised by the competent department. It is not permitted to access - from terminals associated in any way with work performed for the Company - websites and webpages containing material which is illegal (e.g. child pornography) or which may endanger computer network security. To this end, the Company will seek in advance to block the websites mentioned above, a measure that must not be circumvented by those belonging to the Company;
  - j) the obligation to comply with the procedures and standards provided for, promptly reporting to the competent departments any inappropriate or anomalous uses and/or operations of computer resources;
  - k) the obligation to use, on the Company's equipment, only products which are officially purchased by the Company;
  - l) the obligation to refrain from making copies of data and software which are not specifically authorised;
  - m) the obligation to refrain from using available IT tools outside the remit of the prescribed authorisations;
  - n) the obligation to comply with any other specific provision relating to access to systems and the protection of the Company's applications and data;
  - o) the obligation to scrupulously observe the provisions of Company security policies applicable for the protection and control of information systems.

The department managers concerned must ensure that all mandatory formalities are complied with which are necessary to ensure the effective and concrete implementation of the principles of conduct and control described in this protocol.

#### **5.4 Specific procedures**

The Company has prepared special safeguard mechanisms and put in place adequate security solutions, in conformity with the provisions of the Privacy Code, in order to prevent and control



risks in the area of information technology, to protect its information assets and the personal of data subjects.

Although no longer legally mandatory, the Company has a Security Policy Document containing the measures adopted to avoid and prevent illegal or inappropriate uses, unauthorised access, or potential harm resulting from computer viruses.

The security measures include: passwords to safeguard access to restricted programs i.e. restricted name- or number-based access codes whose use is reserved to users of the computer system, the strict custody of credentials for access to workstations, a system for controlling access to databases, the identification of a manager over the area, raising awareness of personnel and anti-virus protection.

The measures described above are summarised in the following table.

| <b>Measures</b>                          | <b>Description</b>  | <b>Risks combated</b>  |
|--|---|--|
| System for ongoing updating of passwords | PL Italy has established an authentication system, assigning a strictly personal ID code (username, user ID) for access to the Company information network.<br>The system requires a mandatory change of passwords every 90 days.                                       | Removal of authentication credentials                        |
| Antivirus                                | An antivirus system has been adopted with real-time scanning and continuous updating, installed on all personal computers connected to the Company network.   | The effects of viruses or programs capable of causing damage |
| Disaster recovery and data backup plan   | In order to ensure the integrity as well as the ready availability of data, PL Italy has availed of tools and procedures to regularly back up data on servers.<br>These backup copies are not kept in the same physical location where the Company servers are located. | The effects of viruses or programs capable of causing damage |
| Firewalls                                | Hardware and software network apparatus with bidirectional input-output which, if properly configured, filters all incoming and outgoing packets to and from the network, according to established rules.   | External access not authorised                               |

As well as having adopted a specific "231" procedure, "Management of IT uses and application profiles" (231 VN P05), which describes the procedures used to create, alter and cancel uses of the network, to manage and assign authentication credentials and to create, alter and delete application profiles, the Company has a complex system of IT procedures to guarantee data control and the security of its information systems.

Information flows to the CC relating to compliance with the principles and procedures mentioned above, which result in said Body receiving the information necessary for it to carry out its activities of verification and control, are expressly governed by Section 11 of this Special Part, to which reference is hereby made.

## **6. OFFENCES RELATING TO THE INFRINGEMENT OF TRADEMARKS AND PATENTS AND CRIMES AGAINST INDUSTRY AND COMMERCE**

### **6.1 Offence categories and regulatory principles**

A knowledge of the structure and manner of commission of the offences the subject of the Decree by "qualifying" subjects pursuant to Article 5 thereof, for which the Company is liable pursuant to said Decree, facilitates the prevention of those offences and, therefore, assists the entire control system provided for by said Decree.



A number of elements common to most of the offence categories considered is required prior to an analysis of the offence categories examined.

The following definitions should be noted:

- infringement refers to the unauthorised use of a product, a process or a distinguishing mark protected by an industrial property right;
- alteration refers to a partial reproduction, but one which generates confusion with the original trademark or distinguishing mark or that involves tampering with the genuine identification mark;
- use means all cases of commercial or industrial use of trademarks or other distinguishing marks falsified by others, when there is no complicity in the falsification.

"Industrial property" includes trademarks and other distinguishing marks, patents, inventions, utility models, designs and models, geographical indications, designations of origin, confidential Company data etc., and the associated rights are obtained through patenting (inventions, utility models), registration (trademarks, designs and models), or through other means provided for by law (confidential Company data, geographical indications, designations of origin).

The rights deriving from patenting or registration include a right to exclusive use of the thing protected for a particular period of time. In practice the holder is protected - by means of the patent and the registration - from the illegal exploitation by third parties of the thing protected. The regulatory references and the descriptions of the offences the subject of this Special Part will now be given.

Art. 473 Criminal Code - Infringement, alteration or use of trademarks or distinguishing marks or of patents, models and designs

*"Any person who, being in a position to know about the existence of industrial property rights, infringes or alters national or foreign trademarks or distinguishing marks of industrial products, or any person who, without contributing to the infringement or alteration, makes use of said infringed or altered trademarks or signs, is liable a term of imprisonment between six months and three years and a fine between Euro 2,500 and Euro 25,000.*

*Any person who infringes or alters national or foreign patents, designs or industrial models or who, without contributing to the forgery or alteration, makes use of such infringed or altered patents, designs or models, is liable a term of imprisonment between one and four years and a fine between Euro 3,500 and Euro 35,000.*

*The criminal offences provided for by subsections one and two are punishable provided that provisions of domestic laws, EU laws and international conventions on the protection of intellectual or industrial property have been observed".*

Art. 473 envisages two distinct offence categories, the first of which has always been more widely applied since it punishes the infringement, alteration or use of trademarks or distinguishing marks, while the second (in the second subsection) punishes such conduct in relation to patents or industrial designs or models.

Art. 474 Criminal Code - Introduction into the State and trade in products with false signs

*"Apart from the cases of complicity in the offences provided for by Art. 473, any person who introduces into the territory of the State, in order to realise a profit, industrial products bearing national or international trademarks or other distinguishing marks that are infringed or altered, is liable to a term of imprisonment between one and four years and a fine between Euro 3,500 and Euro 35,000.*

*With the exception of complicity in cases of infringement, alteration, introduction into the territory of the State, any person who holds for sale, offers for sale or puts into circulation, in order to realise a profit, the products referred to in subsection one is liable a term of imprisonment up to two years and a fine up to Euro 20,000.*



*The criminal offences provided for by subsections one and two are punishable provided that provisions of domestic laws, EU laws and international conventions on the protection of intellectual or industrial property have been observed".*

The article being considered extends protection to the stage following that specified in the previous offence, namely the placement of the falsified item on the market, which presupposes that the altered distinguishing mark has already been applied thereto.

The two foregoing offence categories considered safeguard the legally protected "public trust" and, more specifically, the interest of consumers in being able to distinguish the provenance of products placed on the market. More specifically, the case law states that the public trust is determined *objectively*, understood as trust placed by citizens of the State in trademarks and distinguishing marks which identify intellectual or industrial property and which guarantee the circulation thereof.

Art. 513 Criminal Code - Disrupting the freedom of industry or commerce

*"Any person who uses violence against property or fraudulent means to hinder or disrupt the operation of an industry or trade shall be punished, at the suit of the injured party, provided the act does not constitute a more serious offence, by a term of imprisonment up to two years and a fine between Euro 103 and Euro 1,032".*

Art. 513-bis Criminal Code - Unfair competition with threats or violence

*"Any person who, in the exercise of a commercial, industrial or production activity, engages in acts of competition with violence or threats, shall be punished by a term of imprisonment between two and six years.*

*The penalty is increased if the acts of competition relate to an activity financed in whole or in part and in any manner by the State or other public bodies".*

Art. 514 Criminal Code - Fraud against national industries

*"Any person who, by offering for sale or otherwise putting into circulation on domestic or foreign markets, industrial products bearing names, trademarks or distinguishing marks that are infringed or altered, causes detriment to domestic industry shall be punished by a term of imprisonment between one and five years and a fine not less than Euro 516.*

*If the provisions of domestic laws or international conventions on the protection of industrial property have been observed in respect of the trademarks or distinguishing marks, the penalty is increased and the provisions of Articles 473 and 474 do not apply".*

Art. 515 Criminal Code - Fraudulent trading

*"Any person who, in the course of a commercial activity, or in a store open to the public, provides to a purchaser one movable item instead of another, or a movable item different from that stated or agreed based on its origin, provenance, quality or quantity, shall be punished - if the offence does not constitute a more serious offence - by a term of imprisonment up to two years or a fine up to Euro 2,065.*

*In case of items of value, the punishment shall be a term of imprisonment up to three years or a fine not less than Euro 103".*

This offence is a prototype for a series of criminal offences involving detriment to consumer trust and simultaneously undermining the security and transparency of the market. It is theoretical danger, since a sufficient condition of this offence is the delivery to the purchaser of *aliud pro alio*, and the provision attaches no relevance to any financial loss caused to the other party who, in fact, could benefit from purchasing the alternative item.

Art. 516 Criminal Code - Sale of non-genuine food as genuine

*"Any person who offers for sale or places on the market, as genuine, food that is not genuine shall be liable to a term of imprisonment up to six months or a fine up to Euro 1,032.*

Art. 517 Criminal Code - Sale of industrial products with misleading signs

*"Any person who offers for sale or otherwise puts into circulation intellectual works or industrial products bearing domestic or foreign names, trademarks or distinguishing marks capable of misleading the buyer about the origin, provenance or quality of the work or product, shall be punished - provided the offence is not already an offence pursuant to another provision of law - by a term of imprisonment up to two years and a fine up to Euro 20,000".*

This offence is committed even in the absence of infringement or alteration, as it is designed to safeguard proper commercial practice and the interest of consumers, whereas trademark protection is afforded only indirectly.

In relation to misleading conduct, this is established by reference to the standard of the average consumer examining the item in a hasty and superficial manner.

A precondition of the offence is the existence of trademarks or trade names characterising the product, which are used by the offender by applying them to another product which is similar, thus deceiving the consumer as to the true provenance and quality of the item.

Art. 517-ter Criminal Code - Manufacture and sale of goods produced by usurping industrial property rights

*"Without prejudice to the application of Articles 473 and 474, any person who, being in a position to know about the existence of the applicable industrial property right, manufacturers or applies industrial processes to objects or other goods produced in violation of or usurping an industrial property right, shall be punished, at the suit of the injured party, by a term of imprisonment up to two years and a fine up to Euro 20,000.*

*The above punishment also applies to any person who, in order to realise a profit, introduces into the territory of the State, holds for sale, offers for sale by direct offer to consumers, or puts into circulation the goods referred to in subsection one.*

*The provisions of articles 474-bis, 474-ter, subsection two, and 517-bis, subsection two, are applicable.*

*The offences provided for by subsections one and two are punishable provided that provisions of domestic laws, EU laws and international conventions on the protection of intellectual or industrial property have been observed".*

This offence punishes a person who, being in a position to know about the existence of the applicable industrial property right, manufacturers or applies industrial processes to objects or other goods produced in violation of or usurping an industrial property right.

Art. 517-quater Criminal Code - Infringement of geographical indications or designations of origin for food products

*"Any person who infringes or alters geographical indications or designations of origin for food products shall be punished by a term of imprisonment up to two years and a fine up to € 20,000. The above punishment also applies to any person who, in order to realise a profit, introduces into the territory of the State, holds for sale, offers for sale by direct offer to consumers, or puts the same products into circulation with the falsified indications or designations.*

*The provisions of articles 474-bis, 474-ter, subsection two, and 517-bis, subsection two, are applicable.*

*The criminal offences provided for by subsections one and two are punishable provided that the provisions of domestic laws, EU laws and international conventions on the protection of geographical indications or designations of origin for food products have been observed".*

## 6.2 Sensitive processes

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*6.2.1 Managing relations with public entities for the purpose of registering new products and upgrading the registration of existing products*

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*6.2.2 Research and development*

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*6.2.3 Development of customer products*

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**6.3 General Principles of Conduct**

For the purposes of prevention of the aforementioned offences, PL Italy demands and requires respect for its own and third party intellectual property rights and trade secrets.

In particular, inside knowledge constitutes a key resource that must be protected by each and every employee or recipient.

In the event of improper disclosure or violation of third party rights, the Company could incur financial loss and damage to its image.

The Company takes an active part in combatting the commission of the offences herein by using all the tools made available by the legal and legislative order where it operates, in particular by cooperating with the authorities responsible for combating such criminal offences through agreements, training events (e.g. customs authorities in charge of intercepting counterfeit goods).

All the Addresses of the Model shall:

- a) conduct themselves with propriety, transparency and in a spirit of collaboration, in compliance with applicable laws and Company procedures, in all activities aimed at the management of relations with Suppliers/customers/partners, at home or abroad;
- b) abstain from commercial dealings with natural or legal persons or subjects known to be or suspected of being involved in illegal activities associated with the offence categories of this Special Part relating to trade marks, patents and distinguishing marks;
- c) take action if they become aware of and/or receive negative reports relating to the integrity of persons or entities with whom they interact, or relating to their ownership of industrial property rights;
- d) refrain from interfering with the industrial or commercial activities of others, by obstructing or disrupting same;
- e) comply with any policies adopted by the Company containing principles required be respected in order to ensure compliance with the intellectual property rights of third parties and to protect those of the Company, also in the event of collaboration with outside entities or subjects;
- f) ensure that the Company is prevented from purchasing and, in particular, transferring to third parties goods which fail to conform to the characteristics specified or agreed or which are falsified, distinguished by false signs and/or which injure the proprietary rights of others, or goods which carry false geographical indications or denominations of origin;
- g) check the reliability of warning letters received by persons who report alleged conduct by the Company which contravenes rights protected by the law relating to trade marks and patents;



h) verify, by recourse to legal or other expertise, the possibility that the Company's conduct could involve the commission of one of the offences related to trademarks and patents.

#### **6.4 Specific procedures of conduct to be applied in the case of "sensitive activities"**

In order to implement the principles and prohibitions contained in the previous subsection, PL Italy has adopted the rules of conduct and procedures referred to below.

##### **6.4.1 Managing relations with public entities for the purpose of registering new products and updating the registration of existing products**

Reference is made here to the procedure Relations with the Public Administration, ensuring the accuracy and truthfulness of the information relating to the registration of the products marketed by the Company.

It should be borne in mind that all those operating for or on behalf of PL Italy must refrain from disclosing, by any means, information that is deceptive or misleading relating to the registration of the products marketed by the Company.

