

BOFFI S.P.A.

**ORGANIZATION, MANAGEMENT AND CONTROL MODEL
IN ACCORDANCE WITH LEGISLATIVE DECREE
No. 231 of 8 JUNE 2001**

Version: [●] 2017

ORGANIZATION, MANAGEMENT AND CONTROL

MODEL

EX LEG. DECREE 231/2001

GENERAL SECTION

1 – DESCRIPTION OF REGULATORY FRAMEWORK

1.1 Introduction

With Legislative Decree No. 231 of 8 June 2001 (hereinafter "**Legislative Decree 231/2001**" and/or "**Decree**"), issued in implementation of the powers delegated upon the Government by Article 11 of the Law of 29 September 2000, No. 300¹, the *"liability and responsibility of the bodies responsible for illicit administrative behaviour from crimes"* was defined and laid down by law.

The aforementioned provision applies to entities and bodies provided with legal status and to companies and associations, including those without legal status.

Legislative Decree 231/2001 finds its origin in some international and EC conventions ratified by Italy, which impose collective forms of liability and responsibility for certain types of Offences and crimes.

According to the regulations introduced by Legislative Decree 231/2001, companies can be held "responsible" for some Offences and crimes committed or attempted, in the interest or benefit of the company itself, by members of the company top managers (the so-called "Top/Senior Management" or simply "Top Executives") and those who are subject to management or supervision of the latter (Article 5, paragraph 1 of Legislative Decree 231/2001)².

The administrative liability of companies is autonomous with respect to the criminal liability of the natural person who committed the offence and shall collaborate with the latter.

This broadening of responsibility and liability is essentially aimed at involving the company assets in the punishment of certain offences and, ultimately, the economic interests of shareholders, who until the entry into force of the Decree herein had no direct consequences from offences or crimes committed in the interest or benefit of the company by directors, administrators, and/or employees.

Legislative Decree 231/2001 is an innovation to the Italian legal system, as companies are now directly and autonomously subject to sanctions, pecuniary or interdictional, in relation to offences attributed to persons functionally linked to the company pursuant to Article 5 of the aforementioned Decree.

However, the company administrative liability is excluded if the company has, among other things, adopted and effectively implemented, before the commission of the aforesaid offences, organizational, management and control models suitable for preventing the offences or crimes themselves ("**Model**").

¹ Legislative Decree 231/2001 was published on the Official Journal of 19 June 2001, No. 140, the Law 300/2000 on the Official Journal of 25 October 2000, No. 250.

² Article 5, Paragraph 1, of Legislative Decree 231/2001: "*Responsibility of the organization - The organization shall be responsible for the offences committed in its interest or to its advantage: a) by persons acting as representatives, administrators or managers of the organization an organizational unit that has financial and functional autonomy, as well as by people who, in fact, exercise and control it; b) by persons who are subjected by the management or supervision of one of the persons referred to in a)*".

In any case, the corporate and administrative liability of the company is excluded if the parties concerned and/or their subordinates acted in either their own interest or in the interest of a third party³.

1.2 Types of offence

According to Legislative Decree 231/2001, the company or entity may be held liable only for the offences expressly referred to in Art. 23, 24, 24-*bis*, 25, 25-*bis*, 25-*bis*1, 25-*ter*, 25-*quater*, 25-*quarter*.1, 25-*quinquies*, 25-*sexies*, 25-*septies*, 25-*octies*, 25-*nonies*, 25-*decies*, 25-*undecies* and 25-*duodecies* of Legislative Decree 231/2001 and for the offences referred to in Law 146/2006 ("**Presumed offences**" and/or "**Offences**") if committed in its own interest or to its advantage by the qualified subjects, pursuant to ex Article 5, paragraph 1, of the aforementioned Decree.⁴

The types of Offences or crimes described in Legislative Decree 231/2001 may, in order to offer a clear description, be included in the following categories:

- Crimes in relations with the Public Administration referred to in art. 24 and 25 of Legislative Decree 231/2001⁵;
- Computer crimes and unlawful processing of data referred to in art. 24-*bis* of Legislative Decree 231/2001⁶;

³ Article 5, Paragraph 2, of Legislative Decree 231/2001: “Responsibility of the organization – *The organization shall not be held liable if those people indicated in Paragraph 1 acted in their own personal interest or in the interest of third parties*”.

⁴ Article 23 of Legislative Decree 231/2001 also provides for the possible punishment of an institution when, in carrying out the activities of the aforesaid institution to which a sanction or an interdependent precautionary measure has been applied, the obligations or bans inherent in such sanctions and measures are not followed.

⁵ This refers to the following offences: harm to the detriment of the State or of the European Union (Article 316-*bis* of the Penal Code), undue perception of State aid or funding (Article 316-*ter* Penal Code), fraud aggravated by damage to the State (art Article 640-*bis* Penal Code), computer fraud damaging the State or other public entity (Article 640-*ter* Penal Code), bribery in public office or contrary to office duties (Articles 318, 319 and 319-*bis* Penal Code), bribing a person in charge of a public service (Article 320 Penal Code), bribery in judicial or legal documents (Article 319-*ter* of the Penal Code), instigation of corruption (article 322 of the Penal Code), bribery (Article 317 of the Penal Code), corruption, instigation of corruption and bribery of members of the European Communities, officials of the European Communities, of the foreign States and of international public organizations (Article 322-*bis* of the Penal Code).

⁶ Article 24-*bis* was introduced in Legislative Decree 231/2001 by Article 7 of Law 48/2008. These deal with offences of falsehood in a public computerized documents or probationary documents (Article 491-*bis* of Penal Code), wrongful access to a computer or online system (Article 615-*ter* Penal Code), wrongful detention and dissemination of access codes of computerized or online systems (Article 615-*quater* Penal Code), dissemination of computer equipment or computer programmes aimed at damaging or interrupting a computer or online systems (Article 615-*quinquies* Penal Code), interception and prevention or unlawful interruption of computer or online communication (Article 617-*quater* Penal Code), installation of equipment capable of intercepting, preventing or interrupting computer or online communications (Article 617-*quinquies* Penal Code), damages to information and computer programmes (Article 635-*bis* Penal Code), damages to information, data and computer programmes used by the State or other public entity or of public utility (Article 635-*ter* Penal Code), damages to computer or online systems (art. 635-*quater* Penal Code), damages to computer or online systems of public utility (Article 635-*quinquies* Penal Code), computer fraud of the electronic signature certifier (Article 640-*quinquies* Penal Code), computer fraud (640-*ter* Penal Code).

