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Ignazio Messina & C.

**IGNAZIO MESSINA & C. S.p.A.**

**ABSTRACT**

**ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE  
PREVENTION OF CRIMES  
PURSUANT TO LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001**

Genoa, 24<sup>th</sup> October 2018

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## DEFINITIONS, LEGEND AND ABBREVIATIONS

- “CCNL”: Italian National Collective Bargaining Contracts currently applied by the Ignazio Messina & C. S.p.A., with reference to the “CCNL” for the offices and *terminals* operators of the shipping companies and businesses owning the ships; as well as the National Collective Bargaining Agreement for masters of ocean going vessels and Chief Engineers in charge of the machine of ships of independent ship-owners, both for the embarkation of seafarers on cargo ships and passenger/cargo ferries exceeding 151 TLS;
- “Code of Ethics”: the Code of ethics adopted by the Ignazio Messina & C. S.p.A.;
- “Consultants: persons acting in the name and/or on behalf of the Ignazio Messina & C. S.p.A. according to mandates or other forms of collaborative relations;
- “Recipients”: the employees, Consultants, Business Partners, Service Companies, Corporate bodies and any other collaborators in any form whatsoever of the Ignazio Messina & C. S.p.A.;
- “Employee” or “Employees”: All the employees (shore and maritime personnel) of the Ignazio Messina & C. S.p.A. (including Managers, Masters, officers, and Chief engineers);
- “Legislative Decree 231/2001” or “Decree”: the Italian Legislative Decree No. 231/2001 of 8 June 2001 as amended;
- “GM” or “Gruppo Messina” or “Parent Company” ”Gruppo Messina S.p.A.;
- “IM” or “Ignazio Messina”: Ignazio Messina & C. S.p.A.;
- “Guidelines”: the Guidelines for the development of Organization, Management and Control Models in accordance with the Legislative Decree No. 231/2001”, approved by Confindustria on 7 March 2002 as amended;
- “Models” or “Model”: the organisation, management, and control model or models pursuant to the legislative decree 231/2001;
- “Sensitive Transaction”: transaction or act that is performed within the scope of the Sensitive Processes, which may be of a commercial, financial, techno-political lobbying or corporate nature (such as the reduction of share capital, mergers, demergers, transactions in regard to the shares of the parent Company, attribution of shares, reimbursements of capital to shareholders, etc.);
- “Corporate Bodies”: Members of the Board of Directors and of the Board of Auditors of the Ignazio Messina & C. S.p.A.;
- “Supervisory Body”: internal Body with the task of supervising over the operation and compliance with the Model, and ensuring it is kept up to date;
- “P.A.” o “PA”: Italian and/or foreign Public Administration including the relevant officers and subjects appointed to carry out public service;
- “Business Partners”: contractual counterparties of Ignazio Messina & C. S.p.A., such as suppliers, agents, commercial partners, whether natural persons or legal entities, with whom the Company arranges some form of contractually regulated



collaboration (purchase and sale of goods and services, temporary companies' association, joint ventures, consortia, etc.), where destined to cooperate with the Company with regard to Sensitive Transactions;

- “Sensitive Processes” or “sensitive processes”: activities of the Ignazio Messina & C. S.p.A. subject to the risk of the commission of Offences;
- “Crime” or “Crimes”: the single offence or offences to which the provisions established by Legislative Decree No.231/2001 with its subsequent integrations and modifications shall apply;
- “General Rules and Principles”: the general rules and principles set forth in this Model;
- “14001 management system”: management system adopted in compliance with the UNI EN ISO 14001 standard;
- “18001 management system”: Workplace Health and Safety Management System adopted in compliance with the British Standard OHSAS 18001:2007;
- “Service Companies”: Third parties companies performing service activities in favour of the Ignazio Messina & C. S.p.A.
- “Delegated authority”: the internal assignment of functions and tasks, reflected in the Organizational communication system.
- “Power of attorney”: the unilateral legal document with which the company assigns the power of representation toward third parties.



## SECTION I – THE LEGISLATIVE DECREE NO. 231/2001

### **1. The Legislative Decree no. 231/2001 and the Relevant Regulations**

On 8 June 2001, in execution of the authority granted under article 11 of law number 300 of 29 September 2000, the legislative decree number 231 was issued, which entered into force the following 4 July with the aim of harmonizing internal laws on legal entities' liability with various international conventions, which Italy has long been a member of.

The legislative decree 231/2001, containing the “Regulations on the administrative liability of legal entities, companies and associations with or without legal personality”, introduced for the first time in Italy the liability of entities in front of criminal courts for certain crimes committed in their interest or to their advantage by people responsible for representing, directing or managing the entity or one of its business units having financial and operational autonomy, as well as by people who manage and control it, also de facto, and finally, by people subject to the management or supervision of one of the aforementioned parties.

This liability applies in addition to the liability of the natural person who actually carried out the action.

The new liability provided for in the Legislative decree 231/2001 thus involve the assets of any entities, which benefited from the offence, in the punishment of certain crimes.

The offences to which these provisions apply are now the following:

- Crimes committed in relations with the Public Administration (articles 24 and 25 Legislative Decree 231/01),
- Computer crimes and unlawful data processing (Article 24-bis *bis* Legislative Decree 231/01),
- Crimes related to organized crime (article 24 *ter* Legislative Decree 231/01),
- Crimes related to the forgery of money and public credit cards, revenue stamps and identification tools or marks (article 25 *bis* Legislative Decree 231/01),
- Crimes against the industry and trade (article 25 *bis* 1 Legislative Decree 231/01),
- Some crimes with regard to corporate offences and bribery between private parties (article 25 *ter* Legislative Decree 231/01),
- Crimes for purposes of terrorism or subversion of the democratic order (article 25 *quater* Legislative Decree 231/01),
- Crimes against the individual (articles 25 *quater* 1 e *quinquies* Legislative Decree 231/01),
- Market abuse crimes (article 25 *sexies* Legislative Decree 231/01),
- Manslaughter and negligent or serious injury, committed in violation of the rules on hygiene and health protection at work (article 25 *septies* Legislative Decree 231/01),
- Crimes regarding handling stolen goods, money laundering, self laundering and use of money, goods or benefits from unlawful activities (article 25 *octies* Legislative Decree 231/01),



- Crimes as to copyright infringement (article 25 *novies* Legislative Decree 231/01),
- Inducement not to make statements or to make false statements to the judicial authorities (article 25 *decies* Legislative Decree 231/01),
- Environmental Crimes (article 25 *undecies* Legislative Decree 231/01),
- Cross-border crimes (Law no. 146 del 16 March 2006),
- Employment of third country nationals who are illegal immigrants (article 25 *duodecies* Legislative Decree 231/01).
- Crimes of racism and xenophobia (art. 25 *terdecies* Legislative Decree 231/01)

## 2. Sanctions Established by the Decree

The system of sanctions described by legislative decree 231/2001 for the above-listed crimes provides for the application of the following administrative sanctions, according to the offences committed:

- fines;
- prohibitions;
- confiscation;
- publication of the sentence.

