



**Sonatrach Raffineria Italiana organizational,
management and control model
pursuant to the D. Lgs. 231/01**

GENERAL PART

Approved by the Board of Directors on August 3, 2020

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1. Introduction

As a consequence of the implementation of the power of attorney granted pursuant to Art. 11 of the Law No. 300 of September 20, 2000, on June 8, 2001 it was issued the Legislative Decree 231/2001 (hereinafter, the “D. Lgs. 231/01”) relating to the “Regulatory scheme relating to the administrative responsibilities of legal entities, companies and associations also without legal personality”.

The D. Lgs. 231/2001 introduced for the first time in Italy the administrative liability of legal entities for some committed or attempted crimes, in their interest or benefit by “people that have representative, management, direction functions of the legal entity or an organizational unit with financial and functional autonomy or people that exercise, also factually, the management and control over the same (the so-called “people with apical position”, art. 5, para. 1, let. a) of the D Lgs. 231/2001) and by those that are subject to the management or supervision of one of the persons described above (art. 5, para. 1, let. b) of the D Lgs. 231/2001).

The administrative liability of the entity is autonomous with respect to the criminal liability of the natural person who committed the crime. Therefore, in the event that one of the so-called “prerequisite” crimes is committed to the criminal liability of the natural person who has materially carried out the fact, it is added – to the extent all other law requirements are integrated – also an administrative liability of the entity.

The offences to which the law provisions at stake apply may be included, for exhibition convenience, in the following categories:

- Offences committed in the relationships with the Public Administration (artt. 24 and 25);
- Cybercrimes and unlawful data processing (art. 24-*bis*);
- Organized Crimes (art. 24-*ter*);
- Forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments (art. 25-*bis*);

- Crimes against industry and trade (art. 25-*bis*.1);
- Corporate Crimes (art. 25-*ter*);
- Crimes for purpose of terrorism, subversion of the democratic order (art. 25-*quater*);
- Crimes related to female genital mutilation practice (art. 25-*quater*.1);
- Crimes against individual personality (art. 25-*quinquies*);
- Market abuse (art. 25-*sexies*);
- Manslaughter and serious or very serious manslaughter committed in violation of safety regulations and on the protection of hygiene and health at work (art. 25-*septies*);
- Receiving, laundering and using money, goods or utilities of illicit origin as well as self-laundering (art. 25-*octies*);
- Copyright crimes (art. 25-*novies*);
- Inducement to refrain from making statements or to make false statements to legal authority (art. 25-*decies*);
- Environmental crimes (art. 25-*undecies*);
- Employing a foreign citizen without a valid residence permit (art. 25-*duodecies*);
- Racism and xenophobia crimes (art.25-*terdecies*);
- Fraud in sports competitions, abusive exercise of gambling or betting and gambling by means of prohibited equipment (art. 25-*quaterdecies*);
- Transnational crimes (Law No. 146 of March 16, 2006, artt. 3 and 10);
- Tax Crimes (art. 25 *quinquiesdecies*)¹.

¹ It should be noted that in the Official Gazette no. 177 of July 15, 2020 it was published the D. Lgs. No. 75 of July 14, 2020, relating to the “Implementation of Directive (EU) 2017/1371, concerning the fight against fraud affecting the

In view of the analysis of the Company's context, the activity carried out by the Company and the areas potentially subject to risk-crime, only the offences that are included in the following Special Parts have been considered by the Company as relevant and, therefore specifically examined in the Organization, Management and Control Model (so-called "Model 231"):

- Special Part 1 - Crimes against the Public Administration, inducement to refrain from making statements or to make false statements to Legal Authority, corruption among private individuals and incitement of corruption among private individuals;
- Special Part 2 – Corporate crimes;
- Special Part 3 - Crimes for purposes of terrorism, subversion of the democratic order, offences related to organized crimes, transnational crimes, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering;
- Special Part 4 - Manslaughter offences and serious or very serious injuries committed in breach of the law provisions on health and safety at work;
- Special Part 5 - Cybercrimes and unlawful data processing;
- Special Part 6 - Crimes against individuals and the employment of citizens whose stay is irregular, crimes of racism and xenophobia;
- Special Part 7 - – Crimes of falsehood in instruments or signs of recognition and crimes against industry and trade;
- Special Part 8 – Copyright crimes;
- Special Part 9 – Environment crimes;
- Special Part 10 – Tax crimes.

With respect to the hypothesis of crime not expressly provided for in the aforementioned Special Parts, the Company has assessed that the risk is not concretely conceivable.

financial interests of the Union by means of criminal law”, *i.e.*, the regulatory provision for the transposition of the so-called “PIF Directive”. Among the several and significant changes introduced by this regulatory provision, it has to be noted the extension of the liability of the entities for the crimes of fraud in public supplies, pursuant to Art. 356 of the Italian Criminal Code, fraud against the European Agricultural Guarantee Fund and the European Agricultural Development Fund, pursuant to Art. 2, para. 1 of Law no. 898/1986, embezzlement pursuant to Art. 314, para. 1, of the Italian Criminal Code (with the exclusion of the hypothesis of temporary use of the asset), embezzled through the profit of the error of others pursuant to Art. 316 of the Italian Criminal Code, abuse of office pursuant to Art. 323 of the Italian Criminal Code, serious VAT fraud in the event of an unfaithful return (Article 4 of Legislative Decree No. 74/2000), failure to return (Article 5) and undue compensation (Article 10-quater of Legislative Decree No. 74 / 2000) and smuggling, pursuant to the Decree of the President of the Republic No. 43/1973.

Pursuant to Art. 6, para. 1, let. a) and b) of D. Lgs. 231/2001, the entity may be exempted from liability resulting from the commission of crimes by the apical people, if it proves that:

- the management body has adopted and effectively implemented, prior to the commission of the fact, models of organization, management and control suitable to prevent crimes of the same nature as those occurred;
- the task of supervising the operation, effectiveness and fulfilment of the organization, management and control model and of updating it has been entrusted to a body of the entity with autonomous powers of initiative and control (hereinafter, the “Supervisory Body”);
- individuals have committed the crime by fraudulently circumventing the organization, management and control models;
- there has been no failure or insufficient supervision by the Supervisory Body.

By law of November 30, 2017, No. 179, it was added to Art. 6 of the D. Lgs. 231/2001 paragraph 2-*bis* with the aim at regulating reporting of unlawful conduct.

In particular, it has been provided, for the purposes of the exemption, that the organisation, management and control models should include:

- *“one or more channels enabling the persons referred to in Article 5, para. 1, let. a) and b) to submit, in order to protect the integrity of the entity, detailed reports of unlawful conducts, relevant to purposes of this decree and based on precise and consistent facts, or violations of the of organization and management model of the entity, of which they have become aware by reason of the functions carried out; these channels ensure the confidentiality of the identity of the whistleblower in the reporting management activities;*
- *at least one alternative reporting channel suitable to guarantee, with IT modalities, the confidentiality of the identity of the whistleblower;*
- *prohibition of, direct or indirect, acts of retaliation or discrimination against the whistleblower for reasons related, directly or indirectly, to the reporting;*

- *in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against those who violate the protection measures of the whistleblower, as well as those who make reports that turn out to be unfounded with willful misconduct or gross negligence”.*

The sanctions set forth under the D. Lgs. 231/2001 against entities for administrative offenses depending on a crime, may consist of:

The law for administrative offences resulting from Legislative Decree 231/2001 crimes provides for the following sanctions:

- pecuniary sanctions up to a maximum of Euro 1,549,370.69 (and precautionary seizure);
- disqualification sanctions (also applicable as a precautionary measure), which may consist of:
 - a) disqualification from exercising the activity;
 - b) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
 - c) ban on contracting with the Public Administration;
 - d) exclusion from concessions, loans, contributions or subsidies and possible revocation of those granted;
 - e) ban on advertising goods or services;
- confiscation of the profit that the entity has gained from the crime;
- publication of the sentence.

