



**ORGANISATION,
MANAGEMENT
AND CONTROL
MODEL UNDER

ITALIAN
LEGISLATIVE
DECREE
NO.231/2001**

Approved with resolution
of the B.o.D. on 30/11/2020

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1. Brief description of the Company

Company Name: PROMOTEC S.R.L.

Registered office: Via Emilia, 41/B - 40011 Anzola dell'Emilia (BO)

R.E.A. Number: 239992

Tax number: 01169290374

V.A.T. number: 00536491202

Certified email address (PEC): info@pec.autopromotec.it

PROMOTEC S.R.L. (hereinafter referred to as “PROMOTEC” or the “Company”) is a Company aimed at:

- the promotion and professional organisation of trade fairs and specialised exhibitions, in Italy and abroad;
- the performance of market surveys, promotional campaigns and public relations;
- publishing activities related to books, catalogues, magazines and single issue magazines with both proprietary and third-party newspapers;
- the provision of promotional, organisational, survey and study services for the industries concerned and the specialised public, and repair assistance of means of transport in general, as well as in new and retreaded tyres.

The company also achieves its purpose with the following activities:

- use, support and promote commercial and advertising techniques in the tyre retreading and distribution industry, as well as in the manufacture of machines, systems and equipment for servicing, maintenance, repair and overhaul of means of transport;
- perform administrative procedures and provide secretarial services.

PROMOTEC has a traditional top management organisational structure consisting of a Board of Directors and a Board of Auditors.

The accounting control is carried out by an Independent Auditor.

2. Foreword

This document has been drawn up pursuant to and for the purposes of **Italian Legislative Decree no. 231 of 8 June 2001**, containing the "Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to article 11 of Law no. 300 of 29 September 2000", in order to formally establish an effective and agile structure consisting of rules, procedures and behavioural standards governing the organisation and management of the Company.

The **rules**, the **procedures** and the **behavioural and ethical standards** as a whole constitute the **Organisation, management and control model** of PROMOTEC.

The Model has been prepared on the basis of the law provisions (articles 6 and 7 of the Decree), bearing in mind the guidelines established by Confindustria as well as the indications deriving from case law general rules.

The principles and provisions of this document apply to directors, members/shareholders, employees and anyone working on behalf of PROMOTEC by virtue of a contractual relationship of any kind, even temporary, within the limits of their task and the responsibilities connected with it.

The adaptation of the organisational and management system to the requirements outlined by Italian Legislative Decree no. 231/2001 was carried out with the help of external professionals, experts in the various sectors affected by Legislative Decree no. 231/2001.

The activities of the working group aimed at preparing the Model have obtained:

- ✓ the identification of sensitive sectors/activities/areas, with reference to the offences referred to in Italian Legislative Decree no. 231/2001. In order to achieve this result, the external professionals have **analysed the organisational and corporate structure of PROMOTEC** after having acquired the necessary documentation (by way of example but not limited to

this: ordinary Company record, Articles of association, Company organisational chart).

- ✓ the **analytical examination of the sensitive areas**, with prefiguration of the methods and instruments through which it would be possible to commit the criminal offences listed in the Decree by the Company, its administrative bodies, employees and, in general, by the figures listed in art. 5 of the Decree (also through meetings and interviews with the persons concerned);
- ✓ the **identification of existing behavioural procedures and protocols** - whether formalised or not - with reference only to the areas identified as being at risk of committing the offences referred to in the Decree;
- ✓ the **definition of standards of conduct and control** for the activities that, in agreement with the Company, it was considered appropriate to regulate;
- ✓ the **regulation of the methods for the management of financial resources** suitable to prevent crimes from being committed;
- ✓ the **identification of the subjects in charge of supervising the concrete application of this Model** (hereinafter, "Supervisory Body" or "SB") with the simultaneous preparation of the reporting system to and from the SB itself;
- ✓ in the provision of a disciplinary system capable of sanctioning both failure to comply with the measures indicated in the Model and violations of the Code of Ethics.

3. The essential elements of Italian Legislative Decree 231

a. The reform introduced by Italian Legislative Decree 231: the administrative liability of entities

Italian Legislative Decree no. 231/2001 introduced into our system a form of liability defined as administrative - but to be considered, in essence, "criminal" - of legal persons for the commission of certain offences (provided for in the Decree itself or in other legislative sources), committed by persons belonging to the entity's staff **to the advantage or in the interest of the entity itself.**

b. The entities to which the regulations apply

The **addressees of the regulations** are:

- ✓ legal persons (entities and associations having legal personality), including foundations, corporations (whether small, medium or large) and cooperatives;
- ✓ entities (partnerships and associations), including those without legal personality;
- ✓ public bodies acting *iure privatorum*.

c. Potential perpetrators of criminal offences under Legislative Decree 231

By **top management subjects** the legislator means (art. 5 of the Decree):

*"persons who hold positions of representation, administration or management of the entity or one of its organisational units, with financial and functional autonomy, as well as those persons who exercise, **also de facto**, the management and control of the entity"*

Examples include: legal representatives, directors, general managers, etc.

By **employees/collaborators** the legislator means (art. 5 of the Decree):

"all those who are subject to the direction or control of the persons in top management positions."

It should be noted from the outset that the provision of two distinct types of functional relationships (top management position and subordinate position) is decisive for the identification of the methods for exempting the entity from liability.

By way of extreme simplification, if the offence is committed by a person in a top management position, the degree of liability of the entity is considered more significant and the ways in which the latter can be exempt from liability become more "burdensome": in fact, there is an inversion of the burden of proof (in other words, the entity is required to prove the existence of certain conditions - set out in art. 6 of the Decree - in the absence of which it will be held liable); on the other hand, in the case of an offence committed by a person subject to the direction of others, the burden of proof remains with the public prosecution.

d. Predicate offences

The liability of the entity exists only for those crimes (committed or even **only attempted**) which are strictly indicated by the Law.