The prohibitory sanctions, which can be applied only where expressly provided for and also on a precautionary basis, are the following

- interdiction of performing business;
- suspension or revocation of authorisations, licences or concessions, depending on the commission of the offence;
- prohibition of entering into contract with the public administration;
- exclusion from facilitations, funding, contributions and subsidies and/or revocation of those already granted;
- the prohibition of advertising good or services.

The Legislative Decree 231/2001 further states that, if there are the conditions for the application of a prohibitory sanction which includes the interruption of the activity of the company, the judge, instead of applying said sanction, can opt for the continuation of the activity by an administrative receiver (article 15 of the Decree) appointed for a period that is as long as the period of the interdiction sanction that would have been applied, when at least one of the following conditions occurs:

- the company provides a public service or a service of public necessity the interruption of which could cause serious harm to the community;
- the interruption of the company business can have significant consequences on employment, taking into account the size of the company and the economic conditions of the territory in which it is located.



### 3. Condition Exempting from Administrative Liability

Article 6 of the Legislative Decree 231/2001 establishes that the entity has no administrative liability if it demonstrates that:

- The Managing Body has adopted and effectively implemented an organisation, management and control model, before the commission of the offence, which is capable of preventing crimes such as the one that occurred;
- the task of monitoring the operation and compliance of the models and of updating it was assigned to a body of the entity provided with independent powers of initiative and control (so called Supervisory Body);
- the persons have committed the offence by fraudulently circumventing the organisation, management and control models;
- there was no omitted or insufficient monitoring by the Supervisory Body.

The adoption of the Organization, Management and Control Model, therefore, enables the company to escape the charge of administrative responsibility. The mere adoption of such a document, through a decision by the management body of the entity, does not appear, however, sufficient in order to exclude said responsibility, since the model must be at the same time efficiently and effectively implemented.

With reference to the effectiveness of the organization, management and control model for the prevention of the offences provided for by the Lgs.D. 231/2001, the model must:

- identify the area of company activities in which the crimes may be committed;
- provide for specific protocols aimed at scheduling the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identify methods for managing financial resources that are suitable to prevent the commission of crimes;
- provide for obligations to inform the body tasked with supervising the operation and compliance of the models;
- introduce a disciplinary system able to sanction failure to comply with the measures set out in the organisation, management and control model.

With reference to the effective application of the organisation, management and control model the Legislative Decree (D.Lgs.) 231/2001 requires:

- a periodic audit, and the modification of the organisation, management and control model, if significant breaches of the provisions imposed by the model are discovered or changes in the organisation or the activities of the entity or legislative amendments occur;
- the imposition of sanctions in the event of non-compliance with the provisions imposed by the organisation, management and control model.

### 4. The “Guidelines” of Confindustria

On March 7, 2002, the Confindustria (Italian Federation of Industry) approved an early version of its “Guidelines for the Development of organisation, management and control models as per Legislative Decree no. 231/2001”.





These Guidelines have been successively updated also as a consequence of the extension of the predicate crime category; last adjournment is dated March 2014.

For the development of this Model the Company has made reference to the Confindustria Guidelines, as well as to the Guidelines issued by the appropriate technical Committee set up by Confitarma and still pending for approval by the Ministry of Justice, to which they have been transmitted on 13<sup>th</sup> October 2014 in compliance with DM 201/2013).

The major points identified in the Guidelines for the development of the Models may be summarized as follows:

- identification of areas at risk, with a view to assessing which company areas/sectors are at risk as to the commission of Crimes;
- setting up a control system that is able to prevent the risks through the adoption of specific procedures.

The most significant elements of the preventive control system identified by Confindustria as to “intentional” crimes are:

- Code of Ethics;
- Organisational system;
- Manual and computerized procedures;
- Power of signature and delegated authorities system;
- Control and management systems;
- Training and information of Personnel.

The most significant elements of the preventive control system identified by Confindustria as to “unintentional” crimes are:

- Code of Ethics;
- Organisational structure (with regard to work health and safety);
- Training and drilling
- Information and involvement
- Operational management
- Safety monitoring system.

These elements must comply with the following principles:

- verifiability, traceability, coherence and adequacy of each operation, transaction;
  - separation of duties (no one can autonomously manage an entire process);
  - documentation of controls;
- Introduction of an appropriate sanction system with regard to infringement of the code of ethics regulations and of the procedures provided for by the Model;
- Identification of the requirements of the Supervisory Body that can be summarized as follows:
- autonomy and independence,
  - professionalism,
  - continuous action;



- Obligations of reporting to the Supervisory Body.
- In case of a group of companies, the possibility to centralize the functions envisaged by Legislative Decree 231/01, at the Group parent company, providing that:
  - every subsidiary must establish a Supervisory Body with all the relevant competencies and responsibilities (subject to the possibility of having this function carried out directly by the management body of the subsidiary in case of a small sized company);
  - in fulfilling its duty of supervising the function of and compliance with the model, the Supervisory Body may make use of the resources allocated with the corresponding body of the parent company, according to a pre-defined contractual relationship.
  - In performing control with other group's companies, the employees of the Supervisory Board of the parent company shall act as external professional consultants, who perform their activity on behalf of the subsidiary and report directly to the Supervisory Body of the subsidiary complying with the confidentiality obligations required from an external consultant.