2. Governance and organizational model of Sonatrach Raffineria Italiana

2.1. Sonatrach Raffineria Italiana S.r.l.

Sonatrach Raffineria Italiana S.r.l. (hereinafter, also the “Company” or “SRI”) is an Italian company belonging to the Algerian Sonatrach Group. The company was incorporated on June 28, 2018 and has its registered office in Milan.

On December 1, 2018, the Company purchased a business as a going concern including, *inter alia*, the Augusta refinery and the fuel terminals located in Augusta, Palermo and Naples.

The Company is currently managed by a board of directors composed of 5 members and the control functions are carried out by a board of statutory auditors composed of 3 standing statutory auditors and 2 alternate statutory auditors. The accounting control is carried out by an audit company.

The purpose of the company is to carry out the processing, the transport, the business and trading of crude oil and its derivatives; for instance but without limitation, the following activities are reported:

- the processing, transport, business and trading of crude oil and its derivatives and therefore, by way of example and not limited to, within the limits and in compliance with the laws and regulations in force at the time and having obtained the necessary licenses, authorizations and permissions required;
- the processing, manufacturing and refining of all oil and chemical products, including petrochemicals and similar ones and, in general, products related to the production of energy, in the broadest sense and without any limitation, through the processing, refining and treatment of any kind of oil and crude or refined mineral products or residues from their processing or from raw materials, chemicals or chemical products, raw, semi-finished or finished products, or residues from their processing or in any case related to or resulting from the aforementioned industrial

activity;

- the manufacturing, purchase, transfer or sale of any product, instrument or machinery required to carry out the aforementioned activities, as well as the purchase, transfer and use of patents and related proceedings;
- the import, export, sale in Italy and abroad - wholesale or retail - the transport in any form, the distribution and storage of the aforementioned raw material, crude or processed mineral oils or residues from their processing, chemical substances, including petrochemical and similar substances mentioned above, as well as fuels, fuel oils and finished, semi-finished or processed lubricating oils or residues from their processing;
- the trade of chemical products, coals and solid fuels and all the equipment and materials necessary for the use of these products, as well as the storage and transport of the same, including on behalf of third parties;
- the study, design, construction and operation of plants relating to the industrial activity at stake, both on its own and on behalf of third parties, as well as the study, design, management, execution and repair of buildings civil, industrial, road, building and special reinforced concrete, hydraulic, maritime etc. plants related to the aforementioned plants, both public and private, both on their own account and on behalf of third parties, either performed with its own workforce or under contract or other forms, participating in tenders and procurement contracts of both public or private entities, either on their own account or as agent of third parties;
- the import, export, sale and purchase in Italy and abroad - wholesale and retail - the transport in any form whatsoever, the distribution and storage of the aforesaid raw materials, crude or refined mineral oils or residues from their processing, chemicals and chemical products, including petrochemicals and similar products mentioned above, as well as fuels, fuel oils and finished lubricating oils, semi-finished or finished products or residues from their processing;
- the study, design, construction or transformation, maintenance, management of plants using the products or the energy source of which it is also in third party

properties or on behalf of third parties.

The Company may also:

- carry out consultancy and research activities aimed at saving energy and preserving the environment;
- carry out the activity relating to the issuance and management of instruments that may be used to purchase goods or services only at the headquarters used by the issuer, within a limited network of goods or services, including the activity relating to related services any other activity that is necessary or useful for the purpose of issuing or using such instruments in Italy and abroad in accordance with current legislation;
- carry out activities concerning the acquisition of shareholdings, granting of financing in any form, execution of payment services and exchange intermediation, acquisition of receivables not *vis-à-vis* the public, as well as any other related or useful activity, which is not *vis-à-vis* the public;
- provide support activities, assistance and consultancy to companies and firms, directly and/or indirectly controlled, parent companies or affiliates, in Italy and/or abroad, and/or in any case belonging to Sonatrach Group, in the administrative, internal control, financial, legal, tax, public relations, human resources and corporate security sectors, also carrying out mechanographical processing and accounting services; and
- act as guarantors, sureties and guarantees, including collaterals, of any duration whatsoever, in favor of other group companies, in Italy and abroad, for any purpose whatsoever.

2.2. Sonatrach Raffineria Italiana S.r.l. governance tools

The Company has adopted certain governance tools guaranteeing its functioning and making possible the identification on how the decisions have been adopted and implemented by the corporate bodies. The governance tools adopted by the Company may

be summarized as follows:

- By-laws: in compliance with the applicable law provisions, it includes a series of provisions relating to the social relationships among the shareholders and the management of the Company.
- Code of Ethics: it expresses the ethical principles that the Company recognizes as its own and on which it calls for compliance by all those who work for the achievement of the Company's purposes. The Code of Ethics expresses, *inter alia*, lines and principles of conduct aimed at preventing the offenses referred to in Model 231, as a useful tool to operate in compliance with the applicable legislation.
- Health, Safety and Environment Group Policy: the Sonatrach Group has adopted a Policy for the protection of Health, Safety and the Environment in relation to the activities and potential risks of its organization, consistent with the most up-to-date international standards. The Group also requires its subsidiaries and branches abroad to apply this Policy with reference to both the adoption of high-level principles and the implementation of measures aimed at containing risks, protecting Health, Safety and the Environment, and the development of all the actions necessary for the continuous improvement of its standards in terms of health, safety and environmental protection.
- Organizational Chart: the company organization chart defines the corporate organizational structure, with respect to both the first-level functions / reports to the Managing Director of the Company and the internal organization of each corporate function.
- System Proxies and Powers of Attorney: it defines the corporate responsibility model *vis-à-vis* the Company's counterparties, fully formalizing the powers of representation.
- Job Description: the Company has adopted internal documents for top management that define, *inter alia*, operational roles and responsibilities, functional and hierarchical reports.

- **Regulatory Procedure Framework**: the Company has adopted, and keeps updated over time in line with its organization, a complex procedural body (guidelines, policies, procedures and instructions) aimed at regulating the main company processes in line with the ethical principles adopted, the applicable best practices, as well as with the provisions of the control standards of Model 231.

- **Safety Management System for the Prevention of Major Accidents (SGS)**: the Company undertakes to adopt, implement and maintain its Safety Management System for the Prevention of Major Accidents, as well as to provide for its continuous improvement, with particular reference to safety performance, in order to manage and keep under control all activities that could affect the safety of workers, the external community and the protection of the environment and their equipment. This commitment is continuously conveyed to all those who work within the site, implementing the appropriate actions and the necessary controls aimed at verifying the effectiveness of the implementation.

2.3. The Health, Safety and Environment Management System (SGSA)

In order to implement the regulatory requirements relating to the environment and health and safety and to adopt a preventive management approach for potential risks relating to Safety, it was formally adopted at the refinery a Health and the Environment, a Safety, Health and Safety Management System (SGSA). This system integrates:

- the management system envisaged by the Seveso legislation, on the prevention of the risks of major accidents (PIR);
- the environmental health and safety management system.

The regulatory framework adopted within the SGSA is composed by the SGSA Manual and the various specific operating procedures.