- Crimes against the public trust referred to in art. 25-*bis* of Legislative Decree 231/2001⁷;
- Counterfeiting crimes referred to in art. 25-*bis* of Legislative Decree 231/2001⁸;
- Crimes against industry and trade referred to in art. 25-*bis*1 of Legislative Decree 231/2001⁹;
- Corporate crimes referred to in art. 25-*ter* of Legislative Decree 231/2001 pursuant to the most recent amendment by Law 262/2005¹⁰;
- Crimes relating to terrorism and the overthrow of the democratic order referred to in art. 25-*quater* of Legislative Decree 231/2001;

⁷ Article 25-*bis* was introduced in Legislative Decree 231/2001 by art. 6 of D.L. 350/2001, converted into law, with modifications, by art. 1 of Law 409/2001. These regard crimes of currency falsification, spending and introducing into the State, based on previous planning, counterfeit currency (Article 453 Penal Code), currency alteration (Article 454 Penal Code), spending and introduction into the state without planning of counterfeit currency (Article 455 Penal Code), spending of counterfeit currency received in good faith (Article 457 Penal Code), falsification of tax stamp, introduction into the State, purchase, holding or putting into circulation falsified tax stamp (art 459 Penal Code), filigree or water-marked paper counterfeiting in use for the production of public credit cards or tax stamps (Article 460 Penal Code), manufacture or holding of watermarks or instruments for the falsification of currency, tax stamps or filigree or water-marked paper (Article 461 Penal Code), use of counterfeit or altered tax stamps (Article 464 Penal Code).

⁸ These regard offences of counterfeiting, alteration or use of trademarks or similar or patents, designs and models (Article 473 Penal Code) and introduction into the State and trade in counterfeit goods (Article 474 Penal Code).

⁹ Regarding crimes of disturbing or upsetting freedom of industry or commerce (Article 513 Penal Code), illicit competition with threat or violence (Article 513-*bis*), fraud against domestic industries (Article 514 Penal Code), fraud in commerce (Article 515 Penal Code), sales of non-genuine substances (Article 516 Penal Code), sale of industrial products with misleading presentation (Article 517 Penal Code), manufacture and sale of goods made by overthrowing industrial property rights (Article 517b), counterfeiting of geographical indications or designations of origin of agri-food products (Art. 517 *quater*).

¹⁰ Article 25-*ter* was introduced in Legislative Decree 231/2001 in Article 3 of Legislative Decree 61/2002. These points regard offences of false company communications and false company communications damaging shareholders or creditors (Articles 2621 and 2622 of the Italian Civil Code), falsehood in reports or communications of audit firms (Article 2624 of the Italian Civil Code), impeding control (art. 2625 Civil Code), fictitious capital formation (Art. 2632 of the Italian Civil Code), unlawful repayment of contributions and dividends (Article 2626 Civil Code), illegal allocation of profits and reserves (Article 2627 Civil Code), illicit transactions in shares of the company or subsidiaries (Article 2628 of the Italian Civil Code), a failure to communicate the conflict of interest (Article 2629 *bis* Civil Code), illegal distribution of social security by the liquidators (art 2633 Civil Code), bribery among individuals (Article 2365 Civil Code), instigation of corruption among individuals (Article 2635-*bis* Civil Code), illicit influence on the assembly of company board (Article 2636 Civil Code), stock manipulation (Article 2637 Civil Code), impeding the work public watchdogs and oversight commissions (Article 2638 Civil Code).

- Crimes against people and persons referred to in art. 25-*quater*.1 and art. 25-*quinquies* of Legislative Decree 231/2001¹¹;
- Offences and crimes regarding abuse of the open market referred to in art. 25-*sexies* of Legislative Decree 231/2001¹²;
- Transnational/international crimes pursuant to art. 10 of Law 146/2006¹³;
- Offences relating to health and safety at workplaces referred to in art. 25-*septies* Legislative Decree 231/2001¹⁴;
- Offences regarding fencing, money laundering, use of money, goods or utilities of illicit origin and money laundering referred to in art. 25-*octies* of Legislative Decree 231/01¹⁵;
- Offences or crimes regarding copyright infringement referred to in art. 25-*novies* of Legislative Decree 231/01¹⁶;

¹¹ Article 25-*quinquies* was introduced in Legislative Decree 231/2001 by Article 5 of Law 11 August 2003, No. 228. It regards crimes of conditions of slavery or servitude (Article 600 Penal Code), dealing or trading of persons (Article 601 Penal Code), purchase and sale of slaves (Article 602 Penal Code), offences related to child prostitution and exploitation (Article 600-bis Penal Code), child pornography and exploitation (Article 600-ter Penal Code), detention of pornographic material produced by the sexual exploitation of minors (Article 600-quater Penal Code), tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies Penal Code). Article. 25-quater.1 was introduced by Law No. 7 and refers to the crime of mutilation of female genitalia (Article 583 bis Penal Code)

¹² Article 25-*sexies* was introduced in Legislative Decree 231/2001 by Article 9, paragraph 3 of Law 62/2005. It regards crimes of abuse of privileged information (Article 184 Legislative Decree 58/1998) and market manipulation (Article 185 of Legislative Decree 58/1998).

¹³ International and transnational crimes have not been directly included in Legislative Decree 231/2001 but such legislation is applicable, pursuant to Article 10 of Law 146/2006. For the purposes of this Law, the offence is punishable by imprisonment of not less than four years in the event of involvement of an organized criminal group, as well as if the crime: (a) is committed in more than one State; (b) is committed in one State but a substantial part of its preparation, planning, direction or control takes place in another state; (c) or is committed in one State but is involved in an organized criminal group involved in criminal activity in more than one State; (d) or is committed in a State but has substantial effects in another State. These are Criminal Offences (Article 416 Penal Code), Mafia-type Association (Article 416-bis Penal Code), a criminal offence for smuggling foreign manufactured tobacco (Article 291-quater dpr 43/1973), an association for the illicit traffic of narcotic drugs or psychotropic substances (Article 74 dpr 309/1990), provisions on illegal immigration (Articles 12, co.3, 3-bis, 3-ter and 5 of Legislative Decree 286/1998), inducing not to make statements or make misleading statements to the judicial authority (Article 377-bis Penal Code) and aiding and abetting (Article 378 Penal Code).