In order to provide a tool, which is useful and adequate to the evolving regulations, the Guidelines are under continuous updating.

It should be noted that the decision not to align the Model with certain recommendations of the Guidelines does not compromise the validity of the Model itself. In fact, since the Model must be drawn up with reference to the Company's actual situation, it is hereby understood that it may well depart from the reference Guidelines that, by their nature, are of a general character.



## SECTION II – THE IGNAZIO MESSINA MODEL

### **1. The Company and the Parent Company**

The Company was established in its present legal form on November 15, 2012 with the registered name Linea Messina & C. S.p.A. and entered in the Company register of Genoa on November 16, 2012 under the number 02150010995 in the form of a Joint-Stock Company with a sole shareholder.

The stated share capital amounts to € 60,000,000.00 and the stock consists of 60,000,000 ordinary shares, having a nominal value of € 60,000,000.00, entirely held by the Gruppo Messina S.p.A.

As per the Articles of association, the Company objective is to perform the following activities:

- *to carry on shipping trade and maritime traffic in general, i.e. transports by sea, building, purchasing, selling and chartering of ships and crafts both on its own account and on behalf of third parties, ship breaking and repair, national and international land transports by cars, lorries and/or by rail, transport of goods on behalf of third parties with its own or third parties' means; to run port and other kind of terminals, forwarding, insurance, supplying and shipping agencies, trade of fuels and lubricants and any other transaction and function concerning maritime trade and traffic with no limit whatsoever;*
- *to run repair shops for motor-vehicles, trailers, elevators, containers and any other means of transportation and/or lifting (either on wheels or fixed) both on its own account or on behalf of third parties;*
- *To purchase shares in other industrial, commercial, real estate, agricultural and financial company, to finance and to technically and financially coordinate said companies, to transact and manage public or private securities, to give any kind of collateral and personal guarantees even for third parties' obligations.*

*For the achievement of the company object, it may carry out all commercial, industrial, financial and credit transactions, including the possibility of granting collateral and non-collateral guarantees in any form also for third parties' obligations.*

By notarial deed of Luigi Francesco Risso dated 5 December 2012, the Gruppo Messina SpA transferred its business branch consisting of assets, liabilities and legal relations relevant to the sector of maritime transport and integrated logistics to the Linea Messina SpA, a company entirely owned by the transferor.

Since January 1, 2013 the transferor Company changed its registered name to Gruppo Messina SpA, while the transferee Linea Messina S.p.A. on the same date took its current registered name of Ignazio Messina & C. S.p.A.

The Gruppo Messina has assumed the role of parent company, it performs control and management of Ignazio Messina under article 2497 bis of the Italian Civil Code, it currently carries out functions of an operating holding company and has maintained ownership and direct management of the Terminal Ronco - Canepa of Genoa.

As per contract, Gruppo Messina supplies services to the Company.



## 2. The activities

Ignazio Messina & C. S.p.A. is the second ro-ro operator and makes use of self-owned ships all flying the Italian flag, specialized *ro-ro container ships*<sup>1</sup> (presently – December 2014 – in the number of 6) and of other chartered container ships.

Pursuant to the contract, the Company provides also in favour of Ignazio Messina & C. the following services supplied by its internal departments:

*--omissis--*

The land logistics activity is an ancillary activity supporting the ship-owning one and is carried out by running some leased intermodal terminals. It consists in organizing road transport of goods from customer's warehouse to the various intermodal terminals, from which self-owned/rented containers are sent to the port of Genoa by rail.

## 3. The Model Development

During 2011 (before the Ignazio Messina was established and before the transfer of the ship-owning and logistics business branch to it) the Gruppo Messina SpA (then in the Ignazio Messina & C.), had started a project for the adoption of the Model and for this purpose accomplished an activity of risk mapping and subsequent drawing up of an almost finalized draft of the Organization, Management and Control Model pursuant to Legislative Decree 231/01, in May 2012. However, the model was not adopted by the company because of the imminent company restructuring approved by Board of Directors on June 22, 2012 implemented in December 2012 and finalized in January 2013, with the transfer of the new company.

The activity of risk mapping has included also the shipping and logistic business transferred after the said reconstruction to the transferee company.

In addition, the Gruppo Messina (then in Ignazio Messina & C.) had aligned its entire organization and management to the international standard BS OHSAS 18001-2007 and ISO 14001-2004, adopting an integrated environmental and safety system certified by RINA Services SpA on January 11, 2011.

*--omissis--*

The working group has been assisted by the consultancy of Rina Services S.p.A. which has offered its specialised resources, coordinated by their manager.

On 3<sup>rd</sup> September 2013 Rina Services S.p.A. has completed the audit activity regarding the certification of the company's integrated system and 26<sup>th</sup> September 2013 it has been released the certificate of compliance to the international standard BS OHSAS 18001-2007 and ISO 14001-2004 for all the activity, both shipping and logistics, of Ignazio Messina & C. S.p.A.

In September 2013 Rina Services S.p.A. has completed the compilation of the document named "Risk Assessment and Gap Analysis Report", necessary for the

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<sup>1</sup> Roll-on/roll-off (also called Ro-Ro) is the English term to refer to a ship-ferry itself with goods loading modalities on wheels and through ramps independently and without external mechanical tools. In particular, the term Ro/Ro refers to a ferry for freight only without passenger service, having the possibility to carry also ro-ro containers and miscellaneous goods.



issuing of the present Model and in 2014 such document was extended by including the management of all the foreign business, of the shipyard activities and of the Logistic Intermodal sector.

So, in order to match the need to adjourn the interviews already done, a new phase of interviews was necessary in February 2014 that took to the issuing of a new and more complete “Risk Assessment and Gap Analysis Report “ on November 2014. Such document allowed to become to the compilation and subsequent adoption of the revised Model, adopted by the by resolution of the Board of Directors dated 19<sup>th</sup> December 2014”.

Following the introduction of the self laundering crime pursuant to the law n° 186 of 15.12.2014 and of the adjournment of corporate and environment crimes pursuant to the law n° 68 of 22.05.2015 and n° 69 of 27.05.2015, on 15.09.2015 a new audit was performed by Rina Services S.p.A. so to amend the Models by introducing the new legislative additions.