In this context, the Company has adopted the following control principles for the definition and implementation of the SGSA within its organization:

- the adoption of a policy, included in a formalized document that establishes the goals and objectives that the Company aims to achieve. The document, systematically updated, is formally approved by the company management and is

adequately disseminated to employees and all those who have professional relationships with the Company;

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- the definition of an organization, with the establishment of a formalized system of proxies and powers of attorney aimed at guaranteeing an accurate, effective and complete allocation of obligations and responsibilities within the company organization, towards delegated subjects with proven experience and technical-professional suitability, having the necessary decision-making and financial autonomy;
- the definition of an organization, by setting up a formalized system of delegations and proxies to ensure an accurate, effective and complete distribution of obligations and responsibilities within the company organization, towards delegated subjects with proven experience and technical-professional suitability, with the necessary decision-making and financial autonomy;
- the identification and assessment of significant aspects in the area of Safety, Health and the Environment, through company procedures setting forth roles, responsibilities and methodologies to be adopted for the identification, assessment and traceability of the same, also taking into consideration the territorial context of reference, in compliance with current legislation and related authorization measures;
- the definition of objectives and targets for improving performance and formalized programming of the same, the methods and responsibilities regarding the control of the progress of the programs and the approval, implementation and reporting of expenses;
- the adoption of a procedural system to oversee sensitive activities, within which roles and responsibilities are defined, as well as the operating methods for carrying out the activities and the main behavioral rules that the various operators must comply with in order to pursue those objectives of policy that the Company has planned. This system includes responsibilities regarding the management, archiving and control of relevant documentation;

- the adoption of a communication / information / training process, which allows the qualification and updating of the resources involved in the management of significant aspects in the area of Safety, Health and the Environment;
- the adoption of specific monitoring plans, which allow the Company to monitor data on health and safety in the workplace and on the environment and, consequently, to develop intervention programs aimed at constant improvement and continuous enhancement health and safety and the environment;
- the adoption of internal and external periodic verification plans, which allow the monitoring and control of the efficiency and effectiveness of the health, safety and environmental management system;
- a reporting system to the Supervisory Body, through specific company procedures governing roles, responsibilities and operating methods of the aforementioned reporting activities;
- the adoption of a review process, through a specific company procedure that defines roles, responsibilities and methods of conducting the review process carried out by top management in relation to the management of issues relating to health, safety and the environment.

With reference to the sensitive activities identified, specific controls have also been envisaged, developed on the basis of the control principles indicated above, such as monitoring measures identified to mitigate the specific risk of committing a single crime. In this regard, it should be noted that most of the controls are formalized in the Integrated Health and Environmental Safety Management System (SGSA), as well as in the company guidelines and procedures. This approach was also adopted at the terminals, where autonomous management systems for the prevention of major accident risks and in the area of safety, health and the environment were implemented.

2.4. Company IT Systems

Company information systems represent a fundamental defense to support the effective management of processes, significantly affecting the mitigation of risks encountered on company processes and on recurring transactions.

In particular, the information systems adopted by the Company support and guarantee compliance with high levels of reliability as regards:

- the segregation of roles, by assigning different profiles for users with different responsibilities / authorization powers;
- the transactions' traceability, using data archiving and storage functions, and providing the possibility of reconstructing the main transactions carried out ex post;
- the protection of corporate assets and know-how, guaranteeing the confidentiality of information including third parties.

In addition to applying rigorous standards both for the internal management of information systems and for the use of qualified external suppliers, the Company has developed specific procedures for the management of risks in the IT sector.

These specific procedures regulate, for instance:

- the assignment of profiles in line with the individual organizational position;
- management of information systems administration activities;
- the inventorying of IT assets;
- the IT security measures to be taken to prevent risks also in relation to any intrusions into the Company's IT environment;
- methods for recovering and safeguarding corporate data.

2.5. Intercompany transactions

The Company is making investments aimed at the reorganization of some internal business and support structures. These investments are mainly aimed at:

- providing the internal structures with some professional skills functional to the aforementioned reorganization;
- guaranteeing principles of control and efficiency of internal business processes also with the support of adequate information tools, or of external consultants.

In light of these investments, the Company currently manages the main business processes almost independently. However, in defining its organization and business model, the Company has deliberately taken into account the value-added synergies that can arise from being part of the Sonatrach Group, one of the main operators in the energy sector worldwide.

Similarly, the Sonatrach Group has identified the Augusta Refinery as an important asset to support its industrial and commercial strategies, in order to achieve full integration with the Group's objectives.

In this context, the Company regulates relations with the Sonatrach Group on the basis of the same principles of transparency, ethics and commercial conduct, also applied to relations with third parties and other commercial partners, as well as the same control standards set out within of this Model 231.

In this sense, the current organization, management and control model of the Company identifies the points of contact with the Group functions and the specific areas of collaboration, with respect to the relevant business processes.

As of the date of this document, in addition to service agreements, the main intragroup relations are attributable to:

- management of the purchase and sale of petroleum products, including transport services;
- processing of raw materials on behalf of the Sonatrach Group.

Intragroup relationships are therefore governed by a written contract; a copy of these contracts will be made available, upon request, to the Supervisory Body of the Company.

All the aforementioned areas of collaboration are governed by contracts approved by the Company's Management Body or by persons empowered with specific powers. In particular, the contract is such as to:

- regulate the roles, responsibilities, operating methods and information flows for the performance of the services covered by the contract;
- provide for specific controls for monitoring the correct execution of the activities;
- define the following provisions:
 - the obligation on the part of the company benefiting from the service to certify the truthfulness and completeness of the documentation and/or information communicated to the company providing the service, in order to perform the requested services;
 - the power of the Supervisory Body, or other control function, of the company providing

the service to request information from the Supervisory Body, or other control function, of the company benefiting from the service, in order to correctly perform its functions as part of the services requested from the Company;

- the power of the Supervisory Body, or other control function, of the company benefiting from the service to request information from the Supervisory Body, or other control function, of the company providing the service, or – with the prior consent of the latter – to the management / functions of the Company;
- clause by which the parties undertake to comply with the principles of organization, management and control suitable for preventing the commission of unlawful acts pursuant to the D. Lgs. 231/01, defined in the organization, management and control model adopted or other model of compliance containing control measures consistent with those envisaged in the 231 Model adopted by the Company.

3. Organizational, management and control model of Sonatrach Raffineria Italiana S.r.l.

3.1. The function of the model

The company is willing to disseminate a culture set on the following principles:

- legality, since no unlawful conduct, even if carried out in the interest or to the advantage of the company, can be considered in line with the policy adopted by the Company;
- control, which must govern all decision-making and operational phases of the company's business, in full awareness of the risks deriving from the possible commission of crimes.

The 231 Model has the following objectives:

- raise awareness among recipients by asking them, within the limits of the activities carried out in the interest of the Company, to adopt correct and transparent behavior, in line with the ethical values that inspire it in the pursuit of its corporate purpose and such as to prevent the risk of commission of the offenses

contemplated in D. Lgs. 231/2001;

- determine in the aforementioned subjects the awareness of being able to incur, in the event of violation of the provisions issued by the Company, disciplinary sanctions, as well as criminal and/or administrative sanctions, which may give rise to the Company's liability profiles pursuant to D. Lgs. 231/2001;
- establish and/or strengthen controls that allow the Company to prevent or react promptly to prevent the commission of offenses by top management and persons subject to the management or supervision of the former which involve the administrative responsibility of the Company;
- improve the effectiveness and transparency in the management of company's activities.

The Company is, indeed, sensitive to the expectations of the sole quotaholder and of the stakeholders, as it is aware of the value that can derive from an internal control system suitable for preventing the commission of offenses.

The 231 Model has been drafted also considering the following:

- analysis of the documentation collected relating to the organizational structure for understanding the activities carried out by the Company;
- the choices of direction of the decision-making bodies and management of the Company.

The performance of the activities described above, from both a technical-organizational and legal point of view, allowed the preliminary identification of the sensitive processes/activities, the organizational requirements and the components of the control system characterizing an organization, management and control that, on the basis of the indications provided by the reference best practices, took into account its own particular situation, in line with its governance model and was able to enhance the controls and bodies existing at the date of approval of the same.

3.2. Recipients

The Model 231 is addressed to the members of the corporate bodies, the other internal

bodies of the Company (such as the Ethics Committee), the management and employees, and collaborators, in any capacity, including occasional ones, of the Company, as well as all those who operate in Italy and abroad for the achievement of the Company's objectives and to those who have commercial and/or financial relationships of any kind, or act on behalf of the same on the basis of specific mandates such as consultants, suppliers and partners (hereinafter, the “**Recipients**”).

