



Designing Energy

Organisational, Management & Control Model ex D.Lgs. 231/2001

GENERAL PART

Approved by the Board of Directors of APS S.p.A. upon
Resolution dated 27/4/2018



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GENERAL PART



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DOCUMENT STRUCTURE

This document is structured in a General Part and a Special Section.

The General Section, beside carrying out a review of the regulations contained in the Legislative Decree n. 231 of 8 June 2001 and subsequent amendments and additions (hereinafter also the "Legislative Decree 231/2001"), describes the process of adoption of the Model by APS (hereinafter referred to as the "Company"), the relevant crimes for the Company, the Recipients of the Model, the Supervisory Body, the sanctioning system to monitor violations, the Model's communication obligations and training for APS' personnel.

Instead, the Special Section, indicates the sensitive activities for the Company pursuant to Legislative Decree no. 231/2001, i.e at risk of crime, the general principles of behavior, the elements of prevention to oversee the aforementioned activities and the essential control measures for the prevention or mitigation of offenses.

In addition to what expressly stated below, the following documents must be considered an additional and integral part of this document:

- the "Control and Risk Self Assessment" aimed to identify the "Sensitive Activities";
- the "Company Code of Ethics" that defines the principles and rules of corporate behavior;
- all the provisions, internal measures, deeds and operating procedures of the Company that are implementing this document (eg powers, Organization Charts, Bylaws). These deeds and documents can be found according to the procedures envisaged for their diffusion within the company.

1. DESCRIPTION OF THE REGULATORY FRAMEWORK

1.1. INTRODUCTION

In September 2000 the Italian legislator delegated the Government to adopt a legislative decree concerning the regulation of the responsibility of organized bodies, including legal entities and companies. On June 8, 2001, in our legal system in Italy, this discipline was introduced with Legislative Decree no. 231/2001 which established the introduction of the "administrative" responsibility of the associative bodies (companies, consortia, other entities supplied and without legal personality, associations) depending on the performance - or the attempted performance - of certain types of offenses (so-called "crimes-presupposed") by a representative of the Firm (either a representative boasting an Apical Position or a representative subject to the direction of others) in the interest or to the advantage of the same.



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Legislative Decree 231/2001 allowed the Italian legislation to be made congruent with some international agreements signed in the past by Italy, including the Brussels Conventions of 26 July 1995 and of 26 May 1997 on the protection of the financial interests of the European Union and the fight against corruption, whether of public officials from both the European Union and the Member States, as well as the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in economic and international transactions.

In particular, a Firm is responsible for the crimes committed in its interest or for its benefit:

- By those "persons who hold functions of representation, administration or management of the Firm or of an organizational unit with financial and functional autonomy, as well as by persons who exercise, even in fact, the management and control of the Firm itself" (the above defined subjects "in Apical Position" or "Top Management", article 5, paragraph 1, letter a), of Legislative Decree no. 231/2001);
- By persons subject to the direction or supervision of one of the Top Management (the so-named persons subject to control or supervision by others, Article 5, paragraph 1, letter b) of Legislative Decree no. 231/2001).

The responsibility provided for by the Legislative Decree 231/2001 is essentially criminal responsibility in nature, as well as administrative, because:

- Resulting from the execution of a crime;
- It is ascertained by the criminal court in the context of the criminal proceedings instituted against the offender;
- For certain cases of committed crimes, it involves the application of particular severe penalties (up to the definitive disqualification from the practice of the professional activity, in the most serious cases).

The responsibility of the Firm is independent by the personal responsibility of the individual who commits the crime and, moreover, the sanction applied to the Firm is added to that imposed on the individual as a consequence of the commission of the offense.

1.2. THE IMPUTATION CRITERIA OF THE RESPONSIBILITY OF THE FIRM AND THE EXEMPTION FROM LIABILITY

The Firm is responsible in cases where one of the stated crimes is committed (listed in paragraph 1.3 below) only when certain conditions are met, defined as criteria of imputation of the offense to the Firm, which can be divided in objective and subjective criteria.

The first objective criterion occurs if the stated offense is committed by a person linked to the Firm through a qualified relationship.

Article. 5 of Legislative Decree 231/2001, in fact, qualifies the authors of the crime as follows:



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- Persons who perform functions of representation, administration or management of the Firm or of an organizational unit with financial and functional autonomy or subjects that actually exercise the management and control of the Firm (so-called subjects in Top or Apical Positions);
- Persons subject to the management or supervision of Top Management (so-called subordinated or subordinated subjects).

The second objective criteria occurs if the unlawful conduct has been carried out by the aforementioned parties "in the interest or for the benefit of the Firm" (Article 5. paragraph 1 of Legislative Decree 231/2001):

- "Interest" exists when the offender has acted with the intention of favoring the organization, regardless of the fact that this objective has been achieved;
- The "benefit" exists when the Firm has drawn, or could have drawn, from the offense a positive result, not necessarily of an economic nature.

Furthermore, the Legislator has provided that the Firm is not responsible in case the Top Management or the subordinate subjects act "in the exclusive interest of themselves or third parties" (Article 5, paragraph 2 of Legislative Decree 231 / 2001).

The criterion of "interest or benefit", consistent with the direction of the will of crimes, is not in itself incompatible with the culpable structure of the predicate offenses provided for by art. 25-septies of Legislative Decree 231/2001 (homicide and negligent injury).

In the cases just described, the culpable component (in which there is no willingness to commit the crime) excludes the possibility of configuring the alleged offense in the interests of the Firm (which would presuppose a direction of the will). In the absence of the provisions of the Legislator, the most accredited interpretative thesis considers plausible as a criterion for ascribing the alleged negligent offenses the fact that failure to comply with the accident prevention regulations constitutes an objective advantage for the Firm (at least in terms of lower costs deriving from mentioned non-compliance). So - as we will try to show further in the special part of the Model dedicated to art. 25-septies - the criterion of ascription in question is in these cases limited to the objective circumstance that the unobservant conduct brings an advantage to the Firm.

The subjective criteria for imputation of the offense to the Firm regulate the situations in which the offense is attributable to the Firm itself: to prevent the occurrence in which the offense is imputed from a subjective point of view, the Firm must demonstrate that it has done everything in its power to organize, manage and control that, in carrying out the activities of the Firm, none of the stated offenses among those listed in the Legislative Decree 231/2001 has been committed.



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The Legislative Decree 231/2001, in fact, provides that the Entity is exempt from liability if, before the commission of the fact:

- Organizational and Management Models have been prepared and implemented, so that it will be possible to prevent the performance of offenses;
- A control body (Supervisory Body) is set up, with autonomous initiative powers to supervise the functioning of organizational models.

If the offenses are committed by any of the Top Management, the Legislator has foreseen a presumption of guilt for the Firm, on the grounds that such Managers express, represent and implement the management policy of the Firm itself.

The responsibility of the Firm is excluded only if the latter proves that the crime was committed by fraudulently evading the existing model of organization, management and control (hereinafter the "Model") and that there has not been omitted or insufficient control by part of the Supervisory Body (hereinafter also the "Supervisory Body"), specifically in charge of supervising the proper functioning and effective observance of the Model itself (Article 6 of Legislative Decree 231/2001). In these hypotheses, therefore, Legislative Decree 231/2001 requires proof of extraneousness to the stronger crime, since the Firm must also prove a sort of internal fraud within the Model by the Top Management.

On the other hand, in the case of an offense committed by subordinated subjects, the Firm will be held responsible only if the commission of the offense has been made possible by the non-observance of the management and supervision obligations.

However, the exclusion of the responsibility of the Firm is subject to the adoption of appropriate behavioral protocols, for the type of organization and activity carried out, to ensure the performance of the activity in compliance with the law and to promptly detect and eliminate risk situations (art 7, paragraph 1 of Legislative Decree 231/2001). In this case, a true "lack of organization" is defined, since the Firm has indirectly consented to the commission of the offense, not adequately controlling the activities and persons at risk of committing a predicate offense.