¹⁴ Article 25-*septies* Legislative Decree 231/01 was introduced by law 123/07. It regards crimes of manslaughter and serious bodily injury committed with the violation of accident prevention and health and safety at work (Articles 589 and 590, paragraph 3, Penal Code).

¹⁵ Article 25-*octies* was introduced in Legislative Decree 231/2001 by Article 63, paragraph 3, of Legislative Decree 231/07. These are criminal offences of receiving stolen goods (Article 648 Penal Code), laundering (Article 648-bis Penal Code), use of money, goods or utilities of illicit origin (Article 648-ter) and individual money laundering (Article 648-ter .1).

¹⁶ Article 25-*novies* deals with those crimes regarding copyrights and rights of authors (and, in particular, Articles 171, 171-bis, 171-ter, 171-septies and 171-octies) such as, for example, the import, distribution, sale or holding for commercial or business purposes of programmes contained in media not marked by SIAE [Italian media, music, and general copyright Authority]; the reproduction or use of the contents of databases; wrongful duplication, reproduction, transmission or distribution to the general public of creative works intended for the television or cinema; introduction into a system of computer-based networks, by means of connections of any kind, of a work that is copyright-protected or part of the aforesaid work or creation.

- Solicitation not to make or make false statements to the judicial authority referred to in art. 25-*decies* of Legislative Decree 231/01;
- Environmental offences or crimes referred to in art. 25-*undecies* of Legislative Decree 231/2001;
- Use of third-country nationals whose stay in the country is irregular or not legal, referred to in art. 25-*duodecies* of Legislative Decree 231/01.

1.3 Crimes committed abroad

Pursuant to Article 4 of the aforesaid Decree, the company may be called upon to respond in Italy also in the event that the crimes or offences are committed abroad.

The assumptions (provided by the regulation or which can be inferred from the Decree) on which the company responsibility for offences committed abroad are based, are the following:

- a) The offence must be committed abroad by a person who is functionally linked to the company;
- b) The company must have its head office within the territory of the Italian State;
- c) The company can only respond to those cases and conditions provided for in art. 7, 8, 9, 10 of the Penal Code (in cases where the law provides that the guilty party – a natural person – is punished at the request of the Minister of Justice, the Company will only be prosecuted if the request is filed against the Company itself). Reference to articles 7-10 of the Penal Code shall be coordinated with the provisions of the articles of the Decree in which the offences are reported (i.e. from 24 to 25-*duodecies* of the Decree), in such a manner that – also in accordance with the principle of legality referred to in art. 2 of the Decree – in relation to the series of offences mentioned in Art. 7-10 of the Penal Code, the Company will only be able to respond to those for which its liability and responsibility is provided by an *ad hoc* legislative provision;
- d) If the cases and conditions set out in the aforementioned Articles of the Penal Code exist, the company shall respond to these situations, provided that State or Country of the place where the offence was committed does not take action against the aforementioned Company.

1.4 Organization, management and control models

The fundamental aspect of Legislative Decree 231/2001 is the assignment of a value exempting from the Models adopted by the companies. In the event of a crime or offence committed by a person in a top management position, the company shall not respond if it can prove that (Article 6, paragraph 1 of Legislative Decree 231/2001):

- a) Management has adopted and effectively implemented, before the commission of the offence, a Model that is capable of preventing offences of the type that occurred;
- b) The task of monitoring the operation and observance of the Model and of its updating was entrusted to a body of the company with autonomous powers regarding their initiative and control;

- c) The people committed the crime or offence by fraudulently evading the aforementioned Model;
- d) There has been no supervisory omission or insufficiency made by the supervisory body.

The company must therefore demonstrate that it is alien to the facts for which the top of high-level manager is accused, by proving the existence of the aforementioned requirements and, in following, the fact that the commission of the offence does not derive from the company own "organizational negligence or fault".

However, in the case of a crime committed by people subject to the other management or supervision, the company shall respond if the commission of the offence or crime was made possible by the breach of the management or supervisory obligations to which the company is held.

In any case, the violation of management or supervisory obligations shall be excluded if the company, before the commission of the offence, has adopted and effectively implemented a Model suitable for preventing the type of offences that occurred.

Article 7, paragraph 4 of Legislative Decree 231/2001 also defines the requirements for the effective implementation of the aforesaid Models:

- i) Periodic verification and possible modification of the Model when significant violations of the provisions are discovered or when changes occur in company organization and business activities;
- ii) A disciplinary system suitable for penalizing and sanctioning the failure to comply with the measures stated in the Model.

Legislative Decree 231/2001 outlines the content of the Models, stipulating that they, in relation to the extension of delegated powers and the risk of commission of offences, shall:

- a) Identify the activities in which the offences could be committed;
- b) Provide for specific protocols to plan the training and implementation of company decisions in relation to offences or crimes to be prevented;
- c) Identify ways to manage financial resources suitable to prevent the commission of Crimes or Offences;
- d) Provide information to the body responsible for monitoring and supervising the proper working and respect of the aforesaid Models;
- e) Introduce a disciplinary system that is appropriate to penalize non-compliance with the measures indicated in the Model.

1.4 Codes of conduct outlined by category representative associations

Article 6, paragraph 3, of Legislative Decree 231/2001 provides that *"Organizational and management models may be adopted, guaranteeing the requirements described in paragraph 2, based on codes of conduct drawn up by the associations that are representative of the companies and bodies, communicated to Ministry of Justice who, in conjunction with the competent ministries, can formulate, within thirty days, observations and assessments on the suitability of the models to prevent Offences and crimes"*.

This Model has been drawn up taking into account the guidelines outlined by *Confindustria* [Italian Industrial Association] ("**Guidelines**"), which among other things suggest: (i) mapping the business areas at risk and the activities in which the possible crimes or offences may potentially be committed; (ii) identifying and prepare specific prevention protocols to plan the training and implementation of the company decisions in relation to the offences to be prevented, distinguishing between preventative protocols with reference to malicious and involuntary crimes; (iii) appointing a supervisory body with autonomous powers regarding initiative and control and with an adequate *budget*; (iv) identifying specific information obligations with regard to the supervisory body and pertaining to the main business events and in particular on activities considered to be at risk; (v) providing for specific reporting obligations by the supervisory body to corporate and top executives and control bodies; (vi) adopting a Code of Ethics that identifies the company principles and orients and defines the behaviour of recipients of the Model herein; (vii) adopting a disciplinary system that is appropriate to penalize non-compliance with the principles set out in the Model.