3.3. The Structure

The 231 Model is composed of the following documents:

- a General Part, which describes: the overall functioning of the organization, management and control system adopted by the Company aimed at preventing the commission of the prerequisite offenses, the methodology adopted for the preparation of the organization, management and control model; the identification and appointment of the Supervisory Body, with specification of powers, duties and information flows concerning it; the methods of reporting unlawful conduct and its management; the disciplinary system and the related sanctioning system; the training and communication plan to be adopted in order to ensure knowledge of the measures and provisions of Model 231; the criteria for updating and adapting Model 231;
- a Special Part, aimed at integrating the content of the General Part with a description concerning:
 - the types of offenses referred to in D. Lgs. 231/2001 that the Company deemed necessary to take into consideration due to the characteristics of the activity carried out;
 - sensitive activities, with respect to the types of crimes referred to in the previous point, present at the company and the related control standards;
- the Code of Ethics, which represents the tool for the implementation of ethical principles within the Company, as well as a means that guarantees and supports its reputation, in order to create external trust. The adoption of ethical principles

relevant to the prevention of crimes under the D. Lgs. 231/2001, is an essential element of the preventive control system. Such principles find their natural place in the Code of Ethics adopted by the Company, which is an integral part of this Model 231.

3.4. Internal Control System

The 231 Model adopted by SRI, in line with the provisions of the Confindustria Guidelines for the preparation of the organization, management and control model, sets up an articulated and organic system of procedures and control activities aimed at preventing the commission of offenses.

In carrying out all related activities, in addition to the rules set out in this Model 231, the Recipients are required to know and comply with all the rules and principles issued in the Company's regulations and procedures, as published on the company intranet or communicated in written form to interested parties.

The 231 Model is based on the following critical elements:

- Code of Ethics;
- the identification of company activities in the context of which offenses may be committed (so-called risk areas);
- the definition of a system of proxies and powers of attorney, aimed at establishing, through the assignment of specific proxies and proxies, the powers to represent or bind the Company and the responsibilities also with regard to aspects relating to Safety, Health and the Environment. By "proxy" it is meant the non-occasional transfer within the Company of responsibilities and powers from one individual to another in a subordinate position. By "power of attorney" it is meant the legal transaction with which one party gives the other the power to represent it (i.e., to act in the name and on behalf of the same). The power of attorney, unlike the proxy, ensures counterparties to negotiate and contract with the persons officially appointed to represent the Company. In order to effectively prevent crimes, the

system of proxies and powers of attorney must comply with the following essential requirements:

- o the powers of attorney must combine each power with the relevant responsibility and an adequate position in the organization chart;

- o each power of attorney or other organizational document must specifically and unequivocally define the powers of the attorney, and the subject (body or individual) to whom the delegate reports hierarchically;

- o the management powers assigned with the powers of attorney and their implementation must be consistent with the corporate purpose and objectives of the Company;

- o the attorney-in-fact must have adequate spending powers for the functions conferred on him;

- o all those who have relations with the Public Administration and/or with private subjects on behalf of the Company must have a specific power of attorney to that effect;


- o the power of attorney may be granted to individuals expressly identified in the power of attorney itself;

- o the powers of attorney must be supplemented by a document accompanying the power of attorney itself aimed at specifying the obligation to use the power of attorney within the limits of the same, of the responsibilities assigned to the organizational role covered and consistently with the company indications received (e.g., instruction letter);

- o an *ad hoc* procedure governs the methods and responsibilities to ensure a timely update of the powers of attorney in the event of modification or revocation (assumption or extension of new responsibilities and powers, transfer to duties incompatible with those for which it was granted, resignation, dismissal, revocation, etc.), as well as the methods of issue and subsequent communication of the same to the interested parties;

- the adoption of policies and procedures aimed at planning the training and implementation of corporate decisions in the risk areas;
- the identification of the methods of managing financial resources;
- the establishment of a disciplinary system, suitable for sanctioning non-compliance with the measures indicated in Model 231;
- the establishment of a Supervisory Body, an internal body with autonomy, to which the Company has entrusted the task of supervising the functioning and observance of the 231 Model itself, as well as of updating it; for this purpose, information flows to and from the Supervisory Body and information obligations towards this body are prescribed;
- the implementation of a training and communication system at all company levels of the rules of conduct and procedures provided for by Model 231: training and/or communication activities of Model 231 are envisaged, differentiated on the basis of the type of Recipients;
- the management of reports of illegal conduct;
- the definition of criteria for updating and adapting Model 231.

The preventive control system was set up by the Company on the basis of the indications provided by the main trade associations, such as the Confindustria Guidelines, as well as the reference best practices, and provides with reference to the identified risk areas:

- rules of conduct applied to individual risk areas;
- general control standards/measures, relating to all risk areas and described below;
- specific control standards/measures applied to individual risk areas. 

The general control standards/measures are:

- segregation of functions: the application of the principle of segregation of functions between who authorizes, who executes and who controls is envisaged;

- existence of formalized policies/procedures/rules/circulars, suitable for providing principles of conduct, operating methods for carrying out sensitive activities, as well as methods for filing relevant documentation;
- authorization and signature powers: consistent with the organizational and managerial responsibilities assigned, providing, where required, the indication of the approval thresholds for expenses;

traceability: any transaction relating to sensitive activity must be properly recorded. The process of decision, authorization and performance of the sensitive activity must be verifiable ex post, also through specific documentary supports and, in any case, the cases and methods of any possibility of cancellation or destruction of the registrations made must be regulated in detail.

4. The Supervisory Body

Article 6 of D. Lgs. 231/2001 requires that, in order to benefit of the exemption from administrative liability, the entity must have entrusted to a body, with autonomous powers of initiative and control, the task of supervising the functioning and compliance with the 231 Model, as well as to take care of its update.

The assignment of the supervisory tasks on the functioning and observance of the 231 Model to a body empowered with autonomous powers of initiative and control, together with the correct and effective performance of the same, therefore represent necessary conditions for the exemption from the liability provided under the D. Lgs. 231/2001.

The Confindustria Guidelines identify autonomy and independence, professionalism and continuity of action as the main requirements of the Supervisory Body.

In particular, according to Confindustria, the autonomy and independence requirements require: i) the inclusion of the Supervisory Body “as a unit of staff in the highest possible hierarchical position”, the provision of a “report” of the Supervisory Body at the highest operational top management, the absence, on the part of the Supervisory Body, of operational tasks which - by making it involved in decisions and operational activities - would jeopardize its objectivity of judgment; ii) the requirement of professionalism must

refer to the “set of tools and techniques” necessary to effectively carry out the activity of the Supervisory Body; iii) the continuity of action, which guarantees effective and constant implementation of the organization, management and control model pursuant to D. Lgs. 231/2001, is favored by the presence of a structure dedicated exclusively and full time to the supervisory activity of the model and “devoid of operational tasks that could lead it to take decisions with economic-financial effects”.

The D. Lgs. 231/2001 does not provide any indication about the composition of the Supervisory Body. In the absence of such indications, the Company opted for a solution which, taking into account the purposes pursued by law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls which the Supervisory Body is in charge of.

In compliance with the provisions set forth under Art. 6, para. 1, lett. b) of D. Lgs. 231/2001 and in the light of the aforementioned indications from Confindustria, the Company has identified its Supervisory Body, as a multi-subject composition body, with a resolution of the Board of Directors.

4.1. Appointment and Replacement of the Supervisory Body

The Supervisory Body is established by resolution of the Board of Directors.

The term of office of the members of the Supervisory Body coincides with that of the Board of Directors. At the time of appointment, the Board of Directors determines the remuneration due to members external to the organization.

At the time of appointment and, subsequently for each year of term of office, the Board of Directors must also approve an expense budget, which the Supervisory Body may dispose of in the performance of its duties (e.g., specialist consultancy, business travels, etc.).

The appointment of the members of the Supervisory Body is subject to the presence of the subjective requirements of honorability, integrity, respectability and independence, as well as the absence of causes of incompatibility with the appointment itself such as kinship relations with representatives of the corporate bodies and top management and potential conflicts of interest with the role and tasks that would be performed.

