

ORGANISATION, MANAGEMENT AND CONTROL MODEL UNDER LEGISLATIVE DECREE. No. 231/2001 ADOPTED BY

Olt Offshore LNG Toscana

(hereinafter, for brevity, "OLT" or "the Company")



| CHANGE HISTORY | | |
|----------------|--|------------|
| Rev. | Nature of change | |
| 0 | First draft | |
| 1 | Update following introduction of Articles 25 - undecies, 25 – duodecies of Law no. 190/2012 Including the commissioning phase among the activities at risk | |
| 2 | Update following adjustment to the system of functional unbundling | |
| 3 | Update 2016 as per legislative changes introduced by LL. 68 and 69 of 2015 | |
| APPROVAL | | |
| Rev. | | Date |
| 0 | Approved by the Board of Directors | 10/28/2011 |
| 1 | Approved by the Board of Directors | 08/05/2013 |
| 2 | Approved by the Board of Directors | 04/16/2015 |
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GENERAL PART

- 1 INTRODUCTION**.....ERRORE. IL SEGNALIBRO NON È DEFINITO.
- 2 DESCRIPTION OF THE COMPANY**ERRORE. IL SEGNALIBRO NON È DEFINITO.
- 3 ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL** ..ERRORE. IL SEGNALIBRO NON È DEFINITO.
- 4 RISK ASSESSMENT AND RISK ESTIMATE**.....ERRORE. IL SEGNALIBRO NON È DEFINITO.
- 5 PRINCIPLES OF CONTROL IN AREAS OF ACTIVITIES AT RISK**.....ERRORE. IL SEGNALIBRO NON È DEFINITO.
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Special Section 8 - OFFENCES IN RESPECT OF INFRINGEMENT OF COPYRIGHT UNDER ARTICLE 24 NOVIES OF LEGISLATIVE DECREE No. 231/01

Special Part 9 - THE OFFENCE OF EMPLOYMENT OF CITIZENS OF THIRD-PARTY COUNTRIES WHOSE STAY IS ILLEGAL UNDER ARTICLE 25 DUODECIES OF LEGISLATIVE DECREE No. 231/01

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Special Section 11 - OFFENCES OF MARKET ABUSE UNDER ARTICLE 25 SEXIES OF LEGISLATIVE DECREE No. 231/01

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ANNEXES TO BE CONSIDERED ESSENTIAL PARTS OF THIS MODEL:

- 1) CODE OF CONDUCT AND ETHICS
- 2) GENERAL RULES OF CONDUCT
- 3) CURRENT COMPANY ORGANISATION
- 4) DISCIPLINARY SYSTEM

- GENERAL -

1 INTRODUCTION

Legislative Decree No. 231/2001

In implementation of the authority contained in Article 11 of Law no. 300 of 29 September 2000, on 8 June 2001 Legislative Decree no. 231 was issued (hereinafter the "Decree"), which entered into force on 4 July 2001, by which the Legislature introduced internal regulations in line with the international conventions on liability of legal persons to which Italy had long acceded. In particular, these are the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or the Member States and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

The Decree on "*Administrative liability of legal persons, companies and associations without legal personality*" introduced into Italian law a system of administrative liability (substantially comparable to criminal liability) for institutions (to be understood as companies, associations, consortia, etc., hereinafter referred to as "entities") for an exhaustive list of offences committed in their interest or for the benefit:

- (i) by individuals who with representative, administration or management positions in the entities themselves or one of their organisational units with financial and functional autonomy, as well as natural persons performing, de facto, the management and control of those organisations;
- (ii) by individuals under the direction or supervision of one of the above individuals. The liability of the entity is additional to that of the individual who has committed the offence.

The stipulation of the administrative liability of the Decree involves in the punishment of misdemeanours arising from the offence therein expressly stipulated those entities that derive an interest and/or benefit from the perpetration of the offence.

Among the penalties, certainly the toughest for the institution are the prohibitive measures, such as suspension or revocation of licences and franchises, a ban on contracting with the public administration, the prohibition, exclusion or revocation of loans and grants and the ban on advertising goods and services. The liability also arises in relation to offences committed abroad, if their punishment is not performed by the state of the place where they occurred;

The Decree, in its original version, included in the list of offences the perpetration of which triggers the administrative liability of the entities only those of corruption and bribery (**Article 25**) and misappropriation of funds, fraud against the State or a public body or to obtain public funds and computer fraud against the State or a public entity (**Article 24**): More precisely, we report below the offences originally envisaged:

- embezzlement against the State or other public body (Article 316-*bis* of the Criminal Code);
- misappropriation of contributions, loans or other payments from the state or other public body (Article 316-*ter* of the Criminal Code);
- extortion (Article 317 of the Criminal Code);
- corruption for an official act (Article 318 of the Criminal Code);
- corruption for an act contrary to official duties (Article 319 of the Criminal Code);
- aggravating circumstances (Article 319-*bis* of the Criminal Code);
- corruption in judicial proceedings (Article 319-*ter* of the Criminal Code);
- bribery of a public service (Article 320 of the Criminal Code);
- incitement to corruption (Article 322 of the Criminal Code);
- extortion, bribery, attempted bribery of members and officials of the EEC. or other foreign states (Article 322-*bis* of the Criminal Code);
- fraud against the State or other public body (paragraph 2, no.1 of Article 640 of the Criminal Code);
- aggravated fraud to obtain public funds (Article 640-*bis* of the Criminal Code);
- computer fraud against the State or some other public body (Article 640-*ter* of the Criminal Code).

Subsequently, Article 6 of Legislative Decree no. 350 of 25 September 2001, on "urgent measures ahead of the introduction of the euro on the taxation of financial income, the declaration of assets held abroad, securitization and other financial transactions," converted by Law no. 409 of 23 November 2001, included in the category of offences under the Decree, through Article **25-bis**, the following additional offences:

- forgery of money, spending and introduction into the State, through intermediaries, of counterfeit money (Article 453 of the Criminal Code);
- alteration of money (Article 454 of the Criminal Code);
- spending and introduction into the State, without collusion, of counterfeit money (Article 455 of the Criminal Code);
- passing on counterfeit money received in good faith (Article 457 of the Criminal Code);
- falsification of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit stamps. (Article 459 of the Criminal Code);
- counterfeiting of watermarked paper used for the manufacturing of public credit cards or revenue stamps (Article 460 of the Criminal Code);
- manufacture or possession of watermarks or instruments for counterfeiting money, revenue stamps or watermarked paper (Article 461 of the Criminal Code);
- use of counterfeit or altered tax stamps (Article 464 of the Criminal Code).

Later, in the context of the reform of company law, Article 3 of Legislative Decree no. 61 of 11 April 2002, containing the "Regime for criminal and administrative offences involving commercial companies, in accordance with Article 11 of Law no. 366 of 3 October 2001", which entered into force on 16 April 2002, introduced Article **25-ter** into the Decree, which extended the administrative liability of bodies also to the perpetration of corporate offences, as amended by Decree no. 61/2002:

- false corporate communications (Article 2621 of the Civil Code)
- false corporate communications to the detriment of shareholders or creditors (Article 2622 of the Civil Code);
- prevention of audits (Article 2625 of the Civil Code as amended by Legislative Decree no. 39/2010, implementing Directive 2006/43/EC);
- unlawful return of capital (Article 2626 of the Civil Code);
- illegal distribution of profits and reserves (Article 2627 of the Civil Code);
- illegal transactions involving shares or units of the company (Article 2628 of the Civil Code);
- transactions to the detriment of creditors (Article 2629 of the Civil Code);
- fictitious capital formation (Article 2632 of the Civil Code);
- improper distribution of corporate assets by the liquidators (Article 2633 of the Civil Code);
- unlawful influence on the general meeting (Article 2636 of the Civil Code);
- manipulation (Article 2637 of the Civil Code);
- preventing the exercise of the functions of the public supervisory authorities (Article 2638 of the Civil Code).