##### **6.4.2 Research and development**

Addresses involved in this activity shall:

- ensure the systematic monitoring of R&D activities also through the implementation of operating tools and mechanisms;
- ensure that the following two elements occur, in the event that patent applications for selection are drawn up and filed, also by availing of outside expertise:
  - a) a patentability check occurs, aimed to highlight suggested changes and any risks which could arise in the event of the patenting thereof;
  - b) a register is maintained of all patents owned by PL Italy in order to facilitate the monitoring of deadlines for the protection thereof and to ensure they are renewed, as appropriate.

Furthermore, the Company has adopted a specific procedure "Development and startup of new products" (SES D 02), and also obtained third-party certification of its quality management system in compliance with UNI ISO/TS 16949 (not applicable to the Arexons Division) which enables tracking of the entire path of the products and technologies used for their production for the automotive market and which - although proper to voluntary management systems in relation to which no presumption of conformity exists - is considered suitable to tackling the risks considered in the present Section.

In relation to the assignment to toll blender contractors of part of the research and development activities, reference should be made to the procedure for "Management of suppliers" which ensures that the process of selecting contractors to whom to entrust a part of the production of the item is in conformity with procedures that are clear, certain and non-discriminatory, where possible comparing a range of potential offers and privileging suppliers who are capable of providing superior ethical, organisational, technical and financial guarantees.

As for the Arexons Division, the Company has prepared a special diversified procedure - "Planning - Arexons Division" in consideration of the special nature of its production activities.

##### **6.4.3 Development of products for customers**

Addresses involved in such activities must comply with all provisions and technical specifications in the contract entered into with the customer, particularly those relating to the commitments made by PL Italy relating to:

- recognition by the customer of the ownership of trademarks/patents/industrial property rights,



- proper preservation and non-disclosure of the technical documentation delivered and attesting to the aforementioned ownership,
- compliance with the NDA,
- refraining from the outsourcing to third parties of part of the production activities commissioned.

Information flows to the CC relating to compliance with the principles and procedures mentioned above, which result in said Body receiving the information necessary for it to carry out its activities of verification and control, are expressly governed by Section 11 of this Special Part, to which reference is hereby made.

## 7. CORPORATE OFFENCES

### 7.1 Corporate offences (Art. 25-ter of Legislative Decree no. 231/01)

A knowledge of the structure and manner of commission of the offences the subject of the Decree by "qualifying" subjects pursuant to Article 5 thereof, for which the Company is liable pursuant to said Decree, facilitates the prevention of those offences and, therefore, assists the entire control system provided for by said Decree.

*Article 25-ter of the Decree states as follows: "in relation to the corporate offences envisaged by the Civil Code, the following pecuniary sanctions are applicable if they are committed in the company's interest by directors, general managers or liquidators or by persons subject to their supervision, and if the offence would not have been committed had they duly complied with the obligations of their office".*

#### 7.1.1 Offences related to the process of preparing the financial statements, reports and other corporate communications envisaged by law

##### Art. 2621 Civil Code - False corporate communications

*"Save as provided by Art. 2622, directors, general managers, managers responsible for drawing up corporate accounting documents, auditors and liquidators who, with the intention of deceiving shareholders or the public and gaining unjust profit for themselves or for others, set forth - in the financial statements, reports or other corporate communications required by law and aimed at the shareholders or the public - material facts that do not correspond to the truth (even if the subject of ongoing assessment) or omit information which is legally required to be communicated on the profit-and-loss, capital or financial position of the company or the group to which it belongs, in a manner likely to mislead recipients as to the aforementioned position, shall be punished by imprisonment for a term of up to two years.*

*Liability to punishment also covers cases where the information relates to goods owned or administered by the company on behalf of third parties.*

*Liability to punishment is excluded if the falsification or omissions do not significantly alter the representation of the profit-and-loss, capital or financial position of the company or the group to which it belongs. Liability to punishment is in any case excluded if the falsifications or omissions lead to a variation of the pre-tax operating result for the financial year that does not exceed 5 per cent, or a variation of the shareholders' equity that does not exceed 1 per cent.*

*In all cases, the offence is not punishable if it is the consequence of estimates or valuations which, when considered separately, differ by no more than 10 per cent from the correct estimate or valuation.*

*In the cases provided for in subsections three and four, the subjects referred to in the first subsection shall be liable to a fine between ten and one hundred quotas and disqualification from management roles in legal entities and enterprises for between six months and three years, from the office of director, auditor, liquidator, general manager and manager in charge of preparing*





*corporate accounting documents, and from any other office with authority to represent the legal entity or enterprise”.*

It is well-known that the financial statements and accompanying notes to the accounts only appear to arise automatically from the general accounts.

Another myth is that the administrative department is the only department responsible for drawing up the financial statements.

While it is true that this department maintains the technical standards for the formation and assessment of the financial statements (so-called accounting principles) and the year-end book balances, these balances are only the starting point of the process that concludes by inserting the relevant item into the financial statements (credits, inventories, equity interests, risk funds and charges, etc.). Further observations are necessary regarding the seniority at which the offences in question may be committed.

It is clear that these offences are committed most frequently by persons who are formally responsible for these documents, namely the Board of Directors as a whole which, in accordance with Article 2423 of the Civil Code, is responsible for preparing the financial statements, the notes to the accounts and the management report.

It should be noted, however, that the Board frequently has neither the time nor the means to closely examine the correctness of the very many items and explanatory notes contained in the financial statements, and it therefore entrusts this work to one or more of its members, with the appropriate delegations.

It should also be emphasised that these offences may be committed at lower levels, notably by the heads of the various Company departments. Offences of this type may also be committed by “subordinates” of department managers who enjoy an element of discretionary power, however circumscribed.

In such cases the offence may be deemed to be committed only if the falsification is knowingly shared by duly “qualified” subjects (directors etc.) who, when receiving the false information accept such information by including it in corporate communications. In the absence of such conscious and voluntary participation by “qualified” subjects, the latter cannot be held liable and, indeed, the offence will not be committed in the first place. Indeed, since these are offences specific to certain classes of offender, the participation of persons duly “qualified” pursuant to law is absolutely necessary. However, experience shows that the falsification by “subordinates” occurs exclusively in their own interests (e.g. to cover a cash shortfall), but hardly in the interests of the Company.

The offence described is characterised by specific intent i.e. the conduct must be aimed to procure an advantage for oneself or others.

The false or omitted information must be important and must significantly alter the representation of the profit-and-loss, capital or financial position of the Company.

Art. 2622 Civil Code - False corporate communications to the detriment of the shareholders or creditors

*“Directors, general managers, managers responsible for drawing up corporate accounting documentation, auditors and liquidators who, with the intention of deceiving shareholders or the public and gaining unjust profit for themselves or for others, by setting forth - in the financial statements, reports or in other corporate communications required by law aimed at the shareholders or the public - material facts that do not correspond to the truth (even if the subject of ongoing assessment) or by omitting information which is legally required to be communicated on the profit-and-loss, capital or financial position of the company or the group to which it belongs, in a manner likely to mislead the recipients of the aforementioned position, cause pecuniary loss to the company, shareholders or creditors, shall be punished, at the suit of the injured party, by a term of imprisonment between six months and three years.*

*The lawsuit is brought at the suit of the injured party also if the act or conduct involves another criminal offence, even if aggravated with damage to the assets of persons other than the*

*shareholders and creditors, unless it is committed to the detriment of the State, other public entities or the European Union.*

*In the case of companies subject to the provisions of Part IV, Title III, Chapter II, of the consolidated text of Legislative Decree no. 58 of 24 February 1998, as amended, the punishment for the acts envisaged in the first subsection is a term of imprisonment between one and four years, and the offence is indictable.*

*The punishment is a term of imprisonment between two and six years if, in the cases referred to in the third subsection, the act causes serious detriment to investors.*

*The detriment is deemed serious if it related to investors numbering in excess of 0.1 per thousand of the population based on the most recent National Statistics Institute (ISTAT) census, or if it involved the destruction or reduction in the value of securities amounting to in excess of 0.1 per thousand of the gross domestic product.*

*Liability to punishment for the offences envisaged by the first and third subsection also covers cases where the information relates to goods owned or administered by the company on behalf of third parties.*

*Liability to punishment for the offences envisaged by the first and third subsection is excluded if the falsifications or omissions do not significantly alter the representation of the profit-and-loss, capital or financial position of the company or the group to which it belongs. Liability to punishment is in any case excluded if the falsifications or omissions lead to a variation of the pre-tax operating result for the financial year that does not exceed 5 per cent, or a variation of the shareholders' equity that does not exceed 1 per cent.*

*In all cases, the offence is not punishable if it is the consequence of estimates or valuations which, when considered separately, differ by no more than 10 per cent from the correct estimate or valuation.*

*In the cases provided for by subsections three and four, the subjects referred to in the first subsection shall be liable to a fine between ten and one hundred quotas and disqualification from management roles in legal entities and enterprises for between six months and three years, from the office of director, auditor, liquidator, general manager and manager in charge of preparing corporate accounting documents, and from any other office with authority to represent the legal entity or enterprise".*

The information provided previously in relation the offence under Art. 2621 of the Civil Code is of relevance to the offence being considered here.

This offence presents the specific feature that it is committed where financial loss is caused to the company, shareholders or creditors following any of the acts or conduct provided for by Article 2621 of the Civil Code.

The offence is at the suit of the injured party save in the case of listed companies, in which case it is indictable.

### 7.1.2 Offences relating to communications and dealings between corporate bodies and third parties

#### Art. 2625 subsection 2, Civil Code - Obstructing auditors in the course of their duties

*"Directors who, by concealment of documents or other stratagems, prevent or otherwise obstruct the audit or control activities attributed by law to the shareholders, other corporate bodies or external auditing firms, shall be punished by a fine of up to Euro 10,329.*

*If the conduct causes detriment to shareholders, imprisonment for up to one year applies, at the suit of the injured party.*

*The punishment is doubled in the case of a company with stock listed on Italian regulated markets or those of other European Union Member States or distributed among the public to a relevant extent within the meaning of Art. 116 of the consolidated text of Legislative Decree no. 58 of 24 February, 1998.*

The offence involves the concealment of documents or other stratagems to prevent or otherwise obstruct the audit or control activities attributed by law to the shareholders, other corporate bodies or external auditing firms.

The conduct described in the aforementioned article is of relevance for the purposes of the Decree only if it has caused detriment to shareholders.

Art. 2637 Civil Code - Manipulation of stock market transactions

*"Any person who spreads false information, or engages in sham operations or transactions or other stratagems designed to cause a significant change in the price of financial instruments which are unlisted or for which no application has been submitted for admission to trading on a regulated market, or to significantly impact on public trust in the financial stability of banks or bank groups, shall be punished by imprisonment for a term between one and five years".*

The text of this provision makes clear that the offence is committed if false information is spread or sham transactions or other stratagems are engaged in with a view to significantly altering the price of financial instruments which are unlisted, or significantly impacting on public trust in the financial stability of banks or bank groups.

The disclosure of information does not constitute an offence under this category if the information has not been disseminated in public but has, instead, been communicated only to a small number of persons.

"Information" means a specification of fact circumstances that is sufficiently precise. Hearsay or subjective forecasts cannot be considered such.

The information is considered to be false when it is capable - by creating a false representation of reality - of misleading financial operators by leading to an uneven rise or fall in price.

"Other stratagems" refer to "any conduct which, as a result of deception, is likely to alter the course of the normal price". Causing a situation of risk is a sufficient condition for the commission of this offence, irrespective of whether or not an artificial price variation actually occurs.

Art. 2629-bis Civil Code - Failure to disclose conflicts of interest

*"The director or member of the management board of a company with shares listed on regulated markets in Italy or in another European Union State or distributed among the public to a relevant extent within the meaning of Article 116 of the consolidated text of Legislative Decree no. 58 of 24 February, 1998, as amended, or of a subject under supervision pursuant to the consolidated text of Legislative Decree no. 385 of 1 September, 1993, the aforementioned consolidated text of Legislative Decree no. 58 of 1998, Legislative Decree no. 209 of 7 September 2005, or Legislative Decree no. 124 of 21 April 1993, who contravenes the obligations provided for by Article 2391, first subsection, shall be punished by imprisonment for a term between one and three years if the violation causes detriment to the company or to third parties".*

The offence of failure to disclose a conflict of interest is an offence of damage to a legal interest, requiring the legal interest protected by the criminal law to be actually injured, and it applies exclusively to the directors of a listed company.

7.1.3 Offences relating to capital transactions and the allocation of profits

Art. 2626 Civil Code - Improper refund of contributions

*"Directors who, except in cases of legitimate reduction of the registered capital, return (even in simulated form) contributions to shareholders or release them from the obligation to make them, shall be punished by a term of imprisonment up to one year".*

This offence is specific to directors who - outside the cases of legitimate return of share capital - authorise the return (including fictitious return) by them of shareholder contributions to the shareholders, or the release of said shareholders from the obligation to make them.

Art. 2627 Civil Code - Illegal distribution of profits and reserves



*"Unless the act or conduct constitutes a more serious offence, directors who distribute profits or advances of profits not actually achieved or designated by law for the legal reserve, or who distribute reserves, also if not constituted by profits, which may not by law be distributed, shall be punished by a term of imprisonment up to one year.*

*The return of the profits or reconstitution of the reserves before the term specified for the approval of the financial statements extinguishes the offence".*

This criminal offence involves the distribution by directors of profits or advances on profits that have not in fact been made or that have been designated by law for the legal reserve, or the distribution of reserves (also if not constituted by profits) which cannot by law be distributed. In this case too, the offence can be committed only by directors.

Art. 2628 Civil Code - Unlawful operations on shares or stocks of the controlling company

*"Directors who, other than in the cases permitted by law, buy or subscribe for shares or stocks, thus causing harm to the integrity of the share capital or the reserves that are non-distributable by law, shall be punished by a term of imprisonment up to one year.*

*The same penalty applies to directors who, other than in the cases permitted by law, buy or subscribe for shares or stocks issued by the parent company, thus causing harm to the integrity of the share capital or the reserves that are non-distributable by law.*

*If the share capital or reserves are reconstituted before the term specified for the approval of the annual financial statements for the year in which the conduct took place, the offence is extinguished".*

This offence is committed by directors who purchase or subscribe for shares or stocks in the company to which they belong or in a subsidiary, thus harming the integrity of the share capital or of reserves that cannot by law be distributed.

Art. 2629 Civil Code - Transactions to the detriment of creditors

*"Directors who, in violation of the legal provisions safeguarding creditors, effect reductions of the share capital or mergers with other companies, or demergers to the detriment of creditors, shall be punished, at the suit of the injured party, by a term of imprisonment between six months and three years.*

*Compensating the creditors for the loss prior to legal proceedings shall extinguish the offence".*

This offence occurs when the directors, in contravention of legal provisions protecting creditors, carry out reductions of the share capital or effect mergers with other companies or demergers which injure the interests of creditors.