2 – DESCRIPTION OF COMPANY CURRENT SITUATION

2.1 Company Activities

Boffi S.p.A. (“**Boffi**” or “**Company**”) was founded in 1934 by Piero Boffi, and in more than 80 years of activity Boffi has been able to successfully interpret the evolution of taste and technology, affirming itself as a company that is synonymous with innovation and design at national and international level.

Today, Boffi is the parent company of a group of companies that brings together historic Italian designers, "Boffi" and "DePadova" (“**Group**”).

The Company, based on the company Articles of Association, carries out the production, trade (wholesale and retail) and sales agency for furniture pieces and furnishings.

Specifically, the Company sells high quality kitchens and bathrooms for the Italian market and, above all, the international market.

In Italy, major customers are retailers, contacted also by sales agents. Abroad, the distribution of products is mainly through a network of shops managed by the Group consisting of over 60 (sixty) single-brand stores in 60 (sixty) countries around the world.

The Company also markets its products through "*contracts*" meaning "*multiple shared ownership supply*" identified by the Company either directly or via its retails and sales network.

For the chosen market segment, the Company does not aim at aggressive sales policies, relying more on pursuing quality as a tool for acquiring new orders. To this end, the Company has also provided a Quality Management Manual (under UNI EN ISO 9001 - VISION 2000). The Company is also certified according to UNI EN ISO 14001.

With reference to the application and implementation of Legislative Decree 231/01, it is important to note that Boffi does not participate in tenders held by "public/government" parties (and therefore governed by the Unified Law on Tenders).

Production takes place mainly at the single manufacturing facility of the Company, located in Lentate sul Seveso.

2.2 Model of Corporate Governance

Currently, Boffi’s *corporate governance* model is a so-called “traditional” system – it includes the shareholders’ meeting ("**Shareholders' Meeting**"), a Board of Directors ("**Board of Directors**" and/or "**BoD**") and a board of statutory auditors (the "**Board of Statutory Auditors**").

The Shareholders' Meeting is responsible for the deliberation, ordinarily and extraordinarily, on matters defined by the Law or company Articles of Association.

The Board of Directors has the widest powers for the ordinary and extraordinary management of the Company and, more specifically, has all the faculties for the implementation and achievement of company goals, except for what is strictly reserved to shareholders by the Law or by company Articles of Association. Within Boffi's Board of Directors the Chairman and Chief Executive Officer are appointed.

The Board of Statutory Auditors consists of 3 (three) effective members and 2 (two) alternate members. The Board of Statutory Auditors is entrusted with the task of

verifying the observance of the law and of the Articles of Incorporation, as well as respect for the principles of proper administration, the adequacy of the Company organizational structure, the internal control system, and the administrative accounting system, also with reference to the reliability of the latter to properly represent management matters and business.

When updating the Model herein, the audit shall be carried out by an external auditor.

2.3 Organization

Boffi has adopted a functional organization for the definition of roles and duties within the Group, in order to coordinate the individual activities of the companies that are part of the Group. In essence, each business area of the Group companies is coordinated and managed by the corresponding Boffi function/role, in such a manner that favours the division of roles and tasks within the individual companies as well as the Group.

Based on the aforesaid, Boffi's internal organizational structure, designed to ensure the division of roles, tasks and responsibilities between the different functions, and the highest possible efficiency, is characterized by a precise definition of the expertise of each business area and their related responsibilities.

The Company has developed a detailed organizational chart in which the entire organizational structure is schematized and, in particular, specifies: the areas where the business activity is subdivided; the lines of hierarchical dependence on business functions; those who work in the business functions and roles.

2.3.1 Board of Directors

The legal representation of the Company is entrusted to the Chairman/President and the Chief Executive Officer within the limits of the powers thereby conferred.

Specifically, the Board of Directors has identified the person responsible for the environmental protection as well as the health and safety protection, as the Chairman of the Board of Directors. This person is exclusively given, through specific minutes of the Board of Directors, the duty to perform all the functions and related duties necessary to ensure that the Company activities are carried out in the strictest respect of all the legal obligations foreseen for the Company activities, by taking all necessary measures to fully comply with the obligations under current legislation on waste management, water and air protection, as well as on the protection of health and safety in the workplace, and specifically the obligations pursuant to Legislative Decree No. 81 of 9 April 2008, and subsequent amendments and additions, by providing – as the employer – for the implementation of all the legal requirements, with all the necessary and appropriate powers for this purpose, in compliance with the law and without any limitation of the amount. Moreover, this includes power of attorney by means of a written act of responsibility for activities related to the powers therein conferred, and the revocation of special powers and proxies already granted for such matters.

Strategic and ordinary management of the Company is entrusted principally to the Chief Executive Officer, who has the following main functions:

- a) Industrial Management and Directorate-General ("DI-RDG");
- b) Administration and Finance Management ("DAF")
- c) Marketing Management;

- d) Style Management;
- e) Research and Development Management;
- f) Quality Control Management;
- g) *Contracts operating sales* management;
- h) Commercial Sales Management.

Below is a brief description of the roles covered by the Industrial Management and General Management and the Administration and Finance Management.

2.3.2 *Industrial Management and General Management Offices*

Industrial and General Management Office is responsible for the technical and production division. For example and not limited to, the DI-RDG [Italian acronym for these offices] has the task of: (i) addressing and managing contacts with local, provincial, regional and national authorities with regard to industrial practices; (ii) managing the services related to its areas of expertise, such as production, purchasing and supply, technical (industrial) management and integrated logistics; (iii) assisting the Board of Directors and DAF in drafting and implementing the business plan for its proper implementation; (iv) participating in the definition and allocation of *budgets* and collaborate in management control and corporate finance; (v) providing judgement on matters relating to their area of expertise; (vi) ensuring the correct and efficient setting up and management of the Company production chain; (vii) managing relations with suppliers and consultants; (viii) communicating effectively with the other Company roles regarding its services as well as with other Company organizational divisions.