Law no. 262 of 28 December 2005 repealed the case in Article 2623 of the Civil Code ("False statement") and simultaneously added to that offence to Legislative Decree no. 58 of 24 February 1998, (Article 173-bis).

Following the above transfer, the offence is no longer included in the group of cases independently relevant to the application of Legislative Decree no. 231/01, as previously provided for by Article 3 of Legislative Decree no. 61 of 11 April 2002.

Falsity in prospectuses and other documents covered by the cancelled Article 2623 of the Civil Code may, however, be relevant now as "false corporate communications" under Articles 2621 and 2622 of the Civil Code, if all the conditions required by those articles are met.

Article 3 of Law no. 7 of 14 January 2003 (ratification and implementation of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999 and the rules for its internal ratification) inserted into Legislative Decree no. 231/01 an Article **25-quater**, which extended the administrative liability of bodies also to the perpetration of "offences aimed at terrorism or subversion of democracy" - association for purposes of terrorism, including international, or subversion of the democratic order (Article 270-bis of the Criminal Code); assistance to associates (Article 270-ter of the Criminal Code); recruitment for purposes of terrorism, including international (Article 270-quinquies of the Criminal Code); training activities for the purposes of terrorism, including international (Article 270-sexies of the Criminal Code); conducted for the purpose of terrorism (Article 270-sexties of the Criminal Code); attack or subversion for the purpose of terrorism (Article 280 of the Criminal Code); act of terrorism with deadly or explosive devices (Article 280-bis of the Criminal Code); kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Criminal Code); incitement to commit any of the offences covered by the first and second sections (Article 302 of the Criminal Code); urgent measures for the protection of the democratic order and public safety (Article 1 of Legislative Decree no. 265 of 15.12.1979, conv. with 06/02/1980, n. 15) - as well as offences "that are otherwise committed in infringement of Article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999".

Article 5 of Law no. 228 of 11 August 2003 on "Measures against trafficking in persons" introduced Article **25-quinquies** into Legislative Decree no. 231/01, (offences against the person) - reduction or maintenance in slavery or servitude (Article 600 of the Criminal Code); child pornography (Article 600-ter of the Criminal Code); possession of pornographic material (Article 600-quater of the Criminal Code); virtual pornography (Article 600-quarter of the Criminal Code); tourism aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code); trafficking in persons (Article 601 of the Criminal Code); purchase and sale of slaves (Article 602 of the Criminal Code) - which extended the administrative liability of the entities also to the perpetration of specific offences against the person under the Criminal Code and indicated therein.

Article 9 of Law no. 62 of 18 April 2005 "Offences of market abuse" introduced into Article **25-sexies** of Legislative Decree no. 231 (market abuse), the following offences: abuse of privileged information (Article 184 of Legislative Decree no. 58 of 1998) and market manipulation (Article 185 of Legislative Decree no. 58 of 1998).

Law no. 7 (Article 8) of 9 January 2006 introduced in Article **25-quarter 1** of Legislative Decree no. 231 as an offence the "Mutilation of female genital organs" (Article 583-bis of the Criminal Code).

Law no. 146 of 16 March 2006 introduced transnational offences related to cases of criminal conspiracy, of simple or mafia nature, money laundering and trafficking of emigrants.

Law no. 123 of 3 August 2007, (Article 9) introduced Article **25-septies** of Legislative Decree no. 231 concerning administrative offences deriving from the offences of manslaughter (Article 589 of the Criminal Code) and injury or grievous bodily harm (Articles 590 and 583 of the Criminal Code), committed in infringement of safety regulations and the protection of hygiene and health at work. These offences were then removed in particular from Article 30 of Legislative Decree no. 81/2008 which stipulates as exempting behaviour the adoption of an organisational model compliant with the safety management systems referred to in that article.

Para 3l of Article 63 of Legislative Decree no. 231 of 21 November 2007 introduced Article **25-octies** of Legislative Decree no. 231/01 which also covers the offences of receiving (Article 648 of the Criminal Code), recycling (Article 648-bis) and use of money, goods or assets of illicit origin (Article 648-ter of the Criminal Code).

In particular, these offences (with the exception of the offence of receiving stolen property) were already covered by Decree no. 231 but only if realised transnationally (according to Article 10 of Law no. 146 of 16 March 2006); following the introduction of Article 25-octies, the above offences will also be covered on a national basis.

Article **25-octies** was amended with the entry into force of Law no. 186 of 15 December 2014, which introduced for the first time in Italy the offence of self-laundering (Article 648-ter of the Criminal Code).

Law no. 48 of 18 March 2008 inserted computer offences and illegal data processing in Article **24-bis** of the Decree.

Thereafter Law no. 94 of 15 July 2009, on "Provisions relating to public safety", introduced Article **24-ter** concerning organised criminal offences: conspiracy (Article 416 of the Criminal Code); reduction or maintenance in slavery or servitude (Article 600 of the Criminal Code); trafficking in persons (Article 601); purchase and sale of slaves (Article 602 of the Criminal Code); promotion, organisation, financing, etc. of illegal immigration (Article 12 of Legislative Decree no. 286/98); Mafia-type associations including foreign ones (Article 416-bis of the Criminal Code); exercise of Mafia influence on political elections (Article 416-ter of the Criminal Code); kidnapping for robbery or extortion (Article 630 of the Criminal Code); association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree no. 309/90); production, trafficking and possession of illicit drugs or psychotropic substances (Article 73 of Presidential Decree no. 309/90).

For its part, Law no. 99 of 23 July 2009, containing "Provisions for the development and internationalisation of enterprises and energy," added Article **25-bis 1**, entitled "Offences against industry and commerce", which includes among the offences triggering the liability of the entity the case of disruption of the freedom of industry or trade (Article 513 of the Criminal Code); illegal competition with threats and violence (Article 513 bis of the Criminal Code); fraud against national industries (Article 514 of the Criminal Code); fraudulent trading (Article 515 of the Criminal Code); sales of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code); sales of industrial products with false trademarks (Article 517 of the Criminal Code); manufacturing and sale of goods made by appropriation of industrial property (Article 517 ter of the Criminal Code); counterfeit geographical indications or designations of origin for agricultural food protocols (Article 517 quater of the Criminal Code).

Furthermore, the same law introduced in the body of Article **25 novies** of Legislative Decree no. 231/01, "offences relating to copyright", which include numerous violations relating to the protection of copyright and other rights relating to its exercise (Articles 171, 171a, 171b, 171 f, 171 of Legislative Decree no. 633 of 22 April 1941,).

The same law, as amended by Article **25-bis** of Legislative Decree no. 231/01, with the inclusion of letter f-bis, also included among the offences "counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs" (Article 473 of the Criminal Code) and "introduction into the State and marketing of products with false trademarks" (Article 474 of the Criminal Code).

Law no. 116 of 3 August 2009 on the "Ratification and implementation of the UN Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with Resolution no. 58/4 and signed by the Italian State on 9 December 2003, as well as rules of internal adjustment and changes to the criminal code and criminal procedure", added Article **25-decies** "inducement not to make statements or to make false statements to the court" (cf., Article 377 bis of the Criminal Code).