Art. 2632 Civil Code - Fictitious formation of capital

*"Directors and contributing shareholders who, even in part, fictitiously constitute or increase the share capital through the allocation of shares or stocks for a total figure that exceeds the real value of the share capital, or through the reciprocal subscription of shares or stocks, or through the substantial overvaluation of the contributions of goods in kind or receivables or of the corporate assets in the case of restructuring, shall be punished by a term of imprisonment up to one year".*

This offence occurs when a company's share capital is fictitiously constituted or increased by means of the conduct exhaustively described in the text of the legislative provision.

The perpetrators of this offence can only be the contributing directors and shareholders in question.

Art. 2633 Civil Code - Improper distribution of corporate assets by liquidators

*"Directors who cause detriment to creditors by distributing corporate assets among shareholders prior to the payment of company creditors or the allocation of the amounts required to satisfy them, shall be punished, at the suit of the injured party, by a term of imprisonment between six months and three years.*

*Compensating the creditors for their loss prior to legal proceedings shall extinguish the offence".*



This offence can be committed exclusively by liquidators who cause detriment to creditors by distributing corporate assets among shareholders prior to the payment of company creditors or the allocation of the amounts required to satisfy them.

#### 7.1.4 Offences relating to the formation of the corporate will

##### Art. 2636 Civil Code - Exerting unlawful influence on the General Meeting

*"Any person who, by simulated or fraudulent acts or conduct, achieves a majority in a General Meeting in order to obtain for himself or others an unjust benefit shall be punished by a term of imprisonment between six months and three years".*

It should be noted that the company is liable only when the conduct envisaged by the article in question is committed in its interest.

This offence could be committed, for example, if a director submitted false or incomplete or altered documents to the General Meeting in relation to a specific agenda for the meeting, in order to induce it to approve a resolution on a specific item on that agenda.

#### 7.1.5 Offences relating to dealings with public supervisory authorities

##### Art. 2638 Civil Code - Hindering public supervisory authorities in the exercise of their functions

*"Directors, general managers, directors responsible for drawing up corporate accounting documentation, auditors and liquidators of companies or entities and other parties subject by law to public supervisory authorities, or bound by obligations to them, who, in communications to the said authorities required by law - in order to hinder the exercise of their supervisory functions - set forth material facts that are untrue, even if the subject of ongoing assessment, on the profit-and-loss, capital or financial position of those subject to supervision or who, for the same purpose, conceal by other fraudulent means and in whole or in part, facts that are required to be communicated relating to the said position, shall be punished by a term of imprisonment between one and four years. Liability to punishment also covers cases where the information relates to goods owned or administered by the company on behalf of third parties.*

*The same punishment will apply to directors, general managers, directors responsible for drawing up corporate accounting documentation, auditors and liquidators of companies or entities and other parties subject by law to public supervisory authorities, or bound by obligations to them, who, in any form, including by omitting communications required to be made to the said authorities, knowingly hinder the exercise of their functions.*

*The punishment is doubled in the case of a company with stock listed on Italian regulated markets or those of other European Union Member States or distributed among the public to a relevant extent within the meaning of Art. 116 of the consolidated text of Legislative Decree no. 58 of 24 February, 1998".*

This offence is committed when untrue material facts (even if the subject of ongoing assessment) relating to the profit-and-loss, capital or financial position of those subject to supervision are set forth in communications to the supervisory authorities provided for by law, in order to hinder their operation, or when facts are concealed by other fraudulent means, in whole or in part, which ought to have been disclosed relating to the aforementioned position.

The public supervisory authorities or independent administrative authorities are independent organisational bodies whose purpose is to guarantee the operation of market rules or to protect constitutional interests in particularly sensitive sectors.

The following authorities may also be noted: the Bank of Italy, the Italian Commission for Listed Companies and the Stock Exchange (CONSOB), the Supervisory Authority for the protection of communications (AGCOM), the Supervisory Institute of private and public interest insurance companies (ISVAP).

## **7.2 Sensitive processes**



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*7.2.1 Activities related to the process of preparing the financial statements, reports and other corporate communications envisaged by law*

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*7.2.2 Activities relating to dealings and communications between corporate bodies and third parties*

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*7.2.3 Activities relating to capital transactions and the allocation of profits*

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*7.2.4 Activities relating to dealings with public supervisory bodies*

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### **7.3 General Principles of Conduct**

In order to ensure optimal transparency and propriety in the financial and economic management of the Company, a number of general principles of conduct have been drawn up which the Recipients of the Model must strictly comply with in the course of their specific activities.

These principles, which are more specific than those set out in other parts of the Model, are aimed at preventing inappropriate conduct that could involve the risk of commission of the offences provided for in Article 25-ter of the Decree.

First and foremost, it is forbidden to engage or collaborate in or cause conduct falling within the aforementioned offence categories (Article 25-ter of the Decree) and conduct which could potentially become such, although not strictly falling within said offence categories.

This Special Part imposes an express obligation on the Addressees of the Model to engage in conduct which is appropriate, transparent and collaborative in nature, in compliance with applicable laws and internal Company provisions and with the Code of Conduct, in all activities that involve the preparation of the financial statements and other corporate communications in general, in order to ensure that shareholders and third parties in general are provided with true, complete and correct information related to the Company's profit-and-loss, capital and financial position.

Their obligations extends to the following, in particular:

- it is forbidden to represent or transmit false or incomplete data on the Company's profit-and-loss, capital and financial position - or data on said position which fails to correspond with the facts - for use and representation in financial statements, reports, prospectuses or other corporate communications and corporate information in general;
- it is forbidden to omit data and information required by law on the Company's profit-and-loss, capital and financial position;

- it is obligatory to ensure strict compliance with all legal and regulatory provisions that protect the integrity of the share capital, and to act at all times in compliance with internal Company provisions that are based on these rules, in order ensure that the guarantees of shareholders, creditors and third parties in general are not impaired. In reference to this obligation, it is forbidden:
  - a) to return contributions to shareholders or to release them from the obligation to make them, outside the cases of lawful reduction of the share capital;
  - b) to distribute profits or advances on profits not actually earned or designated by law for the statutory reserve;
  - c) to buy or subscribe for the shares or stocks of the Company or of the parent company outside the cases provided for by law, thus harming the integrity of the share capital or the reserves that are non-distributable by law;
  - d) to reduce the share capital or effect mergers or demergers in contravention of legislative or regulatory provisions protecting creditors, thus causing detriment to them;
  - e) to fictitiously constitute or increase the share capital through the allocation of shares or stocks for a total figure that exceeds the real value of the share capital, or through the reciprocal subscription of shares or stocks, or through the substantial overvaluation of contributions of goods in kind or receivables or of the Company's assets in the case of restructuring;
  - f) to divert corporate assets from creditors, in a liquidation of the Company, and distribute them among shareholders prior to the payment of creditors or the allocation of the amounts required to satisfy them.
- it is obligatory to ensure the regular operation of the Company and of its corporate bodies, guaranteeing and facilitating all forms of control over company management provided for by law, and ensuring that the corporate bodies are properly and regularly communicating with external audit firms and third parties. In the context of the aforementioned conduct and activities, it is forbidden:
  - a) to engage in conduct that materially obstructs - by the concealment of documents or use of other fraudulent means - or that otherwise prevents the regular auditing of the Company management by the Board of Statutory Auditors or the external auditing firm;
  - b) to engage in fictitious operations or transactions or to disseminate false information about the Company;
  - c) to carry out any transaction or operation or initiative if there is a conflict of interest, or if a conflict of interest exists with the Company's interests also in relation to third parties.
- the supervisory authorities must be notified - promptly, properly and in good faith - of all matters provided for by applicable legislative and regulatory provisions, and it is forbidden to impede their supervisory functions in any way; furthermore, there is an obligation to ensure that information provided outside the Company is true, prompt, transparent and accurate;
- all activities and dealings with the other Petronas Group companies must be characterised by the utmost propriety, integrity and transparency.

#### ***7.4 Specific principles associated with the regulation of individual Sensitive Processes***

In relation to the sensitive processes of relevance for the purposes of the potential commission of the offences indicated in Article 25-ter of the Decree, PL Italy has identified the following specific principles, compliance with which has the purpose of ensuring that the specific stages of each operation are fully traceable and documentable.



**7.4.1 Activities related to the process of preparing the financial statements, reports and other corporate communications envisaged by law**

The financial statements are formed in accordance with the provisions and rules provided for by the Civil Code and associated regulations.

In particular, the internal managers in charge of determining the items forming the financial statements and the accompanying reports:

- must fully respect the existing accounting records;
- must apply the Balance Sheet schemes provided for by Article 2424 of the Civil Code;
- must apply the Profit and Loss schemes provided for by Article 2425 of the Civil Code;
- must apply the assessment criteria provided for by Article 2426 of the Civil Code;
- must verify that the Board of Statutory Auditors has approved any cost items for plant, research and advertising and any other items requiring such approval;
- must verify the content of the notes to the accounts as well as compliance with the provisions of Article 2427 of the Civil Code;
- must verify the application of proper accounting principles and applicable tax rules;
- must verify the completeness of the management report.

The Company has fine-tuned a specific procedure for preparing the financial statements and other corporate communications to which reference is made, "Financial statement flows under the Civil Law" (231 VNA P 03), which highlight the mandatory communications that must be received by the CC for control and supervisory purposes, relating to the present offence category.

**7.4.2 Activities relating to dealings and communications between corporate bodies and external auditing firms/third parties**

Optimal collaboration and transparency must exist in regulating the management of relations between the Board of Statutory Auditors and external auditing firms/third parties.

Any information, data and documents that may be requested by the Sole Shareholder must be promptly provided in accordance with the requirements of completeness, transparency, accuracy and truthfulness.

The following specific principles are applicable in relations between the Company and the external statutory auditing firm:

1. compliance with the criteria governing the stages of assessment and selection of suppliers;
2. consultancy assignments relating to activities other than account control may not be entrusted to the external auditing firm or to companies or professional bodies belonging to the same network as said external auditing firm.

In order to prevent the commission of the offence of obstructing corporate bodies in their duties of monitoring the Company management, in conformity with the applicable principles of conduct, the relevant activities must be carried out in accordance with the following rules which envisage:

- prompt submission to the Board of Statutory Auditors of all documents relating to items on the agenda of General Meetings and Board of Directors meetings, or in relation to which the Board of Statutory Auditors is required to give its opinion pursuant to law;
- provision to the Board of Statutory Auditors of documentation relating to the management of the Company for periodic checks;
- anything else necessary to ensure that the assignments entrusted to the Board of Statutory Auditors and the external audit firm are properly carried out.

**7.4.3 Activities relating to capital transactions and the allocation of profits**

All operations relating to the Company's share capital, those relating to the incorporation of companies, the purchase and sale of equity interests, mergers and demergers and any operations or activities that could potentially impair the integrity of the share capital must be





implemented in accordance with applicable legislative provisions and with the Company Articles of Association.

The following specific principles must be observed in the various operations and activities aimed at preventing the criminal offences referred to above.

#### Reducing and increasing the share capital

In the event of reduction of the Company share capital, the top management must inform the Board of Statutory Auditors if it intends to effect operations to return capital to contributing shareholders, or to release them from the obligation to make such contributions, thus ensuring that it is subject to a preliminary "review of legality".

In the event of a share capital increase, the Board of Statutory Auditors must be informed in advance about the nature of and reasons for the operation by being sent the relevant documentation, which will be submitted for the approval of the Board of Directors.

The CC must, in this case too, be notified of this operation.

#### Allocation of profits and reserves

When General Meeting resolutions are being passed involving the distribution of profits or shareholders' equity reserves, the Board of Directors must check that said distribution complies with applicable legislative and regulatory provisions.

The Board of Statutory Auditors must verify compliance with legal provisions applicable to any distributions of profits, provisions for profits or distribution of reserves when the financial statements are being drawn up or where those operations should occur during the financial year.

#### Mergers and demergers

In the event of mergers or demergers, the draft projects referred to in Articles 2501-ter and 2506-bis of the Civil Code and the report of the governing body referred to in Article 2501-quinquies of the Civil Code must be communicated to the Board of Statutory Auditors at the time of their approval.

These documents, together with any observations of the Board of Statutory Auditors, must be sent to the CC.

All financial transactions by the Company, as well as the issue of guarantees or payment commitments, must be made based on appropriate documentation in order to facilitate the relevant checks.

#### Unlawful operations on shares or stocks of the controlling company

Prior to implementing any operation or transaction involving Company shares or stock, the directors must - even if the most recently approved financial statements indicate a positive balance sheet position - verify that losses incurred during the financial year have not eroded the available capital and made it impossible to purchase or subscribe for shares or stock at a cost that does not impair the capital or available reserves.

The agenda of Board of Directors meetings, and the attendant resolutions relating to the approval of the operations just referred to, must be promptly notified to the Board of Statutory Auditors, together with the reasons for the operation and also describing the financial methods used to carry out such operations and the effect thereof on the consolidated capital, if this can be evaluated.

#### 7.4.4 Activities relating to dealings with public supervisory bodies

All communications to the public supervisory authorities (Italian Competition Authority - AGCM) provided for by law and by regulation must be prompt, complete and appropriate.

Relations with the supervisory authorities must be characterised by maximum collaboration and transparency; where the supervisory authorities are engaged in carrying out inspections, the



managers of the Areas involved in the inspection are responsible for managing relations with said authorities.

Information provided to the supervisory authorities must be properly archived and preserved. Such communications and documentation shall not contain facts which do not correspond to the truth and it is forbidden to conceal facts relating to the Company's profit-and-loss, capital and financial position.

The Company has adopted a special procedure applicable in the context of inspections carried out by the Italian Competition Authority (AGCM) and by the European Commission.

This procedure is associated with the document "Antitrust Code" (231 VNA MO 07) which is an integral part of the organisational, management and control Model adopted by the Company pursuant to the Decree.

Information flows to the CC relating to compliance with the principles and procedures mentioned above, which result in said Body receiving the information necessary for it to carry out its activities of verification and control, are expressly governed by Section 11 of this Special Part, to which reference is hereby made.

## **8. OFFENCES INVOLVING CORRUPTION AMONG PRIVATE PARTIES**

### **8.1 Facts**

On 28 November 2012 law 190/2012, "Provisions for the prevention and repression of corruption and illegality in Public Authorities" came into force. This introduced the offence of "corruption among private parties", within the catalogue of offences covered by article 25 ter (corporate offences), to letter s bis), article 2635 civil code.

The Company has decided to dedicate the present section to the said offence, autonomous and formally separate from that referring to corporate offences, given the significance, both legal and socio-economic, of the offence now subject to analysis.

Awareness of the structure and modalities of carrying out the offence - the commission of which, on the part of those subjects set out ex article 5 of the Decree, is linked to the regime of liability relative to the Body - is essential in preventing the said offences and hence for the entire control system as set out in the Decree.