The administrative liability of the Firm is also excluded when the Firm has adopted and effectively implemented, before the commission of the offenses, organizational, management and control models suitable to prevent the crimes themselves; these models can be adopted on the basis of behavior codes (guidelines) drawn up by the associations representing the companies and communicated to the Ministry of Justice.

The administrative responsibility of the Firm is, in any case, excluded if the Top Management and/or their subordinates have acted in the exclusive interest of their own or of third parties.



1.3. OFFENCES

In compliance with the "principle of legality" as per art. 2 c.p., the Legislator has defined a *numerus clausus* of crimes for which the Firm can be called to respond (defined as "predicate crimes"). At the date of approval of this document, the types of offense from which the liability of the Firm may derive are listed in the Legislative Decree 231/2001, and specifically are:

- Undue receipt of disbursements, fraud against the State or a Public Body or for obtaining public disbursements and computerized fraud to the detriment of the State or a Public Body (Article 24 of Legislative Decree 231/2001);
- Computerized crimes and illicit data processing (Article 24-bis, Legislative Decree 231/2001);
- Criminal Organization offenses (Article 24-ter, Legislative Decree 231/2001);
- Extortion, improper induction to give or promise other utility and corruption (Article 25, Legislative Decree 231/2001);
- Falsehood in money, in public credit cards, in stamps and in instruments or signs of recognition (Article 25-bis, Legislative Decree No. 231/2001);
- Offenses against industry and commerce (Article 25-bis.1, Legislative Decree 231/2001);
- Corporate offenses (Article 25-ter, Legislative Decree 231/2001);
- Offenses with the purpose of terrorism or subversion of the democratic order envisaged by the penal code and by special laws (Article 25-quater, Legislative Decree 231/2001);
- Mutilation practices of female genital organs (Article 25-quater.1, Legislative Decree 231/2001);
- Crimes against individual personality (Art. 25-quinquies, D.lgs. 231/2001);
- Crimes of market abuse (Article 25-sexies, Legislative Decree 231/2001);
- Crimes of culpable homicide and serious or very serious negligence, committed with violation of the accident prevention regulations and the protection of hygiene and health at work (Article 25-septies, Legislative Decree 231/2001);
- Receipt, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering (Article 25-octies, Legislative Decree 231/2001);
- Offenses concerning the violation of copyright (Article 25-novies, Legislative Decree 231/2001);
- Inducement not to make statements or to make false statements to the judicial authority (Article 25-decies, Legislative Decree 231/2001);
- Environmental crimes (Article 25-undecies, Legislative Decree 231/2001);
- Use of third-country nationals whose stay is irregular (Article 25-duodecies, Legislative Decree 231/2001);



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- Responsibility of entities for administrative offenses related to offenses (Article 12, Law No. 9/2013) (They are a prerequisite for institutions operating in the virgin olive oil supply chain);
- Transnational crimes (Law No. 146/2006).

In consideration of the type of business and the activities carried out by the Company, currently the categories of crime that are applicable to APS are:

- Offenses against the Public Administration;
- Computerized crimes and illicit data processing;
- Criminal Organization offenses including transnational crime;
- Corporate crimes;
- Crimes with the purpose of terrorism or subversion of the democratic order;
- Crimes against the individual personality;
- Crimes of culpable homicide and serious or very serious bodily harm;
- Crimes for receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering;
- Crimes regarding the violation of copyright;
- Inducement not to make statements or to make false statements to the judicial authority;
- Environmental crimes;
- Use of third-country nationals whose residence permit is irregular.

To limit the possibility of committing the predicate offenses of the categories listed above, the Company has prepared specific control protocols for which details can be found in the Special Part of this Model.

1.4. SANZIONATORY APPARATUS

Article. 9 of Legislative Decree. 231/2001 provides for the following sanctions to be borne by the Firm in cases where an attempted performance of the aforementioned crimes is committed, or the following sanctions against the Firm:

- Financial penalties ranging from a minimum of € 25,822.84 to a maximum of € 1,549,000.00 and are determined by the judge by assessing the gravity of the unlawful act, the liability of the Firm, as well as the activity carried out to eliminate or mitigate the causes of commission of further offenses. The amount of the fee can be established on the basis of the economic and financial conditions of the Firm in order to ensure the effectiveness of the penalty. The pecuniary sanction always applies to the administrative offense related to a crime. It must therefore be applied pro quota, in a number not less than one hundred or more than one thousand;



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- Disqualification sanctions (also applicable as a precautionary measure) with a duration of not less than three months and no more than two years which, in turn, may consist of:
 - Interdiction from the exercise of the activity;
 - Suspension or revocation of authorizations, licenses or concessions functional to the typology of the offense;
 - Prohibition to negotiate with the Public Administration;
 - Exclusion from facilitations, loans, grants or subsidies and the possible revocation of those already granted;
 - Ban on advertising own goods or services.
- Confiscation (and preventive seizure in the precautionary custody);
- Publication of the sentence (in case of application of a disqualification sanction).

The Commissioner of the Entity can be provided pursuant to art. 15 D.lgs. 231/2001 “[...] *If certain conditions exist for the application of a disqualification sanction that determines the interruption of the activity of the Entity, the judge, in place of the application of the sanction, arranges the continuation of the Body's activity by a Commissioner for a period equal to the duration of the disqualification penalty that would have been applied, when at least one of the following conditions is met: a) the Authority carries out a public service or service of public necessity whose interruption may cause serious harm to the community; b) the interruption of the activity of the Entity may cause, given its size and economic conditions of the territory in which it is located, significant repercussions on employment [...]*”.

The application of disqualification sanctions occurs only in relation to crimes for which they are expressly provided and provided that at least one of the following conditions is met:

- If the Firm has drawn from the consumption of the offense a significant profit and the offense has been committed by persons in senior positions or by persons subject to the other direction when, in the latter case, the commission of the offense has been determined or facilitated from serious organizational shortcomings;
- In case of recurrence of the offenses.

The disqualification sanctions from the exercise of the activity, the prohibition of contracting with the Public Administration and the prohibition of advertising goods or services apply - in the most serious cases – for an undefined period. Article. 15 of Legislative Decree. 231/2001 also provides for the possibility of continuing the activities of the Firm (in place of the imposition of the sanction) by a Commissioner appointed by the judge.



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The pecuniary sanctions (in terms of amount) and the disqualification sanctions (in terms of time) are increased by one third to half in case the attempt to commit significant crimes had been undertaken for the purposes of administrative liability of the entities.

1.5. CRIMES COMMITTED ABROAD

In relation to the art.4 of the D.lgs. 231/2001, the Firm that commits crimes abroad that are relevant for the purposes of administrative liability may be called to respond in Italy. The responsibility of the Firm for offenses committed abroad is based on the following general assumptions:

- Crime committed in the interest or for the benefit of the Firm by a top manager (Article 5 of Legislative Decree 231/2001);
- Failure to adopt and effectively implement the so-called "compliance programs" (Article 6-7 of Legislative Decree 231/2001).

The specific conditions on which the responsibility of the Firm is based on crimes committed abroad are:

- 1) The crime must be committed abroad by the Apical Subject;
- 2) The Firm must have its main office in the territory of the Italian State;
- 3) The Firm can only respond in the cases and under the conditions set out in articles 7, 8, 9, 10 c.p., regarding the applicability of Italian law for crimes committed abroad;
- 4) If the cases and conditions indicated under 3) exist, the Firm will be object of the procedure, provided that the State of the place where the crime was committed does not proceed against it;
- 5) Finally, in cases where the law provides for the guilty party to be punished at the request of the Minister of Justice, proceedings are taken against the Firm only if the request is also formulated against the latter.