2.3.3 *Financial and Administrative Management Offices*

The Financial and Administrative Management is responsible for the administrative department. As an example, but not limited thereto, this office has the task of: (i) addressing and managing contacts with local, provincial, regional, and national authorities on legal, administrative and financial matters; (ii) managing the full administrative representation of Boffi, on the basis of the Board of Directors' decision, in terms of operational and organizational matters for its area of responsibility and directing its services; (iii) assisting the Board of Directors in the management of the Company, drawing up, in concert with other Company roles and functions, the business plan and operating for its proper implementation; (iv) participating in the definition and allocation of *budgets*; (v) supervising the drafting of budgets, accounting, finance, and treasury; (vi) providing input and judgement on acts relating to matters of competence; (vii) ensuring the correct and efficient set-up and management of the Company accounting in terms of administrative and economic-financial matters, with regard to internal information requirements, as well as accounting and tax requirements; (viii) communicating effectively with the other business functions regarding services, as well as with other departments of the organization; (ix) managing the relationship with Statutory Auditors, External Auditors and external taxation firms.

The Head of Administration and Finance also has the task of overseeing the proper management of the Company staff in compliance with legal, contractual and Company policies. The macro areas of activity concern: (i) selection and development of human

resources; (ii) training; (iii) human resource management and Company relations; (iv) staff administration.

2.4 Boffi *governance* instruments

The main instruments of governance adopted by the Company can be summarized in the following:

- i) Boffi's Articles of Association, in accordance with the law in force, envisions various corporate governance provisions aimed at ensuring the smooth running of management activities;
- ii) The system of proxy and power of attorney attributed by the Board of Directors to the Chairman/President and the Chief Executive Officer, in addition to power of attorney issued to the Company executives;
- iii) The Integrated Manual of the Quality and Environmental Management System.

The set of *governance* instruments adopted by Boffi (shortly described above) and the forecasting offered by the Model herein, allow the Company to identify, in relation to all sensitive activities, how the decisions of the Company have been formed and implemented (see Article 6, paragraph 2, letter b, Legislative Decree 231/01).

Moreover, with regard to environmental crimes, a Table of correspondence has been created, precisely defining the relationship between the legislative requirements, the requirements pertinent to UNI EN ISO 14001, and Company documentation, therefore allowing the Company to control all specific operational documentation.

2.5 Code of Ethics

The principles and rules contained in the Model herein are consistent with those provided by the Group Code of Ethics adopted also in compliance with Legislative Decree 231/01 in Annex B (“**Code of Ethics**”).

Boffi's Code of Ethics, approved by the Board of Directors together with the document herein, and provided to all members of the Company staff, expresses the ethical and working principles that Boffi recognizes as its own, and which calls for compliance by all those who work for the achievement of Company goals and objectives.

The Code of Ethics expresses, among other things, guidelines and principles of conduct aimed at preventing the Crimes and offences, and expressly refers to the Model as a useful tool for operating in compliance with rules and regulations.

The Code of Ethics must therefore be considered as an integral part of the Model herein, as well as a fundamental tool for achieving the objectives of the Model.

3 – ORGANIZATION, MANAGEMENT AND CONTROL MODEL FOLLOWED DUE TO PROVISION

3.1 Premise

The decision to adopt an organization and management model under Legislative Decree 231/2001, in addition to representing a reason for exemption from the Company liability and responsibility with regard to certain types of Offences and crimes, is also a measure of Company responsibility towards its own Partners, employees, customers, suppliers as well as the community.

Therefore, the Company agreed to begin work ("**Project**") to make its Organizational Model compliant with the requirements outlined in Legislative Decree 231/2001 and consistent with the ethical principles already deeply rooted in Boffi.

3.2 Boffi project for the definition of its own organization, management and control model pursuant to former Legislative Decree 231/2001

Article 6, Paragraph 2, letter a) of Legislative Decree 231/2001 indicates, among the requisites of the aforesaid Model, the identification of the processes and activities in which the Offences and crimes specifically mentioned in the Decree may be committed. In other words, this paragraph refers to those business activities and processes that are commonly defined as "sensitive" ("**Sensitive Activities**").

For the identification of Sensitive Activities, an analysis of company documentation was carried out in order to better understand company activities and to identify the business areas and divisions of interest.

Subsequently, interviews were conducted with individuals in the top management positions within the Company, such as the Chief Executive Officer, the Head of Administration and Finance, the Head of Industrial Management, the Head of the Prevention and Protection Services, and the Head of the environmental management system.

This activity allowed the Company to analyze and formalize, for each Sensitive Activity identified, working methods, functions and roles/responsibilities of the internal and external subjects involved, and existing control elements, in order to verify in which areas/sectors of activity and based on what methods could the type of offence referred to in Legislative Decree 231/2001 take place.

The analysis also focused on the identification of the existing control system with particular reference to:

- Traceability and verifiability of activities carried out through appropriate document/information support systems;
- Division of tasks;
- Existence of formalized proxies and power of attorney consistent with the assigned organizational responsibilities;
- Existence of internal regulatory instruments.

Upon completion of the aforementioned activity, the Model herein was defined, articulated in its entirety according to the provisions of and pursuant to Legislative Decree 231/2001.

The Model herein has the objective of setting up a structured and organic system designed to prevent, to the greatest degree possible, a committee on conduct that is able to supplement the Offences covered by the aforementioned Decree.

The Model is divided into the "General Part" herein, which contains a descriptive part of the Company activity and the definition of the structure required for the implementation of the Model herein, such as the workings of the Supervisory Body (as defined hereinafter) and the sanction system, as well as in a "Special Section", whose content consists in identifying the activities of the Company that may be at risk for the commission of the offences as described the aforesaid Decree, with the inclusion of specific protocols for prevention and control.

4 – SUPERVISORY BODY PURSUANT TO LEG. DECREE 231/2001

4.1 Boffi Supervisory body

Based on the provisions of Legislative Decree 231/2001 - Article 6, paragraph 1, letter a) and b) - the entity may be exonerated from the liability and responsibility resulting from the commission of Offences by qualified persons pursuant to former Article 5 of the aforesaid Legislative Decree 231/2001, in the event that management, *inter alia*, has:

- a) Approved and effectively implemented a Model to Prevent the Crimes and Offences;
- b) Entrusted the task of monitoring the proper functioning and compliance with the Model, as well as updating the aforesaid Model, to a body or department with autonomous powers regarding initiative and control ("**Supervisory Body**" and / or "**SB**" [OdV in original document in Italian]).

The assignment of the aforesaid tasks to a body with autonomous powers regarding their initiative and control, together with their proper and effective performance, are therefore fundamental for the exemption from the responsibility and liability provided in Legislative Decree 231/2001.