Within this context, it is necessary to immediately specify that the offence generating the administrative liability of the Body, is that set out in the third paragraph of article 2635 civil code.

Since the present paragraph is explanatory it is, however, necessary to analyse the entire article in order to clearly highlight the relevant conduct as regards the Model.

The text of article 2635 civil code is as follows:

- I. Except where the offense constitutes a more serious offense, the directors, general managers, managers assigned to draft the company accounts documents, auditors and liquidators who, following the act of giving or promising money or other benefit, for themselves or others, carry out or omit to carry out actions, in violation of their obligations relative to their office, or their obligations of loyalty, causing damage to the company, are punishable with a prison sentence of from one to three years.*
- II. The punishment of a prison sentence of up to one year and six months is imposed if the offense is carried out by someone subject to the management or supervision of one of the subjects set out in the first paragraph.*
- III. Whoever gives or promises money or other benefit to persons set out in the first and second paragraph is punishable with the penalties set out therein.*
- IV. The penalties set out in the previous paragraphs are doubled where one is dealing with companies whose shares are quoted on Italian regulated markets or markets of other states in the European Union or are to a significant extent spread among the public, in compliance*



*with article 116 of the consolidated text of provisions regarding financial intermediation, as set out in Legislative Decree 24 February 1998, no. 58, and subsequent modifications.*

*V. Matters proceed via a private case taken out by the damaged party, except where the conduct in question leads to a distortion of competition in the acquisition of goods or services.*

The first paragraph states that the "corrupt" subject occupies the position of director, general manager, manager assigned to draft the company accounts documents, auditor or liquidator. He must carry out or omit to carry out actions in violation of the obligations incumbent upon his position i.e. the written rules set out in the civil code and the company articles of association, or in violation of general and generic duties of faithfulness, loyalty and correctness even if not formalized in a written document.

The action or omission must be pursuant to the giving or promising of money or other benefit, accepted by the corrupt person for himself or others, and must lead to damage sustained by the company.

The said damage must have a patrimonial connotation i.e. it must be possible to evaluate it in economic terms.

The second paragraph extends the punishment applicable to corrupt persons to persons subject to the authority or supervision of those subjects set out in paragraph 1.

The said wording ensures that the offense is also committed when, for example, the corrupt individual is the marketing director or the purchasing manager. Indeed, by doing so such subjects, who would not, on the basis of the contents of the first paragraph, fall within the remit of those who can commit the offence in question, are thus included, since the same are certainly subject to the orders of the managing director at the very least.

The third paragraph punishes the corrupter: this is the offence that generates administrative liability on the part of the company.

It is important to emphasise that "anyone", without any subjective limitation, can be the corrupter.

It is also important to note, however, that in order for "231" to be applicable, all the elements set out in paragraph 1 must be present. Hence the corruptor must offer money or other benefit to one of the subjects listed therein, or to someone subject to them; the latter must carry out or omit to carry out, as a result of what is given or offered, an action contrary to their duties; and, finally, all this must lead to damage for the company to which the corrupter belongs.

The offence is pursued via private prosecution (partners of the corrupted company), except in cases that lead to a distortion of competition, with the same pursued through the courts by the legal authorities.

## **8.2 Sensitive processes**

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## **8.3 General conduct principles**

In order to guarantee maximum transparency and correctness relative to the management of PL Italy's commercial relations, some general conduct principles have been elaborated which Model addressees must rigorously respect when carrying out their specific activities.

These principles, of a specific character relative to the principles expressed in other parts of the Model, seek to block any incorrect conduct which could lead to the risk of committing those offences set out in letter s bis) of article 25 ter of the Decree.

The relationship with suppliers is marked by the principles of transparency, loyalty, integrity, confidentiality, diligence, professionalism and objective judgement.



Purchasing processes are marked by a search for the maximum competitive advantage for the Company, together with loyalty and impartiality.

In both cases it is necessary for all those who work for the Company to act in compliance with the principle of reciprocity, on the basis of which each commercial partner must contribute to the commercial relationship, creating benefits for both parties.

PL Italy considers reciprocity to be a fundamental basis for every commercial agreement.

In the light of the above, all those who belong to the Company must avoid the following:

- Promise or pay sums of money or goods in kind to any subject belonging to other companies in order to promote or encourage the interests of PL Italy;
- Agree on advantages of any kind (promises to hire someone etc.), in favour of those belonging to other companies, in order to promote or encourage the interests of PL Italy;
- Distribute gifts that go beyond normal corporate practice (i.e. any form of gift that exceeds normal commercial practices or courtesy, or is in any way aimed at acquiring favourable treatment in the conduct of business activity). The Company, complying with the Policy adopted by the PETRONAS Group, forbids any donation of courtesy gifts;
- Submit untruthful declarations or provide false data to third party companies in order to achieve commercial agreements;
- Stipulate agreements or contracts that do not comply with current laws or which are not signed by all the contracting parties;
- Conclude commercial agreements without the written formalization of all agreed points, including therein the general purchase conditions, distribution agreements, revision of the agreement and modalities for the cessation or suspension of the commercial relationship;
- Apply a pricing policy that does not permit freedom of choice on the part of the client or the supplier;
- Ask or accept, for oneself or others, gifts or other benefits, except those usually given and of little value, from suppliers, contractors or companies, or any parties involved in supplies;
- Seek personal advantages in the management of relations with suppliers;
- Select and manage relations with suppliers without respecting the criteria of impartiality and correctness; or in situations where there are conflicts of interest, including potential, with the same;
- Create funds relative to goods/services contracted at prices higher than those of the market or invoices that are either totally or partially non-existent.

#### **8.4 Specific conduct procedures to be applied in "sensitive activities"**

Following the analysis of risks, as set out in paragraph 4 above, PL Italy has elaborated some procedures aimed at reducing the risk of committing the offence forming the subject of the present Special Part; and also considers some procedures, already cited in other special parts of the Model, to be necessary in tackling the above-mentioned risk.

More specifically:

- Commercial initiative sheet (CO TM I 03);
- Commercial manoeuvre management modality (CO AV I 006/10);
- Instruction for signing, and operational management of, contracts (CO TM I 06);
- Promotional plans (CO TM I 02);
- Purchase orders (ACQ P 01) and all operational instructions relative to the same;
- Contracts management (231 VNA P 05);
- Active cycle (231 VN P 01);
- Arexons active cycle (231 A P01)
- Passive cycle (231 VN P 02);
- Arexons passive cycle (231 A P02);
- Cash (231 VN P 03);
- Arexons cash (231 A P 03);
- Recruitment and selection of personnel (231 VNA P 01);



- Agents management (231 VNA P 04);
- Suppliers evaluation (ACQ P 02);
- GDO Commercial process management - Arexons (PG 03.01);
- Traditional channel commercial process management – Arexons (PG 03.02);
- Foreign market commercial process management – Arexons (PG 03.04);
- Suppliers and third parties purchasing and qualification – Arexons (PG 06.01).

Addressees area also required to strictly comply with the procedures set out in the Quality Manual, in compliance with standard ISO 9001.

The information flows relative to the CC, as regards respect for the above-mentioned procedures and principles, which make it possible to supply the same with the necessary information to carry out its verification and control activity, are expressly regulated by Section 11 of the present Special Part and should be referred to for all matters regarding the same.

## **9. OFFENCES OF MANSLAUGHTER AND SERIOUS OR VERY SERIOUS INJURIES COMMITTED WITH VIOLATION OF STANDARDS REGARDING ACCIDENT PREVENTION AND PROTECTION OF HEALTH AND SAFETY AT WORK**

### **9.1 Type of offence and regulatory principles**

Awareness of the structure and modalities of carrying out the offence - the commission of which, on the part of those subjects set out ex article 5 of the Decree, is linked to the regime of liability relative to the Body - is essential in preventing the said offences and hence for the entire control system as set out in the Decree.

The following sets out the regulatory references and descriptions of the offences forming the subject of the present Special Part.

#### **9.1.1 Manslaughter and injuries committed in violation of regulations protecting health and safety in the workplace**

The offence of manslaughter is defined in article 589 of the criminal code:

*"Anyone who deliberately causes the death of a person is punishable with a prison sentence of from six months to five years.*

*If the offence is committed with violation of the regulations concerning the Highway Code or those concerning the prevention of accidents at work the prison sentence runs from two to five years.*

*Where the death of more than one person is caused, or the death of one or more persons and the injuries of one or more persons, the punishment is applied to the most serious of the violations committed, increased by up to a factor of three, with the maximum sentence set at twelve years".*

The offence of unpremeditated bodily harm is governed by article 590 of the criminal code:

*"Anyone deliberately causing others personal injury is punishable with imprisonment of up to three months or with a fine of euro 309.*

*If the injury is serious the punishment is imprisonment from one to six months or a fine of from euro 123 to euro 619; if it is very serious, with imprisonment from three months to two years or a fine of from euro 309 to euro 1,239.*

*If the facts referred to in the second paragraph are committed with violation of the regulations governing the highway code or those for the prevention of accidents in the workplace, the punishment for serious injuries is imprisonment from three months to one year or a fine of from*

euro 500 to euro 2,000 and the punishment for very serious injuries is imprisonment from one to three years.

Where injuries are caused to more than one person the punishment is applied relative to the most serious of the violations committed, increased by up to a factor of three; however, the period of imprisonment cannot exceed a maximum of five years.

The offence is punishable via private prosecution taken out by the injured party, except in those cases set out in the first and second paragraph, specifically with regard to offences committed with violation of the regulations governing the prevention of accidents in the workplace or relative to those governing health and safety at work or those offences that have led to a professional illness.

The injury is considered serious when it is accompanied by one of the circumstances set out in article 583 paragraph 1 criminal code, and more specifically:

1. If as a result of the offence the victim suffers an illness which puts his life in danger, or an illness or incapacity that prevents him from carrying out ordinary tasks for a period of time greater than 40 days;
2. If the offence produces permanent weakening in one of his five senses or in an organ.

The injury is considered very serious where as a result of the attack the victim suffers (article 583 paragraph 2 criminal code):

1. An illness that is certainly or probably incurable;
2. The loss of one of his five senses;
3. The loss of a limb, or a mutilation that renders the limb unusable, or the loss of use of an organ or the ability to procreate, or a permanent and grave difficulty in speaking;
4. Deformation or permanent disfigurement of the face.

## **9.2 Requisites indicated by article 30 Legislative Decree 81/08**

The legislator has laid down, in article 30 of Legislative Decree 81/08 (Consolidated Text on safety), the minimum requisites which the Model must necessarily have in order to enjoy exemption from the administrative liability of legal persons where manslaughter or serious or very serious unpremeditated injuries are inflicted in offences.

According to legal provisions, the Model must ensure the performance of all regulatory obligations regarding:

- a. Respect for legal technical-structural standards relative to equipment, systems, workplaces, chemical, physical, biological agents;
- b. Risks evaluation activities and the provision of pursuant prevention and protection measures;
- c. Activities of an organisational nature, such as emergencies, first aid, management of contracts, periodic safety meetings, consultation of worker safety representatives;
- d. health monitoring activities;
- e. worker information and training activities;
- f. monitoring activities with reference to compliance with work instructions and procedures on the part of workers;
- g. acquisition of legally compulsory documentation and certifications;
- h. periodic verifications of the application and efficacy of those procedures adopted.

In addition, the article in question states that:

- the Model must also contain appropriate systems for registering that the above listed activities have been carried out;
- there must be an articulation of functions which, on the basis of the nature and size of the organisation, and the type of activity carried out, ensures there are the technical competences and powers required for the verification, evaluation, management and control of risks;



- a disciplinary system that is appropriate in punishing failures to respect the measures set out in the Model.
- an appropriate control system relative to the implementation of the Model and the maintenance over time of the appropriateness of any measures adopted.

The legislator also states that, where significant violations of the regulations are discovered relative to the health and the prevention of accidents at work, or where there are changes in the organisation and activities regarding scientific and technological progress, the Model must be subject to re-examination and, where appropriate, modified.

In the light of the precise specifications set out in article 30, it is increasingly widely held that the Model in general, and especially the part of it that is dedicated to the prevention of risks related to manslaughter and unpremeditated injuries committed in violation of accident prevention regulations, must not be limited to mere respect for the legal provisions and, in this case, the accident prevention regulations (Legislative Decree 81/08).

Indeed, though partial overlapping is possible, what the legislator requires, in order to comply with 231, is that the effective implementation of the Model must involve the general organisational structure and all related functions, providing risk management activities that are more coordinated and penetrating, relative to the performance of all obligations set out in the Consolidated Text on Safety, through to achieving a guarantee of constant verification of the same and its effective application.

Finally, it is necessary to emphasise that article 30 involves a presumption of conformity with the requisites indicated by the same (obviously only with reference to the two offences to which the present Special Part is dedicated), where corporate organisational models are defined in compliance with the UNI-INAIL guidelines for a health and safety at work management system (SGSL) of 28 September 2001 or British Standard OHSAS 18001:2007.

### **9.3 PL Italy organisational structure**

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### **9.4 Safety policy and structure of the integrated manual**

The care and commitment of everyone relative to health and safety at work and the prevention of any risks of accidents and injuries are considered essential by PL Italy.

The Company undertakes to implement and guarantee respect for regulatory requirements and those that are compulsory, involving all Company functions and structures, as well as pursuing continual improvement of its performance relative to health and safety.

The functioning of the system depends on the commitment and collaboration of everyone, in that everyone, at every level, has his role and specific responsibilities regarding health and safety. The commitment required is therefore not only the responsibility of some persons, but of everyone, and is realised through a positive attitude, team work and the transparency of one's actions, because the protection of health and safety are of vital importance for every worker.

The Company promptly updates its systems relative to legal and regulatory provisions regarding health and safety at work, and especially as regards the provisions of article 30 Legislative Decree 81/08 and those of BS OHSAS 18001 international standards.

As regards current regulations relative to the protection of health and safety at work, PL Italy undertakes to adopt all measures necessary to protect the physical and moral integrity of its workers, and more specifically:

- a. The execution of Company activities is carried out in compliance with current legislation relative to the health and safety of workers and is considered a priority;



- b. The risks for workers are reduced, as far as possible, relative to the evolution of cutting edge techniques, by choosing the most appropriate and least dangerous materials and equipment, focusing on the reduction of risks at source;
- c. Risks which cannot be avoided are correctly evaluated and appropriately mitigated through appropriate collective and individual safety;
- d. Information and worker training is disseminated, updated and specific as regards the tasks to be carried out;
- e. Worker consultation is guaranteed, including through worker health representatives (RLS), as regards health and safety in the workplace;
- f. Any requirements or non-conformities are quickly and efficaciously dealt with, as regards safety, as they emerge during the course of work activities or as a result of verifications and inspections;
- g. The organisation of work and operational aspects are realised such that the health of workers, third parties and the general community in which the Company operates is protected.