1.6. CHANGES WITHIN THE ENTITY ENVIRONMENT

In the case of extraordinary transactions carried out by the Firm such as transformation, merger, spin-off and sale of the company, Legislative Decree no. 231/2001 regulates the responsibility of the Firm when these events occur.

In case of transformation of the Firm, the responsibility for crimes committed before the date on which the transformation took effect still remains alive. The new Firm will then be the recipient of the sanctions applicable to the original Body for facts committed before the transformation (Article 28 of Legislative Decree 231/2001).



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In the event of a merger, the Firm resulting from the merger, including by incorporation, is liable for the offenses for which the entities participating in the merger were responsible (Article 29 of Legislative Decree 231/2001).

In the event of a partial demerger, the responsibility of the Firm for crimes committed before the demerger remains alive. However, the partial or total beneficiaries of the spin-off are jointly obliged to pay the pecuniary sanctions due to the split of the Firm for offenses prior to the demerger, within the limit of the effective value of the assets transferred to the individual Firm (Article 30 of the Legislative Decree 231/2001).

Finally, in the event of the transfer or hand over of the Firm in which the crime was committed, except for the benefit of the prior enforcement of the transferring institution, the assignee is jointly and severally liable with the assigning institution to pay the fine; within the limits of the value of the sold of the Firm and within the limits of the pecuniary sanctions that result from the mandatory accounting books, or of which the transferee was in any case aware. In any case, the disqualification sanctions apply to the Entities to which the branch of activity in which the offense has been committed or has been transferred, even in part, (article 33 of Legislative Decree 231/2001).

1.7. ORGANISATIONAL, MANAGEMENT AND CONTROL MODELS

Fundamental aspect of Legislative Decree 231/2001 is the assignment of an exempt value to the organisational, management and control models adopted by the institutions in order to prevent the realization of the predicate offenses by the exponents of the Firm (top managers and subject to the management and supervision of the first).

Legislative Decree 231/2001 does not analytically regulate the nature and characteristics of the Model, but limits itself to dictating certain general principles. It is important to underline that the mere adoption of the Model by the Firm is not a sufficient condition to exclude the responsibility of the Firm itself.

In fact, in the event of a crime committed by a person in a top position, the Firm is not liable if it proves that (Article 6, paragraph 1, of Legislative Decree 231/2001):

- The management body has adopted and effectively implemented, before the commission of the fact, models of organization and management suitable to prevent crimes of the kind that occurred;
- The task of monitoring the functioning and observance of the models and ensuring their updating has been entrusted to a body of the Firm (i.e. the Supervisory Body) with autonomous powers of initiative and control;
- People have committed the crime by fraudulently evading the models of organization and management;
- There has been no omission or insufficient supervision by the Supervisory Body.



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The Firm must therefore prove its non-involvement with the facts alleged against its Top Management by proving the existence of the above listed requirements between their competitors and, consequently, the fact that the commission of the offense does not derive from its own "organizational fault", ie from not have prepared suitable measures (appropriate organizational, management and control models) to prevent the commission of the relevant crimes for the purposes of administrative liability of entities.

However, in case of a crime committed by persons subject to the direction or supervision of others, the Firm shall be considered responsible if the performance of the offense has been made possible because there had been a violation of the management or supervision obligations to which the Firm is obliged to comply.

In any case, the violation of the management or supervision obligations is excluded if the Firm, before the crime had been committed, has adopted and effectively implemented a model of organization, management and control suitable for preventing crimes of the kind that occurred.

Article. 7, paragraph 4 of Legislative Decree. 231/2001 also defines the requirements for the effective implementation of organizational models:

- Periodic verification and possible modification of the model when significant violations of the provisions are discovered or when changes occur in the organization and in the activity;
- A disciplinary system suitable for sanctioning the non-compliance of the measures that have been indicated in the model.

It will be the judicial authority that will have to, in the hypothesis foreseen by the cited art. 7, to prove the failure in the adoption and effective implementation of an organization, management and control model suitable for preventing crimes of the type that occurred.

Legislative Decree 231/2001 outlines the content of the organization and management models, providing that the same, in relation to the extent of the delegated powers and the risk of committing the offenses, must:

- Identify the activities in which crimes may be committed;
- Provide specific protocols aimed at planning the formation and implementation of the Firm's decisions in relation to the crimes to be prevented;
- Identify ways to manage financial resources to prevent the commission of crimes;
- Provide information obligations to the body responsible for overseeing the functioning and compliance of the models;
- Introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.



1.8. PREVIOUS JURISPRUDENTIALS

In drawing up the Model adopted by APS SpA, the current regulations on the subject were taken into account, as well as the "Guidelines for the construction of organizational, management and control models pursuant to Legislative Decree no. 231/2001 "(hereinafter also the " Guidelines ", referred to in the following paragraph) elaborated by Confindustria, Confcommercio, the corpus of company procedures, as well as the jurisprudential rulings that have been issued in recent years.

In delineating the criteria for the creation in a Model that can meet the needs of the Firm, the Judges have also highlighted the need for:

- Perform an analysis of the possible methods of implementation of the crimes themselves;
- Make a complete representation of how crimes can be implemented with respect to the internal and external operating context in which the Firm operates;
- Consider the history of the institution (past events, including legal ones);
- Predicting the segregation of functions in risky processes;
- Assign authorizing powers of signature consistent with organizational and managerial responsibilities;
- Provide a monitoring system suitable for reporting critical situations;
- Adopt tools and mechanisms that make the management of financial resources transparent, that is to say, for the purpose to avoid that black funds are created by issuing invoices for non-existent transactions, through unjustified transfers of money between companies belonging to the same group, through consulting payments never carried out or of a value significantly lower than that declared by the Firm.

The Judges have also shown particular attention to the Supervisory Board. In fact the Supervisory Board must be an organ capable of carrying out its function in an autonomous and independent manner. Members of the Supervisory Board may also be members of the Firm, provided they do not have operational functions and as long as the external element is predominant.

1.9. BEHAVIOUR CODES PREPARED BY THE REPRESENTATIVE ASSOCIATIONS OF THE FIRMS

In compliance with the provisions of art. 6, paragraph 3 of Legislative Decree. 231/2001, Confindustria has first issued a code of conduct for the construction of organizational, management and control models (Guidelines for the construction of organizational, management and control models pursuant to Legislative Decree 231/2001; "Confindustria Guidelines" and subsequently "Confcommercio Guidelines") providing, among other things, the methodological indications for the identification of the risk areas and the structure of the organization, management and control model.



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In particular, the Confindustria and Confcommercio Guidelines provide the following main indications:

- Identification of the areas of risk, aimed at verifying in which area / company sector it is possible to carry out the types of offense and administrative offense relevant for the purposes of the administrative responsibility of the entities;
- Preparation of a control system able to prevent risks through the adoption of appropriate procedures.

The components of a preventive control system identified by Confindustria are with reference to fraudulent crimes:

- Code of Ethics (or behavior) with reference to the crimes considered;
- Organisational system;
- Manual and computerized procedures;
- Authorization and signing powers;
- Management control system;
- Staff communication and training.

With reference to crimes of negligent homicide and negligent personal injury committed with violation of the rules on the protection of health and safety at work:

- Code of Ethics (or behavior) with reference to the crimes considered;
- Organisational structure;
- Training and tuition;
- Communication and involvement;
- Operational management;
- Security monitoring system.

The components of the control system must be inspired by the following principles:

- Verifiability, documentability, consistency and congruity of every operation, transaction, action;
- Application of the principle of separation of functions (nobody can independently manage an entire process);
- Documentation of checks;
- Forecasting of an adequate system of sanctions for the violation of the rules of the Code of Ethics and of the procedures provided for by the model;
- Identification of the requirements of the Supervisory Body, which can be summarized as follows:
 - Autonomy and independence;



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- Professionalism;
- Continuity of action;
- Information obligations to and from the Supervisory Body.

2. ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL ORGANISATIONAL STRUCTURE OF THE COMPANY

2.1. APS S.P.A.

APS, a company 50.05% owned by AQF srl and 49.95% by PDV Europa B.V., operates mainly in the Oil & Gas sector, including refining, and Petrochemicals. Its technological know-how derives from the heritage left by CTIP, a former International Contractor founded in 1934.

Since its launch in 1997, APS has been able to extend the boundaries of its activities by participating in international tenders and obtaining contracts for the construction of plants in Italy and abroad.

The aim of APS is to maintain and strengthen the Brand through:

- The enhancement of its professional resources and the effective development of their skills;
- The development of its business activities in an international context thanks to the collaboration with foreign partners.

2.2. COMPANY ORGANISATION

APS adopts a traditional governance structure, with the presence of a Board of Directors and a Board of Statutory Auditors, whose members are appointed by the Shareholders' Meeting. In particular:

- Board of Directors (hereinafter also "BoD"): competent in the management of the Company in order to pursue the strategic objectives and the achievement of the corporate purpose. The aspects relating to the procedures for appointing directors, the requisites of integrity, professionalism and independence, the functioning (convocations, resolutions, representation of the company), as well as the methods for remunerating the same, are regulated within the By-laws;
- Board of Statutory Auditors (hereinafter also "CdS"): which, pursuant to art. 2403 of the Civil Code, "*supervises compliance with the law and the bylaws, compliance with the principles of proper administration and in particular the adequacy of the organizational, administrative and accounting structure adopted by the company and its actual operation*". The role of the CdS, according to the law, is therefore that of control over administration.



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In particular, the CdS must

- verify that the directors act in an informed manner and that, in particular, before each meeting of the board, all the directors are provided with adequate information on the matters on the agenda (see Article 2381, paragraph 1, c.c.);
 - verify that the directors report to the Board of Directors and to the same CdS with the frequency established by the Articles of Association, the general performance of operations and the most significant transactions;
 - assessing, on the basis of the information received from the delegated bodies, the adequacy of the organizational, administrative and accounting structure of the Company;
 - ascertain that the provisions of art. 2391 of the Civil Code have been complied with, should a director boast an interest in a given transaction and, in particular, that the Board adequately motivated the reasons for the Company to undertake the transaction (hypothesis of a conflict of interest);
 - supervise the correct functioning of the administrative and accounting system, in terms of the procedures and methods adopted (schemes adopted, filing and publication), as well as the completeness and clarity of the information provided in the notes and the management report. On the other hand, the CdS does not have analytical control over the data in the financial statements and their correct registration, which is instead the responsibility of the Auditing Company appointed by APS.
- Supervisory Body: boasted with autonomous powers of initiative and control, has the task of supervising the functioning and observance of the Model and taking care of its updating.

2.3. ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF APS S.P.A.

The Organization, Management and Control Model (hereinafter referred to as "Model") - in compliance with the provisions of art. 6, co. 1, lett. a) of Legislative Decree 231/2001 - this is an act of enactment by the Board of Directors which has approved the adoption of this Model.

APS has adopted its Model in compliance with the requirements of Legislative Decree no. 231/2001 and in line with the regulatory and regulatory framework of reference, with the principles already rooted in its own culture of governance and with the indications contained in the Confindustria and Confcommercio Guidelines.



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For the purpose to implement the Model, APS also took into account the procedures and control systems existing and operating in the company, even if not reported here, whenever deemed suitable to be valid as measures to prevent crimes and control the areas at risk.

The Board of Directors resolves to set up the Supervisory Body in charge of supervising the correct functioning and observance of the Model in compliance with the provisions of Legislative Decree 231/2001.

On the proposal of the Supervisory Body, the Board of Directors shall proceed with the subsequent amendments and additions to the Model itself, in order to allow it to comply fully with the provisions of Legislative Decree 231/2001 and any changes in the structure of the Company . The Board of Directors is responsible for the implementation of the Model in the Company.

Supervision on the adequacy and implementation of the Model approved by the BoD is guaranteed by the Supervisory Body, which periodically reports the outcome of its work to the Board of Directors.

The constituent elements of the Model are shown below:

- The identification of the corporate activities in which the relevant crimes may be committed for the purposes of administrative liability of the entities (c.d. mapping of sensitive activities);
- The provision of behavioral protocols and control standards in relation to the identified sensitive activities.
- Code of Ethics;
- A program of periodic checks on sensitive activities and related control standards;
- An organizational system that clearly defines the hierarchy of company positions and responsibilities for carrying out activities;
- An authorization system, which assigns powers of internal authorizations and powers of signature towards outside the Firm in accordance with the organizational system adopted;
- The operating procedures for the regulation of the main company activities and, in particular, for the processes at risk and for the management of financial resources;
- A management control system that promptly highlights critical situations;
- A system of communication and training of personnel and members of the corporate bodies, for the purposes of a widespread and effective dissemination of the company provisions and related implementing procedures;
- A disciplinary system aimed at sanctioning the violation of the provisions contained in the Model;



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- The appointment of a Supervisory Body, endowed with independent powers of initiative and control, entrusted with the task of supervising the functioning and observance of the Model;
- Specific informative obligations towards the Supervisory Body about the main company facts and in particular on the areas deemed to be at risk;
- Specific informative obligations on the part of the Supervisory Body towards top management and corporate bodies;
- Criteria for updating and updating the Model.

The identification of Company activities in which the risk of commission of crimes may exist involves a detailed assessment of all Company processes, aimed at verifying the abstract configurability of the types of offenses envisaged by Legislative Decree 231/2001 and the suitability of existing control elements to prevent its realization. From this analysis comes a corporate document called "Mapping of risk areas and controls" (hereinafter referred to as "Mapping of risk areas" or "Mapping"), which is constituting an integral component of the Special Part of the Model.

The results of the mapping of the areas at risk and of the related controls, will have to be object of revision by the Company management on solicitation by the SB, eventually with the help of suitable professionals expert in the mapping techniques, and from this checked whenever substantial changes occur in the organizational structure of the Company (for example, establishment / modification of organizational units, start / change of APS activities), or if major legislative changes occur (for example, introduction of new types of offenses to which the legislation applies).

The results of the verification of the mapping of the areas at risk and of the related controls, will be the subject of specific yearly communication by the Supervisory Board to the Board of Statutory Auditors, the Shareholders and the Board of Directors, which will take the appropriate resolutions regarding the updating of the Model.

2.3.1. THE ADDRESSES

The principles and contents of the Model are intended for members of the corporate bodies, management and employees as well as stable consultants of the Company.

2.4. THE SUPERVISORY BODY WITHIN THE MEANING OF THE D.LGS 231/2001

2.4.1. FUNCTION

Condition for exemption from liability provided for by art. 6 of Legislative Decree. 231/2001 is, among other things, the assignment to an internal body, endowed with autonomous

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powers of initiative and control, to supervise the functioning and observance of the Model and to ensure its updating.

Therefore, in compliance with Legislative Decree 231/2001, the Company establishes a Supervisory Body, autonomous, independent and competent in matters of control of the risks connected to the specific activity carried out by the Company and the related legal profiles

The Supervisory Body has the task of constantly monitoring:

- compliance with the Model by the corporate bodies, employees and consultants of the Company;
- the actual effectiveness of the Model in preventing the commission of the crimes pursuant to Legislative Decree 231/2001;
- on the implementation of the provisions of the Model in the context of carrying out the activities of the Company;
- on updating the Model, if there is a need to adapt it due to changes in the company structure and organization or to the relevant regulatory framework.

