MODEL
of Organisation, Management and Control
ex Legislative Decree 231/01
General Part

March 2022

Approved 19/7/2022
by the Board of Directors
available on the corporate intranet
and on the website www.altecspace.it

ALTEC

Aerospace Logistics Technology Engineering Company S.p.A.

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1) Legislative Decree 231/01

1.1 The regime of organisational liability of entities.

Legislative Decree No. 231 of 8 June 2001, containing the '*Discipline of 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*' (hereinafter also referred to as the '**Decree**') introduced into the Italian legal system the administrative liability of entities with legal personality and of companies and associations, including those without legal personality (hereinafter also referred to as '**Entities**' or '**Entities**') for facts connected with the commission of offences.

This legislation provides for the direct liability of Entities with the imposition of sanctions, resulting from the detection of certain offences committed in the interest or to the advantage of those Entities by

- persons entrusted with functions of representation, administration or management, of the entity (or of one of its organisational units with financial and functional autonomy);
- persons exercising, even de facto, management or control over the entity;
- persons subject to the direction or supervision of one of the aforementioned persons.

The criminal judge having jurisdiction over offences committed by natural persons also ascertains violations attributable to Entities. This element, together with the fact that the same legislation expressly provides for the extension of all the guarantees envisaged for the defendant also to the Entity, makes it possible, in essence, to speak of the criminal liability of Entities.

The sanctions applicable to Entities, in the event of the commission by a person belonging to them of one of the offences for which application of the rules in question is envisaged, are pecuniary and prohibitory, in addition to confiscation and publication of the sentence.

Fines are always applied through a quota system, not less than 100 and not more than 1,000, for a minimum amount of euro 258.23 to a maximum amount of euro 1,549.57.

The judge determines the number of quotas taking into account the seriousness of the offence, the degree of liability of the Entity, the activity carried out by the Entity to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences, and the Entity's economic and asset conditions. The amount of the fee is fixed on the basis of the economic and patrimonial conditions of the Entity in order to ensure the effectiveness of the sanction.

The prohibitory sanctions are:

- disqualification;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition of contracting with the Public Administration, except to obtain the performance of a public service;

- exclusion from facilitations, financing, contributions or subsidies and possible revocation of those already granted;
- ban on advertising goods or services;

The type and duration (not less than three months and not more than two years) of the disqualification sanctions are established by the judge, taking into account the seriousness of the offence, the degree of liability of the Entity and the activity carried out by the Entity to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences.

The Decree also provides for a specific offence relating to any failure to comply with the prohibitory sanctions imposed on the Entity, i.e. the transgression of the obligations or prohibitions inherent in such sanctions or measures (Article 23). Where such an offence is committed by a corporate representative in the interest or to the advantage of the Entity, the Decree provides for concurrent administrative liability of the Entity.

These sanctions, at the request of the Public Prosecutor, where there are serious indications of the Entity's liability and the concrete danger of the offence being reiterated, can also be applied by the judge as a precautionary measure. Similarly applicable by the judge are the preventive seizure of assets susceptible to confiscation and the precautionary seizure in the event of the danger of the loss of guarantees for possible State credits (expenses, justice, pecuniary penalty).

The judge may order, in lieu of the application of prohibitory sanctions, the continuation of the Entity's activity by a commissioner, for a period equal to the duration of the prohibitory sanction that would have been applied, when at least one of the following conditions is met:

a) the Entity performs a public service or a service of public necessity the interruption of which may cause serious harm to the community;

b) the interruption of the Entity's activity may, in view of its size and the economic conditions of the territory in which it is located, have significant repercussions on employment.

In addition to the aforementioned sanctions, the Decree provides that the confiscation of the price or profit of the offence is always ordered, which may also be for equivalent value, as well as the publication of the conviction in the presence of a disqualification sanction.

1.2 The predicate offences

The offences capable of generating the administrative liability of Entities (or 'predicate offences'), in the original text of the Decree, were confined to the category of offences against the Public Administration, contained in Articles 24 and 25 of the Decree, summarised below:

- Article 24 "*Misappropriation of public funds, fraud to the detriment of the State or a public body or for the purpose of obtaining public funds and computer fraud to the detriment of the State or a public body", which considers the offences referred to in Articles 316-bis ("Misappropriation to the detriment of the State"), 316-ter ("Misappropriation of public funds"), 640, paragraph 2, no. 1 ("Fraud committed to the detriment of the State or other public body"), 640-bis ("Aggravated fraud*

to obtain public funds") and 640-ter ("Computer fraud") if committed to the detriment of the State or other public body, of the Criminal Code".

Art. 25 "*Extortion, undue inducement to give or promise benefits and bribery", which considers the offences referred to in Articles 317 ("Extortion"), 318 ("Bribery"), 319 ("Bribery for an act contrary to official duties") 319-ter, paragraph 1, ("Corruption in judicial acts"), 319-quater ("Undue inducement to give or promise benefits"), 321 ("Penalties for the corruptor"), and 322 ("Incitement to corruption") of the Criminal Code*".

Today, the list of predicate offences includes a long series of hypotheses, gradually introduced by subsequent legislation, indicated below in order of entry into force.

1) Law No. 409 of 23 November 2001

Law No. 409/2001 introduced Article *25-bis* of the Decree, which considers the offences of counterfeiting money, public credit cards and revenue stamps.

2) Legislative Decree No. 61 of 11 April 2002

Legislative Decree No. 61/2002 introduced Article *25-ter* of the Decree, referring to corporate offences, such as false corporate communications, illegal distribution of profits and reserves, unlawful transactions on shares or quotas, unlawful influence on the shareholders' meeting, market rigging, obstructing the exercise of the functions of public supervisory authorities.

3) Law No. 7 of 14 January 2003

Law No. 7/2003 introduced Article *25-quater* of the Decree, referring to offences for the purposes of terrorism and subversion of the democratic order.

4) Law No 228 of 11 August 2003

Law No. 228/2003 introduced Article *25-quinquies* of the Decree, referring to offences against individuals, such as the reduction or maintenance in slavery, the purchase and sale of slaves, prostitution and child pornography.

5) Law No. 62 of 18 April 2005

Law No. 62/2005 (the so-called '2004 Community Law') introduced Article *25-sexies* of the Decree, including among the offences subject to corporate administrative liability those consisting in 'market abuse': insider trading and market manipulation.
The same Law No. 62/2005 introduced into Legislative Decree No. 58/1998 ('Consolidated Law on Finance' or 'TUF') Article *187-quinquies*, which provides for the sanctions of Legislative Decree No. 231/2001 against the entity, when the abuse of inside information and market manipulation do not take on criminal relevance, but downgrade to administrative offences.

6) Law No. 262 of 28 December 2005

Law No. 262/2005 (the 'Savings Law') supplemented the pre-existing Article *25-ter* of the Decree by including in its list the hypothesis of failure to disclose a conflict of interest.

7) Law No. 7 of 9 January 2006

Law No. 7/2006 introduced Article *25-quater1* of the Decree (following Article *25-quater* and preceding Article *25-quinquies*), referring to female genital mutilation (codified by the same law of 2006 and introduced in Article 583 *bis* of the Criminal Code).

8) Law No. 146 of 16 March 2006

Law No. 146/2006 (in ratifying the United Nations Convention and Protocols against Transnational Organised Crime) provided for the liability of entities for certain organised crime offences, if they assume all the connotations of 'transnationality', namely:

a) maximum sentence of not less than four years;
b) involvement of an organised criminal group;
c) alternatively:

- internationality (understood as commission of the offence in more than one state or in one state only, but with a substantial part of the preparation, planning, direction or control in another);
- commission of the offence in one state with involvement of an organised criminal group engaged in criminal activities in more than one state or production of substantial effects in another state.

9) Law No. 123 of 3 August 2007

Law no. 123/2007 introduced Article *25-septies* of the Decree, thus including - among the predicate offences - the crimes of manslaughter and grievous bodily harm, committed in violation of health and safety at work regulations.

10) Legislative Decree No. 231 of 21 November 2007

Legislative Decree no. 231/2007 ("Anti-Money Laundering Legislation") introduced Article *25-octies* of the Decree, associating corporate administrative liability also with the offences of receiving stolen goods, money laundering and the use of utilities of unlawful origin.

11) Law No. 48 of 18 March 2008

Law No. 48/2008 introduced Article *24-bis* of the Decree, which considers computer crimes (attacks on the confidentiality or security of data and communications, falsification of computer documents and fraud in digital signature certification services).

12) Law No. 94 of 15 July 2009

Law No. 94/2009 introduced Article *24-ter* of the Decree, which provides for corporate administrative liability for organised crime offences.

Some of the latter (criminal conspiracy, mafia-type conspiracy and conspiracy for the illegal trafficking of drugs) had already been associated with corporate administrative liability in 2006 (by Law No. 146/2006), but this liability was subject to the transnational nature of the offences (described under 8), which is no longer required today.
The hypotheses that can be considered newly introduced are those of mafia political electoral exchange, kidnapping (for robbery or extortion) and illegal manufacture, introduction into the State, sale, transfer, possession and carrying of weapons.

13) Law No. 99 of 23 July 2009

Law No. 99/2009 supplemented the pre-existing Article *25-bis* of the Decree and introduced new articles into the Decree.
The amended Article 25-bis includes cases relating to the counterfeiting of distinctive signs and the marketing of products with false signs.
Article *25-bis 1*, introduced *from* scratch, provides for the administrative liability of entities for offences against industry and national trade.
Article *25-novies*, also introduced *from scratch*, provides for the administrative liability of entities for certain conduct in breach of copyright.

14) Law No. 116 of 3 August 2009

Law No. 116/2009 introduced Article 25-novies of the Decree, which includes - among the predicate offences - inducement not to make statements or to make false statements to the judicial authorities, which can be used in criminal proceedings.
The same offence had already been identified as a predicate offence by Law No. 146/2006, but only in cases where the offence had taken on the connotations of transnationality (which are summarised in section 8).

15) Legislative Decree No. 121 of 7 July 2011

Legislative Decree No. 121/2011 included in the Decree Article *25-undecies*, with which the legislator provided for the punishability of entities for certain environmental offences.
The same law also introduced two new criminal offences (Article *727-bis* and Article *733-bis* of the Criminal Code) into the Italian criminal system, with which the administrative liability of entities was associated.

16) Legislative Decree No. 109 of 16 July 2012

Legislative Decree No. 109/2012 introduced Article *25-duodecies* of the Decree, which punishes entities for the offence of 'employment of third-country nationals whose stay is irregular', provided for in Article 22, paragraph *12-bis* of Legislative Decree No. 286/1998 (Consolidation Act on Immigration).

17) Law No. 190 of 6 November 2012

Law No. 190/2012, in addition to having amended certain offences provided for in Article 25 of the Decree, supplemented the same with the new offence of "undue induction to give or promise benefits" (Article *319-quater* of the Criminal Code) and introduced in Article *25-ter* the offence of "bribery among private individuals" (Article 2635 of the Civil Code).

18) Legislative Decree No. 24 of 4 March 2014

Legislative Decree No. 24/2014 'implementation of Directive 2011/36/EU on preventing and combating trafficking in human beings and protecting victims, replacing Framework Decision 2002/629/JHA' made changes to Article 600 of the Criminal Code and replaced Article 601 of the Criminal Code, both referred to in Article *25-quinquies* - crimes against the individual

19) Legislative Decree No. 39 of 4 March 2014

Legislative Decree No. 39/2014 introduced into Article *25-quinquies* of the Decree the offence of 'solicitation of minors', provided for in Article *609-undecies* of the Criminal Code.

20) Law No. 62 of 17 April 2014

Law No. 62/2014 'Amendment to Article 416-ter of the Criminal Code, on the subject of political-mafia electoral exchange' replaced Article *416-ter* of the Criminal Code, which is one of the offences covered by Article *24-ter* of the Decree - organised crime offences.

21) Law No. 186 of 15 December 2014

Law 186/2014 "Provisions on the emersion and return of capital held abroad as well as for the strengthening of the fight against tax evasion. Anti-money laundering provisions" introduced the new crime of self laundering. (Article *648-ter*, I, of the Criminal Code) in Article *25-octies* of the Decree, which thus becomes "receiving, laundering and using money, goods or benefits of unlawful origin, as well as selflaundering".

22) Law No. 68 of 22 May 2015

Law 68/2015 *'Provisions on crimes against the environment'* introduced the following offences into Article 25 *undecies* of the Decree - Environmental Crimes:
- environmental pollution (Article *452-bis*);
- environmental disaster (Article *452-quater*);
- culpable offences against the environment (Article *452-quinquies*);
- trafficking in and abandonment of highly radioactive material (Article *452-sexies*);
- aggravating circumstances (Article *452-octies*).

23) Law No. 69 of 27 May 2015

Law 69/2015 'Provisions on crimes against the public administration, mafia-type associations and false accounting', in addition to amending certain offences of the Criminal Code, with specific reference to Article *25-ter* - Corporate Offences - of the Decree, has:
- replaced the offence of false corporate communications under Article 2621 of the Civil Code;
- introduced the new Article *2621-bis* of the Civil Code. - facts of minor importance;

- replaced the offence of false corporate communications to the detriment of the company, shareholders and creditors in Article 2622 of the Civil Code with the new *'False corporate communications by listed companies'*.