In pursuing the aims set out above organisational, instrumental and economic resources are allocated in order to guarantee complete respect for current accident prevention regulations and continual improvement in the health and safety of workers in the workplace, together with the relative prevention measures.

In carrying out all operations relative to worker health and safety, Company's bodies and employees must understand and respect the systems of rules and procedures set out in the Model, and in the safety management system, as well as any Company provision that relates to the subject in question.

Starting with the risks evaluation document, drafted in compliance with article 28 paragraph 2 of Legislative Decree 81/08, PL Italy has defined specific procedures and instructions aimed at defining, with clarity and simplicity, for all collaborators, safe work modalities and those able to guarantee traceability and documentability of the activities carried out.

Within this context, the management system structure is as follows:

- **Management system manual:** describes the modalities used by PL Italy to guarantee and respect reference regulatory requirements and provide a general overview in order to identify both the system and its elements.
- **Procedures:** illustrate the activities, responsibilities and registrations necessary for implementation of the system within the organisational structure, as well as describing general activities or processes relative to the system itself.
- **Operational safety instructions:** specific and detailed explanatory documents regarding an individual subject, complementary relative to procedures and issued when necessary in order to specify execution modalities for activities involved in reducing or cancelling health and safety risks.
- **Forms:** supplementary support documents for realisation of the system, through which the execution of the support activities is registered relative to what is set out in the manual and its procedures.
- **Registrations:** documents that set out the results achieved or provide evidence of activities carried out relative to the management of health and safety matters.

It should be noted that procedures, instructions and other documents of the system are disseminated and made known in the following ways:

- posting them in the workplace where necessary;
- informatics distribution to the subjects involved;
- publication on the Company intranet;
- specific training of workers involved in the procedures.





**9.5 Sensitive processes: control systems and procedures**

Following its risk analysis activity, the Company has identified the main activities that can be considered "sensitive" relative to the present Special Part.

The overall evaluation of risks generated by PL Italy activity and identification of the relative sensitive processes as regards the potential commission of offences, as set out in article 25 – septies of the Decree, has been carried out with, as a reference point, the indications set out in the first part of article 30 of Legislative Decree 81/08 and the results of the *Risk assessment/Risk Reduction* process of the OHSAS system, adopted by the Company, which describes the modalities and criteria for identifying dangers, evaluating risks and implementing control measures relative to the said risks evaluated.

In line with the protocol, it is important to note, merely by way of example, that the following have been taken into consideration:

- As regards the Villastellone and Naples production sites, the research, development and production activities for lubricant oils, brake fluids, antifreezes, functional fluids and lubricant grease via mixing, salting and packaging. In this production area the following activities were evaluated:
  - products research and development
  - laboratories, engines test rooms and roller bench
  - materials acceptance and storage
  - production systems supply
  - mixing
  - packaging and warehousing of finished products
  - production of grease, activity carried out at the Villastellone factory.
- as regards Arexons Management, research and development, production and commercialisation of chemical products for the care and maintenance of cars and engines, as well as for DIY, car accessories and spare parts, adhesives and sealants, service fluids for industry, cloths, synthetic and natural leather, commercialisation of pile. In this production area, the following activities were evaluated:
  - materials acceptance and storage
  - production systems supply
  - mixing
  - packaging and warehousing of finished products.

For greater completeness of the present Special Part, the following table sets out the activities listed in the first part of article 30, the relative risk contexts and the procedures developed in the System in order to guarantee compliance with and respect for the relative tasks.

| <b>ACTIVITY SECTORS POTENTIALLY AT RISK</b>                          | <b>DESCRIPTION OF REDUCTION ACTIVITY AND RISK CONTROL</b>  | <b>MAIN SGSL INDICATIONS</b>   |
|--|--|--|
| <p align="center"><b>Structural equipment technical standard</b></p> | <p>To satisfy resistance, suitability, maintenance and efficiency requirements, PL Italy uses machinery and equipment in compliance with current regulations or requires evidence of such conformity where the machinery and equipment in question is not its own.</p> <p>In addition, conformity is guaranteed by homologations, certifications, calibrations and CE marking in those cases provided for by law. The Company ensures that all workers who use machines, equipment and devices respect, in addition to legal provisions, the regulations for the use of any individual machine, device or equipment.</p> | <p><b>ACQ P 01</b><br/>Purchase orders<br/><b>PL MP P 01</b><br/>Maintenance service<br/><b>PL MP I 01</b><br/>Corrective maintenance<br/><b>PLN MI I 10</b><br/>Preventive maintenance<br/><b>PL MP I 02</b><br/>Predictive and programmed maintenance<br/><b>QA P 32</b><br/>Palletizer conduct regulations<br/><b>PLI HSE SO 04</b></p> |



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|   | <p>The use of machines, devices or equipment must be exclusively reserved for authorized personnel who have been properly trained.</p> <p>The correct use of machines, devices and equipment also requires compliance with the necessary conditions regarding order and cleanliness. To this end, periodic control procedures have been introduced regarding the state of machinery, devices and equipment.</p> <p>The control and maintenance of tools and machinery is carried out via planning of interventions carried out by trained technicians. Control sheets have been created for interventions, maintenance and malfunction communications.</p>   | <p>Operations register<br/><b>PLI HSE SO 02</b><br/>End of shift deliveries handover<br/><b>PL LO I 02</b><br/>Unloading of drums and line transmission<br/><b>PO P 03</b><br/>Personnel training<br/><b>PLI HSE PS 01</b><br/>Process safety information (PSI)<br/><b>PLI HSE PS 02</b><br/>Process risks analysis (PHA)<br/><b>PLI HSE PS 02a</b><br/>Operational risks analysis<br/>HAZOP<br/><b>PLI HSE PS 03</b><br/>Preliminary safety evaluation (PASR)<br/><b>PLI HSE PS 04</b><br/>Engineering modifications management (EMOC)<br/><b>PLI HSE PS 04a</b><br/>Procedural modifications management (PMOC)<br/><b>PLI HSE PS 04b</b><br/>Organisational modifications management (OMOC)</p>   |
| <p><b>Structural systems technical standard</b></p> | <p>The correspondence of systems with legal standards is guaranteed, by way of example, by:</p> <ul style="list-style-type: none"> <li>• homologations;</li> <li>• revision of safety systems and plants and environmental protection, documentation relative to the disposal of waste in compliance with authorizations requested and to be requested, or renewed, or communicated to the competent authorities, including via management of waste loading and unloading registers and by using third party contracted companies;</li> <li>• documentation relative to obtaining fire prevention certificates a/o satisfaction of requirements by those organs assigned to supervise risks and fires;</li> <li>• work inspection and conformity certificates;</li> <li>• documentation relative to workplace safety.</li> </ul> | <p><b>PL MI P 01</b><br/>Systems office management<br/><b>PLI HSE PS 01</b><br/>Process safety information (PSI)<br/><b>PLI HSE PS 02</b><br/>Process risks analysis (PHA)<br/><b>PLI HSE PS 02a</b><br/>HAZOP risks and operations analysis<br/><b>PLI HSE PS 03</b><br/>Preliminary safety evaluation (PASR)<br/><b>PLI HSE PS 04</b><br/>Engineering modifications management (EMOC)<br/><b>PLI HSE PS 04a</b><br/>Procedural modifications management (PMOC)<br/><b>PLI HSE PS 04b</b><br/>Organisational modifications management (OMOC)<br/><b>HSE AI P 03</b><br/>Risk based analysis<br/><b>HSE AI P 04</b><br/>Inspections and checks<br/><b>HSE AIP 05</b><br/>Functional Safety<br/><b>HSE AI P 06</b><br/>AIM KPIs<br/><b>HSE AI ST 01</b><br/>Piping &amp; Instruments Diagram</p> |



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|   |  | <b>HSE AI MI</b><br>Asset Integrity Management  |
| <b>Structural workplace technical standard</b>                      | <p>To comply with workplace safety the following, by way of example, are provided:</p> <ul style="list-style-type: none"> <li>• devices appropriate for fire fighting (different types of fire extinguishers relative to different types of fires and locations);</li> <li>• appropriate, long-lasting signs, in compliance with current regulations, positioned in appropriate locations;</li> <li>• areas assigned to first aid and for periodic medical checkups;</li> <li>• first aid kits distributed throughout all workplaces;</li> <li>• maintenance contracts for fire extinguishers;</li> <li>• cleaning services for offices and workplaces;</li> <li>• workplace structure in compliance with current regulations relative to illumination, air quality, toilets and washrooms, accompanied by legal certifications (CPI – Fit for Use – Fit for Accommodation – Compliance etc.);</li> <li>• periodic interventions and verifications regarding: <ul style="list-style-type: none"> <li>- electric systems;</li> <li>- lifting systems;</li> <li>- electrogen groups;</li> <li>- fire extinguishers and other equipment;</li> <li>- air conditioning and thermal systems;</li> <li>- surveillance video and safety technologies.</li> </ul> </li> </ul> | <p><b>PLI HSE S 05</b><br/>Access in confined spaces<br/><b>ARX SPP P 02</b><br/>Verification of transit routes and signs integrity<br/><b>PL MP I 12</b><br/>Continuity groups manual by-pass<br/><b>PLI HSE S 10</b><br/>Critical safety equipment by-pass<br/><b>PL FB I 08</b><br/>Electrics panels disconnection<br/><b>PO P 05</b><br/>Reserved areas access regulation<br/><b>ARX SPP I 03</b><br/>Warehouse access management<br/><b>ARX SPP I 05</b><br/>Bench check<br/><b>PLI HSE S 04</b><br/>Energy utilities insulation</p> |
| <b>Structural chemical, physical, biological technical standard</b> | <p>An appropriate procedure has been drafted that seeks to control dangerous substances, from the purchase request phase through to waste disposal of the same.</p>  | <p><b>R&amp;D P 25</b><br/>Safety data sheets and labelling<br/><b>R&amp;D I 01</b><br/>Raw material origin<br/><b>PL FB I 03</b><br/>Washing oils classification<br/><b>PL FB I 13</b><br/>Washing fluids management<br/><b>PL FB I 200</b><br/>Loading products in tankers<br/><b>PL FB I 201</b><br/>Unloading raw materials from tankers<br/><b>PLN RS I 04</b><br/>Safety sheets management<br/><b>ARX SPP I 04</b><br/>Emptying window washing and antifreeze recovery tanks</p>  |
| <b>Risk evaluation activities</b>                                   | <p>The main aim of risks evaluation consists in the creation of a Company management system that focuses on:</p> <ul style="list-style-type: none"> <li>• prevention</li> <li>• reduction</li> <li>• control</li> </ul> <p>of possible risk factors for worker health and safety.</p> <p>The final part of the evaluation comprises the DVR, which becomes, therefore, the reference point for the organisation and all subjects that</p>  | <p><b>QA P 24</b><br/>Risks evaluation (<b>HEMP Analysis</b>)<br/><b>PL FB I 09</b><br/>Individual protection devices<br/><b>HSE I 002</b><br/>DPI management<br/><b>PLN SPP I 03</b><br/>DPI distribution management<br/><b>ARX SPP I 01</b><br/>DPI management</p>  |



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|   | <p>intervene or participate in the various safety activities, and contains:</p> <ul style="list-style-type: none"> <li>risks evaluation for those dangers that might cause accidents that injure workers (traumatic type effects)</li> <li>evaluation of those dangers that might arise over time with "professional illness" type symptoms (relative to industrial hygiene with chronic type effects).</li> </ul> <p>More specifically, the PL Italy DVR comprises:</p> <ul style="list-style-type: none"> <li>description of activities carried out and specification of the document's objectives;</li> <li>evaluation of operations carried out by workers and modalities of execution of the risks analysis.</li> </ul> <p>For a complete examination of the risks identified and evaluated by the Company see the Risks Evaluation Document and the relative sections focusing on individual risks.</p> <p>In conclusion, it must be noted that all process modifications are managed in accordance with the "Management of Change" procedures, which involve prompt and constant updating of the DVR sections affected by the above-mentioned modifications, which are assimilated on a general level each year.</p> | <p><b>PLI HSE S 03</b><br/>DPI management<br/><b>PLI HSE SO 01</b><br/>Shift workers management<br/><b>PLI HSE SO 02</b><br/>End of shift deliveries handover<br/><b>PLI HSE S 02</b><br/>Digging operations<br/><b>PLI HSE S 06</b><br/>Lifting operations<br/><b>PLI HSE S 07</b><br/>Work at height<br/><b>PLN SPP I 07</b><br/>Harness use<br/><b>PLN SP I 06</b><br/>Warehouse operations<br/><b>PLI HSE PS 01</b><br/>Process safety information (PSI)<br/><b>PLI HSE PS 02</b><br/>Process risks analysis (PHA)<br/><b>PLI HSE PS 02</b><br/>HAZOP operations and risks analysis<br/><b>PLI HSE PS 03</b><br/>Preliminary safety evaluation (PASR)<br/><b>PLI HSE PS 04</b><br/>Engineering modifications management (EMOC)<br/><b>PLI HSE PS 04a</b><br/>Procedural modifications management (PMOC)<br/><b>PLI HSE PS 04b</b><br/>Organisation modifications management (OMOC)<br/><b>HSE AI P 03</b><br/>Risk based analysis<br/><b>HSE AI P 04</b><br/>Inspections and checks<br/><b>HSE AIP 05</b><br/>Functional Safety<br/><b>HSE AI P 06</b><br/>AIM KPIs<br/><b>HSE AIST 01</b><br/>Piping &amp; Instruments Diagram<br/><b>HSE AI MI</b><br/>Asset Integrity Management Manual</p> |
| <p align="center"><b>Emergencies and first aid management</b></p> | <p>Management of emergencies and first aid has the following aims:</p> <ul style="list-style-type: none"> <li>to reduce to a minimum the probability that an unwanted event occurs which, modifying ordinary activity pushes the structure into an emergency situation, through the implementation of prevention measures;</li> <li>minimise and/or contain the evolution of events by adopting appropriate protection measures including through rigorous</li> </ul>   | <p><b>SPP P 01</b><br/>First aid management<br/><b>PLN MI I 07</b><br/>Emergency interventions<br/><b>PLN SPP PE</b><br/>Emergency plan (Na)<br/><b>PLN SPP I 01</b><br/>First aid<br/><b>PLN SPP I 02</b><br/>First aid kits management</p>   |