Following these amendments, the present edition of the Model was adopted by the resolution of the Board of Directors dd 24 October 2018.

Given the fact that the regulatory scenario is evolving (Law 167/17 has expanded the spectrum of crimes regulated by Legislative Decree 231/2001 with the introduction of the type of offence of “racism and xenophobia”; Law 179/2017 has reformed on whistleblowing and has determined the integration of art. 6 of Legislative Decree 231/2001) and the need to align the current risk assessment with the current organizational framework, it was deemed appropriate to carry out an audit in March 2018.

The current edition of the Model was adopted by the resolution of the Board of Directors dd 24 October 2018.

#### **4. The Adoption of the Model and Subsequent Modifications**

The Company, aware of the importance to adopt and effectively implement an organization, management and control model pursuant to Legislative Decree 231/2001 suitable to prevent the commission of unlawful acts within the company, by resolution of the Board of Directors dated 18<sup>th</sup> December 2015 approved the present version of the model, on the assumption that it is a valuable tool for raising recipients’ awareness to behave properly and transparently, and, therefore, suitable to prevent the risk of committing the criminal offenses included in the predicate offences category implying the administrative liability of Entities.

Through the adoption of the Model, the Company intends to pursue the following objectives:

- to prohibit behaviour liable to constitute the types of crimes provided for in the Decree;
- to arise the awareness that the infringement of the Decree, of the provisions contained in the Model and of the Code of ethics principles may result in the application of (both money and prohibitory) sanctions also for the Company;



- to allow the Company to prevent and/or rapidly fight the commission of the crimes governed by the Decree, through a structured business management system and a constant monitoring on the correct implementation of the system;
- to promote the attention and the particular sensitivity of the Company towards issues relating to legal compliance, also within the international group, which it is a member of, ensuring a synergy between business procedures and the procedures issued at the corporate level.

The provisions of this Model shall be binding on the Chairman of the Board of Directors and the Managing Director, on all Directors and, more generally, on the entire Board of Directors, Masters, Chief Engineers and Officers, for Managers and, anyway, on all those who hold representative, administrative, and executive or operative and (also actually) control positions in the Ignazio Messina, on the employees, also with executive positions, and on persons subordinate to or under the supervision of senior managers of the Company operating at the head offices and at the local units as well as on all the fleet vessels.

The Board of Directors has actually approved this Model and each Board Member has undertaken to comply with it and has already set up its own Supervisory Body, entrusting it with the task of supervising the functioning of and compliance with the Model, as well as of keeping it updated.

Likewise, the Board of Auditors, having read the Model, formally undertakes to comply with the Model.

Since this Model is “issued as an act of the management body” (in accordance with the provisions of Article 6 sub-sect.1, letter a of the Legislative Decree 231/2001), its substantial successive amendments and integrations are referred to the competence of the Board of Directors.

For other modifications (Sensitive Processes and specific procedures, on which it has full decisional autonomy), the Board of Directors shall delegate the Managing Director.

The Board of Directors shall ratify yearly all the modifications performed by Managing Director.

## **5. Essential Elements of the Model**

The basic elements developed by the Ignazio Messina in outlining the Model, hereinafter discussed in detail, can be summarized as follows:

- Identification of the processes and activities that might be subject to the risk of committing crimes ("sensitive" processes and activities) within which, in principle, there might be occasions, conditions and/or means for committing offenses, of the specific control standards and any corrective actions to be implemented, that are set out in a document entitled “Risk assessment & Gap Analysis Report”;
- Description of specific crime prevention measures in defence of the sensitive processes and activities set out in the Sections of Special Part dealing with each crime macro-categories provided for in Chapter I, Section III Legislative Decree 231/2001, found to be significant for the company reality;





- The establishment of a Supervisory Body set up as a collegiate Board, which has been assigned specific supervisory tasks with regard to the efficacious implementation and effective application of the model in accordance with the Decree;
- A system of sanctions to ensure the effective implementation of the Model containing disciplinary actions and sanctions applicable to Recipients in case of breach of the provisions contained in the Model;
- The provision of information and training activity on the contents of this Model.

## **6. Code of Ethics and Model**

The company, sensitive to the need of carrying out the company activities in compliance with the legality principles, has adopted its own Code of Ethics (updated through deliberation on October 3, 2013), by which it was intended to affirm, conforming at Group level, the commitment to implement the highest ethical and legal rules, in a consistent manner.

The Code of Ethics establishes, therefore, a set of “business Ethics” rules that the Company recognizes as its own and which its Corporate Bodies, employees and third parties that, for whatever reason, entertain relations with it, are required to comply with.

The Model, whose provision are, anyway, consistent and in compliance with the Code of Ethics principles, fulfils more specifically the requirements set forth by the Decree and aims, hence, to prevent the crimes included in the scope of the Legislative Decree 231/2001.

The Code of Ethics affirms, anyway, the principles of correct performance of the company businesses also suitable for preventing the illegal acts referred to in Legislative Decree 231/2001, acquiring thus importance with regard to prevention also for the purposes of the Model, and being therefore a complement to it.

## **7. Methodology Used in Preparing the Model: Identifying Activities and Processes Involving Offence Risk – Assessment and Identification of Controls**

The Legislative Decree 231/2001 in the relevant article 6, sub-section 2, lett. a), expressly establishes that the Organization, Management and Control Model of the entity shall identify the company activities within which the crimes referred to in the Decree could potentially be committed.

As a result, the Company has carried out an analysis of the organizational, administrative and accounting structure and of the context in which it is to operate.

Within this activity, the Company has, firstly, analysed its organizational structure set forth in the document "Ignazio Messina & C. Organizational Chart " which identifies the Company Management Units and departments, stressing the roles and the hierarchical-functional lines of reporting. This document is kept at the Parent Company's registered office by the HR Department and is available for consultation.

Subsequently, the Ignazio Messina has identified the activities and processes that might be subject to the risk of committing offenses, as well as the activities and processes within which behaviours can occur being instrumental / functional to the commission of offenses, on the basis of information collected by company contact persons (Managers



and Department directors) who, because of the role they hold, have the most extensive and deep knowledge of the operations of the company sector which they are responsible for.