They currently are:

Among the crimes of the Italian Criminal Code relating to **relations with the Public Administration (articles 24 and 25 of the Decree)**

- article 316 *bis* of the Italian Criminal Code - Misappropriation to the detriment of the State
- art. 316 *ter* of the Italian Criminal Code - Undue receipt of payments to the detriment of the State
- article 317 of the Italian Criminal Code - Bribery
- article 318 of the Italian Criminal Code - Corruption in the performance of a duty
- article 319 of the Italian Criminal Code - Corruption for an act contrary to official duties (aggravated pursuant to article 319 *bis*)
- art. 319 *ter* of the Italian Criminal Code - Bribery in judicial proceedings
- article 319 *quater* of the Italian Criminal Code - Undue inducement/drive/lead to give or promise benefits
- article 320 of the Italian Criminal Code - Bribery of a person in charge of a public service
- article 321 of the Italian Criminal Code - Penalties for the corrupter/briber
- article 322 of the Italian Criminal Code - Incitement to corruption
- article 322 *bis* of the Italian Criminal Code - Embezzlement, bribery, corruption and incitement to corruption of members of the bodies of the European Communities and of officials of the European Communities and of foreign states
- article 346 *bis* of the Italian Criminal Code - Trafficking in unlawful influence.

Among the crimes of the Criminal Code aimed at **protecting the assets of the State or of any other public body (art. 24** of the Decree)

- article 640, para. 2, no. 1 of the Italian Criminal Code - Fraud against the State or another public body
- article 640 *bis* of the Italian Criminal Code - Aggravated fraud to obtain public funds
- art. 640 *ter* of the Italian Criminal Code - Computer fraud.

Among the crimes of the Criminal Code aimed at **protecting public faith (art. 25-Bisbis** of the Decree, added by art. 6 of Italian Law no. 409 of 23 November 2001, containing "Urgent provisions in view of the introduction of the Euro")

- article 453 of the Italian Criminal Code - Forgery of money, spending and introducing counterfeit money into the State with collaborators
- article 454 of the Italian Criminal Code - Counterfeiting of money
- article 455 of the Italian Criminal Code - Introduction and spending of counterfeit money in the State, without collaborators
- article 457 of the Italian Criminal Code - Spending of counterfeit money received in good faith
- article 459 of the Italian Criminal Code - Forgery of revenue stamps, or introducing counterfeit revenue stamps into the State, or purchasing or possessing them or placing them in circulation
- article 460 of the Italian Criminal Code - Counterfeiting of watermarked paper used for the manufacture of legal tender or revenue stamps
- article 461 of the Italian Criminal Code - The manufacture or possession of watermarks or instruments intended for forgery of money, revenue stamps or watermarked paper
- article 464 of the Italian Criminal Code - Use of counterfeit or altered revenue stamps

- article 473 of the Italian Criminal Code - Forgery, alteration or use of trademarks or distinctive signs such as patents, models and designs
- article 474 of the Italian Criminal Code - Introduction into State territory and sale of products bearing false marks

Among the crimes, whether or not covered by the Criminal Code, with the **purpose of terrorism or subversion of the democratic order (art. 25^{quater}** of the Decree, added by art. 3 of Italian Law 7/2003)

- article 270 *bis* of the Italian Criminal Code - Associations for the purposes of terrorism, including international terrorism, or aimed at subverting the democratic order
- art. 270 *ter* of the Italian Criminal Code - Assistance to members
- article 270 *quater* of the Italian Criminal Code - Recruitment for the purposes of terrorism, including international terrorism
- article 280 of the Italian Criminal Code - Attack for the purposes of terrorism or subversion of the democratic order
- article 289 *bis* of the Italian Criminal Code - Kidnapping for the purpose of terrorism or subversion.

Article 2 of the New York Convention of 9 December 1999, referred to in article 25 *quater*, lists a series of offences aimed at punishing, generically, all conducts aimed at providing, directly or indirectly, but in any case voluntarily, funds to persons who intend to commit terrorist offences.

Among the **corporate** crimes provided for by the Italian Civil Code (**art. 25^{ter}** of the Decree, added by art. 3 of Italian Legislative Decree no. 61 of 11 April 2002)

- article 2621 of the Italian Civil Code - False corporate communications
- article 2621 *bis* of the Italian Civil Code - Minor facts
- article 2622 of the Italian Civil Code - False corporate communications by listed companies

- article 2623 of the Italian Civil Code - False statements in the prospectus (repealed by article 34, para. 2 of Italian Law no. 262/2005)
- article 2624 of the Italian Civil Code - False statements in the reports and communications of the independent auditors (repealed by article 37, para. 34 of Italian Legislative Decree no. 39 of 27 January 2010)
- article 2625, paragraph 2, of the Italian Civil Code - Prevented control/inspection
- article 2626 of the Italian Civil Code - Illegal redemption of contributions
- article 2627 of the Italian Civil Code - Illegal distribution of profits and reserves
- article 2628 of the Italian Civil Code - Illegal transactions involving shares or quotas of the company or its parent company
- article 2629 of the Italian Civil Code - Transactions to the detriment of creditors
- article 2629 *bis* of the Italian Civil Code - Failure to disclose a conflict of interest (introduced by Italian Law no. 262/2005)
- article 2632 of the Italian Civil Code - Fictitious capital formation
- article 2633 of the Italian Civil Code - Improper distribution of corporate assets by liquidators
- article 2635 of the Italian Civil Code - Bribery between private individuals
- article 2635 *bis* of the Italian Civil Code - Incitement to bribery between private individuals
- article 2636 of the Italian Civil Code - Illegal influence on the shareholders' meeting
- article 2637 of the Italian Civil Code - Market rigging and manipulation
- article 2638 of the Italian Civil Code - Hindrance to the exercise of the functions of public supervisory authorities

Among the *extra-codicem* crimes (T.U.F., Italian Legislative Decree no. 58/1998) concerning the **financial market (art. 25sexies**, introduced by article 9 of the 2004 Community Law)

- art. 184 T.U.F. - Insider dealing
- art. 185 T.U.F. - Market manipulation.