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|   | <p>organisation and management of the emergency;</p> <ul style="list-style-type: none"> <li>• guarantee evacuation of premises where the emergency arises, minimizing panic;</li> <li>• maintain level of vigilance and attention permanently high through: <ul style="list-style-type: none"> <li>- periodic drills</li> <li>- emergency plan updating.</li> </ul> </li> </ul> <p>The Company has identified various specific operational procedures, with particular reference to the most serious emergencies, identifying those figures assigned responsibilities relative to fire prevention, and ensuring the said figures receive specific training relative to the same.</p> | <p><b>ARX SPP P 01</b><br/>First aid management<br/> <b>ARX SPP I 02</b><br/>In reception alarms control<br/> <b>PLI HSE G 09</b><br/>Emergencies preparation and response<br/> <b>PLI HSE SO 03</b><br/>Non ordinary dangerous activities<br/> <b>PLI HSE S</b><br/>Ignition sources control</p>   |
| <p align="center"><b>Contracts management</b></p>     | <p>Procedures have been drafted to this end, defining the actions to be taken where work is contracted out, providing procedural indications for compliance with article 26 and Section IV Legislative Decree 81/08.</p> <p>It is important to note that the mere supply of materials, assets and equipment, which conclude "without related work" are activities that are not covered by the provisions of the above-cited article 26.</p>  | <p><b>HSE P 07</b><br/>Contracts management<br/> <b>HSE CA 01</b><br/>Pg App. health safety and environment specifications<br/> <b>HSE A 01</b><br/>Pg App. offer presentation<br/> <b>HSE A 02</b><br/>Pg App. Self-declaration req.<br/> Technical professional<br/> <b>HSE A 03</b><br/>Pg App. Sub-contract authorization<br/> <b>HSE A 04</b><br/>Pg App. organisation Model inspection declaration<br/> <b>HSE A 05</b><br/>Pg App. offer request<br/> <b>HSE A A</b><br/>Pg App. CSS area risks and DUVRI<br/> <b>HSE A B</b><br/>Pg. App. CSS general conduct standards<br/> <b>HSE P 08</b><br/>PLI research centre site contract management<br/> <b>QA P 29</b><br/>Carriers conduct standards<br/> <b>QA I 29</b><br/>Carriers safety standards<br/> <b>ARX SPP I 06</b><br/>Carriers safety standards<br/> <b>QA P 31</b><br/>Grease dept. tankers unloading conduct standards<br/> <b>HSE P 08</b><br/>PLI research centre sites contract management</p> |
| <p align="center"><b>Periodic safety meetings</b></p> | <p>The Company calls a safety meeting once a year with the following figures attending:</p> <ul style="list-style-type: none"> <li>• delegated employers</li> <li>• RSPP</li> <li>• RSGSL</li> </ul>   | <p><b>QA P 27</b><br/>Communication, participation and consultation</p>   |



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|   | <ul style="list-style-type: none"> <li>• competent doctor</li> </ul> <p>The meetings always end with the drafting of a report and/or document that is sent to the subjects involved.</p>   |  |
| <b>RLS consultations</b>  | <p>The RLS are consulted every time a situation arises as set out in article 50 Legislative Decree 81/08.</p> <p>Every consultation ends with the drafting of a report which is filed in both electronic and paper format.</p>   | <p><b>QA P 27</b><br/>Communication, participation and consultation</p>  |
| <b>Health monitoring activities</b>                                 | <p>The aim of the health surveillance management procedure is to guarantee continuity and regularity for the scheduling of medical checkups which workers must undergo in compliance with article 20 of Legislative Decree 81/08.</p> <p>The <i>operational structure</i> for medical checkups involves the Employer requesting the worker to attend the medical check-up; the competent doctor carries out the check-up, drafting his report, with the Employer transmitting the findings of the report to the worker, or the figure with whom the worker is working, so that any medical matters may be taken into account during the performance of tasks assigned to him.</p> <p>The Employer is obliged to choose tasks for workers in the light of any medical findings that may limit their abilities to carry out certain assignments.</p>   | <p><b>QA P 28</b><br/>Surveillance and measurements<br/><b>PLI HSE H 01</b><br/>Suitability for work</p>   |
| <b>Worker information and training</b>                              | <p>The personnel training programme is attended each year by members of the various Company functions on the basis of tasks carried out.</p> <p>The said training is divided into three parts: technical training, environment and health training and general training.</p> <p>The training is designed for all employees, with reference to the tasks that each of them carry out.</p> <p>As regards training in work health and risks, the training programs have been drafted in compliance with the contents of the Regions State Agreement of 21 December 2011.</p> <p>Specific training has been provided for Foremen.</p> <p>Training relative to health and the environment is periodic: each employee receives initial training, which is updated where there are any changes in tasks assigned to the same and/or in the reference context (regulatory, operational, environmental etc.).</p> | <p><b>PO P 03</b><br/>Personnel training<br/><b>QA P 27</b><br/>Communication, participation and consultation<br/><b>PLI HSE PS 04</b><br/>Engineering modifications management (EMOC)<br/><b>PLI HSE PS 04a</b><br/>Procedural modifications management (PMOC)<br/><b>PLI HSE PS 04b</b><br/>Organisation modifications management (OMOC)</p> |
| <b>Acquisition of legally compulsory documents and certificates</b> | <p>Relative to what is necessary to satisfy current legal regulations, the Company asks its suppliers to provide all documents required by law.</p>  | <p><b>QA P</b> Legal prescriptions<br/><b>R&amp;D P 25</b><br/>Safety data sheets and labelling<br/><b>R&amp;D I 01</b><br/>Raw material origin<br/><b>PLI FB I 202</b><br/>Outgoing carriers control ADR check list<br/><b>QA P 23</b><br/>Waste management</p>   |



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| <b>Control of compliance with work instructions and procedures</b>  | Supervision of compliance with work procedures and instructions on the part of workers is sanctioned by the above documentation structure, and is carried out by subjects who guarantee work safety and hygiene, relative to the exercise of those functions assigned to them.   | <b>QA P 04</b><br>Management re-examination  |
| <b>Periodic checks on application of the efficacy of procedures</b> | Verification of the application of procedures is carried out by Senior Management and by the RSGA through <i>audits</i> performed by:<br>• Safety management system internal <i>auditors</i><br>• Third party <i>auditors</i><br>as regards the implementation of tasks provided for under prevention regulations, as well as by subjects involved under various headings in the management of safety, within those limits assigned to them in line with their position. | <b>QA P 05</b><br>Internal inspection verifications<br><b>QA P 25</b><br>Aims and goals<br><b>QA P 26</b><br>Operational control           |
| <b>Periodic re-examination of safety system</b>                     | During the periodic meeting the system is re-examined in order to provide the Employer with useful information that permits him to decide on the introduction of any corrective interventions. In addition, every year, and in line with inspection verifications carried out by the certifier, the system is re-examined.<br>The DVR is re-examined every time there is a modification to the law or the internal organisation.   | <b>QA P 04</b><br>Management re-examination<br><b>QA P 25</b><br>Aims and goals<br><b>PLN RS I 0</b><br>Indicators and aims re-examination |
| <b>Accidents management</b>   | The aims of the procedure consist in the identification of causes that can lead to accidents in the Company, provide indications relative to the management of accidents, adopt effective measures to reduce or eliminate any accidents, improve the Company safety system.  | <b>PLI HSE G 07</b><br>Accidents management<br><b>QA P 17</b><br>NC AC AP management<br><b>QA P 04</b><br>Management re-examination        |
| <b>Non-conformities management</b>                                  | Management of any communications concerning safety matters and non-conformities.   | <b>QA P 01</b><br>Documents and registrations management<br><b>QA P 17</b><br>NC AC AP management  |

The information flows relative to the CC, as regards compliance with the above-mentioned procedures and principles, which make it possible to provide the same with the information required to carry out its verification and control activities, are expressly governed by Section 11 of the present Special Part.

## **10. OFFENCES INVOLVING RECEIPT OF STOLEN GOODS, MONEY-LAUNDERING, USE OF MONEY, GOODS OR BENEFITS OF ILLICIT ORIGIN**

As regards risks concerning the offences in question relative to the movement of sums of money, it is felt that the same are not accompanied by any particular factors that link them to PL Italy. Hence the procedures that regulate and map the management of the Company's financial flows, indicated in the above sections and, more specifically, in Section 3, constitute an appropriate, specific monitoring structure in also dealing with the above-mentioned risk which, merely as a matter of prudence, has been classified as "residual".



## 11. OFFENCES INVOLVING COPYRIGHT INFRINGEMENT

Given the activity carried out by PL Italy, the elements related to offences concerning copyright infringement do not appear probable. There is only one area of residual risk: the management of informatics licences and software.

Regarding this matter, see the procedures and conduct principles set out in section 3 above, where the offences discussed in this section were dealt with.

## 12. ENVIROMENTAL OFFENCES

### 12.1 Offences and main regulations

Awareness of the structure and modalities of carrying out the offence - the commission of which, on the part of those subjects set out ex article 5 of the Decree, is linked to the regime of liability relative to the Body - is essential in preventing the said offences and hence for the entire control system as set out in the Decree.

The following therefore sets out the regulatory references and descriptions of the offence forming the subject of the present Special Part, independently of the effective relevance of the risk with regard to PL Italy.

#### 12.1.1 "Killing, destruction, capture, theft, possession of protected wild animal or plant species" (article 727 bis criminal code)

*"Except where the action perpetrated constitutes a more serious offence, anyone, apart from those cases permitted by law, who kills, captures or possesses exemplars belonging to a protected wild animal species is punishable with arrest of from one to six months or a fine of up to 4000 euro, except in those cases where the action concerns a negligible quantity of the said exemplars and has a negligible impact on the survival of the species.*

*Anyone, apart from those cases permitted by law, who destroys, takes or keeps exemplars belonging to a protected wild plant species is punishable with a fine of up to 4000 euro, except in those cases where the action concerns a negligible quantity of the said exemplars and has a negligible impact on the survival of the species".*

The legislator punishes, within the same article, two distinct types of illegal conduct which protect the same object i.e. the state of conservation of a species, whether it be flora or fauna, against human conduct that might expose the same to danger or damage.

The aim of the law is the survival of the species involved, not just that of individual animals or plants. The same is specified in the literal wording of the regulation and confirmed by the fact that the action in question is considered irrelevant, as regards the degree of criminality, where the said action has involved a "negligible quantity of exemplars and has a negligible impact on the state of conservation of the species."

#### 12.1.2 Destruction or deterioration of a habitat within a protected site (article 733 bis criminal code)

*"Anyone, apart from those cases permitted by law, who destroys a habitat inside a protected site, or damages the same, compromising its state of conservation, is punishable with arrest of up to 18 months and a fine of not less than 3000 euro."*

The regulation, punishing two distinct types of conduct (destruction or damage), protects the conservation of a habitat, with the latter understood as any habitat of species where the said area is classified as a "special protection area" i.e. any natural habitat or habitat for species which has been designated a special conservation area, with reference to the definitions set out in directives 2009/147/CE and 1992/43/CE (important community sites - S.I.C.).





*12.1.3 Protection of rivers, lakes and other bodies of surface water and regulations concerning discharge (article 137 D.Lgs.152/2006)*

The legislator has sought to connect administrative liability of Bodies solely to some of the features of the offence as set out in article 137, and more specifically:

- article 137, paragraph 2: opening or creating new industrial effluent water discharges containing dangerous substances included in the families and groups of substances set out in tables 5 and 3/A of annex 5 to the third part of Legislative Decree 152/06
- article 137 paragraph 3: creating a discharge of industrial effluent water containing dangerous substances included in the families and groups of substances set out in tables 5 and 3/A of annex 5 to the third part of Legislative Decree 152/06, without respecting authorization prescriptions or other prescriptions communicated by the relative authorities;
- article 137, paragraph 5: the discharge of industrial effluent water does not exceed the limit values set out in table 3 or, where there is discharge on the ground, in table 4 annex 5 Part III of the Decree, or exceeds the more restrictive limits set by Regions or the autonomous provinces, or by the competent authority relative to the substances set out in table 5 of annex 5 Part III of the Decree;
- article 137, paragraph 11: failure to respect the discharge prohibitions set out in articles 103 (discharges on the ground) and 104 (discharges underground and into subterranean waters) of Legislative Decree 152/06;
- article 137, paragraph 13: discharge into the sea by ships or aircraft of substances forbidden by international regulations.

*12.1.4 Regulations regarding waste and reclamation of polluted sites (Part IV, Section VI Legislative Decree 152/06)*

The legislator has sought to relate the administrative liability of Bodies only to some of the offence features listed in part IV of the Environment Consolidated Text. The following therefore are offences:

- article 256, paragraph 1: collecting, transporting, recovering, disposing, commerce and brokering dangerous and non dangerous waste without authorization
- article 256, paragraph 3: realisation or management of a non-authorized dump
- article 256, paragraph 5: mixing of non-permitted waste
- article 256, paragraph 6: temporary deposit of dangerous health waste in violation of specific legal provisions
- article 257: failure to restore the condition of the ground, subsoil, surface waters, subterranean waters, following pollution caused by exceeding the threshold risk concentrations (paragraph 1); failure to communicate to the Council, Region, Province, Prefecture that an event which is potentially capable of contaminating a site has occurred (paragraph 2);
- article 258, paragraph 4, second section: provide, when drafting a waste analysis certificate, false information as to the nature, composition and chemical-physical specifications of the said waste, as well as use of a false certificate during transport;
- article 259, paragraph 1: shipping of waste that constitutes illegal traffic as set out in article 26 of CEE Regulation no. 259 1993, as well as shipping of waste listed in annex II of the said Regulation;
- article 260, paragraphs 1 and 2: preparation of equipment and continuing and organized activity, with relative execution of a number of operations, to abusively carry out assignment, transport, export, import or management activities regarding huge quantities of waste, in order to realise an unjust profit;
- article 260 bis, paragraph 6: provide, when filling in a waste analysis certificate, used relative to SISTRI, false information on the nature, composition and chemical-physical specifications of waste; introduce a false certificate among the data to be provided relative to waste traceability;



- article 260 bis, paragraph 7, second section: transport of dangerous waste without a paper copy of the handling area-sistri sheet and, where necessary, without the copy of the analytic certificate that sets out the waste specifications;
- article 260 bis, paragraph 7, third section: use, during transport, of a waste analysis certificate containing false information as to the nature, composition and chemical-physical specifications of the waste transported;
- article 260 bis, paragraph 8: transport of waste with a paper copy of the handling area-sistri sheet that has been fraudulently altered.

#### 12.1.5 Regulations relative to protection of the air and reduction of emissions into the atmosphere

Within this context there is only one type of conduct that is criminally relevant and can lead to administrative liability for the Company i.e. that set out in article 279, paragraph 5 which punishes those who, in running a factory, in addition to exceeding limit values for emissions, or violating authorization prescriptions, also exceed the limit value for air quality as set out in current regulations.

#### 12.1.6 Law 7 February 1992, no. 150 regarding offences relative to the application in Italy of the convention on international trade in animal and plant species in danger of extinction, and regulation (CEE) no. 3626/82, and subsequent modifications, as well as regulations concerning the commercialisation and possession of live exemplars of mammals and reptiles that may constitute a danger for the health and safety of the public.