For each sensitive process and activity the elements and control systems, already implemented by the Company, have also been identified and analysed in order to assess their suitability to prevent the risk of committing the crimes provided for by Legislative Decree 231/2001 and to verify the need to establish new and more effective controls.

As stated above, the results of this activity were collected and set out in a summary review document titled "Risk assessment & Gap Analysis Report", which describes in detail the risk profiles relating to the commission of the offenses included in the Legislative Decree 231/2001.

The "Risk assessment & Gap Analysis Report" is kept by the Parent Company's Legal Department, that cares for its filing and makes it available – for any consultation – to Managers, Auditors, Supervisory Body members and to anyone being authorized by the Company to examine it.

Specifically, it has been detected a potential risk of committing the crimes included in the crime macro-categories provided for by Chapter I, Section III Legislative Decree 231/2001, that are listed here below.

The analysis identified the potential risk in relation to the following crime macro-categories:

1. Negligent offences committed in breach of the of regulations concerning safety and the protection of health and hygiene at the workplace (article25-*septies*);
2. Environmental offences (article 25-*undecies*).
3. Crimes against the Public Administration (articles 24 and 25);
4. Computer crimes and unlawful data processing according to the new provisions introduced by the Law Decree D.L. 93/2013 (article 24 *bis*);
5. Organized crime offences (article24 *ter*);
6. Crimes of forgery of money and public credit cards, revenue stamps and identification tools and marks (article 25 *bis* ),
7. Company crimes (article25 *ter*);
8. Crimes for purposes of terrorism or subversion of the democratic order (article25 *quater*);
9. Cross-border crimes (articles 3 and 10 Law 146/2006);
10. Crimes regarding handling stolen goods, money laundering, self laundering and use of money, goods or benefits from unlawful activities (article25-*octies*);
11. Inducement not to make statements or to make false statements to the judicial authorities
12. Employment of third country nationals without permit of stay (article25 *duodecies*);
13. Crimes regarding infringement of copyright (article 25-*novies*).
14. Crimes against industry and commerce (art. 25-bis 1)
15. Crimes against the individual (art. 25 *quinquies*);

No sensitive processes resulted with regard to the following Crimes:

- Female genital mutilation (article 25 *quater-1*);
- Market abuse crimes (article25 *sexies*);
- Racism and xenophobia (art. 25 *terdecies*) ;





For further details of the "sensitive" activities and processes of the Management/ Departments involved and the control procedures available within the Company, reference is made to the "Risk Assessment & Gap Analysis Report " dated 20 March 2018

## 8. Internal Control System

As underlined above, in developing the Model and according to the business processes, which resulted sensitive, the Company reviewed the control elements and system in force in order to assess their suitability to prevent the risk of committing offenses as per Legislative Decree 231/2001 and to verify the need for new and more effective controls.

In general, the existing system involving any sector of the Company activity, turned out to be able to ensure a suitable level of rules compliance, through the separation of the operative tasks from the control ones.

In particular, the control system consists of:

- The reference national and international law framework relevant to the maritime navigation sector as well as the international conventions concerning maritime safety, pollution prevention and pollution response ;
- the Code of Ethics;
- the system of delegation of authority and powers of attorney that ensures consistency between the formal conferral of powers and the Organization, Management and Control Model by the Company, also through the separation of tasks among those performing crucial activities of a process at risk;
- the hierarchical-functional structure set forth in the document "Ignazio Messina & C Organizational Chart";
- the acknowledgment of the International Safety Management Code (also called ISM Code) that sets out the principles and standards for the safe management of ships and for pollution prevention and, more generally, the rules specified by the International Maritime Organization - IMO
- the adoption of an Integrated Management System (hereafter also "IMS") involving management and operative procedures governing all the business activities and processes, including the ones deemed relevant with regard to 231. The IMS, that implies the commitment to a steady improvement through objectives sharing, repeated controls, the progressive performance of corrective actions and the notification of the results achieved, is certified by an independent external entity according to the application of an articulated system of international standard;
  - UNI EN ISO 14001 (in particular 14001:2004 – Environmental management systems: Requirements and guidelines for use – and UNI EN ISO 14004:1997 – Environmental management: Guidelines on principles, systems and support techniques), for the environmental protection;
  - OHSAS 18001, for the safety protection at workplace, aimed at reducing the professional risks in any stage of the business activity;
- the implementation of integrated information systems, focussed on separating functions, as well as an high level of process standardization and on protection of the information contained therein, with reference to both managing and accounting



systems and to the systems supporting the operative activities connected to the *business*.

In particular, the following information systems are adopted:

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The current internal control system, which is designed to manage and monitor the main business risks, ensures the achievement of the following objectives:

- effectiveness and efficiency in employing the company's resources, in protecting from losses and safeguarding the assets of the Company;
- compliance with the laws and regulations applicable in all operations and activities of the Company;
- reliability of the information, to be intended as true and timely communications, to guarantee the correctness of every decision-making process.

### **9. Protocols for Crimes Prevention Pursuant to Decree 231**

After the identification of the sensitive activities and processes, as well as the activities and processes that are instrumental/functional to the commission of crimes, the Company, which is focussed on ensuring conditions of correctness and transparency in accomplishing the company activities, has set forth some protocols to prevent the crimes identified in the risk profiles analysis.

Protocols, which are an integral part of this Model are organized and divided according to each crime macro-category stated in Chapter I Section III of the Decree deemed relevant for the company. In particular:

1. Protocol for prevention of crimes committed in relations with the Public Administration
2. Protocol for prevention of company crimes
3. Protocol for prevention of crimes against the public faith
4. Protocol for prevention of crimes for purposes of terrorism or subversion of the democratic order
5. Protocol for prevention of computer crimes
6. Protocol for prevention of crimes regarding handling stolen goods, money laundering, self laundering and use of money, goods or benefits from unlawful activities
7. Protocol for prevention of crimes of inducement not to make statements or to make false statements to the judicial authorities
8. Protocol for prevention of cross-border crimes and organized crime offences
9. Protocol for prevention of crimes relevant to hygiene and health protection at work
10. Protocol for prevention of environmental crimes
11. Protocol for prevention of crimes for employment of third country nationals who are without stay permit.