24) Law No. 199 of 29 October 2016

Law 199/2016 *"Provisions on combating the phenomena of undeclared work, the exploitation of labour in agriculture and wage realignment in the agricultural sector"* providing for the amendment of Article *603-bis* of the Criminal Code and with specific reference to Article *25-quinquies*, paragraph 1, letter a), of the Decree, has included, among the offences against the individual, the offence of Illegal intermediation and exploitation of labour.

25) Legislative Decree No 38 of 15 March 2017,

Legislative Decree 38/2017 *on the "Implementation of Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector"* reformulated the offence of bribery among private individuals referred to in Article 2635 of the Civil Code and introduced the new offence of incitement to bribery among private individuals referred to in Article *2635-bis*, and with specific reference to Article *25-ter* of the Decree, amended the penalties referred to in the Decree.

26) Law No. 167 of 20 November 2017

Law no. 167 of 20 November 2017 bearing "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European Law 2017" provided for the introduction into Legislative Decree no. 231/01 of art. 25 *terdecies* "Racism and xenophobia" referred to in Article 3, paragraph *3-bis*, of Law No. 654 of 13 October 1975 (reference to be understood as referring to Article *604-bis* of the Criminal Code pursuant to Article 7 of Legislative Decree No. 21 of 1March 2018).

27) Law No. 179 of 30 November 2017

Law No. 179 of 30 November 2017 on "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", provided for the introduction of paragraphs *2-bis*, *2-ter*, *2-quater* in Article 6 of the Decree extending the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of their employment relationship also to the private sector.

28) Legislative Decree No 21 of 1 March 2018.

Decree No. 21/2018 "Provisions implementing the delegated principle of code reservation in criminal matters pursuant to Article 1, paragraph 85, letter q) of Law No. 103 of 23 June 2017" supplemented Article *25-terdecies* of the Decree, already introduced by Law No. 167/2017, with the following offence "*Propaganda and incitement to commit crimes for reasons of racial, ethnic and religious discrimination*" referred to in Article 604-bis of the Criminal Code.

29) Legislative Decree 10 August 2018 No 107

Decree No. 107/2018 "Rules for the adaptation of national legislation to the provisions of Regulation (EU) No. 596/2014 on market abuse and repealing Directive 2003/6/EC and Directives

2003/124/EU, 2003/125/EC and 2004/72/EC" amended Articles 184 and 185 of Legislative Decree. Legislative Decree 58/98 concerning market abuse (Article *25-sexies* of the Decree) by providing for the criminal relevance of the offence 'market manipulation'.

30) Law No. 3 of 9 January 2019

Law No. 3 of 9 January 2019 on "Measures for combating offences against the public administration, as well as on the subject of the statute of limitations of offences and on the transparency of political parties and movements", provided, by amending Article 25(1), for the introduction into the Decree of the offence of "Trafficking in unlawful influence", which is intended to punish the conduct of intermediation of third parties in the work of corruption between the corrupt and the corruptor.

32) Law No. 39 of 3 May 2019

Law No. 39 of 3 May 2019 "Ratification and Enforcement of the Council of Europe Convention on the Manipulation of Sports Competitions" provided for the introduction into the Decree Article *25-quaterdecies* "Fraud in Sports Competitions, Unauthorised Exercise of Gambling or Betting and Gambling Exercised by means of Prohibited Devices", which provides for the offences of "Fraud in Sports Competitions and the "Unauthorised Exercise of Gambling or Betting Activities".

33) Law No. 157 of 19 December 2019

The Law No. 157 of 19 December 2019 containing "urgent provisions on tax matters and for unavoidable needs", provided for the introduction of Article *25-quinquesdecies* "Tax offences" into the Decree. In particular, this article, in its original wording, referred to the following offences under Legislative Decree No. 74 of 10 March 2000:

- fraudulent declaration using invoices or other documents for non-existent transactions non-existent transactions (Article 2 of Legislative Decree No. 74/2000);
- fraudulent declaration by means of other devices (Article 3 of Legislative Decree No. 74/2000);
- issue of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree No. 74/2000);
- concealment or destruction of accounting documents (Article 10 of Legislative Decree No. 74/2000);
- failure to pay certified withholding taxes (Article 10 bis of Legislative Decree No. 74/2000)
- failure to pay VAT (Article 10 ter of Legislative Decree No. 74/2000)
- fraudulent evasion of taxes (Article 11 of Legislative Decree No. 74/2000);

34) Legislative Decree No. 75 of 14 July 2020

Legislative Decree No. 75 of 14 July 2020, implementing Directive (EU) 2017/1371 on combating fraud affecting the Union's financial interests through criminal law, in force since 30 July 2020, amended Articles 24, 25 and *25-quinquesdecies* of the Decree. In particular, within Article 24 of the Decree, the offences of fraud in public supplies (Article 356 of the Criminal Code) and fraud to the detriment of the European Agricultural Fund (Article 2. L. 23/12/1986, no. 898) have been included.

Article 25 of the Decree introduced the offences of embezzlement, limited to the first paragraph (Article 314 of the Criminal Code), embezzlement by profiting from the error of others (Article 316 of the Criminal Code) and abuse of office (Article 323 of the Criminal Code). In relation to these offences, it is specified that the entity may only be held liable if the act committed offends the financial interests of the European Union. Within Article *25-quinquesdecies* of the Decree, additional offences have been introduced in Legislative Decree 74/2000, set out below, which are relevant only if committed as part of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of no less than ten million euro:

- false declaration (Article 4 of Legislative Decree No. 74/2000);
- omitted declaration (Article 5 of Legislative Decree No. 74/2000);
- undue compensation (Article 10-quater of Legislative Decree No. 74/2000).

Legislative Decree No. 75 of 14 July 2020 'Implementation of Directive (EU) 2017/1371 on fraud affecting the financial interests of the Union by means of criminal law' introduced Article *25-sexiesdecies* 'Smuggling' into the Decree, recalling the offences provided for in Presidential Decree No. 43/1973 (Consolidated Customs Act).

35) Legislative Decree No. 184 of 8 November 2021

Legislative Decree No. 184 of 8 November 2021 'Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA' intervened by introducing within the Criminal Code the new crime of possession and dissemination of computer equipment, devices or programmes aimed at committing offences concerning non-cash means of payment (art. *493-quater* of the Criminal Code) and reformulating the offence of undue use and falsification of credit and payment cards (Article *493-ter* of the Criminal Code) and the offence of computer fraud under Article *640-ter* of the Criminal Code. The Decree introduced the new Article *24-octies*, expanding the catalogue of predicate offences.

36) Legislative Decree No. 195 of 8 November 2021

Legislative Decree no. 195 of 8 November 2021 "Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by means of criminal law" has reformulated the offences of receiving stolen goods (Article 648 of the Criminal Code), money laundering (Article *648-bis* of the Criminal Code), self-laundering (Article *648-ter*.1 Criminal Code) and use of money, goods or benefits of unlawful origin (Article *648-ter* of the Criminal Code), which were in fact already included in the catalogue of offences set out in Article *25-octies* of the Decree.

37) Law no. 238 of 23 December 2021

Law no. 238 of 23 December, 2021 "Dispositions for the fulfilment of obligations deriving from Italy's membership of the European Union - European Law 2019-2020." has reformulated the offence of "Detention, dissemination and abusive installation of equipment, codes and other means of access to computer or telematic systems" (Art. *615-quater* of the Criminal Code), the offence of

"Detention, dissemination and unauthorised installation of computer equipment, devices or programmes aimed at damaging or interrupting a computer or telecommunications system" (Art. *615-quinquies* of the Criminal Code), the offence of "Unlawful interception, obstruction or interruption of computer or telematic communications" (Art. *617-quater* of the Criminal Code), the offence of "Possession, dissemination and unlawful installation of equipment and other means designed to intercept, obstruct or interrupt computer or telematic communications" (Art. *617-quinquies* of the Criminal Code), which are covered by Article *24-bis* of the Decree. The offence of "Possession of or access to pornographic material" (Article *600-quater* of the Criminal Code) and the offence of "Solicitation of minors" (Article *609-undecies* of the Criminal Code), covered by Article *25-quinques* of the Decree, have also been reformulated. Finally, the offence of "Market Manipulation" (Art. 185 TUF) covered by Article *25-sexies* of the Decree has been reformulated.

38) Decree Law 25.02.22, no. 13

Decree-Law no. 13 of 25 February 2022 "*Urgent measures to combat fraud and safety in the workplace in the field of construction, as well as on electricity produced by plants from renewable sources*", *rectius* Article 2, entitled "*Sanctioning measures against fraud in the field of public disbursements*" has extended the description of the conduct that integrates the extremes of the offence of embezzlement referred to in Article 316-bis of the Italian Criminal Code, now under the heading 'misappropriation of public funds', and the offence under Article 316-ter of the Criminal Code, now under the heading 'undue receipt of public funds'; it has also extended the scope of the offence under Article 640-bis of the Criminal Code '*aggravated fraud to obtain public funds*' by including subsidies in addition to contributions, financing, subsidised loans and other funds, covered by Article 24 of the Decree.

39) Law 9 March 2022No. 22

Law no. 22 of 9 March 2022 laying down "*Provisions on crimes against the cultural heritage*" introduces into the two additional articles : 1) DecreeArticle *25-septiesdecies* "*Crimes against the cultural heritage*" and Article *25-duodevicies "Laundering of cultural assets and devastation and looting of cultural and landscape assets".* Nel primo sono richiamati i reati di *"furto di beni culturali"* (art. 518-bis c.p.)*, "appropriazione indebita di beni culturali"* (art. 518-ter c.p.), *"ricettazione di beni culturali* (art. 518-quater c.p.), *"falsificazione in scrittura privata relativa a beni culturali"* (art. 518-octies c.p.)*, "violazioni in materia di alienazione di beni culturali"* (art. 518-novies c.)Criminal Code(Article 518-decies of the Criminal Code*, "unlawful importation of cultural goods"*), *"unlawful removal or exportation of cultural goods"* (Article 518-undecies of the Criminal Code), "*destruction, dispersion, deterioration, defacement, embellishment and unlawful use of cultural or landscape goods*" (Article 518-duodecies of the Criminal Code), *"counterfeiting of works of art"* (Article 518-quaterdecies of the Criminal Code). Article 25-duodevicies, on the other hand, refers to the offences of "*laundering of cultural goods*" (Article 518-sexies of the Criminal Code) and "*devastation and looting of cultural and landscape heritage*" (Article 518-terdecies of the Criminal Code).

1.3 The adoption of the Organisation, Management and Control Model as an exemption from administrative liability.

The Decree applies to offences committed by:

- persons in top management positions, i.e. directors, general managers, heads of branch offices, heads of divisions with financial and functional autonomy, as well as those who even only de facto exercise management and control over the Entity;
- persons subject to the direction or supervision of the aforementioned persons, meaning also those who work in a position, even if not formally classified as an employee relationship, nevertheless subordinate, as stated, to the supervision of the Entity for which they act.

  An essential condition for the company to be held liable for the offence is that the act was committed in the interest or to the advantage of the organisation itself.

  ALTEC, therefore, is liable whether the perpetrator of the offence committed it with the intention of pursuing an exclusive or competing interest of the Company, or whether it is in any case advantageous to the Company. In the latter case, however, notwithstanding the advantage gained, the liability of the Company shall remain excluded if it turns out that the perpetrator of the offence acted with the intention of pursuing an interest exclusively his own or in any case different from that of the Company.

The Decree, in the event of an offence committed by an apical person, excludes the liability of the Company if it proves that

- the management body has adopted and effectively implemented, prior to the commission of the offence, an organisation and management model capable of preventing offences of the kind committed;
- the task of supervising the functioning of and compliance with the Model and ensuring that it is updated has been entrusted to a body of the Entity, endowed with autonomous powers of initiative and control;
- the offence was committed by fraudulently circumventing the organisation and management models;
- there was no or insufficient supervision by the supervisory body, as referred to in point 2) above.

In the case of offences committed by persons subject to the direction or supervision of others, the exemption is simpler.

In fact, the entity only has to prove that the offence was not made possible by the failure to comply with management or supervisory obligations.

In any case, non-compliance with management or supervisory obligations is excluded if the Entity, prior to the commission of the offence, has adopted and effectively implemented an organisation, management and control model capable of preventing offences of the kind committed.

2) Adoption of the Model in Aerospace Logistics Technology Engineering Company S.p.A.

2.1 Summary description of ALTEC's activities and genesis of the Model.

The corporate purpose consists of the following activities:

- the provision of engineering and logistical support services for the operations and utilisation of the International Space Station and other orbital infrastructures in favour of the Italian Space Agency (ASI) and the European Space Agency (ESA), as well as other space agencies, public entities, scientific communities, domestic and foreign industries and other private entities. This also includes the services relating to the storage, processing and distribution of data relating to the above-mentioned infrastructures;
- development and implementation of planetary exploration missions;
- the promotion and marketing of space station utilisation opportunities and the provision of the necessary engineering support services.

ALTEC, on 1 June 2006, adopted a code of ethics (hereinafter referred to as the '**Code of Ethics**') through which the ethical commitments and responsibilities in the conduct of the company's business and activities undertaken by ALTEC's employees and collaborators, be they directors, employees or collaborators in various capacities, were expressed.