The main requisites of the Supervisory Body, as proposed by the Guidelines of Confindustria, as well as by the judging bodies in the current law and jurisprudence, can be identified in the following:

- i) Autonomy and independence: the body must be placed as a unit of *staff* in a hierarchical position as high as possible, and must also be provided with reporting to the highest operational level. In addition, no operational tasks should be attributed to the same body which, based on their nature, would jeopardize the objectivity of their judgment (e.g. avoiding the appointment of those who are directly involved in the conduct of Sensitive Activities);
- ii) Professionalism: the body must have a wealth of knowledge, tools and skills needed to effectively carry out its activity;
- iii) Continuity of action: requisite that ensures the effective and constant implementation of the Model.

Legislative Decree 231/2001 does not provide specific indications regarding the composition and make-up of the Supervisory Body. In the absence of such indications, the Company shall opt for a solution that, in view of the purposes and goals of the Law, Confindustria Guidelines, and of the guidelines deriving from current laws, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the control and authority for which the Supervisory Body is responsible.

4.1.1 General principles regarding the implementation, appointment, and replacement of the Supervisory Body

The Supervisory Body of the Company is established with the resolution of the Board of Directors. The Supervisory Body shall remain in office for 3 (three) years after the appointment and can be re-elected. The Supervisory Body shall cease to hold its

position upon completion of the aforesaid term and upon the appointment of a new body, yet while continuing to perform its duties until a new appointment of the aforesaid Body, to be carried out during the first possible Board Meeting.

If, during the term of office, a member of the Supervisory Body leaves his or her position, the Board of Directors shall replace this person through a Board resolution. Until the new appointment, the Supervisory Body shall operate with the remaining members in office and, if not, with another person appointed *ad interim* by the Chairman of the Board of Directors of the Company.

Any compensation for the roles of a member of the Supervisory Body is defined for the duration of the term of office by the Board of Directors.

The appointment as a member of the Supervisory Body shall depend on subjective eligibility requirements.

Specifically, when assigning this position, those people designated to serve as a member of the Supervisory Body must issue a statement stating that there are no grounds for ineligibility such as:

- i) Administrative functions – in the 3 (three) years prior to the appointment as a member of the Supervisory Body – of a business or businesses subject to bankruptcy, administrative liquidation or other legal proceedings;
- ii) Conviction, also not final, and pursuant to Article 444 of the Penal Code, in Italy or abroad, for the crimes referred to in Legislative Decree 231/2001 or in any case incidents regarding professional morality;
- iii) Convictions, also not final, or by a measure that nevertheless establishes responsibility, regarding a sentencing that involves temporarily bans from public offices, or temporary bans or prohibition from the head offices of legal persons and companies.

Whereby any of the aforementioned motives of ineligibility is found with reference to a nominated member of the body or board, he or she will be automatically removed from their position.

The Supervisory Body can benefit – under its direct supervision and responsibility, in carrying out the tasks given – from the collaboration and assistance from all the functions and structures of the Company or external consultants, using their respective skills and professionalism. This right allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

To this end, the Board of Directors shall appoint, on a yearly basis, a spending *budget* to the Supervisory Body, taking into account the requests of the latter, which must be formally submitted to the Board of Directors.

The allocation of the aforementioned budget allows the Supervisory Body to operate independently and with the appropriate tools and instruments for the effective fulfilment of the task assigned to it by the Model herein, in accordance with Legislative Decree 231/2001.

In order to ensure the necessary stability for the members of the Supervisory Body, the revocation of the powers of the Supervisory Body and the attribution of such powers to another person may only be made by a special decision of the Board of Directors, and also based on the opinion and judgement of the Board of Statutory Auditors.

In this regard, a "just cause" of revocation of powers associated with the role of a member of the Supervisory Body may include, as an example:

- Serious negligence in the performance of tasks related to the aforesaid role (as a mere example): the omission of the half-yearly report to the Board of Directors on the activities carried out, as referred to in Section 4.4;
- The “*lack or insufficient supervision*” by the Supervisory Body – in accordance with Art. 6, paragraph 1, letter d), Legislative Decree 231/2001 – resulting from a conviction that has not been passed in formal judgement, issued to the Company pursuant to Legislative Decree 231/2001, or a measure which nevertheless establishes liability and responsibility;
- The attribution of functions and responsibilities within the company organization incompatible with the requirements of “*autonomy and independence*” and “*continuity of action*” of the Supervisory Body.

In particularly serious cases, however, the Board of Directors shall retain the right – based on the opinion of the Board of Statutory Auditors – to carry out the suspension of the powers of the Supervisory Body and the appointment of an *ad interim* Body.

4.2 Powers and roles of the Supervisory Body

The activities undertaken by the Supervisory Body shall not be syndicated by any other body, board, or structure of the Company, but the Board of Directors is nevertheless called upon to supervise the adequacy of its work, due to the fact that the managing board has the ultimate responsibility for the operation and effectiveness of the Model.

The Supervisory Body is given the necessary powers of initiative and control to ensure effective and efficient supervision of the operation and observance of the Model herein, in accordance with Article 6 of Legislative Decree 231/2001.

Therefore, the SB is entrusted with the task of monitoring in general:

- a) The actual (and not merely formal) effectiveness of the Model and its adequacy with respect to the need to prevent the commission of Offences or crimes pursuant to the application of Legislative Decree 231/01;
- b) Compliance with the Model prescriptions by the recipients;
- c) Updating of the Model in the event that adjustment requirements were found in relation to changing business or regulatory conditions.

Specifically, the following tasks and powers are entrusted to the Supervisory Body for the performance and the exercise of its functions:

- 1) Carry out targeted audits on specific activities at risk, with free access to relevant data;
- 2) Promote the updating of risk mapping in the event of significant organizational changes or extension of the type of Offences and crimes taken into account by Legislative Decree 231/2001;
- 3) Monitor information/training initiatives aimed at making public the knowledge and understanding of the Model in the business field promoted by the competent function;
- 4) Collect and manage the information needed to provide a constantly updated framework and picture of the implementation of the Model;

- 5) Express, on the basis of the findings provided by the audit and control activities, a periodic assessment of the adequacy of the Model with respect to the provisions of Legislative Decree 231/2001, the principles of reference, regulatory innovations and legal actions, as well as on the operations of the aforesaid;
- 6) Report to the Chief Executive Officer any breach of protocols or deficiencies found during the verifications carried out so that he or she can make the necessary adjustments, including, where necessary, the Board of Directors;
- 7) Monitor the consistent application of penalties provided for by the internal rules in the event of violation of the Model, without prejudice to the competence of the body responsible for the enforcement of sanctioning measures;
- 8) Identify possible behavioural deviations that emerge from the analysis of the information exchange/flow and the reports to which the persons in charge of the various functions are held.