2.4.2. REQUIREMENTS AND APPOINTMENTS

In order to meet the demands established by Legislative Decree 231/2001, and listed above, the SB must be selected exclusively on the basis of the following requirements:

- **Autonomy and independence:** the position of the SB in the Firm "must guarantee the autonomy of the control initiative from any form of interference and / or conditioning by any member of the Firm" (including the Board of Directors) . The SB must therefore be inserted as a staff unit in a hierarchical position (as high as possible) with the provision of reporting to the highest Company function. Not only that, in order to guarantee the necessary autonomy of initiative and independence, "it is essential that the SB is not assigned operational tasks because, should the SB participate in decisions and operating activities, this involvement would undermine its objectivity when it comes to checks on behavior and on the Model".
- **Professionalism:** this requirement refers to the specialized technical skills that the SB must have in order to carry out the activity that the law assigns to it. In particular, the members of the SB must have as a whole specific knowledge in relation to any technique useful for carrying out the inspection, consultancy and analysis of the control system and legal system, (in particular in the criminal and corporate sector), as clearly specified in the Guidelines. In fact, it is essential to know the techniques of analysis and assessment of risks, flow-charting of procedures and processes, methods for identifying frauds, statistical sampling and the structure and methods for carrying out crimes.



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- Continuity of action: to ensure the effective implementation of the Organizational Model, it is necessary for the SB to periodically hold meetings, inspections and controls according to the risk areas identified in the Mapping.
- Honorability: the requirement of honorability even if not expressly defined by the legislator can be defined according to the procedures identified by our Legislator in the Civil Code and by the special laws envisaged for Corporations and applicable to their offices (directors, members of the control committee, etc.). However, crossing the related requirements, and choosing the most severe statutes, the result is that the system would not recognize the requisites of honorability, for example, to those who:
 - They are in a state of temporary interdiction or suspension from the Management Offices of legal entities and companies;
 - They are in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the civil code;
 - They have been subjected to preventive measures pursuant to Legislative Decree 6 September 2011, n. 159 and subsequent modifications and additions, without prejudice to the effects of rehabilitation;
 - They have been sentenced, even if under conditionally suspended sentence, without prejudice to the effects of rehabilitation:
 - For one of the crimes foreseen by the title XI of Book V of the civil code (Companies and consortiums);
 - For a non-culpable crime, for a period of not less than one year;
 - For a crime against the Public Administration, against public faith, against property, against the public economy;
 - For one of the offenses established by the rules governing banking, financial, securities, insurance and the rules on markets and securities, payment instruments.

Therefore, in compliance with the provisions of art. 6, paragraph 1, lett. b) of Legislative Decree 231/2001, in compliance with the requirements of autonomy, independence, professionalism and continuity of action just illustrated, and in light of the indications of the most representative trade associations, including primarily Confindustria, APS identifies its Supervisory Body in a monocratic or collegial body, and equipped with the knowledge and experience necessary to ensure operational control and effective supervision of the Model. In the case of the appointment of a single-member organization, the component must be identified in a person external to the Company, or in an employee of the same that performs



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the function of Supervisory Body in an exclusive way, and therefore is free of other tasks within the Company itself.

In case of appointment of a collegiate body, instead this may have among its members also (but not exclusively) internal members of the Company, provided that they are always in a minority with respect to external members.

The Supervisory Body is classified in a top-down position, reporting directly to the Board of Directors the results of the activity, any critical issues that have emerged and any corrective and improvement actions.

In case of serious necessity, the SB can also relate with the CdS, or with the Shareholders of the Company.

The Company's Board of Directors guarantees the Supervisory Board autonomy of initiative and freedom of control over the activities of the Company at risk of crime, in order to encourage compliance with the law and the Model and allow the immediate verification of violations; in any case, the general obligations of management and supervision of the personnel subjected remain, also for the purposes of compliance with the provisions of this Model, in relation to those formally appointed in the Company organization.

The Supervisory Body adopts its own operating Regulations, approving the contents and submitting it to the Board of Directors in the first useful session following the appointment. Furthermore, the Supervisory Body has been provided by the Board of Directors with resources - in terms of spending power - adequate to support it in the tasks entrusted and to achieve results consistent with the functions attributed to it. This through the assignment of a budget of expenditure to be used freely by the Supervisory Board, with a report detailing each and any single cost, in occasion of the annual report elaborated by the same.

2.4.3. ELIGIBILITY REQUIREMENTS

The appointment of the Supervisory Body is subject to the presence of the subjective eligibility requirements indicated here and reported in the Supervisory Body Regulations. In particular, the following reasons for impediment must not exist at the time of assignment:

- Conflicts of interest, even potential ones, with the Company such as to undermine the independence required by the role and duties of the SB;
- Direct or indirect ownership of shareholdings of an percentage such as to permit the exercise of control or a dominant influence on the ordinary Shareholders' Meeting of the Company;
- Public employment relationship with central or local administrations in the three years preceding the appointment as member of the Supervisory Body;



- With reference to the requirements of honourableness can not be elected members of the Supervisory Body and, if they are, they necessarily and automatically fall from office:
 - Those who are in the conditions provided for by Article 2382 of the Civil Code, that is, those who are in the condition of incapacitation, interdict, bankrupt or sentenced to a penalty that involves the interdiction, even temporary, from public offices or the incapacity to exercise management offices;
 - Those who have been subjected to preventive measures ordered by the judicial authority pursuant to the Legislative Decree of September 6, 2011, n. 159 (Code of anti-mafia laws and prevention measures);
 - Those who have been convicted as a result of sentence even if not yet final, or issued ex artt. 444 and ss. cod. p. pen. or even if under conditionally suspended sentence, without prejudice to the effects of rehabilitation:
 - For one of the crimes provided for in Title XI of Book V of the Civil Code (Criminal Provisions on the subject of Companies and Consortiums) and in the Royal Decree of 16 March 1942 n. 267 (regulation of bankruptcy, of the arrangement with creditors, of the subsidiary administration and of the compulsory administrative liquidation);
 - for a term of imprisonment, not less than one year, for one of the offenses provided for by the rules governing banking, financial, securities, insurance and the rules on markets and transferable securities, payment instruments (among these are reported, by way of non-exhaustive example, the crimes of illegal banking and financial matters referred to in articles 130 and following of the Consolidated Banking Act, the crimes of counterfeiting of coins, spending and introduction into the State, previously agreed, of counterfeit coins in Article 453 of the Criminal Code, the crimes of fraudulent damage to the insured property and fraudulent mutilation of one's own person as per Article 642 of the Criminal Code);
 - For a crime against the Public Administration, or imprisonment for a period of not less than one year for a crime against public faith, against property, against public order, against the public economy or for a crime in tax matters;
 - To imprisonment for a period of no less than two years for any non-culpable crime;



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- In any case and irrespective of the amount of the penalty for one or more offenses among those strictly required by Legislative Decree 231/2001;
- Those who held the status of member of the Supervisory Body within the Company against whom the sanctions provided for by art. 9 of Legislative Decree 231/2001, except that five years have passed since the definitive infliction of the sanctions and the member has not been convicted even if not final;
- Those who have been subject to the additional administrative sanctions provided for by art. 187 quater TUF (Legislative Decree No. 58/1998);
- Those who have been sent to trial, pursuant to articles 416 and ss and 429 of the Code of Criminal Procedure, for one of the crimes mentioned above while the related procedure is pending.

The revocation of the powers of the Supervisory Body and the attribution of such powers to another subject, can only take place for cause, also linked to organizational restructuring of the Company, by means of a specific resolution of the Board of Directors and approval of the Board of Statutory Auditors. The followings constitute the grounds for revocation for cause:

- The lack of eligibility requirements;
- Serious negligence or non-fulfillment in the performance of tasks related to the duty (such as failure to exercise the activity in good faith and with the diligence of the good father of the family, failure or delayed response to the Board of Directors in relation to any requests relating to the performance of supervision and control);
- Failure to attend two or more meetings, even non-consecutive, without justified reason over twelve consecutive months, as well as the lack of honorability requirements;
- The omission or insufficient supervision by the Supervisory Body - in accordance with the provisions of art. 6, paragraph 1, lett. d), Legislative Decree 231/2001 resulting from a final sentence handed down against the Company pursuant to Legislative Decree no. 231/2001;

In particularly serious cases, the Board of Directors may in any case have - after hearing the opinion of the Board of Statutory Auditors - the suspension of the powers of the Supervisory Body and the appointment of an ad interim SB.