In accordance with Art. 6. 1. letter b) of the Decree, the Board of Directors set up the Supervisory Board (hereinafter also referred to as '**SB**'), consisting of a monocratic body, with high professional characteristics and endowed with autonomous powers of initiative and control, which has the task of ensuring the effectiveness, verifying compliance and taking care of updating the Model.

In order to ensure fairness in the conduct of company activities and with a view to disseminating and promoting integrity and transparency, ALTEC, considering it appropriate to implement the indications of the Decree, has adopted the Model, by virtue of a resolution of its Board of Directors.

ALTEC, in preparing the Model, in its original version, had to take into account several requirements: i) identify the 'risk areas', i.e. the activities within the scope of which offences may be committed;

ii) provide for specific protocols aimed at planning the formation and implementation of the Company's decisions in relation to the offences to be prevented;

(iii) identify ways of managing financial resources suitable to prevent the commission of offences;

iv) provide for information obligations vis-à-vis the body in charge of supervising the functioning of and compliance with the Model;

v) introduce an appropriate disciplinary system to sanction non-compliance with the measures indicated in the Model.

(vi) provide for appropriate measures to ensure that the activity is carried out in compliance with the law and to detect and eliminate potential risk situations in good time.

vii) provide, for the purpose of the effective implementation of the Model, for a periodical verification and possible amendment thereof when significant violations of the provisions are discovered or when changes occur in the organisation or activity of the Company.

2.2 Objectives pursued with the adoption of the Model

The intent of the Model, which is constantly updated on the basis of regulatory developments, is to protect the image, interests and expectations of employees, shareholders, clients and the public, and to raise awareness of all collaborators and all those who work in the name of and on behalf of ALTEC according to the dictates of the Decree

The Model was adopted by the Board of Directors, in accordance with the provisions of Article 6 of the Decree, which envisages the Model as an expression of the Company's Management Body.

2.3 Purpose and basic principles of the Model.

The Model responds to the need to perfect ALTEC's system of internal controls and to avoid the risk of offences being committed.

This objective is achieved through the identification of sensitive activities, the preparation of an organic and structured system of procedures and the adoption of an adequate risk control system.

The basic principles of the Model must:

- describe the preventive measures taken to prevent the commission of offences;
- reiterate that ALTEC rejects the pursuit of corporate interests in unlawful ways and penalises those who do so;
- raise the awareness of the personnel working in the activities and, therefore, make the potential offender aware that he/she is committing an offence contrary to ALTEC's principles and interests (as recalled in the Code of Ethics) even when apparently the offence itself would procure an advantage to the Company;
- make it possible to monitor sensitive activities, also by defining training flows to the Supervisory Board, and intervene to prevent the commission of the offence and, if necessary, reinforce the internal control system by modifying procedures, authorisation levels or support systems.

This Model has been drawn up bearing in mind the requirements of the Decree and the guidelines drawn up by the main associations representing organisations (including Confindustria).

In particular:

- The Code of Ethics has been adopted with reference to the offences provided for in the Decree.

- Authorisation and signature powers as well as manual and computerised procedures to regulate the performance of the activity were verified, with appropriate checkpoints.
- The areas at risk of commission of offences under the Decree have been identified through an analysis of the activities performed, existing procedures, practices, and authorisation levels, with particular reference to the offences of culpable homicide and serious or very serious culpable lesions committed in violation of the rules on accident prevention and on the protection of hygiene and health at work. In particular, the Company has carried out a careful analysis aimed at identifying the areas potentially affected.
- Appropriate internal control systems have been defined for the risk areas in order to prevent the commission of offences and the relevant organisational procedures have been adapted
- The process of managing financial resources was analysed in order to ascertain that it is based on specific control principles such as the separation of roles in the key phases of the process, the traceability of acts and authorisation levels to be associated with individual operations, the monitoring of the proper execution of the various phases of the process and the documentation of the controls carried out; it was also taken into account that the proper management of financial resources is also relevant in relation to the preparation of control measures aimed at preventing the commission of money laundering offences.
- A Supervisory Board has been identified (currently in monocratic composition), which has been assigned the task of overseeing the correct application of the Model through the monitoring of activities and the definition of information flows from sensitive areas.
- Tasks and powers have been assigned to the Supervisory Board and top management to ensure the effective supervision of the application and adequacy of the Model, also for the purposes of exemption.
- A Disciplinary System to be applied in the event of violation of the Model has been provided for, in accordance with the existing legislation on the subject
- An awareness-raising and training operation was launched at all company levels on the Model, company procedures and adherence to the rules of conduct set out in the Code of Ethics.

The internal control systems in place are based on the basic principles of:

- Adequate record-keeping and traceability of relevant transactions (e.g. minutes, notes, investigations, funding access resolutions);
- Multi-stakeholder participation in meetings with public administrations;
- Formalised separation of functions (e.g. function requesting the purchase different from the function making the payment) to avoid concentration of the management of an entire process on one person;
- Adherence to the Code of Ethics (e.g. rules of conduct with Public Administrations);
- Suitable requirements of independence, autonomy, professionalism and continuity of action of the Supervisory Board;

- Obligation to periodically communicate relevant information from the individual corporate functions to the Supervisory Board in order to ensure a management control system capable of providing timely warning of the existence of general or particular critical situations;
- Obligation to document the checks carried out (possibly by drawing up minutes);
- Application of sanctions for violation of the rules laid down in the Code of Ethics and the rules set out in the Model.

Therefore, the purpose of the Model is to set up a formalised and clear organisational system with regard to the allocation of responsibilities, hierarchical reporting lines and description of tasks, with specific provision for control moments and sanctions for violations of the adopted rules.

2.4 Structure of the Organisation, Management and Control Model: General Part and Special Part

The Organisation, Management and Control Model adopted by ALTEC consists of a General Part and a Special Part.

The General Section - consisting of this document - the '*wide-ranging* controls', i.e. those general controls that, to varying degrees, explain preventive effects with respect to all the offences listed in the Decree, whatever the process in which they might be committed; it also describes the contents and impacts of the Decree, the basic principles and objectives of the Model, the tasks of the Supervisory Board, the procedures for adopting, disseminating, updating and applying the contents of the Model, and the provision of the disciplinary system.

The Special Part, consisting of the organisational procedures drawn up on the basis of the mapping of risk areas - available on the company intranet -, describes the offence risks impacting on the various processes and the more specific expressions of general controls deemed capable of achieving 'targeted' prevention, and is progressively updated.

The Organisation, Management and Control Model is then integrated with the contents of the Code of Ethics adopted by ALTEC.

2.5 Approval and adoption of the Organisation, Management and Control Model

The Company periodically revises the Model, also following organisational and process changes, the issuance of new legislative provisions and the assessments expressed by the Supervisory Board, initiating the relevant verification activities of the existing organisational and management system, in order to assess its compliance with the requirements of preventing the offences set out in the Decree.
Subsequently, the Model must be specifically approved by the Board of Directors.
This document describes the appropriately updated Model

2.6 Amendments and Additions to the Organisation, Management and Control Model

Since the Model is an act of issuance by top management, subsequent substantial amendments and additions are subject to approval by ALTEC's Board of Directors.

It is meant to be substantial:

- The modification of the tasks of the Supervisory Board;
- The identification of a different Supervisory Body;
- Adaptation of the Model following reorganisation of the corporate structure.

It is within the competence of the Chairman and/or the Managing Director to adopt any amendments or additions that do not change the structure of the Model, such as:

- the insertion or deletion of sections of the Model;
- the inclusion of new risk areas;
- changes in the names of corporate functions;
- the modification or updating of company procedures or other components of the Model;
- amending or adding reports to the Supervisory Board.

The Human Resources Function, on the basis of the recommendations provided by the Supervisory Board, is responsible for preparing and updating risk area maps, control schemes, procedures, operating instructions.

3) Supervisory Board

3.1 Identification of the Supervisory Board

The Supervisory Board is appointed by the Board of Directors and remains in office for a term of three years.

ALTEC has defined its Supervisory Board as a monocratic body in compliance with the requirements of the Decree.

In fact, Article 6(1)(b) of the Decree provides that the task of supervising the operation of and compliance with the Model and ensuring that it is kept up-to-date is entrusted to a Company Body, endowed with autonomous powers of initiative and control.

The body entrusted with supervising the operation of and compliance with the Model set up by ALTEC meets the requirements of:

- **Autonomy and independence,** as a person reporting directly to top management;
- **Professionalism,** as it is equipped with a wealth of tools and techniques that enable the assigned activity to be carried out effectively. These are specialised techniques specific to those who carry out inspection and consultancy activities;

- **Continuity of action,** since it is a structure set up *ad hoc* and dedicated to supervising the Model, as well as lacking operational tasks that could lead it to take decisions with economic and financial effects.
  The Managing Director and the Board of Directors assess annually, when reviewing the adequacy of the Model, the continued existence of:
  - appropriate formal subjective requirements of good repute and absence of conflicts of interest for the individual members of the Supervisory Board;
  - conditions of autonomy, independence, professionalism and continuity of action of the Supervisory Board.

3.2 Causes of ineligibility and incompatibility

With reference to the causes of ineligibility and incompatibility, it should be noted that the person appointed as the Supervisory Board must not be related to the top management of the Company, nor must he/she be linked to it by economic interests or any situation that may generate a conflict of interest.

Persons who have been convicted, even if not final, of one of the offences provided for in the Decree may not be appointed as members of the Supervisory Board.

If the person called upon to hold the position of Supervisory Board member incurs one of the aforementioned situations of incompatibility, the Board of Directors, having carried out the appropriate checks and heard the person concerned, shall establish a term of not less than 30 days within which the situation of incompatibility must cease. Once this term has elapsed without the aforesaid situation having ceased, the Board of Directors shall revoke the mandate.

3.3 Termination of assignment

The dismissal of the Supervisory Board is the sole responsibility of the Board of Directors.

The Supervisory Board cannot be dismissed, except for just cause.

Just cause for revocation shall mean:

- disqualification or incapacitation, or a serious infirmity that renders the member of the Supervisory Board unfit to perform his supervisory duties or an infirmity that, in any event, results in his absence from the workplace for a period exceeding six months;
- the assignment of operational functions and responsibilities, or the occurrence of events, which are incompatible with the requirements of autonomy of initiative and control, independence and continuity of action, which are specific to the Supervisory Board;
- an irrevocable conviction of the company pursuant to the Decree, or criminal proceedings concluded through the application of the penalty at the request of the parties, so-called "plea bargaining", where the documents show that the Supervisory Board has failed or insufficiently supervised, in accordance with the provisions of Article 6(1)(D) of the Decree;

- a conviction of the members of the Supervisory Board for having personally committed one of the offences provided for in the Decree;
- an irrevocable conviction, against the member of the Supervisory Board, of a penalty entailing even temporary disqualification from public office, or temporary disqualification from the executive offices of legal persons and companies.

In the cases described above in which a conviction has been handed down, the Board of Directors, pending the irrevocability of the sentence, may also order the suspension of the powers of the Supervisory Board.

The person appointed as the Supervisory Board may withdraw from the appointment at any time.

3.4 Functions and powers of the Supervisory Board

The functions of ALTEC's Supervisory Board are as follows:

- analysing the actual adequacy of the Model to prevent the offences of interest of the Decree;
- supervise the effectiveness of the Model, verifying its consistency with actual conduct and detecting any violations;
- verify the permanence over time of the requirements of effectiveness and adequacy of the Model;
- verify the updating of the Model when the analyses carried out show the need for corrections or updates due to regulatory changes, changes in the corporate structure or in the activities carried out.

To this end, the Supervisory Board is assigned the task of carrying out the following activities:

- periodically carry out, within the 'areas at risk of offences', checks on individual transactions or acts with the help of the heads of the corporate functions involved;
- involve operational contact persons in the *audits*;
- carry out periodic spot checks on effective compliance with existing procedures and other control systems within the 'areas at risk of offences';
- constantly monitor, on the basis of information provided by the Human Resources Unit, the evolution of the corporate organisation and business sectors, in order to update the list of corporate areas at risk of offences, with the cooperation of the heads of the corporate functions involved;
- request from the heads of each area at risk of offence the information deemed relevant for the purpose of verifying the effectiveness and adequacy of the Model and, if necessary, a periodical self-assessment by the functions;
- collecting reports from any employee in relation to:
    - any critical aspects of the measures provided for in the Model;
    - violation of the same;
    - any situation that might expose the company to the risk of crime;
- collect and store in a dedicated archive:
    - the documentation, updated from time to time, relating to the procedures and other measures provided for in the Model;

    - information collected or received in the course of its activities
    - evidence of the various activities carried out;
    - documentation of meetings with corporate bodies to which the supervisory body refers;
- verify that all heads of function in the areas at risk of offences ensure that employees reporting to them are aware of and comply with the procedures or any other provisions of interest to the function;
- coordinating with the Head of Human Resouces and the relevant departmental heads to ensure the constant training of personnel in relation to the issues of the Decree;
- provide recommendations to the Human Resources Department and the other corporate departments concerned, for the drafting of new procedures and the adoption of other organisational measures, as well as, if necessary, for the amendment of existing procedures and measures;
- monitor regulatory provisions relevant to the effectiveness and adequacy of the Model;
- scheduling periodic meetings with the relevant department heads in order to gather information useful for any updating or modification of the Model;
- submit, if necessary, written proposals to adapt the Model to the Managing Director and the Board of Directors for subsequent approval;
- verify the implementation of the previously formulated proposals to adapt the Model;
- access to all relevant company documentation for the purpose of verifying the adequacy of and compliance with the Model.