The following are "offences" for which the company can be held liable pursuant to the offences set out in articles 1, 2, 3 bis, 6:

- Importing or exporting exemplars in danger of extinction in violation of what is set out in Regulation (CE) no. 338/97;
- Failure to respect the prescriptions aimed at the safety of exemplars, specified in a licence or a certificate issued in compliance with regulation (CE) no. 338/97;
- The use of exemplars in a manner contrary to the prescriptions set out in the authorizations or certifications;
- The transport or transit of exemplars without a prescribed licence or certificate;
- Trade in plants reproduced artificially contrary to the provisions set out in regulation (CE) no. 338/97;
- Possessing or using, for profit, purchasing, selling, possessing for sale or for commercial aims, exemplars without the requisite documentation;
- Falsification or alteration of certificates, licences, notifications of import, declarations, communications of information, in order to acquire a licence or a certificate, use of certificates or licences that are false or altered, as set out in regulation (CE) no. 338/97;
- Violation of the prohibition on possessing live exemplars of wild species of mammals and reptiles, generated by reproduction in captivity, which constitute a danger for the health and safety of the public.

#### 12.1.7 Law 28 December 1993, no. 549: Measures to protect the ozone layer and the environment

Art. 3, paragraph 6 states that it is an "offence" for which the company can be held liable to use, import, export, consume and keep harmful substances which might damage the ozone layer and the environment.



**12.1.8 Legislative Decree 6 November 2007 no.202, Implementation of directive 2005/35/CE relative to pollution caused by shipping and pursuant sanctions**

The "offenses" set out in articles 8 and 9 are considered offences for which the company can be held liable i.e. culpable or blameworthy pollution committed by the captain of a ship, under any flag, as well as the members of the crew.

***12.2 The organisational structure of PL Italy relative to environmental matters***

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***12.3 Environmental policy and structure of the Manual 14001***

PL Italy considers the protection of the environment to be a company resource and value, as well as a precise commitment towards one's collaborators and the wider community.

PL Italy, as mentioned above, obtained Certification ISO 14001 aimed at monitoring the environmental impact relative to the company's activities and services, defining its environmental policy, planning the activities that need monitoring, identifying a management system that highlights roles and responsibilities, creating control procedures and instituting a verification and control system.

In order to achieve the maximum possible integration within the existing organisation, PL Italy has chosen to use an environmental management Model having as its base the ISO 9001 and ISO/TS 16949 documentary system, in the sections where it is applicable to environmental matters.

This integration does not apply to Arexons sites whose quality system is independent of that at Villastellone and Naples.

The environmental system is integrated with that relative to worker health and safety, constituting de facto a single HSE (Health, Safety and Environment) system for the four sites.

It is necessary to specify here that, with reference to the environmental offences indicated as offences subject to liability ex Decree, there is no regulation similar to that contained in article 30 in Legislative Decree 81/08, which provides an exemption for companies that have adopted a management system in compliance with UNI – INAIL or British Standard OHSAS 18001:2007 guide lines.

However, the aim of ISO 14001 is certainly of interest, not least relative to the performances set out in the Decree: the certification has, as an objective, the goal of ensuring that anyone who carries out tasks which can have significant effects on the environment must be correctly identified by the organisation, and at the same time must also have acquired the necessary skills, via a correct training and information process, all monitored by a thorough registration system.

As mentioned above, for environmental matters too, an attempt to integrate the legislation might have been expected, bringing together the management systems and the actions set out in the Decree.

Indeed, the interaction between the two systems is clear, and one could even hypothesise that the failure to carry out any such integration could constitute an organisational defect, which could in turn be defined as so-called "organisational culpability".

Moreover, the Company feels, since it has certification ISO 14001, that it can provide and implement all those elements required to ensure that offences are not committed relative to the environment in the interest or to the advantage of the Company.



As regards Company policy aimed at protecting the environment, PL Italy undertakes to adopt an overall management approach relative to environmental subjects, one that makes it possible to tackle the same in a global manner - systematic, coherent and integrated - aiming at the continual improvement of its environmental performances, and more specifically:

- a. The Company responsibly carries out its activity in ways that guarantee respect for the environment as a strategic value;
- b. The identification, analysis, anticipation, prevention and control of the environmental impact of its activities are part of the procedures applied by the Company;
- c. The organisational and environmental management Model are constantly modified and updated and the environmental performances improved relative to those changes concerning internal and external factors;
- d. The initiative of all actors within the organisation is encouraged, motivated and valorised;
- e. Loyal and transparent communication and interaction with those external subjects that are involved in the Company's environmental performance is encouraged and supported.

In pursuit of the aims set out above, organisational, instrumental and economic resources are allocated with the aim of guaranteeing complete respect for the current regulations, while safeguarding and improving environmental conditions, as well as intelligently using human resources.

To this end, the Company inspires its business activity with the principles of precaution, preventive action and correction, where necessary, relative to any potential damage caused to the environment.

Starting with the environmental analysis document provided in the ISO 14001 management system, PL Italy has defined specific procedures and instructions aimed at managing those activities that might have repercussions on the environment, and guarantees the traceability and documentability of the activities carried out.

Within this context, it is important to specify that the management system structure is as follows:

- **Management system manual:** describes the modalities with which PL Italy intends to guarantee and respect the requirements of the reference regulations and provide a general overview in order to identify the system and its elements.
- **Procedures:** illustrate the activities, responsibilities and registrations required for the implementation of the system within the organisation, and which also describe general processes or activities relative to the system itself.
- **Instructions:** explanatory documents, with specific details, regarding any individual subject, complementary with respect to the procedures, and issued every time it is necessary to specify how activities are carried out in order to reduce or eliminate any risks for health and safety;
- **Forms:** integrational support documents for realisation of the system, through which the effective implementation of activities is registered in support of what is set out in the manual and procedures.
- **Registrations:** documents that report the results achieved or provide evidence of the activities carried out relative to the management of health and safety matters.
- **Company emergency plan**

It is also important to note that documentation relative to the environmental management system also includes:

- Archive for verifying administrative conformity
- Toxicological information regarding raw materials and finished products
- Specific analyses carried out by authorized external laboratories
- Periodic analyses by PL Italy laboratories.

It is also important to note that the procedures, instructions and other documents of the system are managed and distributed electronically.



### **12.4 General conduct principles**

In addition to what is provided for in the ISO 14001 environmental management system, some general conduct principles have been drawn up which Model addressees must rigorously respect when carrying out their specific activities.

These principles, of a general character, must be respected by all Company's bodies, managers and employees, involving all Company functions and activities at every level, within a context of general responsibility.

In compliance with what is set out in the Code of Conduct and Company procedures and regulations, in order to implement the environmental policy adopted by the Company, all those who operate in the name or on behalf of the same are obliged to:

- Operate in compliance with national and community laws concerning environmental matters;
- Consider and comply with all legal provisions and other prescriptions applicable to environmental matters;
- Diligently complete and conserve the documentation prescribed by law or by the administrative authorization relative to execution of the work activities;
- Verify and conserve all authorizations of third parties to which the Company assigns some operations relative to its production cycle;
- Collaborate effectively with the authorities and entities assigned to carry out controls;
- Identify environmental aspects relative to all activities, products and services offered on the market;
- Select new materials and introduce processes and raw materials so as to ensure services and products comply with environmental regulations and can be managed with minimum possible environmental impact;
- constantly re-examine the production processes and activities carried out to minimise any environmental impact generated by the same, always preferring the best technologies available;
- promote environmental training and awareness activities for employees and collaborators;
- pursue continual improvement in the Company's environmental approach so as to minimise the impact of its activities on the environment;
- pursue continual improvement in environmental performance, including through periodic re-examination of the environment policy, in order to prevent or reduce any form of pollution;
- respect the Code of Conduct, with specific regard to the part that requires Company activities to be carried out in compliance with the integrity of the environment.

### **12.5 Sensitive processes: control systems and procedures**

Following risk analysis activity, the Company has identified the main activities that can be considered "sensitive" in terms of the present section.

The said evaluation was carried out with, as its reference point, the environmental analysis of the ISO 14001 system adopted by the Company, which describes the modalities and criteria for identifying the significance of environmental aspects and their impact relative to the exterior, as well as implement the control measures relative to significant environmental aspects and impact. In adhering to the said protocol, it is important to note that environmental impact has been taken into consideration relative to PL Italy's product processing, including therein that of Direzione Arexons, as well as the conduct, control and maintenance of plants that have a significant impact on the environment e.g. water purifier, drains and decanting/oil removal basins, heating generators, chimneys and piezometric networks.

In addition, PL Italy is confident that the following offences cannot be carried out and, as a result, there are no risks areas relative to the same:

- article 727 bis criminal code;
- article 733 bis criminal code;
- all offences as set out in Law 7 February 1992, no. 150;



- all offences as set out in Legislative Decree 6 November 2007 no.202;
- in general all offenses that involve the use of ships or aircraft, since these are not used in the Company's production processes, but only and exclusively as carriers managed by third party companies.

The following table summarises the sensitive activities and operational instructions and procedures provided by System ISO 14001 and considered appropriate in guaranteeing respect for, and compliance with, the relative performances, as well as preventing the commission of any offences against the environment, as provided for in the Decree.

| <b>AREAS POTENTIALLY AT RISK</b>   | <b>SENSITIVE ACTIVITIES AND CONTROL ACTIVITIES</b>  | <b>MAIN REFERENCE PROCEDURES</b>   |
|--|---|--|
| <b>Identification of environmental impact, objectives management, planned aims</b> | Identification of areas at risk and activities that have an impact on the environment, as well as definition of detailed programs, with an indication of responsibilities, resources, times and phases provided for their implementation. | <b>QA P 11</b><br>Environmental aspects<br><b>QA P 25</b><br>Objectives and goals<br><b>QA P 26</b><br>Operational control<br><b>HSE AI P 03</b><br>Risk based analysis ( <b>HEMP Analysis</b> )<br><b>PLI HSE PS 04</b><br>Management of engineering modifications (EMOC)                 |
| <b>Management of regulatory obligations to be implemented</b>                      | Indication and updating of legal and administrative prescriptions which the Company must observe and identification of modalities for guaranteeing compliance with the same.  | <b>QA P 21</b><br>Legal prescriptions<br><b>QA P 26</b><br>Operational control<br><b>QA P 28</b><br>Surveillance and measurements  |
| <b>Management of environmental documentation</b>                                   | Conservation, distribution, re-examination, revision of Company documents on the environment.<br>Identification of subjects assigned to control and verification of documents, data and accuracy of the same.                             | <b>PL MP I 03</b><br>Instruments calibration<br><b>QA P 0</b><br>Management of documents and registrations   |
| <b>Management of registrations</b>   | Definition of responsibilities and control modalities for registers and documents such as, for example, loading and unloading register, FIR etc.  | <b>QA P 01</b><br>Management of documents and registrations<br><b>QA P 28</b><br>Surveillance and measurements <b>PLI HSE SO 04</b><br>Operations registers<br><b>PLN MI I 16</b><br>Registration of electricity consumption<br><b>PLN MI I 20</b><br>Methane gas consumption registration |
| <b>Management of systems and equipment maintenance</b>                             | Definition of systems and equipment maintenance activities, as well as replacement of worn components and updating in line with the best technology available.  | <b>PL MI P 01</b><br>Systems office management<br><b>PL MI I 02</b><br>Above ground tanks safety<br><b>PL MI I 04</b><br>Systems modifications and modernizations  |



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|   |  | <p><b>PL MI I 13</b><br/>Coolant systems management</p> <p><b>PL MP P 01</b><br/>Maintenance service</p> <p><b>PL MP I 01</b><br/>Corrective maintenance</p> <p><b>PL MP I 02</b><br/>Programmed and predictive maintenance</p> <p><b>PLN MI I 04</b><br/>Systems modification and modernization</p> <p><b>PLN MI I 10</b><br/>Preventive maintenance</p> <p><b>PLN MI I 14</b><br/>Periodic oil removal system control</p> <p><b>PLI HSE PS 01</b><br/>Process safety information (PSI)</p> <p><b>PLI HSE PS 02</b><br/>Process risks analysis (PHA)</p> <p><b>PLI HSE PS 02a</b><br/>Risks and operations analysis HAZOP</p> <p><b>PLI HSE PS 03</b><br/>Preliminary safety evaluation (PASR)</p> <p><b>PLI HSE PS 04</b><br/>Engineering modifications management (EMOC)</p> <p><b>PLI HSE PS 04a</b><br/>Procedural modifications management (PMOC)</p> <p><b>PLI HSE PS 04b</b><br/>Organisational modifications management (OMOC)</p> <p><b>HSE AI P 03</b><br/>Risk based analysis</p> <p><b>HSE AI P 04</b><br/>Inspections and controls</p> <p><b>HSE AIP 05</b><br/>Functional Safety</p> <p><b>HSE AI P 06</b><br/>AIM KPIs</p> <p><b>HSE AIST 01</b><br/>Piping &amp; Instruments Diagram</p> <p><b>HSE AI MI</b><br/>Asset Integrity Management Manual</p> |
| <p align="center"><b>Management of discharges</b></p> | <p>Qualitative control modalities and water resources consumption, such that it is possible to intervene rapidly where there are any breakdowns or service failures.</p> | <p><b>PL MI I 11</b><br/>Factory drains network maintenance</p> <p><b>PL FB I 13</b><br/>Washing fluids management</p> <p><b>PLN MI I 17</b><br/>Industrial water consumption registration</p>  |



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|  |  | <p><b>PLN MI 19</b><br/>Drinking water consumption registration</p> <p><b>PLN MI I 27</b><br/>CT water consumption registration</p> <p><b>PLN MI I 28</b><br/>Antifreeze water consumption registration</p>   |
|  | Control of discharges and water collection factory internal network, position of wells for final sampling of industrial water, sampling operations.          | <p><b>PL MP I 06</b><br/>Discharge water purifier conduction and controls</p> <p><b>PLN MI 15</b><br/>Surface collection wells periodic control</p>   |
| <b>Management of waste</b>                                 | Operational handling modalities, collection and storage of waste produced in the Company during work activities.   | <p><b>QA P 23</b><br/>Waste management</p> <p><b>ACQ P 03</b><br/>Suppliers with environmental impact</p> <p><b>SES I 155</b><br/>Emptying laboratory samples</p> <p><b>SES I 206</b><br/>Emptying washing solvents trays</p> <p><b>PLN MI I 18</b><br/>Mixing department electrostatic filter periodic control</p> <p><b>PLN MI I 21</b><br/>OCP/VII dept. electrostatic filter periodic control</p> <p><b>PLN CQ I 29</b><br/>Naples factory waste management</p> |
|  | Use and management of recovered residual waste generated by production cycles or demolitions.  | <p><b>ACQ P 03</b><br/>Suppliers with environmental impact</p> <p><b>HSE P 07</b><br/>Contracts management</p> <p><b>HSE P 08</b><br/>PLI research centre sites contract management</p> <p><b>PLN MI I 29</b><br/>Maintenance waste management</p>  |
|  | Verification and selection of carriers or companies assigned to carry out waste disposal or recovery. Analysis and archiving of the relative authorizations. | <p><b>ACQ P 03</b><br/>Suppliers with environmental impact</p>  |
| <b>Management of dangerous substances and formulations</b> | Organisation and management of the use and subsequent disposal of dangerous substances and formulations.   | <p><b>PL FB I 03</b><br/>Washing oils classification</p> <p><b>PL FB I 200</b><br/>Loading products in tankers</p> <p><b>PL FB I 201</b><br/>Unloading raw materials from tankers</p> <p><b>PL FB I 202</b></p>   |