Article 2 of Legislative Decree no. 121 of 7 July 2011 introduced Article **25-undecies** of Legislative Decree no. 231/2001 (Environmental offences). The list of such offences includes:

- a) killing, destruction, catching, taking, possession of specimens of protected wild animal or plant species (Article 727-bis of the Criminal Code)
- b) damage to habitat (Article 733-bis of the Criminal Code)
- c) offences referred to in Article 137 of Law no. 152 of 3 April 2006 concerning waste water discharges;
- d) offences referred to in Article 256 of Law no. 152 of 3 April 2006, concerning activities of managing waste without a permit;
- e) offences referred to in Article 257 of Law no. 152 of 3 April 2006 concerning the remediation of sites;
- f) offences referred to in Article 258 of Law no. 152 of 3 April 2006, concerning the infringement of reporting requirements, record keeping requirements and forms;
- g) offences referred to Articles 259 and 260 of Law no. 152 of 3 April 2006, concerning the illegal trafficking of waste;
- h) offences referred to in Article 260-bis of Law no. 152 of 3 April 2006 concerning the traceability of waste;
- i) offences referred to in Article 279 Law no. 152 of 3 April 2006 concerning environmental permits;
- j) offences referred to Articles 1, 2, 3 and 6-bis of Law no. 150 of 7 February 1992, concerning international trade in animal and plant species in danger of extinction, as well as the marketing and possession of live specimens of mammals and reptiles that pose a hazard to health and public safety;
- k) offences referred to in Article 3 of Law no. 549 of 7 February 1992, concerning international trade in animal and plant species in danger of extinction, as well as the marketing and possession of live specimens of mammals and reptiles that may pose a hazard to Health and public safety;
- l) offences referred to Articles 8 and 9 of Law no. 202 of 6 November 2007, concerning pollution caused by vessels.

Legislative Decree no. 109/2012 - published in Official Gazette no. 172 of 25 July 2012 and entering into force on 9 August 2012 - expands the list of offences that can trigger a direct liability of the entity, by adding Article **25-duodecies** of Legislative Decree no. 231/01 "Employment of third-country citizens staying illegally".

In particular, the provision of para 12 bis of Article 22 of the Consolidated Law on Immigration stipulates aggravating factors in the use of foreign citizens illegally staying if it is characterised by "particularly exploitative", i.e.:

- o more than three workers are illegally employed;
- o minors of non-working age are employed;
- o the case of exploitation referred to in Article 603 bis of the Criminal Code is met ("... having committed the offence of exposing workers to situations of great danger, with respect to the characteristics of the work to be performed and the working conditions")

Law no. 190 of 6 November 2012, "Measures for the prevention and suppression of corruption and illegality in public administration" intervenes in the criminal code, mainly:

- through certain substantive changes to Articles 317 of the Criminal Code (Extortion), 318 of the Criminal Code (so-called improper corruption) and 322 of the Criminal Code (Incitement to corruption);
- by introducing two new offences in Articles 319-quater of the Criminal Code (Undue induction to give or promise an advantage) and 346-bis (Illegal traffic of influences).

With respect to Legislative Decree no. 231/2001, Law no. 190/2012 introduced the following changes:

- change of **Article 25** (now called: Offences of extortion, undue induction to give or promise an advantage and corruption) introducing the offence of "Undue induction to give or promise an advantage" (Article 319-quater of the Criminal Code)
- introduces in the new letter s-bis of Article 25-ter the offence of "corruption between private persons", as the only active conduct of the briber (Para 3 of Article 2635 of the Civil Code).

Purpose and principles of the Organisational Model

The purpose of this Organisational Model is to establish a comprehensive set of protocols and prepare control activities, to be carried out also in advance (ex ante), designed to prevent the perpetration of the various types of offences covered by Legislative Decree no. 231/2001 and deemed applicable to the circumstances of OLT.

By identifying the "areas of activity at risk" and the consequent implementation of procedures to deal with them, the model is intended to:

- reinforce its determination to spread the culture of compliance and reiterate that any form of unlawful behaviour is strongly condemned by OLT since (even in the event that the Company may appear to benefit from it) it is contrary not only to the provisions of law but also to the ethical principles which the Company intends to meet in its business;
- enable the Company, through monitoring of "areas of activity at risk", to take prompt action to prevent or oppose the perpetration of offences.
- create, in all those who work in the name and on behalf of OLT in "areas of activity at risk", awareness of the risk of committing, in case of infringement of the provisions contained in this document, an offence which could result not only in a personal responsibility (be it civil, criminal, administrative, disciplinary) but also in a direct liability for the Company.

In methodological terms, the criteria that govern the construction and implementation of the model are as follows:

- the mapping of the "**areas of activity at risk**", i.e. those activities where offences may be committed;
- the provision of specific **protocols** aimed at planning the formation and implementation of the decisions of the Company in relation to the prevention of offences;
- specification of how to manage financial resources in order to prevent the perpetration of offences;
- accession to the **Supervisory Body**, with independent powers of initiative and control, which acts as the recipient the information from the administrative and financial structures of the Company, to exercise oversight on the operation and compliance with the Model;
- the adoption of a **disciplinary system** for penalising the infringement of the measures indicated in the Model;
- the application of the **Code of Ethics** which provides the set of basic principles of conduct of the Company and its employees, directors and employees in the performance of all activities;
- the **dissemination and training** at all levels of the behavioural rules and protocols established.

Article 6 of Legislative Decree no. 231/2001 stipulates that the model of organisation and management may be prepared on the basis of codes of conduct drawn up by associations representing the entities, communicated to the Ministry of Justice and approved by it.

For this reason, the preparation of this document is governed by the Guidelines for the preparation of organisation and management models under Legislative Decree no. 231/2001 prepared by Confindustria and approved by the Ministry of Justice.

Structure of this Organisational Model

This Model is divided into several parts.

The first part, the "General Part", comprises:

- Introduction: contains a detailed history of the regulatory evolution of Legislative Decree no. 231/2001;
- Company description: contains the description of the Company OLT, the purpose of business and the corporate organs with reference to the *Unbundling* regulations to which the Company is subject;
- Adoption of the Organisation, Management and Control Model: describes the objectives, scope and methods of updating the Model;
- Control principles in the areas of activity at risk: contains the different types of safeguards adopted by the Company in order to limit the possibility of the perpetration of offences;
- Internal Supervisory Body: describes the characteristics of the Supervisory Body of OLT
- Findings of Infringements: describes the mode of detection of infringements by the various recipients of the Model;
- Investigation of reported infringements: describes the terms for the investigation of reported infringements against various Recipients of the Model;

- Disciplinary system: describes the different penalties under the Model according to the infringement committed;
- Personnel training: describes the content, timing and the ways in which the various recipients of the model must be trained in relation to it.

Various "Special Parts", drawn up on the basis of an analysis of the risks, contain the procedures and mechanisms adopted by the Company to limit the probability of occurrence of the offences covered by Legislative Decree no. 231/2001.

These special parts, which are articulated in order to be easily consulted and for any updating, include:

- the types of offences;
- the penalties provided;
- the preventive measures adopted by the Company (e.g. management systems or internal procedures);

In addition, for each offence, the special parts indicate:

- the degree of risk;
- the sensitive activities and processes inside which offences could be committed;
- the Company functions and officials involved;
- specific conduct procedures to avoid offences;

Finally, each special part stipulates general and specific information flows to the Supervisory Body.