The activities carried out by the Supervisory Board cannot be reviewed by any other company body or structure, it being understood, however, that the company function concerned is in any case called upon to carry out a verification activity on the adequacy of the intervention, since the company bears ultimate responsibility for the functioning and effectiveness of the Model.

In order to be able to fully perform its functions, the Supervisory Board has adequate financial resources and is entitled to make use of the support of the existing corporate structures. Moreover, while retaining ownership of the activities carried out, it may use the support of external consultants.

The Supervisory Board shall formulate regulations for its activities (determination of the time intervals of the controls, identification of the criteria and procedures for analysis, scheduling of activities, minutes of meetings, etc.).

3.5 Reporting to corporate bodies.

The Supervisory Board reports the results of its activities to the Chairman, the Managing Director, Board of Directors and the Board of Auditors.

In particular, the Supervisory Board:

- reports its actions to the Chief Executive Officer, also for the purpose of informing the Head of the Human Resources function of any violations of the existing control system that are discovered, with a view to the adoption of appropriate sanctions;
- reports half-yearly to the Board of Directors, in a written report, on its activities;
- reports half-yearly to the Board of Auditors, in a written report, on its activities of supervision, maintenance and updating of the Model;
- immediately report to the Chairman, the Managing Director and the Board of Directors, if necessary, proposals for amendments and/or additions to the Model, also taking into account any critical issues detected.

3.6 Information flows to the Supervisory Board.

The activity of supervising the effectiveness of the Model and ascertaining any violations thereof is facilitated by a series of information that the individual company departments must provide to the Supervisory Board, as also provided for in Article 6(2)(D) of the Decree.

This obligation, addressed to the corporate functions at risk of offences, concerns the periodic findings of the activities carried out by them and the atypicalities or anomalies found in the information available.

In addition, all information relevant to the supervisory activity must be forwarded to the Supervisory Board, such as, by way of example:

- measures and/or information from judicial police bodies, or from any other authority, from which it is inferred that investigations are being carried out, even against unknown persons, for offences under the Decree;
- the reports prepared by the heads of the functions concerned from which facts, acts, or omissions affecting compliance with the Model emerge or may emerge, and in any case the summary schedules of sensitive activities;
- the results of any omissions of investigation or internal reports from which responsibility for the offences referred to in the Decree emerges;
- summary *reports* of sensitive activities performed;
- changes to the organisational structure, sensitive procedures and corporate structure;
- Copy of periodic reports on health and safety at work (e.g. copy of the Risk Assessment Document prepared by the Prevention and Protection Service Manager);
- information on the actual implementation, at all levels of the company, of the Model, with evidence of any disciplinary proceedings carried out and sanctions imposed, or of the orders to dismiss such proceedings with the relevant reasons.

In addition to the aforementioned *reporting* system, the periodic communications prepared by the competent corporate functions (Administration, Planning & Control Unit, Commercial Department

and Operations Department), concerning the absence of critical issues that have emerged in their activities, must be considered as qualifying elements of the control system on financial flows.

The Supervisory Board has the task of requesting, if necessary, any additions to the information to be transmitted to it by the individual company departments.

All employees who become aware of information concerning conduct not in line with the provisions of the Organisation, Management and Control Model and the Code of Ethics issued by the Company are obliged to inform the Supervisory Board.

To this end, a special e-mail address (odv@altecspace.it) has been set up to which reports can be sent while respecting the confidentiality and anonymity of the employee, as well as a mailbox on company premises.

This obligation, moreover, falls within the broader power of diligence and loyalty of the employee; its fulfilment cannot give rise to the application of disciplinary sanctions and confidentiality must be guaranteed to those who report possible violations in order to eliminate the possibility of retaliation.

The information received by the Supervisory Board shall be used for the purpose of improving the planning of control activities and shall not impose a systematic verification of all the facts reported, since it is left to the discretion and responsibility of the Supervisory Board to decide whether to act upon any report.

4) Offences

4.1 Offences under the Criminal Code against the Public Administration.

For the purposes of applying the Decree, the offences of greatest interest, in relation to ALTEC's specific activity, concern first and foremost offences against the Public Administration, contained in the Criminal Code. For these offences, specific internal control systems have been set up based on the provision of

- Participation of multiple parties in meetings with public administrations;
- formalised separation of functions at different stages of a process;
- proper record keeping and traceability of relevant transactions.

Considering the peculiarities of the activities carried out by ALTEC in relation to Operational Programmes/Contracts with domestic and foreign Public Bodies, the offences for which greater protection is required are those provided for by the Criminal Code to protect the relationship between private individuals and the Public Administration.

Specifically, the cases in question are:

- Misappropriation of public funds (formerly Misappropriation to the detriment of the State) (Article *316-bis* of the Criminal Code): *'whoever, outside the Public Administration, having obtained from the State or another Public Entity or from the European Communities contributions, subsidies, financing, subsidised loans or other disbursements of the same type, however denominated, intended for the achievement of one or more purposes, does not allocate them for the intended purposes, shall be punished by imprisonment from 6 months to 4 years'.*

  This criminal offence is aimed at repressing the phenomenon of fraud in public financing. The interest protected by the provision is the proper management of public resources intended for economic incentive purposes. The active party in the offence is any private individual outside the organisational apparatus of the public administration. The conduct incriminated presupposes that contributions, subsidies, financing, subsidised loans or other disbursements of the same type have been granted, and consists in the failure to allocate them for the purposes of public interest for which they were granted, both in the event that the beneficiary omits to use the sums received at all, and in the event that they are allocated for a purpose other than that for which the public subsidy was granted .

- Misappropriation of public funds (formerly misappropriation of funds to the detriment of the State) (Article *316-ter* of the Criminal Code*): "unless the act constitutes the offence laid down in Article 640 bis. 640 bis, whoever, by using or submitting false statements or documents or certifying untrue things, or by omitting due information, unduly obtains, for himself/herself or for others, contributions, subsidies, financing, subsidised loans or other disbursements of the same kind, however denominated, granted or disbursed by the State, by other public bodies or by the European Communities, shall be punished by imprisonment of from 6 months to 3 years. The penalty is imprisonment for a term of between one and four years if the offence is committed by a public official or a person in charge of a public service with abuse of his position or powers(3). The penalty is imprisonment from six months to four years if the offence offends the financial interests of the European Union and the damage or profit exceeds EUR 100,000. When the sum unduly received is equal to or less than EUR 3,999.96, only the administrative sanction of the payment of a sum of money ranging from EUR 5,164 to EUR 25,822 shall apply. This sanction may not, however, exceed three times the benefit obtained "*.

  The provision in question protects all public resources intended for economic incentive purposes. The conduct consists, in fact, in the use or presentation of false declarations or documents or in the omission of due information in order to obtain the public disbursement Active subject of the offence is any private individual extraneous to the organisational apparatus of the Public Administration.

- Fraud (Article 640(2)(1) of the Criminal Code): *"Whoever, by means of artifice or deception, misleads someone, procures for himself/herself or for others an unjust profit to the detriment of others, shall be punished by imprisonment of from 6 months to 3 years and a fine of from EUR 51 to EUR 1032. The punishment shall be imprisonment from 1 to 5 years and a fine ranging from EUR 309 to EUR 1549 (...), if the offence is committed to the*

detriment of the State or another public body or under the pretext of having someone exempted from military service (...)"

In order to constitute the offence of fraud, it is necessary that there be artifice or deception, induction into error and unjust profit to the detriment of others. Pursuant to the Decree, the offence of fraud is considered with exclusive reference to the case in which the act is committed to the detriment of the State or another public body.

- Aggravated fraud for the obtainment of public funds (Article *640-bis* of the Criminal Code): *'the penalty is imprisonment from two to seven years and prosecution is ex officio if the act referred to in Article 640 concerns contributions, subsidies, financing, subsidised loans or other disbursements of the same type, however named, granted or disbursed by the State, other public bodies or the European Communities'*

  As in the cases of undue receipt of funds and fraud to the detriment of the State examined above, also for Article *640-bis* the protected interest is the set of public resources intended for economic incentive purposes in relation to the preparatory phase of the granting of public funds. Also in this case, the typical elements of fraud must be present, with the particularity of the object of the fraud, consisting of financing, subsidies, subsidised loans, etc.

- Computer fraud (Article *640-ter* of the criminal code): *'Whoever alters the operation of a computer or telecommunications system in any way or intervenes without the right to do so in any manner whatsoever with data, information or programmes contained in a computer or telecommunications system or pertaining to it, procures for himself or others an unjust profit to the detriment of others, shall be punished by imprisonment of from six months to three years and a fine of between EUR 51 and EUR 1032 (...)'.*

  The offence of computer fraud has the same constituent elements as the offence of fraud, from which it differs only in that the agent's fraudulent activity does not affect the passive party, but rather the computer or telematic system belonging to that party. For the purposes of the applicability of the Decree, this offence applies only in cases where the owner of the computer system is the State or another public body.

- Extortion (Article 317 of the Criminal Code): *'A public official or a person in charge of a public service who, abusing his position or powers, compels or induces someone to unduly give or promise, to him or to a third party, money or other utility, shall be punished by imprisonment from six to twelve years'*.

  The offence of extortion is the most serious of those that can be committed by public bodies against the P.A. and meets the need to prevent the instrumentalisation of that role with the aim of forcing or inducing someone to give or promise services that are not due. The protected interest is recognised in the regular functioning of the P.A. in terms of good performance and impartiality. The coercion or inducement must be carried out by abusing the capacity or powers of a public official or a person in charge of a public service. In this offence, the private party (concusso) is not punished.

- Bribery for the exercise of a function (Article 318 of the Criminal Code): *"A public official who, for the exercise of his functions or powers, unduly receives, for himself or a third party, money or other benefits, or accepts the promise thereof, shall be punished by imprisonment from one to six years. "*The offence of bribery requires the simultaneous presence of two or more persons (public and private) and consists in a criminal agreement concerning the functional activity of the public administration. Active subjects of the offence of bribery are, therefore, the public official and the person in charge of a public service if he holds the position of public employee (Article 320 of the Criminal Code) and, of course, the private individual.

  The offending conduct consists of:

  - On the part of the public entity, in receiving undue remuneration or in ascertaining the promise thereof
  - On the part of the private party, in giving or promising such remuneration.

  With regard to the criterion for distinguishing between the offences of extortion and bribery, reference must be made, in relation to the former, to the citizen's state of subjection to the holder of a public function or public service, whereas, in relation to bribery, the free agreement between the private party and the public party, in a position of equality, is relevant. Article 318 of the Criminal Code regulates so-called 'improper bribery', which is characterised by the compliance with official duties of the act to which the agreement refers.

- *Corruption for an act contrary to official duties* (Article 319 of the Criminal Code): *"Corruption for an act contrary to official duties. A public official who, in order to omit or delay or to have omitted or delayed an act contrary to his official duties, or in order to perform or to have performed an act contrary to his official duties, receives, for himself or for a third party, money or other benefits, or accepts the promise thereof, shall be punished by imprisonment of from six to ten years.*

  The offence of 'Corruption proper' is characterised by the contrary nature of the act to the duties of office, where contrary act is to be understood as both an unlawful or illegitimate act and an act which, although formally regular, is carried out by the public official or person in charge of a public service. (Article 320 of the Criminal Code), deliberately disregarding the observance of the duties incumbent on him.

- Bribery in judicial *proceedings* (Art. *319-ter* of the Criminal Code): *'If the acts indicated in Articles 318 and 319 are committed to favour or damage a party in civil, criminal or administrative proceedings, the penalty is imprisonment for a term of between six and twelve years. (..)*". The offence of bribery under consideration exists where the conduct has the purpose of favouring or damaging a party in civil, criminal or administrative proceedings. The active parties of the offence under consideration are public officials and private individuals who conspire with them.

- *Penalties* for the corruptor (Art. 321 of the Criminal Code): *"The penalties laid down in the first paragraph of Article 318, Article 319, Article 319 bis, Article 319 ter and Article 320 in*

relation to the aforementioned hypotheses of Articles 318 and 319 shall also apply to a person who gives or promises the public official or the person in charge of a public service money or other benefits".

A private individual who gives or promises money or other benefits to a public official or a person in charge of a public service in order for him to perform an act of his office (Article 318(1) of the Criminal Code) or an act contrary to his official duties, or in order to compensate him for performing the act contrary to his official duties, shall be punished. (Article 319 of the Criminal Code).