The legal entity may also be liable for two administrative offences (which reproduce the same criminal offences as those listed above) introduced into the T.U.F. by the 2004 Community Law

- article 187 *bis* - Insider dealing
- article 187 *ter* - Market manipulation.

Among the crimes of the Criminal Code placed to **protect life and individual safety (Article 25quater 1**, introduced by article 8 of Italian Law no. 7 of 9 January 2006)

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

Among the crimes of the Criminal Code aimed at **protecting the individual personality (art. 25-quinquies**, introduced by art. 5 of Italian Law 228/2003)

- article 600 of the Italian Criminal Code - Enslavement or maintenance in slavery or servitude
- article 600 *bis* of the Italian Criminal Code - Child prostitution
- art. 600 *ter* of the Italian Criminal Code - Child pornography
- article 600 *quater* of the Italian Criminal Code - Possession of pornographic material
- article 600 *quater* 1 of the Italian Criminal Code - Virtual pornography
- article 600 *quinquies* of the Italian Criminal Code - Tourism initiatives aimed at the exploitation of child prostitution

- article 601 of the Italian Criminal Code - Trafficking in persons
- article 602 of the Italian Criminal Code - Purchase and sale of slaves
- article 603 *bis* of the Italian Criminal Code - Illegal intermediation and exploitation of labour.

Law 146/2006 provides for a series of measures to combat transnational organised crime.

Article 3 of the aforementioned law defines a "Transnational Crime" as an offence punishable by imprisonment of not less than a maximum of four years, if an organised criminal group is involved, as well as:

- offence is committed in more than one State;
- or is committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State;
- or is committed in one State, but involves an organised criminal group engaged in criminal activities in more than one State;
- or is committed in one State but has substantial effects in another State.

With reference to the predicate offences for which the entity may be liable, article 10 of the law identifies the cases indicated below (which, therefore, may give rise to administrative liability only if the above-mentioned conditions are met):

- criminal association (art. 416 of the Italian Criminal Code)
- mafia-type association (art. 416 *bis* of the Italian Criminal Code)
- criminal association for the purpose of smuggling foreign processed tobacco (art. 291 *quater* of the Italian Consolidated Act pursuant to Presidential Decree no. 43/1973)
- association for the purpose of the illegal trafficking in narcotic or psychotropic substances (art. 74 of the Italian Consolidated Act pursuant to Presidential Decree no. 309/1990)

- traffic in migrants (article 12, paragraphs 3, 3*bis*, 3*ter* and 5 of the Italian Consolidated Law referred to in Legislative Decree no. 286/1998)
- inducement to not make statements or to make false statements to the judicial authorities (art. 377 *bis* of the Italian Criminal Code)
- aiding and abetting a person (art. 378 of the Italian Criminal Code).

Among the crimes of the Criminal Code aimed at **protecting the life and psycho-physical integrity of workers (art. 25*septies*** of the Decree, introduced by art. 9 of Law no. 123 of 13 August 2007)

- art. 589 of the Italian Criminal Code - Manslaughter
- art. 590, para. 3, of the Italian Criminal Code. - Non-wilful grievous bodily injury.

Among the crimes of the Criminal Code aimed at **protecting assets and the economic-financial system (article 25*octies*** of the Decree, introduced by article 63 of Italian Legislative Decree no. 231/2007):

- article 648 of the Italian Criminal Code - Receiving stolen goods
- article 648 *bis* of the Italian Criminal Code - Money laundering
- art. 648 *ter* of the Italian Criminal Code - Use of money, goods or benefits of unlawful origin
- article 648 *ter* 1 of the Italian Criminal Code - Self-money laundering.

Art. 7 of Italian Law no. 48 of 18 March 2008 - concerning the ratification and execution of the Council of Europe Convention on computer crimes - provides for the extension of the predicate offences with the addition of **art. 24-*bis*** of the Decree, which extends the administrative liability of entities and companies to various **computer crimes**:

- article 491 *bis* of the Italian Criminal Code - False information in a computer document

- art. 615 *ter* of the Italian Criminal Code - Unauthorised access to a computer or telecommunications system
- article 615 *quater* of the Italian Criminal Code - Illegal possession and distribution of access codes to computer or telecommunications systems
- article 615 *quinquies* of the Italian Criminal Code - Distribution of equipment, devices or software intended to damage or disrupt a computer or telecommunications system
- article 617 *quater* of the Italian Criminal Code - Illegal monitoring, impeding or interrupting of computer communications or telecommunications
- article 617 *quinquies* of the Italian Criminal Code - Installation of equipment to monitor, prevent or disrupt computer communications or telecommunications
- article 635 *bis* of the Italian Criminal Code - Damage to information, data and computer programs
- art. 635 *ter* of the Italian Criminal Code - Damage to information, data or computer programs used by the State or any other public entity or in any case being of public utility
- article 635 *quater* of the Italian Criminal Code - Damage to computer or telecommunications systems
- article 635 *quinquies* of the Italian Criminal Code - Damage to computer or telecommunications systems of public utility
- article 640 *quinquies* of the Italian Criminal Code - Computer fraud by entity providing electronic signature certification services.