In the case of special part no.5 on the prevention of offences covered by Article 25-f of the Decree, it was decided to mention by links the technical reference legislation, T.U. 81/08 and the special connection with Article 30 of T.U. which contains precise directions for avoiding liability under Legislative Decree no. 231/01.

This organisational and management model also includes the Code of Ethics that was drafted in the light of the provisions of Annex A to AEEG Resolution no. 11/2007, defining the obligations of administrative and accounting separation (*unbundling*) for companies operating in the electricity and gas sectors (Consolidated Unbundling Text - *TIU*).

Working method adopted for the preparation of the model

The Organisational Model set out in this document has been prepared using the following working method:

- analysis of the identification documents of the Company: articles of association, formal proxies, powers of attorney, organisation charts, and related organisational positions, regulations of the Company, resolutions of the Board of Directors, the relevant contracts, the budget, the regulation of information systems,...;
- interviews with representatives of all business areas;
- analysis of business functions and identification of areas of risk;
- intensity grading of the associated risk;
- identification of operational methods to prevent, avoid or minimise the occurrence of offences, with the definition of specific measures (procedures);
- drafting and adoption of a Code of Ethics;
- configuration of the Supervisory Body;
- definition of training activities for the recipients of the Organisational Model;
- transposition of the observations of the SB and the third party that validated the model in April 2012;
- review of the Model based on the application of the unbundling regulations and the results of the last three years of activity.

Recipients of this Organisational Model

The Organisational Model set out in this document, as well as the Code of Ethics, applies to all employees of OLT (which also includes personnel seconded from shareholders or companies related to them), to the Directors and Statutory Auditors and to all those who work in the name and on behalf of the Company; however, it also applies to the shareholders, and in general everyone who has dealings with OLT, even by way of cooperation.

2 DESCRIPTION OF THE COMPANY

PURPOSE OF BUSINESS

The Company was incorporated by a deed of 11 September 2002 and it is currently owned by 4 shareholders (Iren Mercato S.p.A, E.ON Global Commodities SA, A.S.A. Azienda Servizi Ambientali S.p.a and Golar Offshore Toscana Limited).

The purpose of business, since the date of incorporation, has been "the development of business infrastructure, reception and transportation of all types of energy, with particular reference to gas, and the management and construction of regasification plants, including floating (offshore) liquefied natural gas plants (...)" .

The principal activity of the Company is the establishment and management of an infrastructure for the import and regasification of liquefied natural gas which, after being submitted to the process of gasification, will be fed into the Italian National Gas Pipeline Network for transport. More precisely, the project involves the construction and operation of a floating regasification terminal to be achieved through the conversion of an LNG ship that will be located 22 km from the Tuscan coast and will be connected to the land by a pipeline of approximately 30 km.

For the pursuit of its purpose of business, the Company may carry out any activity related and/or instrumental to the achievement of the purpose of business, including taking stakes in companies, whether Italian or foreign, and it may also take, if deemed to be instrumental by the Board of Directors, all financial, commercial, industrial, securities and real estate positions, with the exception of those activities, particularly financial, reserved by law to particular categories of persons.

On 23 February 2006 the Company obtained authorisation from the Ministry of Industry, in consultation with the Minister of Environment and Land Protection, to realise and operate the regasification plant and in March 2008 it signed with the Company Saipem S.p.A. a turnkey contract for converting an LNG ship into a floating regasification terminal.

The Company is currently governed by the *Unbundling* functional regime and under Article 19 of the Articles of Association of the Board of Directors on 23 January 2015, in addition to the executive directors, appointed one Managing Director as Independent Operator. This is a new form of *governance* that allows the Company to have greater organisational flexibility for compliance with the rules on functional *unbundling* in the light of the subsequent amendment of the Articles of Association, considered to be required by Annex A to the Resolution of the Electricity and Gas Authority of 18 January 2007, no. 11/07 bearing the Consolidated Unbundling (*TIU*) to adopt the so-called "model by derogation".

It should be specified as of now that the regime of *Unbundling*, under Article 2 of TIU or the principles of economy, profitability and confidentiality of business data, requires OLT, in pursuit of its purpose of business, to promote competition, efficiency and adequate levels of quality of service for the regasification terminal. Thus it is important to ensure the maintenance of neutral management of the regasification terminal and exclude any discrimination in respect of access to commercially sensitive information which OLT comes to possess in the conduct of its business and which is needed to prevent cross-subsidies between different economic undertakings in groups of companies which belong to OLT as "vertically integrated undertakings" within the meaning of the TIU. For these reasons, by a resolution of the extraordinary shareholders meeting it was decided to add after the first paragraph of Article 3 of the Articles of Association the following second paragraph: *"In accordance with the law and regulations, the Company has also the purposes, in compliance with the principles of economy and profitability and confidentiality of business data, to promote competition, efficiency and adequate levels of quality in service delivery, guaranteeing neutrality in the management of essential infrastructure for the development of a free energy market and preventing discrimination in access to commercially sensitive information as well as the exchange of resources between segments of the supply chain"*.

THE CORPORATE BODIES

The Company is a public company which is not listed and not subject to the rules of Article 2325 ff of Book V, Title V, Chapter V the Civil Code.

The system of governance and operation of the Company are secured by the following entities:

- Shareholders Meeting
- Board of Directors
- Chairman of the Board of Directors
- Managing Directors

- Managing Director - Independent Operator
- Board of Auditors
- Audit firm

The activity of the Company is conducted, finally, by the internal organisational structure, broken down as more fully described in the organisation chart attached.

POWERS OF THE SHAREHOLDERS

The Shareholder Meeting resolves on matters reserved to it by law or by the articles of association. The articles of association of the Company stipulate as the only mode of decision taking that the shareholders meeting (no procedures are stipulated on express consent in writing or written consultation).

The following matters are reserved by law to the competence of the Ordinary Shareholders Meeting:

- 1) approval of the annual accounts;
- 2) appointment and removal of directors; appointment of the members and chairman of the Supervisory Body and, when provided, the person appointed to carry out the statutory audit;
- 3) determination of the remuneration of the directors and auditors, if it is not determined by the Articles of association;
- 4) resolution on the responsibilities of directors and auditors;
- 5) resolution on other matters assigned by law to the competence of the Meeting, as well as on any authorizations required by the articles of association to carry out actions of the directors, without in any case the liability for these actions performed;
- 6) approval of any confirmation of the works of the Meeting.

By the articles of association, the ordinary meeting of shareholders also decides on the remuneration of any directors it has appointed and may also appoint the Chairman of the Board of Directors. The law reserves to the Extraordinary Meeting, acting on the affirmative vote of shareholders representing at least 65% of the share capital, the right to resolve on the following matters:

- a) The extension of the duration of the Company after 31 December 2050
- b) The issue of bonds
- c) The conversion of the Company
- d) The transfer of the registered office abroad
- e) The modification of the criteria for determining the value of the share in the event of exercise of the right of withdrawal of a partner

BOARD OF DIRECTORS

The board of directors manages the Company and performs all the operations necessary to achieve the purpose of business, being equipped with all powers for managing the Company and the power to perform all acts deemed necessary or appropriate for the achievement of the objectives of the company.