Each of the above mentioned Protocols was drawn up in compliance with the internal control system, including the relevant operative and management procedures, the "Risk assessment & GAP Analysis Report", and sets forth i) the Gap analysis performed with reference to the crime macro-category ii) the "sensitive" activities and processes; iii) the crime prevention measures divided in general principles of conduct and specific procedural principle.



## SECTION III - GENERAL CONTROL ENVIRONMENT

### **1. A General outline of the System**

All the sensitive Transactions shall comply with the existing law, with the Code of Ethics and the rules contained in this Model.

In general, the company's organisational system shall fulfil the basic requirements of authorisation and transparency, communication and separation of duties, in particular with regard to the allocation of responsibility, representative powers, the definition of hierarchical lines of reporting and of operating activities.

The Company shall have organizational tools (organizational charts, organizational communications, procedures, etc.) based on general principles of:

- traceability within the Company;
- clear and formal delimitation of roles, with a complete description of the duties of each department and their relative powers;
- Clear description of the lines of reporting.

The internal procedures shall meet the following requirements:

- Separation, within each process, between the person who initiates the process (decisional faculty), the person who carries out and completes the process, and the person who controls it;
- written records of each important stage of the process;
- a suitable level of formalization;
- to prevent the incentive systems of the persons with external spending power or decision-making authority from being based on substantially unachievable performance targets.
- documents referred to the activity carried out have to be filed and kept by the competent function in a manner such that cannot be altered without that the alteration is actually highlighted, taking also in consideration of what is provided for by the Law;
- formalised rules regarding inside powers of signatures and authorisation powers; company's rules conferring general principles for the regulatory of the sensitive processes
- it's necessary that *internal auditors* carry out checks on the company's activity regarding the compliance with Legislative Decree 231/01;

### **2. The System of Delegated Authority and Powers of Attorney**

In principle, the system of delegated authority and powers of attorney shall be characterised by elements of "certainty" in order to prevent the commission of offences (traceability and detectability of the Sensitive Transactions) and, at the same time, allow the efficient management of the company's activity.

The heads of a company department that need powers of representation for the purpose of fulfilling their positions are awarded a "general power of attorney" of suitable extent



which is consistent with the functions and powers of management assigned to the holder through the “delegated authority”.

In order to effectively prevent offences, the essential requirements of a delegation of authority system are as follows:

- all those (including also employees and the corporate bodies of subsidiaries and of Service Companies, in particular) maintaining relations with the Public Administration on behalf of the Company shall be suitably delegated thereto;
- the delegated authorities shall link each management power to the connected responsibility and an appropriate position in the company organizational chart and be updated as a result of changes in the organization structure;
- each delegated authority shall define in very specific and unambiguous terms:
  - the powers of the delegated person, and
  - the subject (body or person) to whom the delegated person refers in terms of hierarchy;
- the management powers assigned with these delegated authorities and their implementation shall be consistent with company objectives;
- the delegated person shall be provided with the spending powers appropriate to the functions assigned to them;

the essential requirements of the power of attorney assignment to effectively prevent Crimes are as follows:

- general powers of attorney shall be assigned exclusively to persons having an internal delegation of authority or a specific engagement agreement, in the case of employer-coordinated freelance workers, which describes their relative operational entitlement to act and, where necessary, is accompanied by an appropriate communication defining the extension of the representative powers and possible numerical spending limits, and which nevertheless imposes the duty to comply with the limitations established by the Budget and possible extra-budget approval procedures and by the monitoring procedures for the Sensitive Transactions by the various departments;
- the power of attorney can be conferred to natural persons expressly identified in the power of attorney itself, or to legal entity acting through their own attorneys entitled, in the proxy itself, with the corresponding powers;
- an *ad hoc procedure* shall establish the methodology and responsibilities in order to ensure the timely updating of the powers of attorney and to establish the circumstances when the powers of attorney shall be granted, amended, or revoked (e.g. assumption of new responsibilities, assignment to other duties that are incompatible with those originally envisaged by the power of attorney, resignation, dismissal, etc.).

### **3. Instrumental, so-called Funding Processes**

Funding Processes are those processes supporting the *business* activities from which conditions for committing Crimes may possibly result, either directly or indirectly.

Some relevant business processes have been identified, that are regulated by the Company’s internal control system.



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#### **4. Relations with Service Companies /Consultants/Business Partners: General Principles of Conduct**

Within the sensitive processes and/or the activities at risk of committing crimes, relations with Service Companies /Consultants/Business Partners, shall be based on the utmost fairness, transparency, in compliance with legal rules, the Code of Ethics, with this Model and the internal business procedures, as well as with the specific ethical principles governing the Company activity.

Service Companies, consultants, commercial agents, suppliers of products/services, and business partners in general, (e.g., temporary business associations), shall be chosen according to the following principles:

- verify the commercial and professional reliability (e.g. by the acquisition of ordinary Chamber of Commerce certificate to ensure that the activity performed is coherent with those required by the Company, self-certification in accordance with Presidential Decree 445/00 relative to possible pending charges or sentences charged on them);
- select with reference to offer capacity in terms of quality, innovation, costs and sustainability standards, with particular attention to the respect of human and workers rights, of environment protection and the compliance with legal, transparency, correctness principles in businesses (said assurance process must require high qualitative standards, that the subjects interested can prove also through the acquisition of specific certifications relevant to quality);
- Do not perform any sort of commercial and/or financial operations, both directly or through third persons, with subjects – natural or legal persons – who are sentenced for predicate crimes implying responsibility as per Legislative Decree 231/01 and/or brought to attention by European or international organisations/authorities in charge of preventing offences relating terrorism, money laundering, and organised crime.
- Limit, according to the needs of the reference market, contractual relations with subjects – natural or legal persons – who have offices or residences or any sort of connection with countries that are considered uncooperative as they do not conform to the standards of international laws and recommendations expressed by FATF-GAFI (Financial Action Group against Money Laundering) or appear on the suspension lists (so-called “Black Lists”) of the World Bank and of the European Commission;
- Recognize compensation exclusively against adequate justification within the framework of the contractual relationship established or with regard to the type of assignment to be performed and to the practices in force at the local level;
- in general, no cash payments shall be made, and in the event of a derogation, payments shall be duly authorized. In any case payments shall be made according to appropriate administrative procedures that show the purpose and traceability of expenses;
- With reference to financial management, the company carries out specific procedural controls and focuses particular attention on transactions occurring outside the normal company processes, which are consequently managed in an extemporary and discretionary manner. Such controls, (e.g. frequent reconciliation of accounting data, supervision, separation of duties, division of functions such as the purchasing



and financial ones, an effective system to document the decision-making process, etc.) are intended to prevent the creation of hidden reserves.