Art. 24-ter of the Decree, introduced by art. 2, para. 29, of Italian Law no. 94 of 15 July 2009, extends the liability of the entity/company to the following offences of **organised crime** included in the Criminal Code:

- article 416 of the Italian Criminal Code - Criminal association

- article 416 *bis* of the Italian Criminal Code - Mafia-type associations, including foreign ones
- art. 416 *ter* of the Italian Criminal Code - Political-mafia electoral exchange
- article 630 of the Italian Criminal Code - Kidnapping for the purpose of extortion
- art. 74 of Italian Presidential Decree no. 309 of 9 October 1990 - Association for the purpose of trafficking in narcotic or psychotropic substances
- art. 407, paragraph 2, letter a), no. 5, of the Italian Code of Criminal Procedure - Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts of them, explosives, clandestine weapons as well as more common firearms
- all those crimes committed by taking advantage of the intimidating power of the mafia-like association relationship and of the corresponding condition of subjugation and the resulting code of silence, or committed in order to facilitate the activities of criminal associations.

Art. 25bis1 of the Decree, introduced by art. 15, paragraph 7, letter b) of Italian Law 99/2009 ascribes to the entity/company the offences, indicated below, **against industry and commerce**:

- article 513 of the Italian Criminal Code - Nuisance of the freedom of industry or trade
- article 513 *bis* of the Italian Criminal Code - Illegal competition with threats or violence
- article 514 of the Italian Criminal Code - Fraud against domestic industries
- article 515 of the Italian Criminal Code - Fraud in the exercise of trade
- article 516 of the Italian Criminal Code - Sale of non-genuine foodstuffs as genuine

- article 517 of the Italian Criminal Code - Sale of industrial products with misleading signs or marks
- art. 517 *ter* of the Italian Criminal Code - Manufacture of and trade in goods made by encroaching on others' industrial property rights
- article 517 *quater* of the Italian Criminal Code - Counterfeiting of geographical indications or denominations of origin of agricultural produce

Art. 25novies of the Decree, introduced by art. 15, paragraph 7, lett. c) of Italian Law 99/2009 extends the responsibility of the entity/company to the *extra codicem* crimes concerning the **violation of copyright** as listed below:

- the offences envisaged by article 171, paragraph 1, letter a-*bis*), and paragraph 3, articles 171 *bis*, 171 *ter*, 171 *septies* and 171 *octies* of Italian Law no. 633/1941.

Italian Legislative Decree no. 121/2011 - in implementation of Directive 2008/99/EC and Directive 2009/231/EC, which amends Directive 2005/35/EC on pollution - added to the Decree the **art. 25undecies**, which extends the liability of the entity to the **environmental crimes** indicated below:

- article 452 *bis* of the Italian Criminal Code - Environmental pollution
- article 452 *quater* of the Italian Criminal Code - Environmental disaster
- article 452 *quinquies* of the Italian Criminal Code - Not wilful crimes against the environment
- article 452 *sexies* of the Italian Criminal Code - Trafficking in and abandonment of highly radioactive material
- article 452 *octies* of the Italian Criminal Code - Aggravating circumstances
- article 727 *bis* of the Italian Criminal Code - Killing, destroying, capturing, taking or keeping specimens of protected wild fauna or flora species
- article 733 *bis* of the Italian Criminal Code - Destruction or deterioration of habitats within a protected site

- article 137, paragraphs 2 and 3, Italian Legislative Decree no. 152/2006 - Unauthorised discharge of industrial waste water containing hazardous substances and discharge of the same substances in violation of the requirements imposed by the authorisation
- art. 137, paragraph 5 - first and second sentence - Italian Legislative Decree no. 152/2006 (Discharge of industrial waste water in violation of the required limits)
- art. 137, paragraph 11, Italian Legislative Decree no. 152/2006 - Violation of prohibitions of dumping on the ground, in groundwater and in the subsoil
- art. 137, paragraph 13, Italian Legislative Decree no. 152/2006 - Discharge into the sea by ships and aircraft of substances whose spillage is forbidden
- art. 256, paragraph 1, letters a) and b) Italian Legislative Decree no. 152/2006 - Collection, transport, recovery, disposal, trade and intermediation of waste without the prescribed authorisation, registration or communication
- art. 256, paragraph 3 - first and second sentence - Italian Legislative Decree no. 152/2006 - Creation or management of an unauthorised landfill site
- art. 256, paragraph 4, Italian Legislative Decree no. 152/2006 - Failure to comply with the requirements contained in the authorisation to manage a landfill or other activities concerning waste
- art. 256, paragraph 5, Italian Legislative Decree no. 152/2006 - Unauthorised mixing of waste
- art. 256, paragraph 6, Italian Legislative Decree no. 152/2006 - Temporary storage at the place of production of hazardous medical waste
- art. 257, paragraphs 1 and 2, Italian Legislative Decree no. 152/2006 - Pollution of the soil, subsoil, surface water and underground water and failure to notify the competent authorities thereof
- art. 258, paragraph 4, and art. 260 *bis*, paragraphs 6 and 7 of Italian Legislative Decree no. 152/2006 - Preparation or use of a false waste analysis certificate

- art. 259, paragraph 1, Italian Legislative Decree no. 152/2006 - Illegal waste trafficking
- art. 260 Italian Legislative Decree no. 152/2006 - Activities organised for the illegal trafficking of waste
- art. 260 *bis*, paragraph 8, Italian Legislative Decree no. 152/2006 - Violations of the control system for waste traceability
- art. 279, paragraph 5, Italian Legislative Decree no. 152/2006 - Air pollution
- art. 1, paragraphs 1 and 2, art. 2, paragraphs 1 and 2, Italian Law no. 150 of 7 February 1992 - Illegal import, export, transport and use of animal species and trade in artificially reproduced plants
- art. 3 *bis*, Italian Law no. 150 of 7 February 1992 - Falsification or alteration of certifications and licenses and use of false or altered certifications and licenses for the import of animals
- art. 3, paragraph 6, Italian Law no. 549 of 28 December 1993 - Violation of the provisions on the use of ozone-depleting substances
- art. 8, paragraphs 1 and 2, Italian Legislative Decree no. 202 of 6 November 2007 - Malicious spillage of pollutants at sea from ships
- art. 9, paragraphs 1 and 2, Italian Legislative Decree no. 202 of 6 November 2007 - Negligent spillage of pollutants at sea from ships.