After individual consultation with the shareholders one by one to see if any of them intends to propose a shareholders resolution (in which case the resolutions which must be taken over by the shareholders), it is up to the Board to pass the following resolutions on:

- mergers in the cases provided for in Articles 2505 and 2505-bis. of the Civil Code
- the indication of which Directors may represent the Company;
- the reduction of the capital in the event of withdrawal of shareholders;
- the adjustments of the articles of association to regulatory regime.

The power to represent the Company before third parties and in court together with two directors appointed for that purpose is conferred by the appointment decision by the General Meeting. If and until the meeting has taken that decision, the power to represent is vested in two directors appointed for that purpose by the board of directors. If and until the Board has failed to allocate the power to represent, such power is vested in the Chairman.

In the event of appointment of managing directors, they are required to represent the Company within the limits of their powers of management.

The board of directors meets, even outside the registered office or anywhere in the European Union, whenever the Chairman deems it appropriate and when it is required by at least two directors in office.

The notice must be sent at least 3 days before the date of the meeting, but in the event of a genuine emergency, the notice may be received only 1 day before the meeting. In the event of failure to give notice or late notice, Board meetings will remain valid if attended by all the directors and statutory auditors in office.

The approval of the decisions of the board requires the presence of the majority of the directors and the majority vote of those present, subject to the right of the directors to attend and vote by audio conferencing or video conferencing. The resolutions of the meeting are recorded in minutes signed by the Chairman and Secretary, who need not be a member of the board, which persons sign them once they are transcribed in the relevant record of the resolutions of the board of directors.

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman will convene the board of directors and, if no decision is taken by the Shareholders Meeting or the Board of Directors, is the legal representative of the Company including before the courts. The representation of the Company is also vested in the general manager, managers, the proxies and procurators, if appointed, within the limits of their powers as stipulated in the appointment. The power to convene the Board of Directors may also be exercised by two directors in office.

In exercising his power to convene the Board of Directors, the Chairman:

- determines the items on the agenda;
- provides over the meetings of the Board;
- takes the minutes, together with the Secretary.

MANAGING DIRECTORS

The Board of Directors of OLT has approved the appointment of two Managing Directors who have been granted in particular powers by joint signature up to a maximum amount of EUR 1,000,000 to enable them to:

- oversee, in accordance with the directives and resolutions of the Board of Directors, the management, technical, administrative and economic life of the Company, subscribe collateral relating to loans contracted by the Company, which expressly included pledge contracts on current account;
- conclude with all the clauses deemed appropriate, including arbitration, in Italy and abroad, acts and contracts, including the power to sign current-account agreements with credit institutions associated with and necessary for the Company, to sign tenders for public and private procurement, for supplies of goods and services, make the required deposits and withdraw them in the event that the Company is not awarded the tender; sign any awarded contracts, appraisals and supplementary acts of submission, delivery records, notices of suspension, resumption and completion of work and reserves; withdraw guarantees and deposits and in general perform all acts necessary to manage contracts including arbitration and judicial proceedings with the authority to appoint special attorneys for individual actions;
- sign with all the clauses deemed appropriate, including arbitration, contracts for services and supplies, transfers or exchanges of materials, means of work and transport equipment, patent rights, "know-how", subcontracting, transport, rental, insurance; take delivery of supplies, monitor the related testing and sign the relevant minutes with the power to appoint special representatives or experts for individual acts;
- issue and accept drawings with regard to contracts and supply orders;
- Receive and endorse for discount, sale and collection bills to acquire grants and accept the conditions of such bills; sign the necessary documents and issue the related receipts;
- collect and assign claims;
- request the issue, accept and endorse the sale and guarantee of titles to goods;
- collect sums, mandates, treasury bills, money orders, cheques and credit instruments of any kind, as well as security deposits from any public or private entity and exempt the payers from liability by issuing receipts and acknowledgements;

- perform credit and debit operations on current accounts opened by Istituti di Credito e Poste Italiane S.p.A. with the following limitations:
 - use of cash and cash equivalents on such accounts and credit lines granted to the Company up to a maximum of EUR 10,000.00 per transaction with a single signature;
 - use of cash and cash equivalents on such accounts and credit lines granted to the Company up to the amount of EUR 1,000,000.00 per transaction with joint signature;
 - use of cash and cash equivalents on such accounts and credit lines granted to the Company with no limit on the amount with a single signature for the payment of taxes, duties, fees, social security contributions and insurance rights of any kind caused by the Company, through the subscription model prepared by the competent administrations, as well as to provide for the transfer of funds between bank and post office accounts in the name of the Company;
- deposit with credit institutions, for custody and administration, public or private securities and values in general and withdraw them by issuing a receipt for release;
- make deposits in cash and securities;
- sign in validation transfers of ownership of securities of the Company owned by the partners;
- define, including my settlement, the resolution of damages and claims;
- issue statements of conformity and suitability, in effect for the works carried out by third parties and, on inspection and testing of them, proceed to the establishment of the state of progress of work for the clearance of accounts; challenge any defaults and proceed to transactions;
- without any quantitative limit: start and abandon legal proceedings before any judicial and administrative bodies and in general any proceedings, defend them and appoint arbitrators, lawyers and attorneys; with a limit of EUR 1,000,000.00; settle any judicial or out of court dispute by arbitration, including amicable;
- appoint special agents to represent the Company before the court in all proceedings relating to labour disputes and safety and social matters, with the power to answer questions freely on the facts of the case and to reconcile and settle individual disputes;
- appoint attorneys and agents in general for certain acts or categories of acts, or individual assignments, with that option to be exercised within the framework of the delegation of powers conferred;
- revoke, if necessary, the above powers;
- carry out actions related to the patenting procedure required under the legislation in force in individual states to request, obtain, manage, protect and waive patents and trademarks in Italy and abroad; appoint corresponding patent agents in Italy and abroad, granting them the relevant mandates;
- carry out with insurance companies, pension funds and social security bodies all the procedures inherent in the administration of personnel;
- issue dismissals and evictions for termination and non-payment, representing the Company in its procedures of validation, injunctions and the instigation of executive actions of any kind, ensure their possible revocation and resist the actions instigated by others;
- intervene in bankruptcy and insolvency proceedings, lodge claims in bankruptcies;
- provide statements of a third-party garnishee, appointing special agents for that purpose.

MANAGING DIRECTOR - INDEPENDENT OPERATOR

The Board of Directors of OLT has also resolved that one Managing Director will take the status and powers of the Independent Operator, under and for the purposes of the relevant provisions in the area of functional unbundling and, in particular, under Letter b of Article 11.6,) of the TIU, conferring the powers and functions to:

- prepare the proposal of the development plan for the regasification terminal operated by the Company;
- prepare the proposal of organisation of Company personnel assigned to the activities of the re-gasification terminal;
- define commitments for extraordinary unplanned investment decisions, which are dictated by situations of objective necessity and urgency, in order to ensure sufficient flexibility in the management of the regasification terminal;
- define and implement procedures for the handling of and access to commercially sensitive information in the possession of the Company and which relate to regasification;
- prepare the proposal for the management of relationships with related parties;
- stipulate, amend and terminate employment contracts for management and executive personnel operating both in Italy and abroad and sign collective employment contracts with trade unions and employee associations; settle employment disputes;
- appoint managers and directors and assign qualifications and functions to employees of the Company and grant to them the powers and authority to carry out the functions entrusted as well as attributing, to the extent of these powers, the representation of the Company;
- appoint the Guarantor for the proper treatment of commercially sensitive information in the management of the terminal;
- submit to AEEG the development plan of the regasification terminal, in conjunction with its submission to the Board of Directors;
- report to AEEG any differences in the event that the development plan of the regasification terminal differs from that proposed by the Independent Operator;
- any other assignment that the TIU assigns to Independent Manager;
- express, optionally, binding opinion on all decisions of the Board of Directors - including decisions taken by the Managing Directors, other than himself, named here - that relate to management and organisational aspects related to the regasification performed by the Company and to approve the development plan for the regasification terminal operated by the Company. In particular, the Independent Manager will be required to deliver a binding opinion on:
 - approval of the development plan for the regasification terminal operated by the Company,
 - defining the management and organisation of the regasification performed by the Company;
 - procedures for purchase of goods or services of the Company for its work on the regasification terminal within the vertically integrated undertaking, as defined in Article 1.1. of TIU;

The Board of Directors has also stipulated that, if it intends to decide on the matters referred to in the previous point, the Board of Directors and/or Managing Directors will previously send to the Managing Director and Independent Manager the proposed resolution, on which he will deliver his opinion within 5 days.