## **5. Relations with Service Companies /Consultants/Business Partners: Contract Clauses**

Contracts with Service Companies /Consultants/Business Partners shall provide for the formalization of specific clauses that regulate:

- Commitment to comply with the Code of Ethics and the Model adopted by the Company, as well as the declaration that they have never been involved in legal proceedings relative to the offences specified in the Model of the Company itself and in the Legislative Decree 231/2001, (or if they have been, they must declare it so that the company may pay greater attention if consultancy or partnership relations are agreed). Said commitment may be reciprocal, if the counterpart has adopted its own similar conduct code and Model;
- the consequences of the violation of the Model and/or the Code of Ethics (e.g. expressed termination clauses, penalties);
- Commitment by Service Companies /Consultants/Business Partners to conduct their business activities in compliance with regulations and principles similar to those established by the laws of the country (or countries) in which said companies operate, with particular reference to the crimes of bribery, money laundering, and terrorism, and to the regulations providing for responsibility of legal persons (Corporate Liability), as well as to the principles contained in the Code of Ethics and the relevant Guidelines, aimed at assuring the compliance with adequate levels of ethics in the operations of their respective activities.

## **6. Relations with Customers: General Principles of Conduct**

Relations with customers must be based on the utmost correctness and transparency, in compliance with the Code of Ethics, this Model, the laws, and the internal Company procedures, which take into consideration the elements specified here below:

- Accept payments in cash (and/or other untraceable methods) only within the limits of the law;
- Grant payment deferments only under conditions of verifiable solvency;
- Refuse sales in breach of international laws/regulations that limit the exportation of products/services and/or safeguard the principles of free competition;
- Establish prices that are in line with the average market values, except for commercial promotions and possible donations, provided that both are adequately motivated/authorised.





## SECTION IV- THE SUPERVISORY BODY

### **1. Supervisory Body**

As condition for benefiting of the exemption from administrative liability, Article 6, sub-section 1, of the Legislative Decree 231/2001 requires an internal Supervisory Body to be entrusted with the supervision of the compliance with and implementation of the Model and also with the care of its update, having this Body autonomous powers of initiative and control and carrying out its assigned duties on an on-going basis.

The Decree requires that the Supervisory Body performs its duties outside the operational processes of the company, reports periodically to the Board of Directors, and has no hierarchical relation to the Board itself and to its single Department Directors.

In compliance with the provisions of the Legislative Decree 231/2001, by decision dated October 3, 2013, the Company's Board of Directors set up a collegiate Supervisory Body consisting of three members acting as staff of the Board of Directors.

In particular, the composition of the Supervisory Body was designed as to ensure the following requirements:

- Autonomy and independence: this requirement is ensured by its collective composition and by reporting directly to the Board of Directors, without, however, any hierarchical subordination relation towards this Body.
- Professionalism: this requirement is guaranteed by professional, technical and practical knowledge possessed by the members of the Supervisory Body. In particular, its selected composition guarantees appropriate knowledge of the law and principles and methods of controlling and monitoring.
- Continuity of action: with reference to such a requirement, the Supervisory Body shall constantly supervise the compliance with the Model by the Recipients, through powers of enquiries, and take care of its implementation and update, representing a constant point of reference for all personnel.

### **2. Terms of Office, Expiration and Revocation**

The members of the Supervisory Body shall remain in office three years and may be re-elected. They are chosen from among persons having an ethical and professional profile of indisputable value and they shall not have marriage or family relationships with the Managing Directors up to the fourth degree.

Employees of the Company or external professionals can be appointed as members of the Supervisory Body: The latter shall not have any relations with the Company in order to avoid any conflict of interest.

The remuneration of the members of the Supervisory Body, both internal and external to the company, does not constitute presumption of conflict of interest.

Persons, who are subject to disqualification, disablement, underwent bankruptcy or are convicted, even of a non-definitive sentence, to a punishment that involves disqualification, even though temporary, from public office or disqualification from exercising executive charges, or are convicted, even of a non-definitive or plea-



bargaining sentence, of committing one of the offences described by the Legislative Decree 231/2001, cannot be appointed as members of the Supervisory Body.

The appointment of members who have a subordinate employment relationship with the Company shall be automatically revoked, if said employment relationship ceases and irrespective of the cause of its interruption.

After hearing the opinion of the Board of Auditors, the Board of Directors may revoke the members of the Body at any time by Board resolution, but only for just cause.

Just cause for revocation of members consists in:

- Failure to disclose a conflict of interest to the Board of Directors that prevents him from keeping the role of member in said Body;
- Breach of the obligations of confidentiality with regard to facts and information acquired in carrying out the specific tasks of Supervisory Body;
- or, with regard to any member of the Organism having a subordinate employment relationship with the Company, the initiation of a disciplinary procedure for actions from which the sanction of dismissal may derive.

If the revocation occurs without just cause, the revoked member can request his/her immediate reinstatement.

Causes for revocation of the whole Supervisory Body are:

- Establishment of grave failure by the Supervisory Body in carrying out its tasks;
- Conviction of the Company even of a non-definitive sentence, or of a plea-bargaining sentence as per article 444 Italian Criminal Procedure Code, whose records show failure to supervise or inadequate supervision by the Supervising Body;

Each member can withdraw at any time from the office by means of written advance notice of at least 30 days, to be notified to the Chairman of Board Directors by registered letter with return receipt, who will report it to the Board of Directors.

The Supervisory Body shall autonomously establish the rules for its own functioning in a specific set of Regulations, and in particular set forth the operational modalities to carry out the tasks assigned to it. The Regulations are subsequently submitted to the Board of Directors for their acknowledgment.