Art. 2 of Italian Legislative Decree no. 109/2012 included in the Decree the **art. 25^{duodecies}**, which regulates the administrative tort having as predicate offences the cases of **irregular immigration** pursuant to Italian Legislative Decree no. 286/1998.

In particular, the following cases are identified:

- art. 22, paragraph 12 *bis*, Italian Legislative Decree 286/1998;
- art. 12, paragraphs 3, 3 *bis* and 3 *ter*, Italian Legislative Decree 286/1998;
- art. 12, paragraph 5, Italian Legislative Decree no. 286/1998.

The Italian Law no. 167 of 2017 introduced in the Decree the **art. 25terdecies**, headed "racism and xenophobia", which refers to art. 3, para. 3*bis*, Italian Law no. 654/1975 (to be understood as referring to article 604*bis* of the Italian Criminal Code, pursuant to article 7, Italian Legislative Decree no. 21/2018).

The Italian Law no. 39 of 3 May 2019, introduced in the Decree the **art. 25quaterdecies**, which extends the administrative liability of entities to sports fraud, in particular by referring to the crimes set forth in articles 1 and 4 of Italian Law no. 401 of 13 December 1989.

Italian Law no. 157 of 19 December 2019, converting Decree-Law no. 124 of 26 October 2019, inserted article **25 quinquiesdecies** into the Decree, extending the administrative liability of entities to tax crimes.

Italian Legislative Decree 14 July 2020, no. 75 on "*Implementation of Directive (EU)2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law*" introduced in the Legislative Decree 231/2001 the crimes of fraud in public supplies pursuant to art. 356 of the Italian Criminal Code, embezzlement through the profit from the error of others pursuant to art. 316 of the Italian Criminal Code, misconduct in office, pursuant to art. 323 of the Italian Criminal Code, serious VAT fraud in the event of untruthful statements and omitted statements pursuant to Italian Legislative Decree no. 74/2000, as well as smuggling pursuant to Italian Presidential Decree no. 43/1973.

e. The penalties provided for and the conditions for their applicability

The sanctions that may be imposed by the judge at the end of the criminal trial (in which the liability of the entity in relation to the crime committed is ascertained) are of different types:

- **pecuniary**: these, by express legislative provision, are commensurate with the seriousness of the offence committed, the degree of liability of the entity, the activity carried out by it to eliminate or mitigate the consequences of the

fact and to prevent the commission of further offences. Finally, they are calculated on the basis of the financial and asset conditions of the entity "in order to ensure the effectiveness of the sanction";

- **prohibitory**: these, in fact, "prohibit" the entity from exercising its activity in various ways; in particular, Decree 231 provides for the prohibition from exercising the activity; the suspension or revocation of authorisations, licences or concessions; the prohibition from contracting with the public administration or the exclusion from facilitations, financing, grants or subsidies, including the possible revocation of those already granted.

Further sanctions include the **seizure of the price or profit** of the **offence** (when this is not possible, the seizure may concern amounts of money, goods or other utilities of equivalent value) and the **publication of the judgement of conviction**.

The entity may be held liable for the offence committed by the above-mentioned persons, provided that:

- the offence was committed **in its interest or to its advantage**. The difference between the two hypotheses, described alternatively, lies in the fact that the first concerns the subjective purpose of the conduct, and can be assessed by the criminal judge from an *ex ante* perspective, i.e. prior to or concomitant with the commission of the offence, while the second takes on more markedly objective connotations – as the entity may be able to gain an advantage even if the natural person has not acted in its interest – and requires a judicial verification after the fact (*ex post*);
- **the entity has not previously adopted and effectively implemented an organisational and management model suitable for preventing offences of the type that actually occurred** (while the previous point describes the objective criterion of connection between the fact constituting an offence and the legal person, the latter describes the criterion of subjective connection of the entity with the criminal offence that was committed).

4. The organisational and management model

a. The component elements

With regard to the regulatory framework of reference - articles 6 and 7 of Italian Legislative Decree no. 231/2001 - the Model is composed of:

- internal procedures and control standards with reference exclusively to the activities considered at risk of crime;
- Code of Ethics;
- disciplinary system;
- Supervisory Body;
- reporting system to and from the Supervisory Body;
- system for reporting illegal conduct relevant under Decree no. 231 and an alternative reporting system that guarantees the confidentiality of the identity of the reporter (so-called “whistleblowing”);
- communication and training.

b. The justification function of the Model

The Model, if adopted and effectively implemented, represents an effective protection for the company. In fact, if the Model is **adopted before the offence is committed**, it makes it possible to **totally exclude the liability of the entity** (according to criminal law language, the Model, in this circumstance, is a cause of exclusion of the guilt of the collective body) **for the offence committed by the natural person functionally linked to it** (in this case, therefore, it is only the natural person who will be tried and possibly convicted).

If the Model is adopted after the offence has been committed, in the case of the imposition of pecuniary sanctions, it determines a considerable reduction in the same. On the other hand, in the hypothesis of the imposition of disqualification sanctions, the sanctions in question do not apply if "virtuous" conduct is adopted, such as payment of damages and/or the recovery of profits, or the removal of the perpetrator of the offence.

Finally, in the case of the adoption of disqualification precautionary measures during the preliminary investigation phase, the adoption of the Model entails the suspension of such measures (always in the presence of the aforementioned "virtuous" conduct).

c. Aims and objectives

PROMOTEC, by adopting an Organisation, management and control model compliant with the provisions of the Decree, shows that it operates in conditions of **fairness and transparency** in business and company activities.

The adoption of the Model represents a tool to raise awareness among all employees, players and all other parties closely involved in the company (suppliers, customers, collaborators, consultants, etc.), so that, in carrying out their activities, they behave correctly and consistently, in order to prevent the risks of crime.