Causes of ineligibility and/or automatic forfeiture of the members of the Supervisory Body are:

- relations of kinship, marriage or affinity within the fourth degree with members of the Board of Directors, top management in general, statutory auditors of the Company and auditors appointed by the auditing company;
- conflicts of interest, including potential ones, with the Company such as to jeopardize the independence required by the role and duties of the Supervisory Body;
- ownership, directly or indirectly, of interest stake of such a size as to allow them to exercise significant influence over the Company;
- administrative functions - in the three financial years preceding the appointment as a member of the Supervisory Body or the establishment of a consultancy/collaboration relationship with the Supervisory Body itself - of companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings;
- conviction, or the application of the penalty upon request pursuant to Articles 444 and following of the Italian Code of Criminal Procedure with measure also in the first instance, for one of the crimes set forth under the D. Lgs. No. 231/2001 or which due to their particular gravity affect the moral or personal reliability of the subject;
- conviction, with a measure also of first degree, to a penalty that implies the interdiction, even temporary, from public offices, or the temporary interdiction from the management offices of legal persons and companies;
- legal status of disqualified or bankrupt disqualification.

Each member of the Supervisory Body is required to sign, annually, a declaration certifying the absence of the aforementioned causes of ineligibility and/or forfeiture and, in any case, to immediately notify the Board of Directors and the other members of the Supervisory Body the rising of any obstructing conditions.

The revocation of the powers of the Supervisory Body and the attribution of these powers to another person may only take place for “just cause”, also linked to organizational restructuring of the Company, by a specific resolution of the Board of Directors.

In this regard, the “just cause” of revocation of the powers associated with the office within the Supervisory Body may be deemed, by way of example:

- the loss of the subjective requirements of honourability, integrity, respectability and independence;
- the occurrence of a reason for incompatibility;
- gross negligence in the performance of the tasks associated with the office such as (by way of example): failure to provide information on the activity carried out by the management body;
- the "omitted or insufficient supervision" by the Supervisory Body - in accordance with the provisions set forth under Art. 6, para. 1, lett. d), D. Lgs. 231/2001 - resulting from a conviction judgement, which has not become final, issued against the Company pursuant to D. Lgs. 231/2001 or from a judgement applying the penalty upon request (the so-called “*plea bargain*”);
- the violation of confidentiality obligations in the management of reports;
- the assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of “autonomy and independence” and “continuity of action” of the Supervisory Body.

In particular serious cases, the Board of Directors may still order the revocation of the members of the Supervisory Body and the appointment of a new Supervisory Body.

4.2. Functions and powers

The activities carried out by the Supervisory Body cannot be syndicated by any other body or structure of the Company, it being understood that the management body is in any case called upon to carry out a supervisory activity on the adequacy of its work, since the

responsibility for the functioning and effectiveness of the 231 Model is assigned to the management body.

The Supervisory Body is granted the powers of initiative and control necessary to ensure effective and efficient supervision of the operation and compliance with 231 Model in accordance with the provisions set forth under Art. 6 of D. Lgs. 231/2001.

In particular, the Supervisory Body is entrusted with the following tasks and powers for the performance and exercise of its functions:

- verify the adequacy of the 231 Model both with respect to the prevention of the commission of the crimes referred to in the D. Lgs. 231/2001 and with reference to the ability to bring out the occurrence of any illegal behavior;
- verify the efficiency and effectiveness of the 231 Model also in terms of correspondence between the operational methods adopted in practice and the procedures formally provided for by the 231 Model itself;
- verify the maintenance over time of the efficiency and effectiveness requirements of the 231 Model;
- carry out, also through the company functions, periodic inspection and control activities, of a continuous and surprise nature, in consideration of the various sectors of intervention or the types of activities and their critical points in order to verify the efficiency and effectiveness of the 231 Model;
- take care of and promote the constant updating of the 231 Model, formulating, where necessary, proposals to the Board of Directors for any updates and adjustments to be made through the changes and/or additions that may become necessary as a result of:
 - significant violations of the provisions set forth under the 231 Model;
 - significant changes in the internal structure of the Company and/or in the methods of carrying out business activities;
 - regulatory changes;

- results of the control activity;
- monitor the periodic updating of the identification, mapping and classification system of risk areas;
- detect any behavioral deviations that may emerge from the analysis of information flows and from the reports to which the heads of the various functions are required;
- promptly report to the Board of Directors, for appropriate measures, the violations ascertained to the 231 Model that may lead to the onset of liability on the part of the Company;
- managing relationships and ensuring the relevant information flows to the Board of Directors and the Board of Statutory Auditors;
- promote and define initiatives for the dissemination of knowledge and understanding of the 231 Model, as well as for staff training and awareness of the same in compliance with the principles included in the 231 Model;
- promote and develop communication and training interventions on the contents of the D. Lgs. 231/2001, on the impacts of the legislation on the Company's activities and on behavioral rules;
- provide clarifications regarding the meaning and application of the provisions set forth under the 231 Model;
- prepare an effective internal communication system to allow the transmission of relevant information for the purposes of the D. Lgs. 231/2001, guaranteeing the protection and confidentiality of the whistleblower;
- freely access any organizational structure of the Company to request and acquire information, documentation and data, deemed necessary for the performance of the tasks envisaged by the D. Lgs. 231/2001, from all employees and managers;
- any other task assigned by law or by the 231 Model.

In carrying out its duties, the Supervisory Body has unlimited access to corporate

information for its investigation, analysis and control activities carried out directly or indirectly, through other internal company functions or professionals/third-party companies. It is mandatory for any corporate function, employee and/or member of the corporate bodies to provide information in response to requests from the Supervisory Body, or upon the occurrence of relevant events or circumstances, for the purpose of carrying out the activities of competence of the Supervisory Body.

For the performance of the aforementioned tasks, the Supervisory Body:

- has free access to any corporate document;
- enjoys extensive inspection powers;
- makes use of adequate economic resources assigned by the Board of Directors for this purpose;
- may make use of both the support and cooperation of the corporate functions and of external consultants of proven professionalism;
- may request information from the Board of Directors or from any corporate structure/figure and consultants.

The Board of Directors will ensure adequate communication to the corporate structures of the duties of the Supervisory Body and its powers.

The Supervisory Body does not have management powers or decision-making powers relating to the performance of the Company's activities, organizational powers or powers to change the corporate structure, nor sanctioning powers. The members of the Supervisory Body, as well as the subjects used by the Supervisory Body, for any reason whatsoever, are required to comply with the obligation of confidentiality on all information which they have become aware of in the exercise of their functions.

4.3. Information Flows from and to the Supervisory Body

4.3.1. Reporting from the Supervisory Body to the Corporate Bodies

The Supervisory Body reports on the implementation of the 231 Model, the rising of any

critical aspects, the need for modifications. There are two distinct reporting lines:

- the first one, on an ongoing basis, directly to the Managing Director of the Company;
- the second one, on a periodic basis at least annually, to the Board of Directors and the Board of Statutory Auditors.

The Supervisory Body:

- reports to the Managing Director of the Company informing him, whenever he deems it appropriate, on significant circumstances and facts of its office. The Supervisory Body immediately communicates the occurrence of extraordinary situations (for example: significant violations of the principles included in the 231 Model by employees, partners, consultants and suppliers, legislative innovations on the administrative liability of entities, etc.) and reports received which are of an urgent nature;
- submits a written report, at least on an annual basis, to the Board of Directors and Board of Statutory Auditors, which must contain, at least, the following information:
 - the summary of the activities carried out;
 - any issues that have arisen during the supervisory activity;
 - if not previously reported:
 - the corrective actions that are suggested to be implemented in order to ensure the effectiveness of the 231 Model, including those necessary to remedy the organizational or procedural deficiencies ascertained and suitable for exposing the Company to the danger of crimes being committed relevant for the purposes of the D. Lgs. 231/2001, including a description of any new “sensitive” activities identified;
 - always in compliance with the terms and methods indicated in the disciplinary system adopted by the Company pursuant to the D. Lgs.