- Incitement to bribery (Art. 322 of the Criminal Code): *"Anyone who offers or promises money or other benefits not due to a public official or a person in charge of a public service for the exercise of his functions or powers shall, if the offer or promise is not accepted, be subject to the penalty laid down in the first paragraph of Article 318, reduced by a third. If the offer or promise is made in order to induce a public official or a person in charge of a public service to omit or delay an act of his office, or to perform an act contrary to his duties, the offender shall, if the offer or promise is not accepted, be liable to the penalty laid down in Article 319, reduced by a third. The punishment referred to in the first paragraph shall apply to a public official or a person in charge of a public service who solicits a promise or giving of money or other benefits for the exercise of his functions or powers*. According to the prevailing doctrine and jurisprudence, this figure is framed as an autonomous case of attempt to commit the offence of proper and improper bribery; in terms of the conduct incriminated, a distinction is made between instigating active bribery and instigating passive bribery. In the former, the active party is the private individual, who offers or promises undue money or other benefits to induce the public official or person in charge of a public service to perform, omit or delay an official act or an act contrary to official duties. In the case of incitement to passive bribery, on the other hand, the active party is the public official or the person in charge of a public service, who solicits from the private party a promise of money or other utility. The financial penalties provided for in relation to the offences of extortion and bribery also apply to the entity when such offences are committed by the persons indicated in Articles 320 (person in charge of a public service) and *322-bis* (members of European Community bodies and officials of the European Community and of foreign States) of the Criminal Code
- Trafficking in unlawful influence (Article *346-bis* of the Code of Criminal Procedure.): *"Whoever, outside the cases of complicity in the offences referred to in Articles 318, 319, 319 ter(2) and in the corruption offences referred to in Article 322 bis, exploiting or boasting of existing or alleged relations with a public official or a person in charge of a public service or one of the other persons referred to in Article 322 bis, unduly causes to be given or promised, to himself or to others money or other benefit, as the price of his unlawful mediation with a public official or a person in charge of a public service or one of the other persons referred to in Article 322 bis, or to remunerate him in connection with the exercise of his functions or powers, shall be punished by imprisonment of from one year to four years and six months. The same penalty shall apply to any person who unduly gives or promises money or other*

benefits. The punishment is increased if the person who unduly gives or promises, to himself or to others, money or other benefits holds the position of public official or person in charge of a public service. Penalties shall also be increased if the acts are committed in connection with the performance of judicial activities, or to remunerate the public official or the person in charge of a public service or one of the other persons referred to in Article 322-bis in connection with the performance of an act contrary to the duties of his/her office or the omission or delay of an act of his/her office. If the facts are particularly minor, the penalty shall be reduced." The provision is intended to punish the conduct of intermediation by third parties in the work of bribery between the bribe-giver and the corruptor. The two cases governed by subsection 1 differ according to the recipient of the money or pecuniary advantage, i.e. the intermediary (as the price of his own mediation) or the public official himself. However, in both cases, the intermediation must be carried out in connection with the performance of an act contrary to official duties or the omission or delay of an official act, alluding to an activity already performed or to be performed. A prerequisite for the conduct is that the intermediary actually wants to use the money or pecuniary advantage to remunerate the public official. The offence is already committed at the time of the giving or acceptance of the promise of remuneration to bribe the public official.

- Fraud in public supply (Art. 356 of the Criminal Code): *"Whoever commits fraud in the execution of supply contracts or in the fulfilment of the other contractual obligations indicated in the preceding Article, shall be punished by imprisonment of from one to five years and a fine of not less than Euro 1,032. The penalty shall be increased in the cases provided for in the first paragraph of the preceding Article.".* The offence of fraud in public supply can only be committed by a person who is contractually bound to the State, a public body or a company exercising a service of public necessity, and thus by the supplier, sub-supplier, broker and representative. The supply contract is a prerequisite for the offence, but not a specific type of contract, but, more generally, any contractual instrument intended to supply the P.A. with things or services deemed necessary. The legal asset protected is the good performance of the public administration and, more specifically, the proper functioning of public services and public establishments. This offence is characterised by generic intent, consisting in the consciousness and will to deliver things other than those agreed. There is therefore no need for specific deception or for the defects of the thing supplied to be concealed, but bad faith in the performance of the contract is sufficient.
- Embezzlement (Article 314 of the Criminal Code*): "A public official or a person in charge of a public service, who, having by reason of his office or service the possession or otherwise the availability of money or other movable property of others, appropriates it, shall be punished by imprisonment from four to ten years and six months.* The offence of embezzlement referred to in Article 314(1) of the criminal code essentially represents the offence of misappropriation committed by a public official or a person in charge of a public service. Appropriation as conduct *uti dominus*, intended to materialise in acts incompatible with the title for which one possesses, so as to bring about a real *interversio possessionis*, and thus unlawfully interrupt the functional relationship between the thing and its lawful owner. A

precondition of the conduct is therefore first and foremost the possession or availability of the thing, whereby the latter term makes embezzlement configurable even in cases of mediated possession, whereby the agent disposes of the thing by means of the possession of others, so that in any case the agent can return to possession at any time. The last requirement is the altruity of the thing.

- Embezzlement by profiting from the error of others (Article 316 of the Criminal Code): *"A public official or a person in charge of a public service, who, in the exercise of his functions or service(1), benefiting from the error of others, unduly receives or considers, for himself or for a third party(3), money or other benefits, shall be punished by imprisonment from six months to three years. The punishment shall be imprisonment from six months to four years when the act offends the financial interests of the European Union and the damage or profit exceeds EUR 100,000."* The doctrine considers that although the provision speaks of "embezzlement", this is an improper use of the term, given that possession of another person's property is not required for the offence to be committed, thus being radically different from the provision in Article 314, which in fact requires the possession or holding of another person's property or money as a prerequisite for the offence. It has also been ruled out that this is a particular form of extortion (Article 317 of the Criminal Code), since the requirement of inducing the person subject to the offence into error is lacking here. The typical act envisaged by the provision is the receipt (undue acceptance) and retention (withholding of what has been mistakenly handed over). The money or other benefits must be held for oneself or for a third party (however, the P.A. does not fall within the notion of third party). A further and essential prerequisite of the offence is that the third party is mistakenly convinced that he must deliver money or other benefits into the hands of the public official or the person in charge of a public service, who accepts or retains it by exploiting the mistake.
- Abuse of office (Article 323 of the criminal code.): *"Unless the act constitutes a more serious offence, a public official or a person in charge of a public service who, in the performance of his duties or service, in violation of specific rules of conduct expressly laid down by law or by acts having the force of law and from which no margin of discretion remains, or by omitting to abstain in the presence of one's own interest or that of a close relative or in the other prescribed cases, intentionally procures for oneself or others an unfair pecuniary advantage or causes unfair damage to others, shall be punished by imprisonment of from one to four years. The punishment is increased in cases where the advantage or damage is of a serious nature."* The broad formula makes it possible to consider not only typical administrative measures as the object of the offence, but any kind of act or activity carried out by the official. Abuse of office represents an event crime, the criminal value of which is realised at the time of the actual production of an unfair pecuniary advantage or unfair damage to others. The unfair advantage may only be pecuniary (and therefore not any utility, as provided for in many of the rules set out in this chapter) and constitutes a favourable situation for the whole of the subjective rights having a pecuniary content of the public official, irrespective of an actual economic increase. The so-called double injustice of the damage is required, in the sense that unjust must be both the conduct (in so far as it is

characterised by a breach of the law) and the pecuniary advantage obtained. The legislator, in order to narrow the field of possible violations, but above all in order not to violate the principle of determinacy, has identified what the abusiveness of the conduct must consist of, namely

(1) infringement of statutory or regulatory provisions, which, it is held, also includes mere procedural rules if they are likely to procure an unfair pecuniary advantage or unjust damage. Excessive power in discretionary measures, on the other hand, does not fall within the scope of this case;

2) breach of the obligation to abstain, where there is a legal obligation to abstain in the presence of a conflict of interest. The offence requires generic intent, characterised by intentionality, which determines the impossibility of configuring the offence in cases of mere possible intent.

- Theft of cultural property (Article 518-bis of the Criminal Code): *"Whoever takes possession of another person's movable cultural property, removing it from its owner, in order to gain profit for himself or for others, or takes possession of cultural property belonging to the State, as found underground or in the seabed, shall be punished by imprisonment of from two to six years and a fine of from EUR 927 to EUR 1,500. The punishment shall be imprisonment for a term of four to ten years and a fine ranging from EUR 927 to EUR 2,000 if the offence is aggravated by one or more of the circumstances envisaged in the first paragraph of Article 625 or if the theft of cultural goods belonging to the State, as found underground or on the seabed, is committed by a person who has obtained a search licence as envisaged by law."* The conduct consists in taking possession of another person's cultural property, removing it from its owner, with the aim of making a profit for oneself or others. The objective scope of application of the provision has been extended by the Commission to include the taking possession of cultural goods belonging to the State, as found underground or on the seabed. In the presence of aggravating circumstances, such as those already identified by the Criminal Code for the offence of theft or by the Cultural Property Code, or when the stolen goods belong to the State or the offence is committed by a person who has obtained a search concession, pursuant to Article 176, the penalty of imprisonment, as seen, is increased from 4 to 10 years and the fine from €927 to €2,000.
- *MisappropriationWhoever, in order to procure for himself or for others an unjust profit, appropriates another person's cultural property in his possession for any reason whatsoever, shall be punished with imprisonment from one to four years and with a fine ranging from EUR 516 to EUR 1,500.* of cultural property (Article 518-ter of the criminal code): "*If the offence is committed on things possessed by way of necessary deposit, the penalty shall be increased.*" Article 518-ter the criminal code the misappropriation of cultural goodsofpunishes this offence punishes anyone who, in order to procure an unjust profit for himself or others, appropriates another person's cultural goods in his possession for any reason. The offence is aggravated if the possession of the goods is by way of necessary deposit. This is a new offence , i.e., whose provision reproduces, by increasing the penalty, the case of embezzlement referred to in Article 646 of the Criminal Code.

- Receiving stolen cultural goods (Article 518-quater of the Criminal Code): "*Apart from cases of complicity in the offence, whoever, in order to procure for himself or for others a profit, purchases, receives or conceals cultural goods originating from any offence, or in any case meddles in having them purchased, received or concealed, shall be punished with imprisonment from four to ten years and with a fine ranging from EUR 1,032 to EUR 15,000. The penalty shall be increased when the offence concerns cultural goods originating from the offences of aggravated robbery pursuant to Article 628, third paragraph, and aggravated extortion pursuant to Article 629, second paragraph. The provisions of this Article shall also apply when the perpetrator of the offence from which the cultural goods originate cannot be charged or is not punishable, or when a condition of prosecution relating to that offence is missing.*" Article 518-quater of the criminal code punishes the receiving of cultural goods. The penalty is increased when the offence concerns cultural goods originating from the offences of aggravated robbery and extortion. The provision provides also the offence is also applicable when the perpetrator from whom the cultural goods originate cannot be charged or is not punishable, or when a condition of prosecution is lacking.that
- Forgery in a private contract relating to cultural goods (Art. 518-octies of the Penal Code)*: "Whoever forms, in whole or in part, a false private contract or, in whole or in part, alters, destroys, suppresses or conceals a true private contract, in relation to movable cultural goods, in order to make its origin appear lawful, shall be punished by imprisonment from one to four years. Whoever makes use of the private contract referred to in the first paragraph, without having participated in its formation or alteration, shall be punished by imprisonment of from eight months to two years and eight months.".* The conduct of a person who makes a false private contract or alters, suppresses or conceals a true contract in relation to movable cultural property in order to make it appear lawful . This is an innovative provision in our legal system, borrowed from a provision of the Nicosia Convention (Article 9is punished, which provides, in particular, that the reproduction of forged documents and the tampering with documents relating to movable cultural property must be made a criminal offence, if the purpose of such actions is to conceal the illicit origin of the property). The provision of Article 518 octies of the Criminal Code revives forgery in private writing relating to cultural goods, again using the same technique whereby the object of the offence, or rather the content of a writing - and therefore not the conduct - is assumed to be the criminal offence. The connotation with a high degree of specific intent is then provided for, since it is necessary that the writing be forged to make the provenance of the goods appear lawful, a provision that appears pleonastic since it is evident that the forgery itself is intended to make the provenance of the goods to be put into circulation lawful. The Commission has inserted a further paragraph in the article that punishes with imprisonment from eight months to two years and eight months anyone who uses the private writing referred to in the preceding paragraph without having participated in its formation or alteration.
- Violations regarding the alienation of cultural goods (Article 518-novies of the Criminal Code)*: "The following shall be punished by imprisonment from six months to two years and a fine ranging from EUR 2,000 to EUR 80.000: 1) whoever, without the prescribed*

authorisation, alienates or places cultural goods on the market; 2) whoever, being obliged to do so, does not submit, within the term of thirty days, the report of the deeds of transfer of ownership or possession of cultural goods; 3) the alienator of a cultural good subject to pre-emption who delivers the thing pending the term of sixty days from the date of receipt of the transfer report.". The measure translates the current offence contained in Article 173 of the Code of Cultural Property the penalty.into the Criminal Code, increasing