The Supervisory Body, in carrying out the tasks assigned to it, can benefit - under its direct supervision and responsibility - of the collaboration granted by all the functions of the



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Company, making use of their respective skills and professionalism. In any case the responsibility of the activities carried out on behalf of the SB falls on the SB itself.

This faculty allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

By way of example, the Supervisory Body can coordinate with:

- The competent structure for the management of human resources (for example, regarding the implementation of the personnel communication and training plan, the implementation of the disciplinary system and the management of disciplinary procedures);
- The various Company functions (involved through specific meetings), for the best monitoring of supervisory activities;
- The Company functions involved, for the carrying out of the implementation interventions that may be necessary for the adaptation to the provisions of the Legislative Decree. 231/2001;
- The Chief Executive Officer and the heads of the competent corporate departments, to assess the adoption of disciplinary sanctions against employees;
- The Board of Directors to evaluate the adoption of any disciplinary sanctions against "Top Management";
- The competent structure of legal affairs (for example, for the interpretation of the legislation and the examination of any updates, as well as the judicial decisions on the matter);
- The competent structure for administration and finance (for example regarding the control of financial flows).

2.4.4. FUNCTIONS AND POWERS OF THE SUPERVISORY BOARD

The activities carried out by the Supervisory Body can not be syndicated by any other body or structure of the Company, without prejudice however to the fact that the Board of Directors is in any case called upon to carry out a supervisory activity on the adequacy of its work, as it is the Board of Directors that derives the ultimate responsibility for the functioning and effectiveness of the Model.

The SB is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning and compliance with the Model in accordance with the provisions of art. 6 of Legislative Decree. 231/2001. In particular, the Supervisory Body is entrusted with the following responsibilities for the performance and exercise of its duties:

- Verify the persistence over time of the Model's efficiency and effectiveness requirements;



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- To take care of, develop and promote the constant updating of the Model, formulating, where necessary, the Board of Directors the proposals for any updates and adjustments to be carried out through modifications and / or additions that may become necessary as a result of: i) violations of the provisions of the Model; ii) periodic review of the Model also in relation to changes in the internal structure of the Company and / or the methods for carrying out business activities; iii) legislative changes with reference to the regulation of administrative liability for offenses related to administrative offenses; iv) outcome of the checks;
- To verify the periodic updating of the identification system, mapping and classification of sensitive activities;
- Identify any behavioral deviations that may arise from the analysis of information flows and from the reports to which the managers of the various functions are held;
- Promptly report to the Board of Directors for the appropriate measures, the ascertained violations of the Model that may lead to the emergence of a responsibility for the Company;
- Manage relations and ensure the information flows pertaining to the Board of Directors, as well as to the Board of Statutory Auditors;
- To discipline its functioning also through the introduction of a regulation of its activities which regulate, among other things, the resources available, the convocation, the vote and the resolutions of the SB itself;
- Promote and define initiatives for the dissemination of knowledge and understanding of the Model, as well as verify for the training of personnel and awareness of the same to comply with the contents of the Model;
- Ensure the preparation of an effective internal communication system to allow the transmission of relevant news for the purposes of Legislative Decree no. 231/2001 guaranteeing the protection and confidentiality of the reporter;
- Formulate and submit to the approval of the Board of Directors the expenditure forecast necessary for the correct performance of the assigned tasks. This expenditure forecast must in any case be the widest in order to guarantee the full and proper performance of its activity;
- Access freely, or summon, any function, unit, exponent or employee of the Company - without the need for any prior consent - to request and acquire information, documentation and data, deemed necessary for the performance of the tasks;
- freely access the Company's information system, also using its own IT consultants
- Request relevant information from collaborators, consultants, agents and representatives external to the Company;
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- Delegating to one of its members the waiver of checks and controls on behalf of the SB
- Promote the activation of any disciplinary proceedings and propose any sanctions referred to in paragraph 3 below;
- Verify and evaluate the suitability of the disciplinary system pursuant to and for the purposes of Legislative Decree no. 231/2001, in collaboration with the Board of Directors and the competent human resources management structure;
- In the case of controls, investigations, requests for information from competent authorities aimed at verifying the compliance of the Model with the provisions of Legislative Decree no. 231/2001, taking care of the relationship with the persons in charge of the inspection activity, providing them with adequate information support.

The President of the Board of Directors of APS will take care, on behalf of the Board of Directors, of the appropriate communication to the corporate structures of the duties of the Supervisory Body and its powers.

2.4.5. INFORMATION REQUIREMENTS WITH REGARD TO THE SUPERVISORY BOARD

The Supervisory Body must be promptly informed, by means of a specific internal communication system, to be approved by the SB itself, regarding those acts, behaviors or events that may cause a violation of the Model or which, more generally, are relevant for the purposes of Legislative Decree no. 231/2001.

The obligations to inform about any behavior contrary to the provisions contained in the Model fall within the broader duty of diligence and duty of loyalty of the work provider referred to in articles. 2104 and 2105 c.c. In particular, those who have become aware of violations of the model or of situations at risk must notify the Supervisory Body without delay.

The organization of a structured information flow is a tool to ensure the effectiveness and continuity of the supervisory activity on the suitability and effective implementation of the Model as well as for the subsequent verification of the causes that have made possible the possible violation of the Model.

The information provided to the Supervisory Body aims to improve its control planning activities and imply an activity of accurate verification of all the phenomena represented according to the order of priority considered appropriate.

The correct fulfillment of the obligation of information by the employee can not give rise to the application of disciplinary sanctions.

As regards agents, business partners, consultants, external collaborators, etc., an obligation of immediate disclosure is contractually stipulated to them in the event that they receive,



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directly or indirectly, from an employee / representative of the Company a request for behavior which could result in contrast with the Code of Ethics. In this regard, the following general provisions apply:

- Any related reports must relate:
 - To the commission, or to the reasonable danger of commission, of the crimes (and administrative offenses) relevant for the purposes of administrative liability of the entities;
 - To "practices" not in line with the rules of conduct issued by the Company;
 - To behaviours that, in any case, may result in a violation of the Model;
- The employee, business partners, consultants, collaborators, c.d. with regard to the relations with APS and the activity carried out with regard to the latter, they report the violation (or presumed violation) of the Model to the Supervisory Body according to the provisions of paragraph 3.3.6;
- The Supervisory Body evaluates at its discretion and under its responsibility the reports received and the cases in which it is necessary to take action;
- In the event that the reporting of any violations of the Model refers to the Board of Directors and / or shareholders and / or members of the Board of Statutory Auditors, the same shall be transmitted to the Chairman of the Board of Statutory Auditors; to the Shareholders in the case concerning the Chief Executive Officer and / o members of the Board, or the Board of Directors, to the Shareholders in the event that it concerns members of the Board of Statutory Auditors.

The reporters are guaranteed against any form of retaliation, discrimination or penalization and in any case the confidentiality of the identity of the reporting party is assured, without prejudice to legal obligations and the protection of the rights of the Company or of the wrongly and/or wrongly accused persons and/or bad faith.

In addition to the reports relating to violations of a general nature described above, by the Company departments operating in sensitive activities must transmit to the Supervisory Body the information concerning: the periodic results of the control activity from the SB which have been carried out to implement the Model (summary reports of the activity performed, monitoring activities, final indicators, report of the function RSPP, report of the Board of the Statutory Auditors, report of the Auditing Company, results of the auditing sessions performed by certifying bodies, etc.).

The anomalies or atypicalities found in the information available (a fact that is not relevant if considered individually, could be differently evaluated in the presence of repetitiveness or extension of the occurrence area).