Under Article 11.1 of TIU, the Managing Director as Independent Manager is granted decision-making and organisational autonomy as well as the availability of adequate resources for its operation, for the fulfilment of the obligations associated with regasification and for the implementation of the development plan for the regasification terminal, as approved by the Board of Directors.

BOARD OF AUDITORS

The Board of Auditors has the duties and powers referred to in Articles 2403 and 2403 bis of the Civil Code. In the Company management is controlled by a Supervisory Body consisting of three members and two deputies. Meetings of the Board of Auditors may also take place with participants located in different places, near or distant, by audio or video link, on condition that they comply with the method and the principles of good faith and equal treatment of members of the Board. The meeting is considered to take place where the chairman and the secretary are present. The Board is required to ensure compliance with the law and the articles of association as well as the principles of sound administration and, in particular, the adequacy of the organisational, administrative and accounting structure of the Company and its operation. Each member may carry out inspections and controls, while the Board may demand from the directors, also with reference to subsidiaries, information on the progress of operations or on specific business and may also exchange information with the corresponding entities of subsidiaries about systems of administration and control and the general performance of the Company. The investigations carried out must be recorded in the register of meetings and resolutions of the Board of Auditors.

AUDIT COMPANY

The audit of the Company must be performed by an audit company entered in the register maintained by the Ministry of Justice and appointed by the Meeting, after consulting the Board of Auditors, which determines the amount for the duration of the assignment, which cannot be given for a period exceeding three financial years.

The company responsible for the audit, including through the exchange of information with the Supervisory Body:

- (i) checks in the course of the fiscal year the regular bookkeeping and the correct recording in the accounting of business events;
- (ii) checks whether the annual accounts and, where applicable, the consolidated annual accounts correspond to the accounting records and the checks carried out and also comply with the rules governing them;
- (iii) reports with an appropriate opinion on the annual accounts and the consolidated annual accounts, where applicable.

The auditor or the company responsible for the audit may require the directors to provide documents and information for the control and may undertake inspections.

3 ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

The purpose and aim pursued by the adoption of the Model

OLT is sensitive to the need to ensure fairness and transparency in the management of the Company, to protect its position and image, the expectations of shareholders and the work of its employees, and it is also aware of the importance of having a system of prevention of unlawful conduct on the part of its directors, employees, representatives and commercial partners.

For this purpose, although the adoption of the model is stipulated by law as optional and not compulsory, the Board of Directors of OLT has decided to carry out an analysis of its organisational, management and control instruments, in order to check their compliance with the principles of conduct and procedures already adopted for the purposes covered by Legislative Decree no. 231/2001 and, if necessary, to supplement the existing model.

This initiative was taken in the belief that the adoption of this organisation, management and control model (the Model) can be a valuable tool for raising the awareness of all those who operate in the name and on behalf of OLT, so as to ensure a correct and linear performance of their activities in order to prevent the risk of committing the offences referred to in this document.

In the context of the implementation of a programme of systematic and rational interventions for an adjustment of its organisation, management and control, OLT has prepared a map of the business activities and identified in the context of it the so-called activities "at risk" or those which, by their nature, are among the activities which need to be analysed and monitored in the light of the provisions of the Decree.

The analysis covered all activities sensitive to the perpetration of offences under Legislative Decree no. 231/2001 up to May 2011 and was subsequently updated in the period October 2012 - January 2013.

Basic elements of the Model

With reference to the requirements identified by the legislature in the Decree and as already mentioned in chapter 1, the basic principles for the definition of the model can be summarised as follows:

- mapping of "sensitive" commercial activities i.e., those activities in which, by their nature, offences of Legislative Decree no. 231/2001 may be committed and which must therefore be analysed and monitored;
- analysis of procedures and definition of initiatives to be implemented with regard to the "sensitive" activities of the Company, to meet the needs of control;
- definition of ethical principles in relation to conduct that may involve the types of offences covered by the Decree (see in this respect the Code of Ethics binding for the conduct of all its employees and contractors), in order to define the need to:
 - observe the laws and regulations;
 - require all those who operate in the name and on behalf of the Company to act in accordance with the general principles of the Code of Ethics;
- configuration of the Supervisory Body and the assignment of specific supervisory tasks for the effective and correct functioning of the Model;
- definition of the flow of information to the Body;
- information and diffusion activities at all Company levels in respect of behavioural rules and established procedures;
- definition of the responsibilities the approval, adoption, integration and implementation of the Model, as well as the verification of its functionality and the corporate actions with periodic updating (ex post control).

Updating the Model and the attached documents and/or revocations and related duties

This Model and the Code of Ethics may be updated only by a resolution of the Board of Directors including on the basis of reports received by the Supervisory Body.

The documents listed and cited below the table of contents must be managed in such a way as to ensure that the Supervisory Body has the updated version available.

Then the functions responsible for updating documents must promptly send a copy to the Supervisory Body.

The notice of the update of the Model must be sent to all recipients of it so that they may fulfil any new requirements contained in it.

Similarly, if the change involves a specific activity carried out by an external partner, communications related to the Model and the contents of it will be sent to it so that the partner is in fact informed and able to act in accordance with the new requirements.

4 RISK ASSESSMENT AND RISK ESTIMATE

The preparation of the risk assessment and the subsequent evaluation of the risk of an offence within the Company are the starting point for the preparation of the Organisational Model.

In order to create a tailored Model, a genuine "bespoke suit", it is necessary to know the commercial reality and effectively understand which activities are most sensitive from the point of view of the risk of offence, by not merely preparing compilative and clinical mappings without any assessment of the intensity of the risk of offence and its likelihood of occurrence within the Company.

Hence the need for a multidimensional information flow in the form of the analysis of document systems of the Company and also in the analysis of the functions and corporate activities, through the implementation of meetings and interviews with the various managers.

It is considered in fact that disregard of the fact that the documentation does not always represent the daily life and the dynamism of corporate life and it is often represented effectively also, or especially, by the versions of those who interpret it may lead to a failure to grasp essential aspects of the construction of a Model which is practical and effective.

More precisely, the risk assessment carried out must be based on interviews with the following subjects and on the relevant documentation provided, which is cited in what follows.

As regards the method used during the risk assessment to identify the level of risk, it must be pointed out that if it identified as a high level of risk that does not mean that the risk areas are not currently characterised by good and preventive behaviour.

The risk assessment is in fact an analysis that should not simply monitor a state of fact, but must in itself orient the Company towards an Organisational Model that partially disregards the fact that the Company abides by the law.