- Illegal importation of cultural goods (Article 518-decies of the Criminal Code.): '*Whoever, apart from cases of complicity in the offences provided for in Articles 518-quarter, 518-decies, 518-sexies and 518-septies, imports cultural goods originating from an offence or found following research carried out without authorisation, where provided for by the law of the State where the finding took place, or exported from another State in violation of the law on the protection of the cultural heritage of that State, shall be punished by imprisonment of from two to six years and a fine of from EUR 258 to EUR 5,165.*
- Illegal exit or export of cultural goods (Article 518-undecies of the Criminal Code): "*Whoever transfers abroad cultural goods, things of artistic, historical, archaeological, ethno-anthropological, bibliographic, documentary or archival interest or other things subject to specific protection provisions pursuant to the legislation on cultural goods, without a certificate of free circulation or export licence, shall be punished with imprisonment from two to eight years and with a fine up to EUR 80,000. The punishment provided for in the first paragraph shall also apply to any person who does not return to the national territory, at the expiry of the term, cultural goods, things of artistic, historical, archaeological, ethno-anthropological, bibliographic, documentary or archival interest or other things subject to specific protection provisions pursuant to the law on cultural goods, for which a temporary exit or export has been authorised, as well as against anyone who makes false declarations in order to prove to the competent export office, in accordance with the law, that things of cultural interest are not subject to exit authorisation.*" Article 518-undecies punishes the conduct of anyone who transfers abroad cultural goods, things of artistic, historical, archaeological, ethno-anthropological, bibliographic, documentary or archival interest, or other things subject to specific protection provisions under the legislation on cultural goods, without a certificate of free circulation or export licence. The same punishment also applies to anyone who does not return to the national territory the aforementioned goods that have been temporarily removed or legally exported.
- Destruction, dispersion, deterioration, defacement, defacement and unlawful use of cultural or landscape assets (Article 518-duodecies of the Criminal Code): "*Whoever destroys, disperses, deteriorates or renders wholly or partially unusable or unusable cultural or landscape assets belonging to him/her or to others shall be punished with imprisonment from two to five years and with a fine ranging from EUR 2,500 to EUR 15,000. Anyone who, outside the cases referred to in the first paragraph, defaces or sullies cultural or landscape assets belonging to him or to others, or uses cultural assets for a purpose that is incompatible with their historical or artistic character or detrimental to their preservation or integrity, shall be punished by imprisonment of from six months to three years and a fine of from euro 1,500 to euro 10,000. The conditional suspension of the penalty is subject to the*

restoration of the state of the places or to the elimination of the harmful or dangerous consequences of the offence or to the performance of unpaid activity in favour of the community for a certain time, in any case not exceeding the duration of the suspended penalty, in accordance with the modalities indicated by the judge in the conviction.". The offence punishes the conduct of anyone who destroys, disperses, deteriorates or renders unserviceable or breakable cultural or landscape assets (first paragraph), as well as of anyone who defaces, defaces, defaces or uses such assets in a manner incompatible with their historical or artistic character or prejudicial to their preservation (second paragraph). The reform qualifies, therefore, the aggravating circumstances and the offences currently provided for in the as autonomous criminal offences Criminal and makes the granting of the suspended sentence conditional upon the elimination of the harmful or dangerous consequences of the offence, or, if the offender does not object, upon the performance of unpaid work in favour of the community for a specified time, in any case not exceeding the duration of the suspended sentence, in accordance with the procedures indicated by the judge in the sentence (third paragraph).Code

- Counterfeiting of works of art (Article 518-quaterdecies of the Criminal Code): "*Punishment shall be imprisonment for a term of between one and five years and a fine ranging from EUR 3,000 to EUR 10.000: 1) whoever, in order to gain profit, counterfeits, alters or reproduces a work of painting, sculpture or graphics or an object of antiquity or of historical or archaeological interest; 2) whoever, even without having taken part in the counterfeiting, alteration or reproduction, places on the market, holds for trading, introduces into the territory of the State or otherwise places in circulation, as authentic, counterfeited, altered or reproduced copies of works of painting, sculpture or graphics, objects of antiquity or objects of historical or archaeological interest 3) any person who, knowing them to be false, authenticates counterfeit, altered or reproduced works or objects indicated at numbers 1) and 2); 4) any person who, by means of other declarations, expert opinions, publications, affixing of stamps or labels or by any other means, accredits or contributes to accrediting as authentic works or objects indicated at numbers 1) and 2) counterfeited, altered or reproduced, knowing them to be false. The confiscation of the counterfeited, altered or reproduced copies of the works or objects indicated in paragraph 1 shall always be ordered, unless they belong to persons not involved in the offence. The sale of the confiscated objects at auctions of criminal offences is prohibited without time limit.*" The reform tightens up the punishment and transposes the current counterfeiting offence in Article 178 of the Cultural Goods Code Criminal into the Code. As a reminder, Article 178 of the Cultural Goods Code provides for a penalty of imprisonment from three months to four years and a fine from €103 to €3,099 (with an aggravating circumstance if the offence is committed by exercising a commercial activity and disqualification from exercising a profession) for counterfeiting works of art. The offence may be committed by anyone a) in order to make a profit, counterfeits, alters or reproduces a work of painting, sculpture or graphics, or an object of antiquity or of historical or archaeological interest; b) even without having taken part in the preceding cases, puts on the market or holds for trade, or introduces into the State or in any case puts into circulation as authentic, counterfeited, altered or reproduced copies of works

of painting, sculpture or graphics, objects of antiquity or objects of historical or interest archaeologicalc) authenticates the things under a) and b), knowing them to be false; d) or, by means of other declarations, expert opinions, publications, affixing of stamps or labels, or by any other means, accredits or helps to accredit as authentic the things under a) and b), knowing them to be false. The conviction is followed by the confiscation of the items listed and the publication of the sentence in three daily newspapers.

- Money laundering of cultural goods (Article 518-sexies of the Criminal Code): "*Apart from cases of complicity in the offence, any person who replaces or transfers cultural goods resulting from a non-culpable offence, or carries out other transactions in relation to them, in such a way as to hinder the identification of their criminal origin, shall be punished with imprisonment from five to fourteen years and with a fine ranging from EUR 6,000 to EUR 30,000. The punishment shall be reduced if the cultural goods originate from a crime for which the maximum term of imprisonment is lower than five years. The provisions of this Article shall also apply when the perpetrator of the offence from which the cultural goods originate cannot be charged or is not punishable, or when a condition of prosecution referring to such offence is missing.*" . The conduct is borrowed from the offence of money laundering under Article 648-bis of the criminal code, but the penalty is made more severe. The penalty is lessened if the cultural goods originate from a crime for which the maximum term of imprisonment is less than five years. In addition, the offence also applies when the perpetrator of the offence from which the cultural goods originate cannot be charged or is not punishable, or when a condition for prosecution is missing.
- Devastation and looting of cultural and landscape goods (Article 518-terdecies of the Criminal Code): '*Anyone who, outside the cases provided for in Article 285, commits acts of devastation or looting concerning cultural or landscape goods or cultural institutions and places shall be punished by imprisonment from ten to sixteen years.* Article 518-terdecies punishes the devastation and looting of cultural goods. The criminal offence will be applied outside the cases of devastation, looting and massacre referred to in Article 285 of the criminal code when cultural property or cultural institutions and sites are affected.

4.2 Corporate Offences

Also for the purposes of the application of the Decree, corporate offences under the Civil Code are of particular importance for ALTEC, if committed in the interest of the company, by directors, general managers or liquidators or by persons subject to their supervision, if the offence would not have been committed if they had supervised in accordance with the obligations inherent to their office.

- False corporate communications (Art. 2621 of the Civil Code*): "Except for the cases provided for in Art. 2622, the directors, general managers, managers in charge of drawing up the corporate accounting documents, auditors and liquidators, who, in order to obtain an unjust profit for themselves or others, in the financial statements, reports or other corporate communications addressed to the shareholders or the public, provided for by law knowingly present material facts that do not correspond to the truth, or omit material facts whose*

disclosure is required by law on the economic, asset or financial situation of the company or of the group to which it belongs, in a manner concretely likely to mislead others, shall be punished with imprisonment from one to five years. The same penalty shall also apply if the falsehoods or omissions concern assets owned or administered by the company on behalf of third parties'.

The offence envisaged by this provision differs from the offence referred to in Article 2622 of the Civil Code, in that in the former, false communications addressed to shareholders or the public are punished, in the latter, those that cause a reduction in assets for shareholders or creditors.

- False corporate communications by listed companies (Article 2622(1) and (3) of the Civil Code.): *"Directors, general managers, managers responsible for preparing the company's financial reports, statutory auditors and liquidators of companies issuing financial instruments admitted to trading on an Italian or other European Union regulated market, who, in order to obtain an unjust profit for themselves or others, knowingly state untrue material facts in the financial statements, in financial statements, reports or other corporate communications addressed to shareholders or the public, knowingly present material facts that do not correspond to the truth, or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or of the group to which it belongs, in a manner that is concretely likely to mislead others, shall be punished by imprisonment of from three to eight years. The following shall be treated as equivalent to the companies referred to in the preceding paragraph: 1) companies issuing financial instruments for which a request for admission to trading on an Italian or other EU country's regulated market has been submitted; (omissis) 3) companies controlling companies issuing financial instruments admitted to trading on an Italian or other EU country's regulated market; (omissis). The provisions of the preceding paragraphs shall also apply if the falsehoods or omissions concern assets owned or administered by the company on behalf of third parties".*

  Following the amendment made by Legislative Decree No. 61 of 11 April 2002, false corporate communications was configured as a crime of damage to the assets of shareholders, creditors and anyone who may have an interest in the company. The offence is committed when: a) on a subjective level, the *immutatio veri* is carried out with the intention of deceiving the shareholders or the public, thereby obtaining an unfair profit for oneself or others; b) on an objective level, the false communication is suitable for achieving the deceptive end; c) the false accounting entries result in a significant alteration of the correct representation or do not reach the percentage thresholds indicated by the regulation.

  With the reform enacted by Law No. 69/2015, first of all the heading of the article was changed (from the previous 'False corporate communications to the detriment of the company, shareholders or creditors' to the current 'False corporate communications of listed companies'); moreover, Article 2622 of the Civil Code was transformed into a crime of danger, prosecutable ex officio: the crime, in fact, no longer occurs in the presence of financial damage to creditors or shareholders, the mere intent to damage the latter now

being sufficient. Finally, with regard to listed companies, the penalty provision has been increased, precisely because of the greater interests involved in this offence.

- Obstruction of control, (Article 2625(2) of the Civil Code): *"Directors who, by concealing documents or using other suitable devices, obstruct or otherwise hinder the performance of control or audit activities legally assigned to shareholders, other corporate bodies or auditing firms, shall be punished with a fine of up to EUR 10,329. If the conduct has caused damage to the shareholders, imprisonment of up to one year shall apply and the offended person shall be prosecuted on complaint".*
  The rule in question is reserved for the protection of the regular exercise of control activities, which has partially decriminalised the offence provided for in the old Article 2623 of the Civil Code, in the event that there is no damage to the shareholders, and providing for a criminal offence punishable on complaint.

- *Fictitious* capital formation, (Article 2632 of the Civil Code): *'Directors and contributing shareholders who, even in part, fictitiously form or increase the share capital by allocating shares or quotas in excess of the total amount of the share capital, reciprocally underwrite shares or quotas, significantly overvalue contributions in kind or credits or the assets of the company in the case of transformation, shall be punished by imprisonment of up to one year'*.
  Active subjects of the offence are exclusively the directors and contributing shareholders. It is therefore a crime in its own right, since only the aforementioned persons can commit it, since they are the protagonists in the phase of creation of the share capital who, by conferring goods, credits and/or assets to the company, in exchange give it shares or quotas that are not due.

- Wrongful restitution of capital contributions (Article 2626 of the Civil Code): *'Directors who, except in cases of lawful reduction of share capital, return capital contributions to shareholders or release them from the obligation to make them, even simulatenously, shall be punished by imprisonment of up to one year*' ;[1]
  Through the mechanism of share buybacks, the company can in fact return the contributions to the shareholders. This is a hypothesis through which this offence may occur. The legislator regulates all the hypotheses in a rule that takes on the characteristics of a rule of a general, residual nature, applied when more specific hypotheses do not apply. The conduct penalised by the rule is described with two generic formulas: 1) restitution, including simulated restitution, of contributions to shareholders: this extends to contributions in cash, receivables and goods in kind; 2) release of shareholders from the

[1] the case envisaged by Article 2626 in connection with Article 223(2)(7) of the Bankruptcy Law integrates the hypothesis of the offence of bankruptcy, since the hypothesis of returning contributions to shareholders in this case constitutes an appropriation of part of the company resources intended to guarantee creditors.

obligation to execute the contribution: release may occur either by a unilateral act or by a negotiated act, for example through a set-off

- Offence of unlawful distribution of profits and reserves, (Article 2627 of the Civil Code): *'Unless the act constitutes a more serious offence, directors who distribute profits or advances on profits not actually made or allocated by law to reserves, or who distribute reserves, including those not made up of profits, which cannot by law be distributed, shall be punished by imprisonment of up to one year. The return of profits or the re-establishment of reserves before the deadline for the approval of the balance sheet extinguishes the offence'*
  The rule opens with a proviso: unless the act constitutes a more serious offence. The rule applies if and only if the act is not already covered by a more serious offence. The proviso clause serves to introduce an offence consisting in the conduct of directors, who are the active parties, who distribute profits or advances on profits not actually earned or allocated by law to reserves. These directors are punished with imprisonment of up to 1 year. This is a misdemeanour. The hypotheses provided for in the article are subject to a further provision contained in subsection 2, which represents the guiding thread of this provision to protect share capital: the return of profits or the reconstitution of reserves before the deadline for approval of the balance sheet extinguishes the offence. Extinguishing the offence after the commission of the offence. Here the directors are told that if they manage to replenish the reserves before the approval of the balance sheet, then the fact that they previously illegally distributed what they could not distribute is no longer taken into account.