This information may concern, but is not limited to:



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- Transactions perceived as "at risk" (for example: decisions relating to the request, provision and use of public funding, etc.);
- Measures and / or information coming from judicial police, or any other authority, from which it is possible to carry out investigations, also against unknown persons, for crimes (and administrative offenses) relevant for the purposes of administrative responsibility bodies and which may involve the Company;
- Requests for legal assistance forwarded by employees in the case of the initiation of legal proceedings against themselves and in relation to the relevant crimes for the purposes of administrative liability of entities, unless expressly prohibited by the judicial authority;
- the notification of judicial documents against the Company;
- Reports prepared by the Heads of other departments of the Company in the context of their control activities and from which facts, acts, events or omissions with critical profiles with respect to compliance with the rules and provisions of the Model may emerge;
- The information relating to the disciplinary proceedings carried out and the possible penalties imposed (including the measures taken towards employees) or the provisions for the filing of these proceedings with the relative reasons;
- Any other information which, although not included in the above list, but it is relevant for the purposes of correct and complete supervision and updating of the Model.

2.4.6. SENDING THE REPORTS – COLLECTING THE INFORMATION

The Supervisory Body acts in such a way as to guarantee the reporters against any form of retaliation, discrimination or penalization, also ensuring the anonymity of the reporting and the confidentiality of the facts reported by the same, with the legal obligations and the protection of the rights of the Company.

The Company, to guarantee the secrecy of the information collected by the SB about the violation of the Model, establishes a mail address and an e-mail address, whose access is reserved exclusively to the members of the SB, who will take care to register and keep the information received in such a way as to guarantee its secrecy.

In detail, notifications can be sent in writing and in a non-anonymous form with the following methods:

- **e-mail:** organismodiviglianzaaps@gmail.com

- **letter to the address:** mail address provided by the SB

The Supervisory Body evaluates the reports received and any measures to be put in place, at its reasonable discretion and responsibility, listening to the author of the report and / or the person responsible for the alleged violation and motivating in writing any waste to proceed to a internal investigation.

In the event that the Supervisory Body decides to proceed with the investigation, the latter ensures that the activity can have probative value in the possibility of future involvement of the Judicial Authority.

Once the violation has been ascertained, the Supervisory Body:

- Promotes the application of the sanction as provided for by the disciplinary system;
- Eventually it promotes the updating of the Model through possible additions and / or modifications.

The information, reports and reports provided for in this paragraph 2.5.6. they are kept by the Supervisory Body in a special database (computer and / or paper), equipped with adequate security features.

Access to the database is allowed only to the Supervisory Body.

2.4.7. REPORTING OF THE SUPERVISORY BODY TOWARDS THE EXTERNAL BODIES

As part of the reporting activity, the Supervisory Body prepares for the Board of Directors:

- An executive report of the activities performed during the current year (indicating in particular the checks carried out and the outcome of the same, any need for adjustment of the Model or procedures, etc.);

The meetings of the Supervisory Body and the meetings with the corporate bodies to which it refers must be recorded and a copy of the minutes must be kept by the Supervisory Body. The Board of Directors, must ensure the use, even if not exclusively, of suitable premises for meetings, hearings, and any other necessary activity. These premises must guarantee absolute confidentiality in the exercise of the functions of the Supervisory Body.

The Supervisory Body or individual members thereof may be called at any time by the aforementioned bodies or may in turn submit a request to that effect. Subsequently, the members of the Supervisory Body concerned will illustrate the outcome of the meetings to the entire Supervisory Body.



3. DISCIPLINARY SYSTEM

3.1. FUNCTION OF THE DISCIPLINARY SYSTEM

In order for the Model to be effective, it is necessary to adopt a disciplinary system suitable for sanctioning violations of the provisions contained in the Model itself. Given the seriousness of the relevant crimes for the purposes of the administrative liability of the institutions, any non-compliance with the Model damages the relationship of trust established with the employee of the Company, requiring the initiation of disciplinary actions regardless of the results and the outcome of the criminal proceedings initiated by the judicial authority, in the event that the behavior to be censored integrates the details of a type of offense or of a significant administrative offense for the purposes of administrative liability of the entities.

3.2. MEASURES AGAINST SUBORDINATED WORKERS

The observance of the dispositions and the behavioral rules foreseen by the Model constitutes fulfillment by the employees of APS of the obligations foreseen by the art. 2104, paragraph 2, of the Italian Civil Code; obligations of which the contents of the same Model is a substantial and integral part.

The violation of the individual provisions and rules of conduct referred to in the Model by the employees of APS always constitutes unlawful disciplinary.

It should be noted that these employees are subject to the National Collective Labor Contract for industrial employees and for trade employees (hereinafter simply "CCNL").

All employees must be trained and informed about the procedures to be observed in the performance of their duties and functions.

The disciplinary measures can be imposed against the employees of APS, in accordance with the provisions of art. 7 of the law of May 20, 1970, n. 300 (c.d. "Workers' Statute") and any applicable special regulations.

For non-managerial employees, such measures are those provided for by the disciplinary rules referred to in the CCNL.

For any violation of the Model, a disciplinary action will be promoted aimed at ascertaining the violation itself. In particular, in the assessment phase, the charge will be previously challenged and an adequate reply time will be guaranteed for its defense. Once the violation has been ascertained, a disciplinary sanction based on the seriousness of the violation committed and the possible recidivism will be imposed on the author.

It is understood that the procedures, provisions and guarantees envisaged by art. 7 of the Workers' Statute and the CCNL, concerning disciplinary measures, will be always complied with.



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As regards the ascertainment of the infringements, the disciplinary proceedings and the sanctioning of the sanctions, the powers already conferred, within the limits of the respective delegations and powers, to the management of APS remain valid.

Jointly responsible for the concrete application of the disciplinary measures are the Board of Directors and the Head of the structure responsible for managing Human Resources and Organization, who will impose sanctions on any reporting by the Supervisory Board, having heard, also, the opinion of the hierarchical superior of the author of the censored conduct. The Supervisory Body must receive timely information about any act concerning the disciplinary procedure against a worker for violation of this Model, from the moment of disciplinary dispute, for the assessment of competence.

The type and extent of each of the sanctions will be determined taking also into account:

- The intentionality of the behavior or the degree of negligence, imprudence or inexperience with regard also to the predictability of the event;
- The overall behavior of the worker with particular regard to the existence or otherwise of previous disciplinary provisions of the same, within the limits permitted by law;
- The worker's duties;
- The functional position of the people involved in the facts constituting the offence;
- The other particular circumstances that accompany the disciplinary offense.

The Company will be always vested with the right to request compensation for damages deriving from the violation of the Model by an employee. The compensation for any damages requested will be commensurate with:

- The level of responsibility and autonomy of the employee, author of the unlawful disciplinary;
- Any existence of previous disciplinary measures to the same employee;
- The degree of intentionality of his behavior;
- The severity of the effects of the same, meaning the level of risk to which the Company reasonably believes it has been exposed - pursuant to and for the purposes of Legislative Decree no. 231/2001 - following the censored conduct.

In case of violation of the dispositions and the behavioral rules contained in the Model by managers, once the responsibility of the author of the violation has been ascertained, he adopts the sanction deemed most suitable in compliance with the provisions of the current CCNL applicable to senior executives. If the violation of the Model determines the supervening lack of the relationship of trust between the Company and the manager, the sanction is identified in the dismissal for just cause. The aforementioned infringements will be ascertained, and the consequent disciplinary proceedings initiated, as provided for in the



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CCNL and in the Company procedures, granting the relevant information to the Supervisory Body.

3.3. MEASURES TOWARDS THE ADMINISTRATORS

In case of violations of the provisions and rules of behavior of the Model by the members of the Board of Directors, the Board of Statutory Auditors will be able to take the appropriate resolutions in order to adopt the most appropriate measures required by law.