231/2001, the indication of behaviors not in line with the 231 Model;

- a summary of the reports received from internal and external subjects, including what was directly found, in relation to alleged violations of the provisions set forth under the 231 Model, of the prevention protocols and related implementation procedures and the outcome of the consequent checks carried out;
 - an overall assessment of the functioning and effectiveness of the 231 Model with any proposals for additions, corrections or changes;
 - the reporting of any changes in the regulatory framework and/or significant changes to the internal structure of the Company and/or the methods of carrying out business activities that require an update of the 231 Model;
 - the reporting of any situation of conflict of interest, even potential, of a member of the Supervisory Body;
 - a report of the expenses eventually incurred;
- prepares, on an annual basis, a plan of activities planned for the subsequent year, to be submitted to the Board of Directors and the Board of Statutory Auditors.

The Board of Directors has the right to convene the Supervisory Body at any time, to inform it about the activities under its responsibility.

The activity of the Supervisory Body will be carried out in close collaboration with the Ethics Committee for activities of common interest; in this sense, a constant and formalized flow of information must be provided between the Supervisory Body and the Ethics Committee, also during the exercise of its functions.

4.3.2. Information to the Supervisory Body

The Supervisory Body must be promptly informed about those acts, behaviors or events that may lead to a breach of the 231 Model or which, more generally, are relevant for the purposes of the best effectiveness and effectiveness of the 231 Model.

In this regard, the following general provisions apply.

All Recipients of the 231 Model communicate to the Supervisory Body any useful information to facilitate the conduct of checks on the correct implementation of the 231 Model. In particular:

- the heads of corporate functions operating in the context of sensitive activities must send to the Supervisory Body information concerning: i) the periodic results of the control activity carried out by the same, also upon request of the Supervisory Body itself (summary reports the activity carried out, etc.), in implementation of the 231 Model and the indications provided by the Supervisory Body; ii) any anomalies or atypicality found in the information available;
- the functions identified in accordance with the respective organizational powers must promptly communicate to the Supervisory Body by means of a written note, any information regarding:
 - the issuance and/or updating of organizational documents;
 - the changes in the responsibility of the functions affected by the activities at risk and any updating of the system of corporate proxies and powers of attorney;
 - the reports prepared by the control functions/bodies (including the auditing company) as part of their verification activities, from which facts, acts, events or omissions with critical profiles with respect to compliance with the provisions of the D. Lgs. 231/2001 or the provisions of the 231 Model;
 - the disciplinary proceedings initiated for violations of the 231 Model, the archiving measures of these proceedings and the related reasons, the application of sanctions for violation of the 231 Model or the procedures established for its implementation;
 - the measures and/or news from judicial police bodies, or from any other authority, which indicate that investigations are being carried out, including against unknown persons, for the crimes set forth under the D. Lgs. 231/2001 and which may involve the Company; in compliance with the obligations

established by the current legislation on the matter and taking into account the envisaged regime of secrecy and disclosure of criminal proceedings;

- the requests for legal assistance submitted by employees in the event of judicial proceedings against them and in relation to the crimes set forth under the D. Lgs. 231/2001, unless expressly prohibited by the judicial authority;
- results of inspections/verifications by public entities (Guardia di Finanza, etc.);
- receipt of documents and complaints from the supervisory authorities (e.g., notifications from the Personal Data Protection Authority, etc.);
- violations of IT security;
- any other deed or document with critical profiles with respect to compliance with this 231 Model.

The Supervisory Body may request information that may concern, by way of example only:

- operations that fall within sensitive activities;
- any other information that, although not included in the above list, is relevant for the purposes of a correct and complete supervision and updating of the 231 Model.

The information can be sent either by mail to the address:

Supervisory Body of Sonatrach Raffineria Italiana S.r.l.

Contrada Marcellino

C.P. 88, 96011 – Augusta (Syracuse - Italy)

or by e-mail to the address:

odv231@sonatrachitalia.it

The Supervisory Body evaluates all reports received and undertakes the resulting initiatives at its reasonable discretion and responsibility within its own competences, possibly listening to the author of the report and the person responsible for the alleged violation.

Any consequent decision must be motivated and reported to the Board of Directors.

The Company guarantees the authors of the reports against any form of retaliation, discrimination, penalization or any consequence deriving from the same, assuring them the confidentiality of their identity, without prejudice to the legal obligations and the protection of the rights of the Company and/or of the persons falsely accused of having committed the illegal object of the report.

4.3.3. Documentation Collection and Keeping

Any information, notice, reports, reports provided for in the 231 Model are kept by the Supervisory Body in a special paper or computer archive. Such data and information may be made available to parties external to the Supervisory Body only with the authorization of the Supervisory Body itself.

5. Law 179/2017 - Whistleblowing

Following the entry into force of Law no. 179 of November 30, 2017 *“Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private relationship”*, para. 2-bis has been added to Art. 6 of the D. Lgs. 231/2001 with the aim at regulating the reports of unlawful conduct.

In January 2018, Confindustria issued an explanatory note titled *“The discipline on whistleblowing”* which illustrates the main contents of Law 179/2017.

In implementation of the provisions of para. 2-bis of Art. 6 of the D. Lgs. 231/2001, the Company adopted a system of rules capable of ensuring the protection of the confidentiality of the whistleblower, guaranteeing at the same time protection from discrimination or retaliation.

5.1. Reporting Rules - Protection of the Employee and/or Collaborator who Reports Offences - Art. 6, para. 2-bis, D. Lgs. 231/2001

The Recipients of the 231 Model must submit to the Supervisory Body, in order to protect

the integrity of the Company, detailed reports of unlawful conducts, relevant pursuant to the D. Lgs. 231/2001 and based on precise and consistent facts, or of violations of the 231 Model of which they have become aware due to the carrying out of their functions.

In this regard, the Company adopted a specific procedure for the management of whistleblowing in compliance with the following provisions.

Reports can be made by sending a communication by mail to the address:

Supervisory Body of Sonatrach Raffineria Italiana S.r.l.

Contrada Marcellino

C.P. 88, 96011 – Augusta (Syracuse - Italy)

or by e-mail to the address:

odv231@sonatrachitalia.it

In the event that the Supervisory Body receives a report pursuant to Law 179/2017, it will forward it to the Ethics Committee for the relevant activity, unless the report did not concern a member of the same Ethics Committee.

These reports take place within the framework of the regulatory provisions on whistleblowing, with particular reference to the protection of the whistleblower from any form of retaliation and/or discrimination.

In particular, it is forbidden to carry out acts of retaliation or discrimination, direct or indirect, against the whistleblower for reasons related directly or indirectly to the report, in compliance with the regulatory provisions set forth under Art. 6, para. 2-*bis*, of the D. Lgs. 231/2001.

The adoption of discriminatory measures against persons who make reports can be reported to the National Labor Inspectorate, for the measures within its competence, as well as by the whistleblower, also by the trade union organization.

It is clarified, in accordance with the provisions in force, that the retaliatory or

discriminatory dismissal of the reporting subject is to be considered void, as well as the change of duties, as well as any other retaliatory or discriminatory measure adopted against him.

The burden of proof is on the employer, who must demonstrate that, in the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or subjecting the whistleblower to another organizational measure having negative, direct or indirect, on working conditions, subsequent to the submission of the report, these measures are based on reasons unrelated to the report itself.

Any violation of the measures to protect the whistleblower or unfounded reports made with willful misconduct or gross negligence will be sanctioned in accordance with the provisions of the following *“Disciplinary and Sanctioning System”*.

5.2. Content of Reporting

The report must be detailed and based on concrete and verifiable factual elements as well as must relate to verifiable facts and contain all the information to unequivocally identify the perpetrators of the conduct subject to reporting and the reasons thereunder. The report must not concern personal complaints and must not be based on current rumors but on specific facts.