In particular, the Company, through the adoption of the Model, resolves to:

- make all those who work in the name of and on behalf of PROMOTEC, and especially those who operate in the areas of activities found to be at risk of offences, aware that, in the event of violations of the provisions contained in the Model, they may incur in the commission of offences which may lead to criminal sanctions against them, and to "administrative" sanctions which may be imposed on the Company;
- make the above-mentioned individuals aware that such illegal conduct is strongly condemned by PROMOTEC since it is always and in any case contrary not only to the law provisions, but also to the company culture and to the ethical principles adopted as guidelines in its business activities;
- protect any persons who report illegal conduct or violations of the Model, ensuring that no retaliatory or discriminatory action is taken against the reporting person;
- allow the Company to promptly intervene to prevent or counteract the commission of the crimes (listed in the special part of the Decree), or at least to significantly reduce the harm caused by them;

- encourage a significant leap in quality in terms of organisation and transparency of corporate governance and the image of PROMOTEC.

It should be noted that, without prejudice to the objectives and purposes stated above, the assessment of the Model concerns its suitability to minimise and not to simply exclude the occurrence of one of the offences listed in the special part of the Decree by the individual persons.

This is confirmed by the fact that the Italian Legislative Decree in question expressly requires that the Model must be suitable not so much for preventing the offence that actually occurred, but rather the type of offence to which it belongs.

d. Approval and implementation of the Model

The Organisation, management and control model, in accordance with the provisions of art. 6, paragraph I, letter a), of Italian Legislative Decree no. 231/2001, is a document issued by the management body.

The Model complements and does not replace the organisational and control tools, as well as the behavioural procedures to be issued in the future or those already in place.

In this regard, in fact, it should be noted that the Model is a tool with a specific scope and purpose, as it aims to prevent only the commission of the offences provided for in the Decree.

However, the principles of conduct contained in this Model may be considered as an extension of the codes of conduct already present or to be issued in the future.

e. Amendments and additions

The Board of Directors, at the instigation of the SB, will make any subsequent amendments and additions to the Model, the Code of Ethics and the disciplinary system.

The purpose of this is to ensure that the Organisation, management and control model continues to comply with the provisions of Decree no. 231/2001 and with any changes in the Company's organisational and management structure.

The activities of modification and integration of the Model must be carried out in the broadest respect of the individual company functions, which, therefore, have the last word on the management of the specific operating procedures and standards of conduct.

f. Implementation of the Model

The B.o.D. takes decisions regarding the implementation of the Model, by evaluating and approving the actions necessary for the implementation of its constituent elements.

The activity of control on the adequacy and implementation of the Model (and of any drive regarding the actions to undertake) is instead the responsibility of the SB (for the necessary in-depth description, please refer to the part of the Model dedicated to this Body).

g. General principles of control

- Every operation, transaction and action must be traceable, verifiable, documented, consistent and appropriate.
- No one can independently manage an entire process.
- No one can be given unlimited powers.
- Powers and responsibilities must be clearly defined and known within the organisation.
- Authorisation and signatory powers must be consistent with the organisational responsibilities assigned.
- The checks carried out must be documented.

5. The Supervisory Body

a. Composition, functions and tasks

Pursuant to art. 6, paragraph 1, letter b) of the Decree, the Supervisory Body must be set up. This body has autonomous powers of initiative and control.

It must **supervise the functioning, effectiveness and respect of the Model, as well as ensure that it is constantly and promptly updated.**

The legislator does not provide comprehensive guidance on the structure and composition of this body.

Decisions on these profiles, therefore, according to a shared opinion, are left to the free and responsible appreciation of the entity.

In view of its characteristics, PROMOTEC has opted for a one-member Supervisory Body, considering this choice to be the most appropriate for the purpose for which it is intended.

The body shall ensure expertise in the field of liability of entities.

The Supervisory Body is granted, from the moment of its appointment, financial autonomy through the allocation of an expenditure budget which will be supplemented and/or refinanced if and when necessary.

The SB remains in office for a period of three years from the date of appointment and may be re-elected for three consecutive terms.

On the prescribed date of expiration, the Supervisory Body will cease to exist, although it will continue to perform its functions *pro tempore*, until new members of the SB are appointed.

The remuneration of the aforementioned body is determined by the Board of Directors at the time of appointment for the entire period of office.

The same causes of ineligibility and forfeiture that exist, pursuant to art. 2399 of the Italian Civil Code, for the members of the Board of Statutory Auditors, apply to the members of the SB.

The members of the SB can only be revoked from office by the Board of Directors for just cause. The revocation must be decided upon after the interested parties have been heard.

In the event of termination, revocation, death, waiver or lapse of one of the members of the SB, the administrative body is obliged to promptly appoint a new member.

The members of the Supervisory Body must not have been subjected to criminal proceedings or convicted with a judgement (even if not final) for one of the offences referred to in Italian Legislative Decree no. 231/2001.

The SB will carry out the following activities of:

- supervision of the effectiveness of the Model, verifying in particular the consistency between the Model itself and the actual procedures adopted in the areas at risk;
- periodic verification that the Model is complied with by all the individual company units/areas at risk, in order to ascertain that the procedures defined and the safeguards put in place are followed as faithfully as possible and are actually suitable for preventing the risks of committing the specified offences;
- supervision to ensure that the Code of Ethics and all the provisions contained therein are complied with by all persons operating in any capacity within the Company;
- putting forward proposals for updating and amending the Model to the competent bodies, in collaboration with the company departments involved, in the event that changed company conditions and/or regulations require, in its opinion, updating and/or integration.