- Illegal transactions involving shares or quotas of the company or of the parent company (Article 2628 of the Civil Code): *'Directors who, outside the cases permitted by law, purchase or subscribe shares or quotas, causing damage to the integrity of the share capital or of reserves that cannot be distributed by law, shall be punished by imprisonment of up to one year. The same punishment shall apply to directors who, outside the cases permitted by law, purchase or subscribe for shares or quotas issued by the parent company, causing damage to the share capital or reserves that cannot be distributed by law. If the share capital or reserves are reconstituted before the deadline for approval of the financial statements for the financial year in relation to which the conduct was committed, the offence is extinguished'*.
  Paragraph 2 introduces the group phenomenon. The same penalty applies to those directors who purchase or subscribe shares or quotas issued by the parent company. The legislator also extends the matter to the sphere of holding companies because the same effect can be achieved by not directly using the share capital, but by indirectly using the share capital of a subsidiary. Among the forms of control we have: de jure control, internal de facto control and external control. The legislator in the rule speaks of a controlling company. Therefore, the interpreter must consider all 3 definitions of control, which may thus give rise to the commission of this offence. Paragraph 3 provides that the offence is extinguished if the share capital and reserves are reconstituted before the deadline for the approval of the balance sheet for the financial year in respect of which the conduct took place. In between the approval of the balance sheet, if the directors also touch the share capital and reserves, the legislature is prepared to turn a blind eye if these are reconstituted.

- Transactions to the detriment of creditors, (Article 2629 of the Civil Code): *'Directors who, in breach of the provisions of the law protecting creditors, carry out reductions in share capital or mergers with other companies or demergers, causing damage to creditors, shall be punished, on complaint by the injured party, with imprisonment from six months to three years. Payment of damages to creditors before trial extinguishes the offence'.*
  This provision provides for a cause of extinction of the post-offence offence in paragraph 2, which was not previously provided for. It concerns the protection of creditors in the context of a particular series of operations: mergers, demergers, reduction of share capital. These operations may result in harm to creditors. We speak of operations that make the creditor's position less solid, operations that impair his security, without making it disappear.

- Wrongful distribution of corporate assets by liquidators (Article 2633 of the Civil Code): *'Liquidators who, by distributing corporate assets among the shareholders before paying the company's creditors or setting aside the sums necessary to satisfy them, cause damage to the creditors, shall be punished, on complaint by the injured party, with imprisonment from six months to three years. Compensation of the damage to the creditors before trial shall extinguish the offence'*.
  In the past, the liquidator was only sanctioned for failing to comply with the procedure laid down by law; it was an offence of mere conduct. The legislature has now reduced the minimum sentence to six months. Moreover, the legislator has only selected a number of facts, in particular it has excluded from punishability those cases in which creditors are actually paid before or afterwards. Today, the law stipulates that liquidators who distribute company assets among the shareholders before creditors are paid cause damage to creditors. It thus becomes an event crime. Shareholders are satisfied to the detriment of creditors. It is an event offence left to the availability of the aggrieved creditor, because prosecution on complaint is provided for. Paragraph 2 provides for the cause of extinction after the crime.

- Unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code): *'Whoever, by simulated or fraudulent acts, determines the majority in the shareholders' meeting, in order to procure for himself or others an unjust profit, shall be punished by imprisonment from six months to three years'*.
  The offence referred to in Article 2636 of the Civil Code provides for fraudulent conduct characterised by artificial conduct, represented by a simulatory component capable of achieving deception. It qualifies as an event crime, since the actual determination of the majority is required for its consummation.

- Market rigging, (Article 2637 of the Civil Code) *'Whoever spreads false news, or carries out simulated transactions or other artifices concretely likely to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading on a regulated market has been made, or to have a significant effect on the public's*

confidence in the financial stability of banks or banking groups, shall be punished by imprisonment of from one to five years'.

On the subject of market rigging, the typical conduct must be objectively artificial, being carried out in such a manner of action, time and place as to be capable in itself of affecting the normal performance of securities. This offence is qualified as a crime of danger, the perpetration of which does not require the verification of the actual alteration of the price of financial instruments, but the suitability of the conduct to produce such an effect.

- Obstructing the exercise of the functions of public supervisory authorities, (Article 2638 of the Civil Code.) "*Directors, general managers, managers responsible for preparing company accounting documents, statutory auditors and liquidators of companies or entities [2639] and other persons subject by law to public supervisory authorities [2545 quaterdecies, 2547, 2619], or bound by obligations towards them, who, in communications to the aforementioned authorities required by law in order to hinder the exercise of their supervisory functions, present material facts that are not true, even if subject to assessment [2426], on the economic, asset or financial situation of the persons subject to supervision or, for the same purpose, conceal by other fraudulent means, in whole or in part, facts that they should have communicated concerning the same situation, shall be punished by imprisonment from one to four years. The punishment is also extended to cases where the information relates to assets owned or administered by the company on behalf of third parties [2640]. The same punishment shall apply to directors, general managers, managers in charge of drawing up the corporate accounting documents, auditors and liquidators of companies or bodies and other persons subject by law to public supervisory authorities or bound by obligations towards them, who, in any form whatsoever, including by omitting the communications due to the aforementioned authorities, knowingly obstruct their functions. The penalty is doubled if the offence concerns companies with securities listed on regulated markets in Italy or other European Union Member States or widely distributed among the public within the meaning of Article 116 of the Consolidated Law on Financial Intermediation referred to in Legislative Decree No. 58 of 24 February 1998. For the purposes of criminal law, the resolution authorities and functions referred to in the decree transposing Directive 2014/59/EU are equated to supervisory authorities and functions*."

  The offence of obstructing the exercise of the functions of the supervisory authority is an offence of mere conduct, which is committed when the economic, asset and financial reality of the supervised entities is concealed from the supervisory body.

With reference to the above-mentioned offences, their prevention and suppression is implemented through the overall management of corporate processes and a system of powers of attorney and proxies in favour of corporate management.

4.3 *Other relevant offences under the*

With regard to ALTEC, the following additional categories of offences were also deemed abstractly conceivable:

- computer crimes and unlawful data processing (Article *24-bis* of the Decree);

- offences of market abuse and manipulation (Article *25-sexies* of the Decree);

- transnational crimes (Law No. 146/2006);

- offences committed in violation of health and safety at work regulations (Article *25-septies* of the Decree);

- Receiving stolen goods, money laundering, self laundering and use of utilities of unlawful origin (Article *25-octies* of the Decree);

- copyright infringement offences (Article *25-novies* of the Decree);

- inducement to lie (Article *25-decies* of the Decree);
- offence of corruption between private individuals and incitement to corruption between private individuals (Article *25-ter* of the Decree);
Relevant offences only if committed as part of cross-border fraudulent schemes and for the purpose of evading value added tax false declaration (Article 4 of Legislative Decree no. 74/2000), omitted declaration (Article 5 of Legislative Decree no. 74/2000), undue compensation (Article *10-quater* of Legislative Decree no. 74/2000) (Article 25-quinquesdecies of the Decree);
- tax offences (Legislative Decree 74/2000);
- the crime of possession of pornographic material (Article *600-quater* of the criminal code);
- the crime of solicitation of minors (Article 609-undecies*).*

With reference to the offences of manslaughter and grievous or very grievous bodily harm (Articles 589 and 590, third paragraph, of the Criminal Code) committed in violation of the rules on accident prevention and on the protection of hygiene and health at work, the control system is integrated with the overall management of corporate processes.
From the analysis of the company processes and their interrelationships and the results of the risk assessment comes the definition of how to safely carry out activities that have a significant impact on occupational health and safety.

For these purposes, the company pays particular attention to:

- recruitment and qualification of personnel;
- organisation of work and workstations;
- acquisition of goods and services and communication of appropriate information to suppliers and contractors (e.g. drafting and transmission of DUVRIs);
- normal and extraordinary maintenance;
- qualification and selection of suppliers and contractors;
- emergency management;
- procedures for dealing with non-compliance with the objectives set and the rules of the control system.

Occupational health and safety management includes a phase of verification of the maintenance of the risk prevention and protection measures adopted and assessed as suitable and effective.
The technical, organisational and procedural prevention and protection measures implemented by the Company are subject to qualified monitoring.

Computer offences (Article *615-ter* et seq. of the Criminal Code), offences for the purposes of terrorism or subversion of the democratic order provided for by the Criminal Code or special laws, offences against the individual (Article 600 et seq. of the Criminal Code), market abuse offences (Articles 184 and 185 of Legislative Decree 58/98), receiving stolen goods (Article 648 of the Criminal Code), money laundering (Article *648-bis* of the Criminal Code) and the use of money, goods or benefits of unlawful origin (Article 648-ter of the Criminal Code), and transnational offences provided for by the Criminal Code and special laws indicated by Law 146/06, being provided for by Law 146/06.) and the use of money, goods or benefits of unlawful origin (Article *648-ter* of the Criminal Code) and the transnational offences provided for by the Criminal Code and special laws indicated by Law 146/06, being provided for by the Decree, are supervised, in addition to the control systems provided for offences against the Public Administration, by the application of the rules contained in the Code of Ethics and, where necessary, by the individual organisational procedures.

The examination of the company's activities has, on the other hand, led to the conclusion that, at present, the concrete possibility of the commission, in the interest or to the advantage of the Company, of some of the remaining offences provided for in the Decree is remote.

These are, in particular, the offences referred to in Articles *25-bis* 1 of the Decree (offences against industry and trade), Article *24-ter* (organised crime offences), Article *25-quater* (offences for the purposes of terrorism or subversion of the democratic order), Article *25-quater* 1 (female genital mutilation practices), Article *25-quinquies* (offences against the individual), Article 25-undecies of the Decree (offences against the individual), Article 25-ter (offences against the environment), Article 25-ter (offences against the environment) and Article 25-ter (offences against the environment) of the Decree (offences against the environment). *25-quinquies* of the Decree (offences of illegal brokering and exploitation of labour), art. *25-undecies* of the Decree (environmental offences).

5) Dissemination of the Model

5.1 Staff training.

Communication and training, an expression of the general value recognised for human resources, are of strategic importance for the effectiveness and good functioning of the Model.

The Human Resources Function is responsible for the correct training of personnel on the application of the Organisation, Management and Control Model, compliance with the Code of Ethics and the correct application of organisational procedures.

The manner in which the information is disseminated will be articulated according to the following scheme:

- managerial staff: information seminar for organisational level 1 staff;
- remaining staff: information seminar (possibly in joint session with management staff);
- dissemination of an internal information note;
- information note to newly recruited staff together with the letter of recruitment;

- appropriate information on the company intranet;
- annual communication on any changes to the Organisation, Management and Control.

The training programmes and the contents of the information notes will be shared with the Supervisory Board.

ALTEC promotes staff awareness and training on the principles and contents of Decree 231/2001 and the Company's Organisation and Management Model.

The purpose of the training, which is differentiated according to the recipients and compulsory for the Company's personnel, is to transmit, consolidate and update knowledge on the subject, transfer the motivations that led to the adoption of the Model in ALTEC and make the recipients aware of the consequences of their conduct.

It is addressed to all personnel and focuses on the main contents of the reference legislation, the offences underlying the administrative liability of Entities - with a particular focus on the most likely risks for the Company - and the crime prevention model. In order to verify the actual participation of employees during the training sessions, a method of recording attendance is envisaged; the filling in of questionnaires may also be proposed in order to verify the actual learning of the notions by the personnel.

Finally, it is expected that updates and revisions that periodically affect this document or the Code of Ethics will be promptly reported to all personnel, as well as dealt with more extensively in specific dedicated training sessions.

Furthermore, the Company constantly fulfils its training obligations in the field of safety at work.

In fact, ALTEC considers training in this matter to be an essential component of the Model and that the performance of tasks that may affect health and safety at work requires adequate competence, to be verified and nurtured through the provision of education and training aimed at ensuring that all personnel, at all levels, are aware of the importance of the compliance of their actions with the Model and of the possible consequences of conduct that deviates from the rules dictated by the Model.

Each worker must receive sufficient and appropriate training with particular reference to his or her job and duties. This must take place when they are recruited, when jobs are transferred or changed, or when new technology is introduced, etc.

The Company will proceed with training according to the needs identified periodically.

5.2 Information to external collaborators.

ALTEC also promotes knowledge of and compliance with the Model and the Code of Ethics among the Company's commercial and financial partners, consultants, intermediaries, collaborators in various capacities, customers and suppliers.