The whistleblower must not use the institution at stake for purely personal purposes or to make claims or retaliation that fall within the more general discipline of the employment/collaboration relationship or relations with the hierarchical superior or with colleagues.

5.3. Reporting Management

Following receipt of the report, the Ethics Committee shall:

- promptly inform the Supervisory Body where the report is relevant for the purposes of the legislation pursuant to the D. Lgs. 231/2001,
- collect and evaluate the information received in the shortest possible time, starting the

preliminary investigation phase.

Following this phase, in the event that the report is grounded, the Ethics Committee forwards a summary of the report to the Supervisory Body, where the report is relevant for the purposes of the provisions set forth under the D. Lgs. 231/2001, and to the Board of Directors to ensure the adoption of the consequent measures.

In the event that the report is ungrounded, the Ethics Committee may decide to file the report by notifying the whistleblower and the Supervisory Body, where the report is relevant for the purposes of the provisions set forth under the D. Lgs. 231/2001.

The Ethics Committee may provide for the communication of the ungrounded report to the competent functions, which will evaluate potential disciplinary actions.

If reports are received regarding the Board of Directors or its members, the Ethics Committee must inform the Board of Statutory Auditors.

6. Disciplinary System

6.1. General Principles

The provision of a disciplinary system suitable for sanctioning non-compliance with the rules under the 231 Model is a condition required by the D. Lgs. 231/2001 for the exemption from administrative liability of entities and to ensure the effectiveness of the 231 Model itself.

It is forbidden for the Company, and its representatives, to carry out acts of retaliation or discriminatory, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report.

In this respect, it is clarified that disciplinary sanctions are envisaged:

- in the event of non-compliance with the measures and principles indicated in the 231 Model;
- against those who violate the protection measures of the whistleblower pursuant

to Law 179/2017;

- of those who make reports with willful misconduct or gross negligence that prove to be unfounded pursuant to law 179/2017.

It is clarified, in accordance with the provisions in force, that retaliatory or discriminatory dismissal of the reporting subject is null and void.

The change of duties, as well as any other retaliatory or discriminatory measure adopted against the whistleblower, are also null and void. It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or subjecting the whistleblower to other organizational measures having negative, direct or indirect effects, on the working conditions, subsequent to the presentation. of the report, demonstrate that such measures are based on reasons unrelated to the report itself.

The imposition of disciplinary sanctions for violation of the principles and rules of conduct set forth under the 231 Model is independent of the possible establishment of a criminal proceeding and the outcome of the consequent judgment for the commission of one of the unlawful conduct provided for by the D. Lgs. 231 / 2001.

The Company, through the bodies and functions specifically appointed to do so, should the conditions apply, consistently, impartially, and uniformly, impose sanctions proportionate to the respective violations of the 231 Model and in compliance with the provisions in force concerning the regulation of relationships of work; the sanctioning measures for the various professional figures are indicated below.

6.2. Measures *vis-à-vis* Employees

The behaviors of employees that determine:

- the violation of the individual rules of conduct set forth in this 231 Model, in the Code of Ethics, in the business' rules and protocols adopted by the Company;

- the violation of the measures for the protection of whistleblowers;
- the submission of ungrounded reports with willful misconduct or gross negligence;

constitute disciplinary offenses.

The Company asks its employees to report any violations. The Company evaluates the contribution made positively, even if the person who made the report contributed to this violation.

It is unlawful to make with willful misconduct or gross negligence false, non-existent or ungrounded reports on another employee or collaborator without submitting detailed evidence or supporting the commission of unlawful conduct not based on precise and consistent factual elements.

As for the type of sanctions that can be imposed, in the event of an employment relationship, any sanctioning measure must comply with the procedures provided for by Art. 7 of the Workers' Statute, characterized not only by the principle of the typical nature of the violations, but also by the principle of the typical nature of the sanctions.

Based on the provisions set forth under the CCNL, the applicable disciplinary sanctions, depending on the seriousness of the infringements, are:

Verbal warning: it applies in the case of the slightest non-compliance with the principles and rules of conduct set forth under this 231 Model, correlating said behavior with a slight non-compliance with the contractual rules or with the directives and instructions given by management or supervisors.

Written warning: it applies in case of recurrence of the violations under the previous point.

Fine or suspension from remuneration and service: it applies in the event of non-compliance with the principles and rules of conduct set forth under this 231 Model, with respect to behavior that is not compliant or not adequate to the provisions of this 231 Model to the extent that is considered to be of a certain severity, even if dependent on relapse. These behaviors include the violation of the information obligations *vis-à-vis* the Supervisory Body with respect to the commission of crimes, even if attempted, as well as

any violation of the 231 Model, the violation of the measures to protect the confidentiality of the whistleblower or the submission of reports that are ungrounded and carried out with willful misconduct or gross negligence.

The same sanction will be applied in the event of repeated non-participation (physical or in any way requested by the Company), without justified reason, in the training sessions that will be provided from time to time by the Company with respect to the D. Lgs. 231/2001, the 231 Model and the Code of Ethics adopted by the Company or in relation to connected issues.

The fine cannot exceed the amount of two hours of remuneration. The suspension from salary and service cannot be ordered for more than three days and must be applied for the most significant shortcomings.

Dismissal: applies in the event of adoption of a conscious behavior in contrast with the provisions set forth under this 231 Model which, even if it is only likely to constitute one of the crimes sanctioned by the D. Lgs. 231/2001, affects the fiduciary element that characterizes the employment relationship or is so serious as not to allow its continuation, not even provisionally. The violations subject to the aforementioned sanction include the following intentional behaviors:

- drafting of incomplete or untruthful documentation (for example, documents addressed to the Public Administration, accounting documents, etc.);
- failure to prepare the documentation required by the 231 Model;
- violation of the measures to protect the confidentiality of the whistleblower or reports, made with willful misconduct or gross negligence, of unlawful conduct or violations of the 231 Model or of the Code of Ethics that are ungrounded, where the behavior is so serious as not to allow the collaboration to continue;
- violation or circumvention of the control system set forth under the 231 Model in any way carried out, including the removal, destruction or alteration of the documentation relating to the procedure, the obstacle to controls, the impediment of access to information and documentation by the persons in charge to controls or

decisions.

6.2.1. Measures *vis-à-vis* Managers

The violation of the principles and rules of conduct set forth under this 231 Model by managers, or the adoption of behavior that does not comply with the aforementioned provisions, as well as the violation of the measures to protect whistleblowers or the submission of ungrounded reports with willful misconduct or gross negligence, will be subject to disciplinary measures based on the seriousness of the violation committed. For the most serious cases, it is provided the termination of the employment relationship, in consideration of the special fiduciary relationship that binds the manager to the employer.

It also constitutes a disciplinary offense:

- the lack of supervision by the managerial staff on the correct application, by the hierarchically subordinate employees, of the provisions set forth under the 231 Model;
- the violation of the information obligations *vis-à-vis* the Supervisory Body regarding the commission of relevant crimes, even if attempted;
- the violation of the rules of conduct contained herein by the managers themselves;
- the assumption, in the performance of their respective duties, of behaviors that do not comply with the conducts reasonably expected by a manager, in relation to the role covered and the degree of autonomy recognized;
- the violation of the protection measures for whistleblowers pursuant to Law No. 179/2017;
- the submission, with willful misconduct or gross negligence, of reports that prove to be ungrounded.

6.2.2. Measures *vis-à-vis* the Members of the Board of Directors, the Board of Statutory Auditors and the Audit Company

With respect to Directors who have:

- committed a breach of this 231 Model;
- breached the measures to protect the whistleblower;
- submitted ungrounded reports with willful misconduct or gross negligence;

the Board of Directors, promptly informed together with the Board of Statutory Auditors by the Supervisory Body, may apply any suitable measure permitted by law, including the following sanctions, determined according to the seriousness of the fact and negligence, as well as the resulting consequences:

- written warning;
- monetary sanction, taking into account the seriousness of the fact, equal to the amount of two to five times the emoluments calculated on a monthly basis;
- partial or total revocation of power of attorney (if any).