In particular, the SB, as identified above:

- sees to the updating of the Model, by the Board of Directors, in compliance with the evolution of the law and case law, but also as a consequence of changes in the company organisation;
- collaborates with the various company functions involved, in the preparation and integration of internal regulations (rules of conduct, operating instructions, any control manuals) aimed at preventing the specified risks of crime;

- supervises the correct functioning of the control activities for each area at risk, promptly reporting anomalies and malfunctions of the Model, after discussion with the areas/functions concerned;
- disseminates, in the manner it deems most appropriate, the knowledge and understanding of the Organisational Model within the Company, paying greater attention to the areas considered most exposed to the specified risks of crime (essentially the areas/functions that deal with the management of economic resources, accounting, those that have relations with public administrations, the management of health and safety at work);
- periodically carries out targeted checks on certain transactions or specific instruments carried out as part of the processes monitored as they are sensitive;
- provides for extraordinary audits when malfunctions of the Model are highlighted or when the commission of illegal acts covered by the prevention activities has occurred, or is only suspected to have occurred;
- monitors the trend of activities at risk, coordinating with the company departments, also through special meetings;
- collects, processes and stores information relevant to compliance with the Model;
- periodically draws up reports on the adequacy and effectiveness of the Model, also on the basis of what has emerged from the audit and control activities, transmitting them to the Board of Directors;
- periodically checks the feasibility and implementation of any corrective solutions to the specific procedures contained in the Model;
- manages a dedicated email address (odv@PROMOTEC.it) for the purpose of receiving from the company departments any requests for clarifications regarding doubtful cases or problematic assumptions, as well as requests for interventions aimed at implementing the Model;
- assesses and proposes the imposition of any disciplinary sanctions, following the necessary coordination with the heads of the competent company functions/areas.

The SB carries out its activities, except in urgent situations and special cases, at least quarterly.

Where it considers it necessary, the SB, in order to carry out its duties, must be able to talk to the Chairman of the Board of Directors and the persons with management powers.

The SB may ask to be heard by the Board of Directors and/or the Board of Statutory Auditors whenever it deems it appropriate to examine or intervene in matters relating to the functioning and effective implementation of the Model.

In order to guarantee a correct and effective flow of information, the SB also has the possibility, in order to ensure the full exercise of its powers, to ask for clarifications or information directly from the individual owners of the main operational responsibilities.

The SB may, in turn, be convened at any time by the Board of Directors and/or the Board of Statutory Auditors to report on particular events or situations relating to the functioning of and compliance with the Model.

The members of the SB must be adequately remunerated in order to prevent the devaluation of their office and duties.

b. Reporting to the Supervisory Body

The SB is the recipient of any information, documentation and/or communication, also from third parties, concerning compliance with the Model.

In carrying out its functions, the Supervisory Body must have free access to all company documentation, including the minutes of the meetings of the Board of Directors and the Board of Statutory Auditors; it must be able to request, and promptly obtain, data and information from company management, as well as from managers and executives.

Within the frame of its control activities, the SB establishes the documentation that, on a periodical basis, must necessarily be submitted to its attention.

The Supervisory Body must be provided with the following information:

- measures and/or news coming from the criminal investigation department or any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the types of offences provided for by the Decree, concerning the Company;
- requests for legal assistance made by persons within PROMOTEC, in the event of legal proceedings being initiated for one of the offences envisaged by the Decree;
- reports prepared by the company structures as part of their control activities, from which critical elements emerge with respect to the provisions of the Decree;
- reports (anonymous or not) concerning illegal conduct or violations of the Organisation, management and control model;
- periodically, information on the effective implementation of the Model in all company areas/functions at risk;
- periodically, news regarding the actual compliance with the Code of Ethics at all company levels;
- information on the development of activities relating to areas at risk. In the event of information and/or news, even unofficial, relating to the commission of the offences provided for in the Decree or in any case concerning possible violations of the Model (including of course the provisions of the Code of Ethics), each person must contact his or her superior/manager who will immediately report to the SB.

If news of the possible commission of crimes or violations of the Model involves members of the Board of Directors of PROMOTEC, only the SB is directly informed.

Lastly, the Administration Office must inform the SB of the system of powers and delegations adopted by the Company.

The information flows must reach the Supervisory Body by means of the methods concretely defined by it.

The SB acts in such a way as to guarantee whistleblowers against any form of retaliation, discrimination or penalisation, also guaranteeing the confidentiality of the

identity of the whistleblower, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly accused or accused in bad faith. The SB evaluates the reports received and decides on the action to be taken, after listening, if necessary, to the reporting person and/or the person responsible for the alleged violation.

If the perpetrator of the offence is the Chairman of the Board of Directors, the SB will carry out a summary investigation, the outcome of which will be communicated to the Board of Statutory Auditors which, after carrying out the necessary deeper analysis, will take the most appropriate measures, taking care to inform the SB.

c. Collection and storage of information

The Supervisory Body prepares a special database, in electronic or paper form, in which all reports, information and notifications pursuant to this document are kept for a period of 10 years. This is without prejudice to compliance with the provisions on the confidentiality of personal data and the rights guaranteed in favour of the persons concerned.

Access to the database is allowed exclusively to the SB.

6. Dissemination of the Model

a. Training and information for all personnel and persons in top positions

PROMOTEC intends to guarantee a correct and complete knowledge of the Model and of the contents of Italian Legislative Decree no. 231/2001 and of the obligations deriving from the same.

Training and information is managed by the competent company functions under the control of the SB, in close coordination with the managers of the areas/functions involved in the application of the Model.

This training and information effort is also extended to all those individuals who, although not belonging to the company structure, operate in the interest and/or to the advantage of PROMOTEC.

However, only communication and training activities concerning the Code of Ethics are addressed to third parties.

The adoption of this document shall be communicated to all persons working for and on behalf of the Company at the time of its adoption.

All employees and senior management must sign a special form certifying that they are aware of and accept the Model, of which they have a hard or soft copy.