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|  |  | Outgoing carriers control ADR-<br>Check list<br><b>QA PE</b><br>Emergency plan (Villastellone)<br><b>R&amp;D P 25</b><br>Safety data sheets and<br>labelling<br><b>R&amp;D I 01</b><br>Raw material origin<br><b>PLN RS I 04</b><br>Safety sheets management<br><b>PLN MC I 1</b><br>Unloading raw materials from<br>tanker<br><b>PLN MC I 20</b><br>Loading finished products in<br>tanker |
| <b>Management of emissions into the atmosphere</b>           | Emissions control activities.<br>Process data control activities and<br>management of interventions aimed at<br>ensuring compliance with emission<br>parameters.   | <b>PL MI I 10</b><br>Grease department, fumes<br>reduction system maintenance<br><b>PL MI I 12</b><br>CO2 emissions<br><b>PL MP I 05</b><br>Thermal station conduction<br><b>PL MP I 08</b><br>Methane decompression cabin<br>controls<br><b>PLN MI I 13</b><br>CT boilers Stop/Start-up<br><b>PLN MI I 24</b><br>CT atmosphere emissions<br>periodic registration                          |
| <b>Management of reclamations</b>                            | Implementation of prevention and protection<br>measures to deal with the risk of ground<br>pollution.<br>Organisation of activities and requirements set<br>out in law relative to the reclamation of<br>polluted sites. | <b>PLI HSE G 07</b><br>Accidents management<br><b>PL HSE G 09</b><br>Emergencies preparation and<br>response<br><b>QA PE</b><br>Emergency plan (Villastellone)<br><b>HSE P 06</b><br>Security plan – High risk<br>classification ADR goods  |
| <b>Management of emergencies</b>                             | Provision of a general emergency plan capable<br>of dealing with accidents and which also takes<br>previous experience into account.   | <b>QA PE</b><br>Emergency plan (Villastellone)<br><b>PL HSE G 09</b><br>Emergencies preparation and<br>response<br><b>HSE P 06</b><br>Security plan – High risk<br>classification ADR goods<br><b>PLN MI I 07</b><br>Emergency interventions<br><b>PLN SPP PE</b><br>Emergency plan (Na)  |
| <b>Management of personnel assigned to sensitive process</b> | Training, information and updating<br>programmes   | <b>PO P 03</b><br>Personnel training<br><b>PLI HSE SO 03</b>  |



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|---|--|---|
|   |  | Non ordinary dangerous activities<br><b>PLI HSE S 01</b><br>Work permits<br><b>HSE I 01</b><br>Loading unloading high risk ADR goods in tankers |
| <b>Internal inspection verifications</b>                                  | Management of environmental management system internal audits, including in line with the critical features of each production or activity cycle.                                    | <b>QA P 05</b><br>Internal inspection verifications   |
| <b>Management of relevant information</b>                                 | Organisation of an effective information flow to various subjects in the organisation chart and to any external subjects involved.   | <b>QA P 27</b><br>Communication, participation and consultation<br><b>PLI HSE G 10</b><br>Management of community claims                        |
| <b>Management of non-conformities / preventive and corrective actions</b> | Management of non-conformity data, corrective actions and preventive actions to mitigate and/or prevent any risk situations.   | <b>QA P 17</b><br>NC AC AP management   |
| <b>Periodic re-examination of environmental management</b>                | Re-examination of environment management system to evaluate the progress of Company performance relative to the objectives set – and any modifications subsequent to re-examination. | <b>QA P 04</b><br>Management re-examination<br><b>PLN RSI 02</b><br>Indicators and objectives re-examination                                    |

Information flows relative to the CC, with regard to compliance with the above-mentioned procedures and principles, which make it possible to provide the same with the information needed to carry out verification and control activity, are expressly regulated by section 11 of the present Special Part.

### **13. INFORMATION FLOWS TO THE COMPLIANCE COMMITTEE**

The aim of the present section is to define the operational modalities for information flows to the CC.

In order to facilitate the performance of the supervisory activity relative to the efficacy of the organisational Model, adopted by PL Italy, in compliance with the Decree, all Company functions are obliged to provide information to the CC, in accordance with the modalities set out in the present procedure.

The obligation concerns the following information flows:

- general information flows;
- specific information flows, indicated in the procedures set out in the individual sections of the present Special Part.

All the information must be provided, directly or by means of apex subjects, under whose responsibility the person making the declaration works, in writing, including via mail to the e-mail address - [organismodivigilanza@it.petronas.com](mailto:organismodivigilanza@it.petronas.com) - and sent to the Chairman of the CC.

The information obligation also extends to Company's bodies as well as the audit company, relative to their remit.

#### **13.1 General information flows**

Every director, auditor, employee of the Company is required to inform the CC, promptly, every time there is an event, relative to any kind of anomaly, non-typicality, derogation, violation or concrete suspicion of violation, of which the said person has become aware, relative to:



- Conduct regulations set out in the Code of Conduct, Antitrust Code, Special Part of the Organisational Model;
- Principles of conduct and executive modalities governed by Company protocols and procedures pursuant to the aims of the Decree.

The functions set out below must also be communicated to the CC:

|   |                                       |
|---|---------------------------------------|
| Provisions or information from the police, or any other authority, from which it can be seen that enquiries are being carried out relative to offences covered by the Decree with regard to the Company and the addressees of the Model, whether directly or indirectly.                  | <b>Managers of functions involved</b> |
| Active and passive disputes underway when the counterpart is a public subject, or Body, or the equivalent of the same and, at their conclusions, the relative results.  |                                       |
| Requests for legal assistance forwarded by personnel where legal proceedings are initiated against the same relative to offences covered by the Decree.   |                                       |
| Disciplinary proceedings carried out, any sanctions issued, or filing provisions for the said proceedings, with the relative justifications, relative to conduct in violation of the Organisational Model, Code of Conduct and Company procedures relative to the purposes of the Decree. | <b>Personnel and organisation</b>     |
| Modifications to the composition of Company bodies, as well as changes to the Company organisation structure.   | <b>BoD or its members</b>             |
| Variations in proxies and mandates assigned.  | <b>BoD or its members</b>             |

The CC must always be informed of any proposal relative to the updating, integration, modification of the Model and documents that constitute an integral part of the same.

### **13.2 Specific information flows**

In addition to what is set out in the previous paragraph, the managers of individual Company functions, as well as any employees, where the present procedure provides for the same, within the context of the performance of those activities for which they are responsible, are required to promptly provide the CC with the following information relative to the risk area every time a risk event occurs.

#### **13.2.1 Offences in relations with Public Authorities**

| <b>Description</b>   | <b>Issuer</b>      | <b>Periodicity</b> |
|--|--------------------|--------------------|
| Requests for money or other benefits, including non explicit, on the part of a public official or public service assignee. | Any employee/agent | Per event          |
| Incorrect or illegal conduct on the part of personnel in the public authorities.   | Any employee/agent | Per event          |
| Offer of gifts, entertainment and sponsorship involving  | Purchasing Entity  | Per event          |



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| values greater than the indicated limit.  |   |   |
| Inspections, controls and ascertainties initiated by the competent Bodies (e.g. ASL, ARPA, Inps, Finance Authorities, Inland Revenue, NOE).   | Manager of the function involved in the control | Per event   |
| Any anomalies or suspicion of irregularities relative to sales with regard to the P.A.  | Sales Entity                                    | Per event<br>As in the Report annexed to the relative procedure |
| List of current commercial activities with the P.A.   | Sales Entity                                    | Annual summary communication                                    |
| Any situations involving irregularities relative to the destination of contributions, agreements or financing obtained from the State or from other Public Entities or the European Union.      | Administration, Finance and Control Entity      | Per event   |
| List of financing or payments requested and obtained.   | Administration, Finance and Control Entity      | Annual summary communication                                    |
| Suspensions or cancellations of suppliers from the register due to non-conformity conduct relative to the principles of loyalty, correctness and transparency required from the said suppliers. | Purchasing Entity                               | Annual  |
| Any participation of Divisione Arexons in bids for tender called by the P.A.  | Division Manager/Sales Entity                   | Per event   |

*13.2.2 Informatics criminality - Informatics offences- Art. 171 bis Law 633/1941*

| <b>Description</b>                                   | <b>Issuer</b> | <b>Periodicity</b> |
|--|---------------|--------------------|
| Any updating or violation of the safety document.    | IT manager    | Per event          |
| Any updating or violation of Informatics procedures. | IT manager    | Per event          |

*13.2.3 Offences regarding the counterfeiting of brands and patents and offences against industry and commerce*

| <b>Description</b>                                       | <b>Issuer</b>        | <b>Periodicity</b> |
|--|----------------------|--------------------|
| Violations of the NDA agreement                          | R&D Arexons Division | Per event          |
| Violation fo the "Design – Divisione Arexons" procedure. | R&D Arexons Division | Per event          |



|   |                      |           |
|---|----------------------|-----------|
| Report on the validation of new projects. | R&D Arexons Division | Per event |
|---|----------------------|-----------|

*13.2.4 Company offences*

| <b>Description</b>  | <b>Issuer</b>                                    | <b>Periodicity</b> |
|---|--|--------------------|
| Significant discrepancies regarding financial statement items relative to previous financial statements (either six-monthly or quarterly), changes in criteria for evaluating financial statement items, any infragroup operations. | CFO, Board of Statutory Auditors                 | Annual meeting     |
| Anomalies and suspicions relative to company capital operations, company stocks or shares operations, or those involving stocks and shares of the parent company.   | Board of Statutory Auditors                      | Per event          |
| Anomalies and suspicions regarding operations involving the distribution company profits or reserves.   | Board of Statutory Auditors                      | Per event          |
| Critical features and findings emerging during the course of institutional activity.  | Board of Statutory Auditors and/or Audit Company | Per event          |
| Inspections carried out by the Fair Competition and Market Authority.   | Manager of Company legal office                  | Per event          |

*13.2.5 Corruption among private parties*

| <b>Description</b>   | <b>Issuer</b>  | <b>Periodicity</b> |
|--|--|--------------------|
| Critical factors arising in the management of commercial negotiations, such as improper pressure to give or promise money or other advantages.   | Function manager involved                                      | Per event          |
| Critical factors arising in the execution of a supply/purchase contract, such as improper pressure to give or promise money or other advantages. | Purchasing and Sales ACQ Function/MM Function Arexons Division | Per event          |
| Variation of sales prices greater than 30% relative to the amount set out in the   | Sales Manager  | Per event          |



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| reference price list or in promotional plans. |  |  |
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*13.2.6 Offences of murder and serious or very serious injuries committed with violation of accident prevention standards and the protection of health and safety at work*

| <b>Description</b>  | <b>Issuer</b>                                  | <b>Periodicity</b>              |
|---|--|---------------------------------|
| The minutes of the periodic meetings (article 35 Legislative Decree 81/08) provided by PL Italy and any further meetings having as their subject matters relative to safety at work and particular needs that might arise. To this end the documentation considered significant can be transmitted. | Delegated employers/RSPP                       | Annual and, at times, per event |
| Reports relative to internal audits carried out by control/certification entities on the certified OHSAS 18001e system.   | Delegated employers/RSGSL                      | Immediately following audit     |
| Reports relative to audits carried out by control/certification entities on the OHSAS 18001 certified system  | Delegated employers/RSGSL                      | Immediately following audit     |
| Any prescriptions communicated by inspection organs relative to work health and safety as well as any other significant provision arising from public entities relative to work health and safety or from the Legal Authorities.  | Delegated employers/RSPP                       | Per event                       |
| All information relative to accidents with effects lasting longer than 40 days and requests from INAIL relative to professional illness declarations.   | Delegated employers/Personnel and Organisation | Per event                       |
| Any information and/or communication considered appropriate by the Employer and by the RSPP relative to performance in activities   | Delegated employers/RSPP                       | Per event                       |



|   |  |  |
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| concerning the protection of health and safety at work. |  |  |
|---|--|--|

*13.2.7 Environmental Offences*

| <b>Description</b>  | <b>Issuer</b>               | <b>Periodicity</b>          |
|---|-----------------------------|-----------------------------|
| Internal audit reports on the ISO 14001 certified system by control/certification entities.   | Environmental delegate/HSEQ | Immediately following audit |
| Audit reports carried out by control/certification entities on the ISO 14001 certified system.  | Environmental delegate/HSEQ | Immediately following audit |
| Any prescriptions communicated by inspection organs relative to the environment as well as any other significant provision generated by public entities with responsibilities concerning protection of the environment and the territory or by legal authorities. | Environment delegates       | Per event                   |
| Any information and/or communication considered appropriate by the delegate or RSPP relative to the performance of activities related to respect for regulations protecting the environment.  | Environment delegates/RSPP  | Per event                   |
| All information relative to emergency or non-conformity situations.   | Environment delegates/RSPP  | Per event                   |

**13.3 Archive**

Every item of information, communication and report is conserved, together with the relative annexes, by the CC, in a specific archive (informatics or paper), as set out in the general part of the Model.

**13.4 Section 13 modifications**

The present section may be subject to modifications and integrations where there are changes in the reference regulations, the general part and Special Part of the Model, or in the Company's internal organisation.

The CC proposes, where necessary, modifications and/or integrations to the list of information contained in the present procedure.



#### **14. DISCIPLINARY SANCTIONS**

Failure to comply with the principles and procedures set out in each section of the Special Part is subject to disciplinary sanctions, in compliance with what is set out in the general part of the section, "disciplinary system", and on the basis of the modalities set out in the Disciplinary Code adopted by the Company, forming an integral part of the organisation, management and control Model.

It is important to note that failure to communicate with the CC relative to any information as set out in the above section is considered a breach of obligations under the employment relationship, in compliance with article 2104 civil code and article 2106 civil code, and as such it is conduct that can be punished in conformity with the appropriate disciplinary sanctions.