The Board of Directors, in the case of violations such as to integrate just cause for revocation, proposes to the shareholders' meeting the adoption of the relevant measures and provides for the additional obligations required by law.

In case of violation by a member of the Board of Statutory Auditors, the Supervisory Body must immediately notify the Chairman of the Board of Directors, by means of a written report. The Chairman of the Board of Directors, in the event of violations such as to integrate just cause for revocation, convenes the shareholders' meeting by forwarding the report of the Supervisory Body to the Sole Shareholder in advance. The adoption of the measure resulting from the aforementioned violation is in any case the responsibility of the shareholders' meeting.

In the event of violation by the statutory audit company or by its employees and collaborators who carry out activities at the Company, the Board of Directors proposes to the shareholders' meeting the adoption of the relevant measures for the revocation for just cause of the auditor.

6.2.3. Measures *vis-à-vis* other Recipients (Persons Having Contractual Relationships with the Company, External Collaborators, Consultants)

The breach of the provisions and rules of conduct provided set forth under the 231 Model or the possible commission of the offenses contemplated by the D. Lgs. 231/2001 by the other Recipients of the 231 Model, having contractual relationships with the Company for the performance of activities deemed sensitive, will be sanctioned according to the provisions of the specific contractual clauses that will be included in the relative contracts.

These clauses, making explicit reference to compliance with the provisions and rules of conduct set forth under Model 231, may include, for example: the declaration by the contracting parties of knowledge of D. Lgs. 231/2001 and the provisions set forth under the 231 Model and the Code of Ethics; the obligation on the part of these third parties not to adopt acts or engage in behavior that could lead to a violation of the 231 Model 231 the Company.

Failure to comply with the procedures indicated in the 231 Model as well as violations of the provisions and principles established in the Code of Ethics by parties having contractual/commercial relationships with the Company, may determine, in accordance with the provisions of the specific contractual relationship, the termination of the related contract, without prejudice to the right to request compensation for damages occurring as a result of such behaviors, including damages caused by the application by the judge of the measures set forth under the D. Lgs. 231/2001.

6.2.4. Measures for Watch Structure and Ethical Committee members

If the Supervisory Body or the Ethics Committee, or one or more of its members, does not fulfill the tasks entrusted to it with due diligence, the Board of Directors will proceed with appropriate checks, as well as the possible adoption, of the revocation of the assignment.

7. Training and Communication

7.1. Introduction

The Company, in order to effectively implement the 231 Model, ensures proper disclosure of its contents and principles within and outside its organization.

The Company's objective is to communicate the contents and principles of the 231 Model

also to subjects who, while not having the formal qualification of employee, operate - even occasionally - for the achievement of the institutional purposes of the Company by virtue of contractual relationships.

The Company, in fact, intends:

- develop, in all those who work in its name and on its behalf in “sensitive” activities, the awareness of being able to incur, in the event of violation of the provisions contained therein, an offense subject to sanctions;
- inform all those who operate in any capacity in its name, on its behalf or in any case in its interest that the violation of the provisions contained in the 231 Model will result in the application of appropriate sanctions or the termination of the contractual relationship;
- reiterate that the Company does not tolerate unlawful conduct, of any kind and regardless of any purpose, as such conduct (even if the Company was apparently in a position to take advantage of it) are in any case contrary to the ethical principles which the Company intends to abide by.

The communication and training activity is diversified according to the recipients to whom it is addressed, but is, in any case, based on principles of completeness, clarity, accessibility and continuity in order to allow the various recipients to be fully aware of those corporate provisions that they are required to comply with and the ethical rules that must inspire their behavior.

The communication and training activity is supervised by the Supervisory Body, which is assigned, *inter alia*, the tasks of “promoting initiatives for the dissemination of knowledge and understanding of the 231 Model, as well as for staff training and to raise awareness of the observance of the principles contained in the 231 Model” and to “promote communication and training interventions on the contents of D. Lgs. no. 231/2001, on the impacts of the legislation on the business’ activity and on behavioral rules”.

7.2. Employees

Each employee is required to: i) become aware of the principles and contents of the 231 Model; ii) know the operating methods with which his/her business activity must be carried out; iii) actively contribute, in relation to their role and responsibilities, to the effective implementation of the 231 Model, reporting any shortcomings found in it.

In order to ensure effective and rational communication activities, the Company intends to promote and facilitate knowledge of the contents and principles of the 231 Model and of the procedures implemented, with a diversified degree of depth depending on the position and role they hold.

The procedures and rules of conduct, together with the Code of Ethics, are communicated to all the resources present in the Company.

Communication takes place both through information notes dedicated to the topic and via e-mail. The documentation is made available through the company intranet and possibly sent by e-mail to all interested parties.

All employees sign a specific declaration of acknowledgment of the Code of Ethics. For new hires, the signing takes place upon acceptance of the hiring proposal.

Suitable communication tools are adopted to update the recipients of this paragraph regarding any changes made to the 231 Model, as well as any significant procedural, regulatory or organizational change.

7.3. Members of the Corporate Bodies

The members of the corporate bodies, upon acceptance of their appointment, must sign a similar declaration of commitment to observe and collaborate in the application of the Code of Ethics and the 231 Model.

Suitable communication tools will be adopted to update them regarding any changes made to the 231 Model, as well as any significant procedural, regulatory or organizational change.

7.4. Other Recipients

The communication activity of the contents and principles of the 231 Model must also be addressed to third parties who have contractually regulated collaboration relationships with the Company with particular reference to those who operate in the field of activities deemed sensitive pursuant to D. Lgs. 231/2001.

7.5. Training

The Company promotes knowledge of the 231 Model and the Code of Ethics, the related internal procedures and their updates among all Recipients who are therefore expressly required to know its content, observe it and contribute to its implementation.

To this end, the Company organizes seminars and other targeted training initiatives, including remotely and through the use of IT resources, to disseminate and promote understanding of the procedures and behavioral rules adopted in the implementation of the 231 Model and the principles of the Code of Ethics.

The training is differentiated, in content and delivery methods, according to the qualification of the Recipients, the existence of the risk in the operational area in which they operate, the ownership or not of powers of representation.

Attendance to training activities is an obligation for the Recipients and is formalized through the request for a signature (or registration of access to the e-learning training modules).

8. Adoption of the 231 Model – Rules for Updating the 231 Model

8.1 Checks and Controls on the 231 Model

In carrying out its activities, the Supervisory Body can make use of both the support of functions and internal structures of the Company with specific skills in the company sectors subject to control from time to time and, with reference to the execution of the technical operations necessary for the of the control function, of external consultants. In this case, consultants must always report the results of their work to the Supervisory Body.

During the audits and inspections, the Supervisory Body is granted the widest powers in order to effectively carry out the tasks entrusted to it.

8.2 Updating

The Board of Directors resolves upon the updating of the 231 Model and its adaptation in relation to changes and/or integrations that may become necessary as a result of:

- violations of any prescription set forth under the 231 Model;
- modification to organizational structure and/or to the modalities to carry out operating activities;
- regulatory changes;
- results of control activities.

Once approved, the changes are communicated to the Supervisory Body.

In any case, the Supervisory Body retains precise tasks and powers regarding the care, development and promotion of the constant updating of the 231 Model. To this end, it formulates observations and proposals, relating to the organization and the control system, the corporate structures in charge of this or, in cases of particular importance, to the Board of Directors.

In any case, the resolution of updates and/or adjustments to the 231 Model due to the following factors remains the exclusive responsibility of the Board of Directors:

- intervention of regulatory changes regarding the administrative liability of entities;
- identification of new sensitive activities, or changes to those previously identified, also possibly related to the start-up of new business activities;
- commission of the offenses set forth under the D. Lgs. 231/2001 by the recipients of the provisions included in the 231 Model or, more generally, of significant violations of the 231 Model;
- finding of deficiencies and/or gaps in the provisions set forth under the 231 Model following checks on the effectiveness of the same.