Such lawfulness is relevant to the evaluation of the procedures to be adopted, compared to existing operating procedures (gap analysis), but should not affect the assessment of the likelihood of the risk of offence.

Moreover, conforming to the case law and the consolidated opinion in the doctrine, the recognition method and weighting of potential commissive of offences has been conducted with respect to the individual cases included in each type of offence profile; the specific criminal process/activity has been noted; corporate individuals/functions who are possible perpetrators (also "in collusion" in the case of "specific offences") and consequently the degree of risk weighted taking into account the particular and specific characteristics of OLT, as well as its historical background.

It should be stressed that in certain cases, although no risk has been found likely or even possible, prevention measures have still been adopted from an exclusively prudential perspective.

In the light of these considerations, in each special part prepared for the offences covered by Legislative Decree no. 231/01 the level of risk attributed is expressly stated and it has been divided as follows:

| RISK LEVEL | COLOUR |
|----------------|--------|
| HIGH | |
| MEDIUM | |
| LOW | |
| ABSENT | |
| NOT APPLICABLE | N/A |

In this regard it should be noted from the outset that the analysis of the risks has shown the following offences covered by Legislative Decree no. 231/01 to be irrelevant through the absence or inapplicability of a risk:

- PRACTICE OF FEMALE GENITAL MUTILATION
- OFFENCES FOR THE PURPOSE OF TERRORISM OR SUBVERSION OF THE PUBLIC ORDER
- TRANSNATIONAL OFFENCES
- OFFENCES OF ORGANISED CRIME
- OFFENCES OF COUNTERFEIT MONEY, PUBLIC CREDIT CARDS, REVENUE STAMPS AND INSTRUMENTS OR SIGNS OF ACKNOWLEDGEMENT

- OFFENCES AGAINST INDIVIDUAL PERSONALITY

Other special cases of this kind which do not apply here are specified in the individual special parts

5 PRINCIPLES OF CONTROL IN AREAS OF ACTIVITY AT RISK

Within the performance of the work for defining the procedures needed to prevent the types of offence/risk, the main processes, sub-processes or activities have been identified, based on the knowledge of the internal structure and business documentation, within which, in principle, offences could be perpetrated or which could constitute opportunities or means for achieving them.

With reference to these processes, sub-processes or activities the management procedures and controls already in place have been taken over and, where appropriate, the additions or implementations necessary to ensure compliance with the following principles have been defined:

- **rules of conduct:** existence of rules of conduct aimed at ensuring performance of commercial activities in compliance with the laws, the regulations and the integrity of corporate assets;
- **procedures:** the existence of internal procedures for supervision of processes in which the types of offences covered by Legislative Decree no. 231/2001 could be perpetrated or in which the conditions, opportunities or means of committing such offences could be present. The minimum characteristics that have been examined are:
 - adequate formalisation and dissemination of the business procedures in question;
 - definition and regulation of the terms and timing of the performance of the activities;
 - traceability of actions, operations and transactions through appropriate documentary support to certify the characteristics and reasons for the transaction and identify the individuals who are variously involved in the transaction (authorisation, execution, recording, verifying);
 - clear definition of the responsibilities for the activities;
 - existence of objective criteria for the taking of corporate decisions;
- **division of responsibilities:** a correct distribution of responsibilities and the provision of adequate levels of authorisation, in order to avoid overlaps of functions or operational allocations that concentrate critical activities on a single person;
- **authorisation levels:** clear and formal allocation of powers and responsibilities, with a clear indication of the operational limits in accordance with the responsibilities borne and with the positions held within the organisational structure;
- **control activities:** existence and documentation of control and supervision activities.

The following documents are an integral part of the control principles for risk activities:

- Code of Conduct
- Company organisation chart
- Company Procedures and Policies
- Risk assessment document under Legislative Decree no. 81/2008

6 SUPERVISORY BODY

Among the requirements of letter b) of para 1 of Article 6 of Legislative Decree no. 231/2001 because the entity may be exempted from liability arising from the perpetration of the offences listed there is a need for the establishment of a Supervisory Body, with independent powers of initiative and control, with the task of supervising the operation of and compliance with the Model, while also ensuring that it is updated.

This Body of the Company operates as a third party and independently from the other bodies of the entity and performs an office within the Board, with placement at the top of the hierarchy.

The appointment is the responsibility of the Board of Directors by a resolution which defines the composition, remuneration and spending budget.

The members of the Supervisory Body may be dismissed only for "just cause" by a resolution of the Board of Directors, after consulting the Board of Auditors.

Requirements for the Supervisory Body

The requirements of the law are:

- 1. autonomy and independence:** the members of the Supervisory Body must have no conflicts of interest with the Company, nor be in a position of dependency on the managers of operational areas; the Supervisory Body must be free of duties of the Company management; it has powers of inspection, control and access to Company information (paper and computer) and must be given economic independence for the exercise of its functions;
- 2. multi-professionalism:** The members must have expertise and experience in the field, as well as professional qualification appropriate to the exercise of functions of criminal prevention, control and risk management and business organisation;
- 3. continuity of action:** for supervision, as well as for a consistent attitude of the Company to the representatives of the Model.

The decree also requires the following to be **inherent** in the Body with respect to the entity; given the apparent inconsistency of this requirement with respect to those of independence and independence, the meaning must be sought in the connection and ongoing relationship with the Company subject to supervision. This is ensured by profiling several members of the SB and the appointment of (at least) an internal member (e.g. responsible for an important role, preferably Internal Auditing).

Persons who have a conviction (or settlement), even if not final, for one of the offences under Legislative Decree no. 231/2001 may not be elected members of the Supervisory Body.

If this happens in the course of carrying out their duties, it constitutes grounds for immediate dismissal from the Body.

In the event of dismissal of one or more members, the SB will nevertheless remain in office and takes decisions by unanimity until the reinstatement of the dismissed member or members.

In view of the above mentioned features, the specificity of the tasks assigned to the Supervisory Body, and the current organisational structure adopted by OLT, it has been decided to establish a profile of the Body:

- on a collegiate basis;
- composed of three members who meet the above characteristics;
- with a term of office of three years, with the possibility of reappointment;
- with an external Chairman of the Supervisory Body, appointed by the Board of Directors.

In order to ensure that the requirements mentioned above are met, the Board of Directors periodically assesses the adequacy of the Supervisory Body in terms of structure and powers conferred, making the changes and/or additions deemed necessary.

The operation of the Body is governed by special regulations, prepared and approved by the Body, as an instrument of self-organisation. They define, among other things:

- a) the terms of the convening of the meeting and the majorities required for resolutions;
- b) the terms of recording and keeping the minutes of the meetings;
- c) the methods of interaction/coordination with the organs and representatives of the Company;
- d) the functions, powers and inspections.

Every activity of the Supervisory Body must be documented in writing and decisions and resolutions must be the subject of minutes.

Each year, coinciding with the approval of the annual accounts, the Supervisory Body will prepare a Report of the activities carried out, the effectiveness and adequacy of the existing Model and the planning of the main actions to be carried out in the following year.

The Report will, also, cover any use of the budget of the annual allocation, with a consequent request to the executive Body for replenishment/supplementation.

The report is formally sent to the Board of Directors.