The Company Board of Directors shall ensure proper communication to the corporate structures and offices with regard to the tasks of the Supervisory Body and its powers. The Supervisory Body shall maintain strict confidentiality with respect to all the information it holds as a result of the performance of its duties. Disclosure of the aforesaid information may only be made to those subjects stated herein, and in the manner provided by the Model herein.

4.3 Information obligations towards the Supervisory Body – Information streams and exchange

The Supervisory Body shall be promptly informed, through a special internal communication system, of acts, behaviour or events that may lead to a violation of the Model or which are more generally relevant for the purposes and aims of Legislative Decree 231/2001.

Obligations regarding information on any behaviour contrary to the provisions contained in the Model fall within the broader duty of diligence and duty of loyalty of the worker or employee referred to in Article 2104 and 2105 of the Italian Civil Code.

The proper fulfilment of the obligation of information by the employee may not result in the application of disciplinary sanctions.

In this respect, the following general requirements apply:

- a) All possible reports must be collected with reference to: *i)* the commission or reasonable risk of commission of the Offences referred to in Legislative Decree 231/2001; *ii)* "practices" that are not in line with the rules of conduct issued by the Company; *iii)* behaviour that may in any case cause a violation of the Model;
- b) The employee intending to report a violation (or alleged breach) of the Model may contact his/her superior or, if the report fails or the employee feels uncomfortable in contacting his/her superior, he or she may report Directly to the Supervisory Body;
- c) In order to effectively collect the aforementioned reports, the Supervisory Body shall inform all interested parties of the manner and forms to carry out the aforesaid reports;
- d) The Supervisory Body shall evaluate at its discretion and under its responsibility the reports received and the cases in which it is necessary to act.

The party that reports in good faith shall be protected against any form of retaliation, discrimination or punishment and in any case the confidentiality of the identity of the reporting person or party is ensured, without prejudice to the legal obligations and the protection of the rights of the Company or of the persons mistakenly accused and/or in bad faith.

In addition to the aforementioned reports, the Supervisory Body shall also be obliged to transmit any information regarding:

- a) Measures and/or news from judicial police or any other authority from which investigations are carried out, including against unknown persons, for the offences outlined in Legislative Decree 231/2001 and which may involve the Company;
- b) Requests for legal assistance filed by directors, managers or employees in the event of legal proceedings against them and in relation to the offences referred to in Legislative Decree 231/2001;
- c) Information on disciplinary proceedings and any sanctions imposed, or the measures for filing such proceedings with the relevant grounds;
- d) Communications related to organizational and company changes.

Lastly, the Supervisory Body must be notified with regard to the system of proxies and power of attorney adopted by the Company and, in due course, any subsequent modification of the aforesaid.

4.3.1 Information collection and storage

Any information, reports, and communications provided in the Model here shall be kept and stored by the Supervisory Body in a special confidential archive (computer or paper-based).

Those members leaving the Supervisory Body must ensure that the handing-over of the management of the archive takes place correctly with the new members of the aforesaid body.

4.4 Reporting of the Supervisory Body to other company bodies and boards

The Supervisory Body reports on the effectiveness and observance of the Model, the emergence of any critical aspects, and the need for any possible modifications. To this end, the Supervisory Body shall prepare and draft:

- i) Semi-annually, an information report on the activities carried out, to be presented to the Board of Directors;
- ii) Immediately, upon the occurrence of violations of the Model herein, with a presumed commission of Offences, a statement to be presented to the Chairman/President and the Chief Executive Officer.

With regard to semi-annual *reporting*, the following aspects shall be dealt with:

- Checks, control, and verifications carried out by the Supervisory Body and their outcome;
- Progress of any projects for the implementation/review of Sensitive Activities;

- Any legislative innovations or organizational changes requiring updates in identifying risks or changes to the Model;
- Any disciplinary sanctions imposed by the competent bodies or authorities as a result of breaches of the Model;
- Other information considered significant or important;
- A summary assessment on the adequacy of the Model with respect to the provisions of Legislative Decree 231/2001.

Meetings with corporate bodies and boards to whom the Supervisory Body reports shall be documented. The Supervisory Body shall carry out the filing of the aforesaid documentation.

5 – DISCIPLINARY AND SANCTION SYSTEM

5.1 Role of the disciplinary system

Article 6, Paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree 231/2001 indicate, as a condition for the effective implementation of the Model herein, the introduction of a system suitable for sanctioning the failure to respect the measures indicated in the aforesaid Model.

Therefore, the definition of an adequate disciplinary and sanctioning system constitutes an essential prerequisite for the effectiveness of the organization, management and control model under Leg. Decree 231/2001.

The foreseen sanctions shall be applied to any violation of the provisions contained in the Model, irrespective of the carrying out and final outcome of criminal proceedings possibly instituted by the judicial authority or courts, in the event that the conduct to be sanctioned should meet the description of the type of Crime or offence pursuant to Legislative Decree 231/2001.

In any case, the sanction shall not depend on the commission of the Offence or crime, and shall be seen as a reaction of the Company to non-compliance with the procedures or rules of conduct described in the Model herein.

5.2 Measures regarding dependent employees

Compliance with the provisions and rules of conduct set forth in the Model herein constitutes the fulfilment and respect by Boffi employees of the obligations under Article 2104, paragraph 2, of the Italian Civil Code, obligations of which the content of the aforesaid Model is a substantial and integral part.

Violation of the individual regulations and rules of conduct pursuant to the model herein by a Boffi Employee shall always constitute disciplinary offence.

Disciplinary and sanctioning measures may be imposed on Boffi employees in accordance with the provisions of Article 7 of the Law of 20 May 1970, No. 300 (the so-called "Statute of Workers") and any applicable special regulations.

For non-executive employees, the aforesaid measures are those provided for by the disciplinary regulations referred to in the National Labour Contract for the Wood, Cork, Furniture, Furnishings and Forest woodland sectors and, precisely, depending on the seriousness of the infractions:

- 1) Verbal reprimand for minor faults or mistakes;
- 2) Reprimand in writing in cases of relapse of the infringements referred to in point 1);
- 3) Fines not exceeding the amount of 3 (three) hours of the normal base salary;
- 4) Suspension from work and suspension of pay up to a maximum of 3 (three) days;
- 5) Dismissal, without prejudice to the procedures provided for by current Law.