New employees are given an information kit containing the Model, including the Code of Ethics, used to ensure that they are aware of the information considered of primary importance.

Standard contractual clauses are included in the contracts stipulated with private third parties, which oblige them not to adopt any conduct that is not in line with the principles of conduct and ethical values that inspire the Company.

Ongoing training and updating activities are organised by the competent company departments under the supervision of the SB, by means of compulsory regular meetings, modulated in terms of content and frequency, depending on the qualification of the Recipients and the function they hold.

If deemed necessary by the SB, external professionals with specific expertise on the subject of offences attributable to the Company, the analysis of organisational procedures and processes, as well as the general principles of compliance legislation and related controls, will attend the meetings.

b. Selection of external parties operating in the areas most exposed to risk

Specific evaluation systems may be set up within the Company - upon the proposal of the SB and by decision of the B.o.D. - for the selection of representatives, consultants and the like, as well as partners with whom the Company intends to establish any form of partnership and who are destined to cooperate with PROMOTEC in carrying out the activities which are most exposed to the risk of crime.

7. The disciplinary system and sanctions

a. Purpose

This disciplinary and sanction system, which is an integral part of the PROMOTEC Organisational Model, is adopted by the B.o.D. in accordance with article 6, paragraph 2, letter e) and article 7, paragraph 4, letter h) of the Italian Legislative Decree no. 231/2001.

It is aimed at defining the sanctions for non-compliance with the principles contained in the Code of Ethics of the Company, as well as the provisions of the Organisational Model adopted by the same.

The Code of Ethics and the Organisation, management and control model constitute the components of the system of prevention of offences from which administrative liability may derive pursuant to Italian Legislative Decree no. 231/2001 (hereinafter, also "Preventive System").

The application of disciplinary measures and sanctions is irrespective of the initiation and outcome of any criminal proceedings, since the rules of conduct imposed by the preventive system are decided by PROMOTEC in complete autonomy and independently of the type of offence which the breaches of the Preventive System may determine.

b. Sanctions against employees

The behaviour of employees (to be understood in an all-embracing sense, i.e. managers, office and factory workers, etc.) in violation of the individual behavioural rules derived from the Preventive System are defined as "disciplinary offences".

The sanctions that may be imposed on employees are adopted in compliance with the procedures set out in article 7 of the Workers' Statute, as well as in the current National Collective Agreement operating at sector level for the Services/Tertiary industry.

Disciplinary measures against employees and any request for compensation for damages caused to the Company shall be commensurate with the proportionality of the conduct and the disciplinary consequence, in relation to:

- the level of responsibility and autonomy of the employee;
- the possible existence of disciplinary precedents, also unrelated to the violation of the preventive system, against the same;
- the intentionality of his/her behaviour;
- the gravity of the conduct itself;
- the other particular circumstances in which the conduct in violation of the preventive system occurred.

Any failure to comply with the obligations laid down in the preventive system is an infringement of the system. In any event, the following are violations of the preventive system, in order of seriousness:

- the commission of offences from which the administrative liability of entities may derive, pursuant to Italian Legislative Decree no. 231/2001;
- the violation of the principles of the Code of Ethics;
- the violation of the measures for the protection of persons who report offences as set out in the whistleblowing procedure or the submission of reports which prove to have no grounds;
- the violation of the rules contained in the procedures of the Organisational Model, the obstruction of the control activities of the SB provided for, and the omission of the activities due to the same;
- the shunning of training;
- the omission of actions to disseminate awareness of the preventive system.

If several violations, punishable by different sanctions, have been committed in a single act, the most serious sanction shall apply.

Employees who violate the internal procedures foreseen by the preventive system or adopt, in the performance of activities in areas at risk, a conduct that does not comply with the provisions of the system itself, shall incur in the following disciplinary measures:

1. verbal warning;
2. written warning;
3. fine;
4. suspension;
5. dismissal.

If the worker has committed one of the above violations, the Company may order the precautionary non-disciplinary suspension of the employee with immediate effect, for a period not exceeding ten days. In the event that the Company decides to proceed with the dismissal, the same will take effect from the moment in which the decision is made.

All the above measures are adopted by the Chairman of the Board of Directors.

With regard to executive personnel, considering the fiduciary relationship that binds this type of employee to the Company, the disciplinary measures provided for may only concern serious misconduct or cases of recidivism.

In accordance with and in compliance with the prevailing law provisions and the Collective Agreement, this is without prejudice to the Company's right to any action for damages caused to it by the author of the violation of the Preventive System.

c. Sanctions against Directors and Statutory Auditors

If a member of the Board of Directors or a member of the Board of Statutory Auditors violates the procedures foreseen by the preventive system or adopts, in the performance of activities in areas at risk, a conduct that does not comply with the provisions of the system itself, the SB will inform the Board of Directors, which will decide on the measures to be taken.

d. Sanctions against external collaborators

In the event of violation by an external collaborator (consultant, agent, attorney, supplier, or representative of the Company in general) or by a partner of PROMOTEC of the prescriptions and procedures contained in the parts of the preventive system referred to in a specific contractual clause, the person who has signed for the Company the contract containing said violated clause shall adopt - or, in the event of him/her being unable to do so, the Chairman of the BoD shall adopt -

against the author of the violation the measure of written warning, financial penalty or termination of the contract depending on the seriousness of the violation committed, by virtue of the activation of what is provided for in the same clause.

This is without prejudice to PROMOTEC's right to any action for damages caused to it by the author of the violation of the Preventive System.

e. Register of persons who have violated the Preventive System

The SB keeps a register of individuals - internal and external to PROMOTEC - who have been subjected to disciplinary measures or sanctions. Entry in the register of persons against whom an expulsion measure has been taken by the Company or the termination of the contract has been decided determines the exclusion from new contractual relationships with the same, unless an exception is decided by the Board of Directors, subject to the written opinion of the SB.