In the letters of appointment to parties external to ALTEC (workers with temporary contracts, collaborators, suppliers of goods and services), special informative notes will be attached concerning the application of the Model and compliance with the Code of Ethics. Express termination clauses will also be included, consistent with the national and international standards adopted, in supply or collaboration contracts (agency, partnership, etc.) that make explicit reference to compliance with the provisions of the Model and the Code of Ethics.
Upon the proposal of the Supervisory Board and with the approval of the Chairman and the Chief Executive Officer, systems for the evaluation and selection of external collaborators may be established within the Group, which provide for the automatic exclusion from the register of those suppliers who fail to comply with the correct application of the Model and the Code of Ethics.

6) Disciplinary System

6.1 General Principles.

The Model adopted by ALTEC provides for an adequate disciplinary system, suitable to sanction non-compliance with the measures indicated in the Model itself as well as to guarantee its full effectiveness.

The definition of such a disciplinary system constitutes, in fact, pursuant to Article 6(1)(e) of the Decree, an essential requirement of the Model itself for the purposes of exempting the Company from liability.

The system of sanctions is based on the principle that any violation of the Model constitutes in itself a breach of the relationship of trust established between the person concerned and ALTEC, regardless of the external relevance of such facts.

In particular, the rules of conduct laid down in the Model, since they are adequately disseminated and published within the structure, are binding for all employees and therefore violations of these rules may lead to the initiation of disciplinary proceedings.

Disciplinary proceedings will be subject to the procedural guarantees provided for by the Civil Code, the Workers' Statute (Law 300/70) and the specific provisions of the National Collective Labour Agreements applied.

The type and extent of sanctions will be applied in relation to:

- intentionality of the conduct or degree of negligence, recklessness or inexperience with regard also to the foreseeability of the event;
- overall conduct of the employee, with particular regard to the existence or otherwise of the employee's disciplinary record;
- organisational position of the persons involved in the facts constituting the misconduct and other particular circumstances accompanying the disciplinary breach.

Once the Supervisory Board has ascertained any violations, it reports them to the Chief Executive Officer, who activates the Human Resources Function to initiate the necessary actions, informing the Supervisory Board of the outcome.

6.2 Sanctions for executives and employees.

Sanctionable conduct consists of violations of the principles of this Model, of the prescriptions referring to the conduct to be adopted in the performance of sensitive activities, and of the internal control rules provided for, insofar as such violations expose the Company to a situation of risk of one of the offences provided for in the Decree being committed.

The sanctions that can be imposed on middle managers and clerical staff are those provided for in the sanctions system of the National Collective Labour Agreement adopted (currently the CCNL for the Mechanical Engineering and Plant Installation Industry in force as of 20 January 2008):

- verbal warning;
- written warning;
- fine not exceeding three hours' hourly pay calculated on the minimum wage;
- suspension from work and pay up to a maximum of three days;
- dismissal with indemnity in lieu of notice;
- dismissal with notice and without notice.

In particular, it is envisaged that:

- A VERBAL WARNING shall be issued to any worker who violates one of the internal procedures and principles laid down in the Model and in the Code of Ethics and adopts, when carrying out activities in 'sensitive areas', a conduct that does not comply with the prescriptions deriving from the aforementioned documents. In fact, such conduct must be seen as non-compliance with the provisions brought to the Company's attention by service orders or other suitable means;
- a worker who repeatedly violates the internal procedures and principles laid down in the Organisation, Management and Control Model and in the Code of Ethics and adopts, when carrying out activities in areas at risk, a conduct that repeatedly fails to comply with the requirements deriving from the aforementioned documents, incurs the penalty of WRITTEN WARNING. Such conduct shall include repeated non-compliance with the provisions brought to the company's attention by service orders or other suitable means;
- Any worker who violates one of the internal procedures and principles laid down in the Organisational, Management and Control Model and in the Code of Ethics or adopts, in the performance of activities in 'sensitive' areas, a conduct which does not comply with the prescriptions deriving from the aforementioned documents, exposes the company to a situation in which there is a risk of one of the offences for which the Decree is applicable being committed;
- the measure of SUSPENSION FROM WORK AND PAY FOR A PERIOD NOT EXCEEDING THREE DAYS shall be applied to any worker who, in breach of internal procedures and the principles

laid down in the Model and in the Code of Ethics or by adopting, when carrying out activities in areas at risk, a conduct that does not comply with the prescriptions deriving from the aforesaid documents, or by performing acts contrary to the interests of the Company, causes damage to the latter and exposes it to an objective situation of danger to the integrity of the Company's assets. In fact, in such conduct one must recognise the determination of a damage or a situation of danger to the integrity of the company's assets or the performance of acts contrary to its interests also resulting from the non-compliance with the provisions brought to the company's attention by service orders or other suitable means

- The measures of DISMISSAL WITH REPLACEMENT INDEMNITY shall be applied to any worker who, in the performance of activities in areas at risk, adopts a conduct that does not comply with the provisions of the Model and the code of ethics and is unequivocally aimed at committing an offence sanctioned by the Decree. In fact, in such conduct one must recognise the determination of a considerable damage or a situation of considerable prejudice.
- Any worker who adopts, when carrying out activities in areas at risk, a conduct in serious violation of the provisions of the Model and the Code of Ethics such as to determine the concrete application against the Company of the measures provided for in the Decree, incurs the measure of DISMISSAL WITHOUT NOTICE. In fact, such conduct radically undermines the Company's trust in the worker.

Failure to comply also with the provisions of Legislative Decree No. 81/2008 constitutes grounds for the application of the sanctions provided for by the disciplinary system adopted by the Company.

In particular, each worker must take care of his own safety and health and that of other persons present at the workplace, on whom the effects of his actions or omissions may fall, in accordance with his training and the instructions and means provided by the employer.

In addition, workers:

A. comply with the provisions and instructions issued by the employer, managers and supervisors for the purposes of collective and individual protection;
B. correctly use machinery, equipment, tools, means of transport and other work equipment, as well as safety devices;
C. make appropriate use of the protective equipment made available to them
D. immediately report to the employer, the manager or the person in charge any deficiencies in the means and devices referred to in subparagraphs B and C, as well as any other dangerous conditions of which they become aware, taking direct action, in the event of an emergency, within the limits of their powers and possibilities, to eliminate or reduce such deficiencies or dangers, and informing the workers' safety representative thereof
E. do not remove or modify safety or warning or control devices without authorisation;
F. do not carry out on their own initiative operations or manoeuvres that are not within their competence or that may endanger their own safety or that of other workers;
G. submit to the health checks provided for them

H. contribute, together with the employer, managers and supervisors, to the fulfilment of all obligations imposed by the competent authority or otherwise necessary to protect the safety and health of workers at work.

6.3 Measures against managers.

In the event of violation by executives of the principles indicated in the Organisation, Management and Control Model, or of the adoption, in the performance of activities in areas at risk, of a conduct that does not comply with the prescriptions of the model itself, the application against them of appropriate measures in compliance with the regulations in force will be assessed.

6.4 Sanctions Procedure.

The employer may not take any disciplinary measure against the employee without first having contested the charge and without hearing the employee's defence. Except in the case of a verbal warning, the objection must be made in writing and disciplinary measures may not be imposed before five days have elapsed, during which the worker may present his justification.

If the measure is not imposed within 6 days of such justifications, they shall be deemed to have been accepted.

The employee may also present his justifications verbally, with the possible assistance of a representative of the trade union association to which he belongs, or of a member of the unitary trade union representation.

The imposition of the measure must be justified and communicated in writing.

7) Other protective measures

7.1 Measures against Directors and Auditors.

If a violation of the Organisation, Management and Control Model is ascertained to have been committed by one or more members of the Board of Directors or the Board of Statutory Auditors, the Supervisory Board, also through the Chairman, the Managing Director shall inform the Board of Statutory Auditors and the Board of Directors, which shall take the appropriate measures in order to adopt the most suitable measures.

7.2 Measures against external collaborators

Any violation of the rules of this Model applicable to workers with temporary contracts, collaborators and suppliers of goods or services shall be sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts.

This is without prejudice to any claim for compensation if such conduct results in concrete damage to the company, as in the case of the application to it by the judge of the measures provided for in the Decree.

7.3 Measures against Suppliers and Consultants

The contracts contain specific clauses providing for, in the event of conduct by Suppliers and Consultants in conflict with the principles indicated by the Code of Ethics and this Model and such as to entail the risk of commission of an offence sanctioned by the Decree, the termination of the contractual relationship, or the right to withdraw from it, without prejudice to any claim for compensation if such conduct results in concrete damage to the Company, as in the case of application by the judge of the sanctions provided for by the Decree.

8) Law 179 of 30.11.2017 on "*Provisions for the protection of the authors of reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship*" so-called "*WHISTLEBLOWING LAW*".

8.1 GENERAL PART (Disciplinary system)

Those who violate confidentiality obligations or engage in retaliatory or discriminatory acts against the whistleblower shall be subject to the sanctions provided for in the relevant CCNL applicable to ALTEC S.p.A. personnel, in compliance with the principle of gradualness of sanctions and proportionality to the seriousness of the violation.

8.2 SPECIAL SECTION (Information Flows)

Incidental information flows

In accordance with the provisions of the '*Whistleblowing Law*' and in compliance with Article 6, paragraph 2-bis of the Decree, the Company has put place a whistleblowing management procedure, according to which the Company's Organisational, Management and Control Model provides for

- one or more channels for submitting, in order to protect the integrity of the Company, circumstantiated reports of unlawful conduct, relevant under the Decree and based on precise and concordant factual elements, or of violations of the Model, of which they have become aware by virtue of their functions; these channels guarantee the confidentiality of the identity of the reporter in the management of the report;

- at least one alternative reporting channel suitable for ensuring, by computerised means, the confidentiality of the reporter's identity;

- the prohibition of direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons directly or indirectly linked to the report.

Dedicated channels of communication with the Supervisory Board have been set up for this purpose.

The Supervisory Board must be promptly informed, by means of a special reporting system, by all the recipients of the Model and the Code of Ethics of any conduct, acts or events that could lead to a breach or circumvention (even if only attempted) of the Model and the Code of Ethics or of the relevant procedures, and thus could give rise to ALTEC's liability under the Decree.

All personnel must therefore immediately report any information they learn, documented or in any case considered well founded, concerning any unlawful conduct considered relevant under the Decree (or conduct instrumental thereto), of which they have become aware by reason of their functions, committed by persons having qualified relations with the Company.

In order to facilitate the receipt of reports, ALTEC has set up appropriate transmission channels, guaranteeing anonymity:

- by ordinary mail, to the address "Avv. Giovanni Galoppi - Organismo di Vigilanza ALTEC S.p.A.- Via Sistina 42 - 00187 Roma";
- by e-mail, to the e-mail address: odv@altecspace.it

The report, following a request to be made through the communication channels provided, may also be made in person to ALTEC's Supervisory Board by means of a statement made by the reporter at a hearing, recorded in the minutes and signed by the reporter.

In compliance with the *Privacy* Act, without prejudice to legal obligations and the protection of the rights of the Company or of the persons involved, the reports sent are only accessible to the Supervisory Board or persons authorised by it.

The Supervisory Board protects whistleblowers against acts of retaliation, discrimination or penalisation, whether direct or indirect, for reasons directly or indirectly linked to the report, without prejudice to the right of the parties concerned to protect themselves in the event that criminal or civil liability is ascertained against the whistleblower in connection with the falsehood of the statements.

The adoption of discriminatory measures against the whistleblower may be reported to the National Labour Inspectorate, for measures within its competence, not only by the whistleblower, but also by the trade union organisation indicated by the whistleblower.

Retaliatory or discriminatory dismissal of the whistleblower is null and void. A change of job within the meaning of Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower, is also null and void. In the event of disputes concerning the imposition of disciplinary sanctions, or concerning demotions, dismissals, transfers, or subjecting the whistleblower to other organisational measures having direct or indirect negative effects on working conditions, following the submission of the report, the employer has the burden of proving that such measures are based on reasons extraneous to the report itself.

If, following the verification of reports, profiles of disciplinary liability emerge against ALTEC Personnel for violation of the Model, the Supervisory Board shall assess:

a. the initiation of the relevant disciplinary *procedure* pursuant to the relevant legislation;

b. taking disciplinary action against those who:

i) deliberately fails to detect or report any violations;

ii) threatens or engages in direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons directly or indirectly linked to the whistleblowing;

iii) violates the obligation of confidentiality with regard to the reporter and the persons and/or facts indicated in the reports in violation of the law and/or the procedure;

(iv) makes malicious or grossly negligent reports that turn out to be unfounded.

WARNING

Failure to comply with the information obligations defined in the Model and referred to in this Appendix constitutes a violation of the Model, both for all persons identified as holders of the prescribed periodic information, and for those responsible for collecting and monitoring it.

The text of the General Section of the Model is translated into English and German to make it comprehensible to ALTEC employees working in foreign countries and to its business partners. As for the German version of the model, a copy of it is given to ALTEC Germany employees, the German branch of ALTEC, upon hiring.

Violation of the provisions contained in the Model exposes ALTEC Germany employees to possible disciplinary sanctions provided for the employee by German Law, local collective bargaining and the individual employment contract. Where possible, and where not in conflict with specific provisions of the different legal system in which ALTEC employees operate, the procedures of the Special Section of the Model must be fully applied by the employees of the Company or its branches.

ALTEC will carry out specific training sessions for employees working abroad.