In case of violations of the provisions and rules of behavior of the Model by one or more members of the Board of Directors, the SB must notify the shareholders.

In any case, at the request of the Board of Statutory Auditors and / or the Supervisory Body, the Board of Directors must provide for the convening of the shareholders' meeting in order to adopt the most appropriate measures envisaged by the law.

3.4. MEASURES TOWARDS PARTNERS, CONSULTANTS, COLLABORATORS

In contracts and agreements stipulated and under stipulation with partners, consultants, external collaborators or other subjects having contractual relations with the Company, specific clauses must be inserted, on the basis of which the violation of the dispositions and rules of conduct provided by the Code of Ethics, or the possible commission of the crimes (and of the administrative offenses) relevant for the purposes of administrative responsibility of the institutions, by the same partners, consultants and collaborators will determine the termination of the contractual relationship, without prejudice to any request for compensation if such behavior derives damages to the Company, as in the case of application by the judge of the sanctions provided for by Legislative Decree no. 231/2001.

4. TRAINING AND COMMUNICATION PLAN

4.1. FOREWARD

APS intends to ensure wide dissemination, within and outside its organization, of the principles and contents of the Model.

In particular, the objective of APS is to facilitate and promote knowledge of the Model's contents not only to its employees but also to all those who, while not holding the formal qualification of an employee, operate on stable basis - in Italy or abroad - for the achievement of APS objectives based on contractual relationships.



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The activity of communication and training, diversified according to the position and role of the Addressees to whom it is addressed, is, in any case, based on principles of completeness, clarity, accessibility and continuity in order to allow the various Recipients full awareness of those Company provisions that are required to comply with and the ethical rules that must inspire their behavior.

The Supervisory Body coordinates and monitors communication and training activities.

4.2. EMPLOYEES AND MEMEBERS OF THE CORPORATE BODIES

Every employee is required to:

- Acquire awareness of the contents of the Model;
- To know the operating methods by which his/her own business must be carried out;
- To actively contribute, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any deficiencies found in the Model.

The documentation constituting the Model and the Code of Ethics (descriptive document of the Model, information on the Company's organizational structures, activities and corporate procedures) is made available to all employees on the Company's intranet site. The Disciplinary Code is posted in a place accessible to all employees, pursuant to and by effect of art. 7, paragraph 1, of Law 300/1970 (Workers' Statute).

4.3. TRAINING ACTIVITY

All employees, with different methods according to their degree of involvement in activities identified as sensitive pursuant to Legislative Decree no. 231/2001, are required to participate in a specific training activity.

APS pursues, through an adequate training program aimed at all employees, their continuous awareness on the issues related to the Model, in order to allow the recipients of this training to reach full awareness of the Company directives and to be placed in conditions to respect them full.

Participation in training interventions is mandatory. The Supervisory Body collects and stores the evidences / attestations relative to the effective participation in these training interventions. Furthermore, the Company guarantees: :

- The organization, whenever necessary, of information sessions, aimed at illustrating any updates and changes to the Model, to which the Company's employees and executives, the Chief Executive Officer and, where deemed necessary, will be invited to participate appropriate, also third parties who collaborate, in any capacity, with APS and the subsidiaries and subsidiaries. Specific minutes will be drawn up of the meetings, with indication of the persons intervened and the topics dealt with;



5. ADOPTION OF THE MODEL – CRITERIA OF UPDATING AND ADJUSTMENT OF THE MODEL

5.1. AUDIT AND CHECKS ON THE MODEL

For the realization of the plan and the carrying out of its activity, the Supervisory Body avails itself of the support of the internal structures of the Company with specific competences in the business sectors each time under control and, with reference to the execution of the necessary technical operations. for the performance of the control function, external consultants.

In the event that the Company decides to make use of external consultants, the latter must always report the results of their work to the Supervisory Body.

The Supervisory Body is recognized, during the verifications and inspections, the widest powers in order to effectively carry out the tasks assigned to it.

5.2. UPDATE AND ADJUSTMENT

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

- Violations of the provisions of the Model;
- Periodic review of the Model also in relation to changes in the internal structure of the Company and / or the methods for carrying out business activities;
- Legislative news with reference to the regulation of administrative liability for offenses related to administrative offenses;
- Results of the checks.

Once approved, the changes and instructions for their immediate application are communicated to the Supervisory Board.

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

The Model is, in any case, subject to a three-year periodic review procedure to be arranged by resolution of the Board of Directors.



6. DEFINITIONS

Sensitive Activities: Company activities for which it does exist a potential risk to commit an offence, as envisaged by Legislative Decree no. 231/2001 and applicable to the Company.

CCNL: indicates the National Collective Labor Contract for employees of industry and commerce.

Code of Ethics: a document that defines internally and externally the rules, obligations, duties and responsibilities of the whole Top Management and subordinates, aimed at outlining and affirming approved and shared values and behaviors, also with the aim of preventing potential crimes.

Board of Statutory Auditors or CdS: indicates the board of statutory auditors of APS.


Board of Directors or BoD: indicates the board of directors of APS.

Control and risk self-assessment: specific analysis activity of the Company, aimed at detecting the activities in which offenses may be committed.

D.lgs. 231/2001: Legislative Decree n. 231 of June 8, 2001 "Regulation of the administrative responsibility of legal entities, companies and associations also without legal personality".

Recipients: employees, managers, administrators and third parties who maintain with APS S.p.A. contractually regulated collaboration relationships or representing the Company without dependency constraints (for example: business partners, etc.).

Firm: the provisions of Legislative Decree no. 231/2001 "apply to institutions provided with legal personality and to companies and associations, even those without legal personality. They do not apply to the State, to local public bodies, to other non-economic public bodies as well as to bodies that perform functions of constitutional importance "(Article 1, paragraphs 2 and 3 of Legislative Decree 231/2001).

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Guidelines: indicates the guidelines for the construction of organizational, management and control models pursuant to Legislative Decree no. 231/2001.

Confcommercio Guidelines: indicates the guidelines prepared by Confcommercio in compliance with the provisions of art. 6, paragraph 3, of Legislative Decree. 231/2001.

Confindustria Guidelines: indicates the guidelines prepared by Confindustria in compliance with the provisions of art. 6, paragraph 3, of Legislative Decree. 231/2001.

Mapping or mapping of areas at risk: a business document containing the analysis of company activities in which there is a risk of commission of crimes and the detailed assessment of all business processes.

Model: the Organisational, Management and Control Model suitable for preventing the potential commission of offenses, defined in accordance with the relevant legislation.


Reference legislation: Legislative Decree 231/2001 and any other legislation related to Legislative Decree no. 231/2001 or its principles, which establish the administrative responsibility of a company for the crimes committed by top managers or subordinates.

Public Administration: whether in national or foreign or community law, is meant any administration of the State, local or community public bodies, as well as any public body, agency or independent administrative authority and related articulations, any person acting as Official Public or of a Public Service Representative.

Public Service (PU): to the effects of the penal law, Public Officials are those who exercise a public legislative, judicial or administrative function. To the same effects, the administrative function is governed by rules of public law and by authoritative acts and characterized by the formation and manifestation of the will of the Public Administration or its development by means of authoritative or certifying powers.

Predicted crimes: the crimes and / or administrative offenses provided for by the regulations, which, if committed by top managers and / or subordinates, involve the Company's liability.

Company: APS S.p.A.

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Top management: persons who perform functions of representation, administration or management of the Entity or those who, within thier own Departments with financial and functional autonomy as well as persons who exercise, even de facto, the management and control of the same (Article 5, paragraph 1, letter a) of Legislative Decree 231/2001).

Workers' Statute: indicates the law of 20 May 1970, n. 300.

Supervisory Body or SB: subject (monocratic or collective) that supervises the functioning and observance of the model (including the update) and must have powers of initiative and control (autonomy).