Any violation of the conduct provided for in the Model herein or reprimanded in the aforesaid shall constitute a disciplinary offence and, in any case, the commission (also in the form of an attempt) of any criminal offence for which Legislative Decree 231/2001 is applicable.

As far as conduct required by the Model is concerned, it is hereby specified, as an example, that a serious infringement or offence is defined as:

- Failure to comply with the information obligations towards the Supervisory Body provided for in paragraph 4.3;
- Failure to participate in the training initiatives promoted by the Company;
- Failure to comply with the general rules of conduct;
- Failure to comply with specific control protocols foreseen for Sensitive Activities in the Special Part of this Model and pertinent information streams and exchange.

Any violation of the Model herein will be subject to disciplinary action aimed at verifying the violation. Specifically, during the assessment phase, the employee will be disputed with the charge beforehand and shall also be granted a reasonable reprieve for his or her defence. Once the violation has been ascertained, a disciplinary sanction shall be imposed on the perpetrator in proportion to the seriousness of the breach committed and any possible relapse or repetition of the offence.

It is hereby stated that the procedures, provisions and guarantees provided for in Article 7 of the aforementioned Statute of Workers and the statutory provisions on disciplinary measures will be respected.

Any action relating to disciplinary proceedings must be communicated to the Supervisory Body for the assessment and monitoring for which the Body is responsible.

5.3 Measures regarding administrators and managers

The Supervisory Body, having collected or received news of violations of the provisions and rules of conduct pursuant to the Model herein by members of the Board of Directors, shall promptly notify the Board of Statutory Auditors and the entire Board of Directors of the matter. The subjects receiving the information from the Supervisory Body, having evaluated the validity of the report and carried out the necessary investigations, may, in accordance with the provisions of Company Articles of Association, take the appropriate measures including, where appropriate, the convening of the Shareholders Meeting in order to adopt the most appropriate measures provided for by law.

Specifically, as an example, the following constitute a violation of the duties of the administrators and directors:

- The commission, even in the form of an attempt, of a Crime for which Legislative Decree 231/01 is applicable in the performance of their duties;
- Failure to observe the rules prescribed by the Model herein;
- Failure to supervise the Company employees or *partners* regarding the respect of the Model and the rules it contains;
- Tolerance or acceptance of irregularities committed by employees or *partners* of the Company.

All acts relating to the sanction procedure must be communicated to the Supervisory Body for the assessments and monitoring for which it is responsible.

5.4 Measures regarding statutory auditors

The Supervisory Body, upon collecting news of violations of the provisions and rules of conduct of the Model by one or more Statutory Auditors, shall immediately notify the entire Board of Statutory Auditors and the Board of Directors of the action. The subjects receiving the information from the Supervisory Body, having evaluated the validity of the report and carried out the necessary investigations, may, in accordance with the provisions of Company Articles of Association, take the appropriate measures including, where appropriate, the convening of the Shareholders Meeting in order to adopt the most appropriate measures provided for by law.

5.5 Measures regarding business partners, consultants, and external collaborators

In the event that external business *partners*, consultants and collaborators, or any other persons who have contractual relations with the Company, adopt conduct contrary to the principles established by the Model herein and the Code of Ethics, they shall be sanctioned in accordance with the specific contractual clauses that will be included in the relevant contracts.

With the aforementioned clauses, the third party shall adopt and effectively implement company procedures and/or conduct that are appropriate in order to prevent the commission, even attempted, of the Offences with regard to the application of sanctions provided in Legislative Decree 231/2001. Failure to fulfil this obligation, even in part, shall be sanctioned with the right of the Company to suspend and/or unilaterally terminate the contract, even during execution, possibly with penalties, or to terminate the aforesaid contract, by fact and the fault solely attributable to a counterparty, without prejudice to the Company right to compensation for any damage suffered.

6 – TRAINING AND COMMUNICATION PLAN

6.1 Premise

Boffi, in order to effectively implement the Model herein, shall ensure proper dissemination and communication of the contents and principles of the Code, as well as those of the Code of Ethics, inside and outside of its organization.

Specifically, the Company objective is to extend the communication of the principles of the Model and the Code of Ethics not only to its own employees but also to those who - even occasionally - operate and work for the achievement of the Company objectives based on contracts with the Company.

Communication and training activities shall be diversified according to the recipients, however they must be based on principles of completeness, clarity, accessibility and continuity, in order to allow the different recipients to fully understand those Company rules that they must respect, as well as ethical standards and rules that their conduct and behaviour must be based upon.

6.2 Employees

Each employee shall: *(i)* acquire awareness and understanding of the contents of the Model made available to him or her; *(ii)* know the operating and working methods with which to carry out their business activities.

Employees must be able to access and consult the documentation that makes up the Model, control protocols, and relevant business procedures. In addition, in order to facilitate the understanding of the Model, employees, in a diversified manner according to their degree of involvement in activities identified as sensitive under Legislative Decree 231/2001, are required to participate in the specific training activities that will be promoted and organized by the Company.

A paper copy of the Model will be made available to all members of Company bodies and boards.

Appropriate communication tools shall be adopted in order to update employees regarding any changes made to the Model, as well as any relevant procedural, regulatory or organizational changes.

Participation in training programmes is compulsory for all training recipients, and these activities must be documented.

7 – IMPLEMENTATION OF THE MODEL – CRITERIA FOR UPDATING AND COMPLIANCE OF THE MODEL

7.1 Updating and Compliance

The Board of Directors, or the party that Board delegates, shall decide on the updating of the Model and its adaptation or compliance in relation to any amendments and/or additions that may be required as a result of:

- i) Changes in the Company internal structure and/or the manner in which business is carried out;
- ii) Changes in *business* areas;
- iii) Regulatory changes;
- iv) Results from controls;
- v) Significant breaches or violations of the Model provisions.

In any case, the Model shall undergo periodic revisions.

7.2 Updating in 2017

As resolved by the Board of Directors, the Model was the subject of a review in order to update risk assessment and analysis with regard to the commission of Offences and crimes and to investigate any gaps and/or revisions of the current Model, also as a result of the reforms made to Legislative Decree 231/2002, as well as the changes to the internal organization of the Company.

For this purpose, preliminary interviews were carried out with the main company roles and offices, with which an analysis was carried out on the protocols and procedures of the pertinent activities listed and outlined in the Special Part of the current Model herein.