Functions and powers of the Supervisory Body

Under Legislative Decree no. 231/2001, the functions vested in the Supervisory Body are:

- assessment of the adequacy of the Model, i.e. its ability, according to the type of activity and the characteristics of the Company, to avoid or reduce to an acceptable level the risk of perpetration of the relevant offences;

- verification of compliance with structural and substantive issues, the regulatory *compliance* of the Model, and the consequent review and update;
- checking the effectiveness of the Model, which involves monitoring compliance by the parties subject to it and the consistency between the actual behaviour and requirements required.

The update or modification of the Model (or components of it) is proposed by the Supervisory Body and must be formally adopted by the executive organ.

The Supervisory Body is not entitled to perform operational tasks or management, and certainly not those of the prevention of the perpetration of an alleged offence.

For the effective performance of its functions the Supervisory Body has a number of powers and prerogatives, for example to:

- activate control procedures through special provisions or service orders;
- perform systematic audits of operations or specific acts carried out in sensitive areas;
- collect and process information material to the Model;
- request information and documents from the heads of each business area, the corporate organs, employees, consultants, etc.. which are required to act promptly;
- conduct internal investigations, carry out inspections, personally or through a person appointed to ascertain alleged infringements of the provisions of the Model;
- promote initiatives for the dissemination of knowledge and understanding of Legislative Decree no. 231/2001 as amended and content of the Model and prepare the internal organisational documentation (instructions, clarifications, updates, information etc...).

For this purpose, the body has the right to:

- take measures to regulate the performance of its functions and activities;
- access to any and all business documents (paper or computer) relevant to the performance of the functions attributed to the Supervisory Body under Legislative Decree no. 231/2001;
- appoint external consultants with proven expertise in cases where this is necessary for the performance of verification and control, to update the Model, or to obtain technical advice on issues of importance, using the available funds of its budget for the annual allocation to cover related costs;
- stipulate that the persons responsible for corporate functions promptly provide the information, data and/or news in order both to fulfil the communications and for periodic reports which are required also under the "Flow diagram" adopted.

The Supervisory Body may be summoned at any time by the Chairman and may be called to report to the Board of Directors.

On request the Body in the event of need, or when the topics on the agenda prove of interest for the performance of its functions, it may be invited to attend meetings of the Board and the Executive Committee, or to report to the Board, however, without exercising any vote, although performing out an advisory function on the topics in question.

The Body proposes opportunities for meetings and consultation with the entities of corporate control, with a view to appropriate infra-organic coordination.

Information flows to the Supervisory Body

The Supervisory Body is the recipient of reports of infringements of the Code of Ethics and the Organisational Model to be made through "dedicated" information channels, or to the email address reserved for it.

Each person, of whatever hierarchical level and function, who works with/for the Company is obliged to promptly inform the Supervisory Body, through appropriate reporting, of any infringement or suspected infringement of the Model, its general principles and Code of Ethics and to report promptly facts or omissions that might lead to one of the offences covered by Legislative Decree no. 231/01.

This requirement applies to every officer or employee of the Company, who are required to promptly report the fact by informing the appropriate supervisor and functional superior who will inform promptly the Supervisory Body.

The "Flow diagram" formally adopted by the Company defines the information content, the parties responsible and the timing of the communication due (periodic or occasional).

As an indication, the information concerns:

- measures and/or information from the organs of the judicial police, or any other authority, which indicate the performance of activities of investigation for offences under the Decree, including those initiated against persons unknown;
- requests for legal assistance made by executives and/or employees in the event of judicial proceedings against them for offences under Legislative Decree no. 231/01;
- reports prepared by the heads of the corporate part of the control activities, which may reveal facts, actions, events or omissions with critical profiles under the provisions of the Decree;
- news on the actual implementation, at all levels of the Company, of the Model, highlighting the disciplinary procedures activated and any penalties imposed (including measures taken against employees), or the measures warranted for the filing of disciplinary proceedings;
- anomalies or unusual events detected in relation to the standards of conduct contained in the Model and Company procedures with respect to offences under the Decree;
- new organisational, operational or deployment decisions of extraordinary administration, or anomalies and unusual events realised within the Company.

Reports to the Supervisory Body must be made in a non-anonymous form, with the Company giving a commitment to discourage any form of retaliation, discrimination or penalty for reporting - even if the verification is unsuccessful on subsequent confirmation - and protecting the confidentiality of the facts reported, except as required by law and the rights of the Company.

Failure to comply with information by the person required to provide it constitutes an infringement of the Model and therefore represents conduct subject to sanction in accordance with the Disciplinary System.

7 TRAINING

Training about Legislative Decree no. 231/2001 and the current Organisational Model

OLT provides access to internal documents relating to the Code of Ethics and the Organisational Model over the Company intranet.

In order to raise the awareness of all recipients of this Organisational Model on the contents of Legislative Decree no. 231/2001, on the risks potentially present and the special-preventive procedures adopted, the Company produces, following the directions and under the supervision of the Supervisory Body - which will make use of the collaboration of the Administration/HR - training courses in structured activities, systematic, compulsory and diversified according to the various categories of recipients.

The individual training modules must be provided by qualified teachers previously selected (i.e. SB members and/or expert consultants in the field), through training "in house" or, for employees, in particular through platforms of "e-learning".

The presence of the participants at the opening and closing of the training section will be officially recorded; thereafter there must be *feedback* in respect of the actual learning by the individual participant and the level of knowledge/competence acquired.

For any persons who are absent a recovery session will be arranged.

Training for members of the corporate organs

At the time of the adoption/revision of the Organisational Model and, in any case, at the time of acceptance of the assignment, this training will be provided according to the following contents:

- Introduction to Legislative Decree no. 231/2001
- Liability, authority and powers of corporate organs
- Delegation of powers and functions
- Code of Conduct
- Organisational Model
- Supervisory Body
- Risk and offence analysis - System of *Risk Management*
- Behavioural procedures and procedures
- Integrated Control System

- Flow diagram, Reporting and infra-organic coordination
- Penalty system.

Training for the Company Management and Executives

Performed at the time of the adoption/revision of the Organisational Model and, in any case, for all new recruitments, according to the following contents:

- Introduction to Legislative Decree no. 231/2001
- Role of management
- Code of Conduct
- Organisational Model
- Supervisory Body
- Risk analysis and offence-sensitive processes
- Behavioural procedures
- Integrated Control System
- Flow diagram, Reporting
- Penalty system.

At least every two years, an update meeting on the following topics must be scheduled:

- any updates made to the Organisational Model
- new legislation, *best practises*, case law and doctrinal changes
- consequent change of procedures/protocols
- summary of the results of the *Audit* performed
- comparison of the effectiveness of the measures in place and any additions.

In the event of significant changes to the Model, appropriate training/information must be promptly delivered to the personnel involved.

Training for Employees

Performed at the time of the adoption/revision of the Organisational Model and, in any case, for all new recruitments, according to the following contents:

- Code of Conduct
- References to the Organisational Model
- Supervisory Body
- The behavioural procedures
- Penalty system

If, however, there are significant changes to the Model, appropriate training/information must be promptly delivered to the personnel involved.

Informative to external Collaborators

With respect to external collaborators with an ongoing relationship to the Company (including, but not limited to: consultants, outsourcers, suppliers of goods and services, brokers, agents, partners, etc.) an informative copy of the Code of Ethics and possibly sections of the behavioural procedures must be provided concerning the activities carried out by them and procedures involved, which they must at the same time sign with the date of acceptance.

Through the signature, the Collaborator will assume the liability to train and inform its employees also about the content of those documents, which are binding on pain of termination of the contract in the event of infringement of the provisions of the Model.