### **3. Powers and Tasks of the Supervisory Body**

The Supervisory Body is entrusted in general with the following tasks:

- to supervise that Employees, Corporate Bodies, Service Companies, Consultants and Business Partners comply with the Model;
- to supervise the effectiveness and adequacy of the Model, with particular reference to the business structure, and its actual capacity to prevent Crimes;
- to supervise the need to update the Model, in case changes in the company conditions and/or law regulations make it necessary.

In carrying out said activities, the Body shall perform the following tasks:





- to verify the implementation of the control procedures provided for by the Model;
- to carry out checks on the company's activity to update the mapping of the "sensitive" activities;
- to carry out periodical checks on particular operations or specific actions performed by the Company with particular regard to Sensitive Processes, whose results shall be summarized in an appropriate report to be described to the Company managing bodies during *reporting*;
- to coordinate with the company's *management* (in particular with the Human Resources Director) to evaluate possible disciplinary sanctions, subject to the company's competence of imposing sanctions and the corresponding disciplinary measure;
- to coordinate with the Human Resources Director to lay down training programs for the staff and the periodical communications to be addressed to the Employees and to the Corporate Bodies aimed at giving them the necessary awareness and basic knowledge of the provisions as per the Legislative Decree 231/2001;
- to arrange and update the Company *Intranet* space containing all the information relevant to the Legislative Decree 231/2001 and the Model, in cooperation with the Parent Company's Legal Department;
- to monitor initiatives for raising awareness and understanding of the Model and draft any internal documents needed for the implementation of the Model containing instructions for use, clarifications and updates;
- to collect, process and store the information which is significant for compliance with the Model, and update also the list of information that must be forwarded to it or kept at its disposal;
- to coordinate with other Company's Departments (even through meetings for this purpose) in order to best supervise the company activities with regard to the procedures established by the Model. To this purpose the Supervisory Body has a general inspection power and free access to all company's documentation that it deems relevant and it shall be constantly informed by the management about: a) aspects of the company's activities that could expose the Company to the risk of committing any of the Crimes; b) relations with Service Companies, Consultants, and Business Partners who operate on behalf of the company within the scope of Sensitive Transactions; c) any extraordinary company transactions;
- to interpret the relevant legislation (in coordination with the Parent Company's Legal Department) and to verify the compliance of the Model therewith;
- to coordinate with the Company's Departments (even through meetings for this purpose) to assess the suitability and the updating of the Model;
- to start and perform internal investigations in coordination with the Departments from time to time involved, to acquire further investigations elements (e.g. with the Legal Department for the examination of any agreements where the form and content are inconsistent with the standard clauses intended to protect the Company from the risk of involvement in the commission of Crimed Offences; or, with the support of the Human Resources Department in regard to the application of disciplinary sanctions, etc.);
- to propose to the *management*, in coordination with the Administrative, Finance and Control Department, the appropriate improvement to the systems in place for managing financial resources (both incoming and outgoing), already existing in the Company, to introduce some technical measures able to detect the possible atypical



financial flows subject to a greater margin of discretion than the one normally established;

- to coordinate with the Parent Company's Administrative, Finance and Control Departments to monitor the Company's activities that may imply the commission of crimes ;
- to coordinate with the Supervisory Body of Ignazio Messina & C. S.p.A. so to correctly perform the check and inspection powers towards the subsidiary company;

For purposes of carrying out the tasks listed above, the Body is provided with the powers specified below:

- to issue provisions and service orders for the regulation of its own activities and draw up and revise the list of information items that shall be transmitted to it by the Company Managing Units/Departments;
- to access, without prior authorization, any company document relevant to the implementation of the tasks the Body was given by the Legislative Decree 231/2001;
- to ensure that the responsible officers of the company Managing Units/Departments, and in any case all the Recipients, promptly provide any required information, data and/or news in order to identify the aspects connected with the various relevant company activities in accordance with the Model and verify its effective implementation by the Company;
- to make use of external consultants of proven professionalism, when it is deemed necessary, to carry out the verification and control activities, or the revision of the Model.

To improve the execution of its activities, the Body can delegate one or more specific tasks to its individual members, who shall carry them out in the name of and on behalf of the Body itself. With regard to the delegated tasks, the responsibility deriving from them falls to the Body as a whole. In case the Body is made up of external consultants only, it may be supported by one of the Company Department on a coordinated and continuous basis to carry out its tasks.

The Board of Directors of the Company shall assign to the Supervisory Body an annual expenditure budget for an amount proposed by the Body itself and, in any case, appropriate for the tasks assigned to it. The Body shall autonomously deliberate the expenditure to be borne in compliance with the company's powers of signature and, if the expenditure exceeds the budget, said expenditure shall be directly authorised by the Board of Directors.

Whether members of the Supervisory Body commits infringement of the predicate offences, whether actually they incur in a criminal liability, same members, everyone on its own, will be liable for complicity.

#### **4. Reporting by the Supervisory Body to the Company Top Management**

The Supervisory Body shall report about the implementation of the Model and upon the occurrence of any critical issue.

The Supervisory Body has two lines of *reporting*:



- the first one, on a continuous basis, towards the Chairman of the Board of Directors and the managing Director, to whom the Supervisory Body shall promptly apply anytime a problem or critical situation arises which is relevant to a sensitive area as per the legislative Decree 231/2001;
- the second one, on a six-month basis, towards the Board of Auditors and the Board of Directors through a written report.

The Supervisory Body shall submit yearly the plan for the following year's activities to the above said Corporate Bodies.

If the Supervisory Body notices critical issues associated to some of the referring subjects, the corresponding notification shall be promptly addressed to one of the above-mentioned subjects.

The reporting's object shall be:

- the activity performed by the Supervisory Body;
- possible critical issues (and hints for improvements) arisen both in relation to internal behaviour or events and in relation to the Model effectiveness.

The meetings with the Bodies, which the Supervisory Body refers to, shall be recorded and copies of their minutes shall be kept by the Supervisory Body.

The Chairman of the Board of Directors, the Managing Director, the Chairman of the Board of Auditors are entitled to summon the Supervisory Body in any moment through its Chairman, who in his turn is entitled to apply for summoning the above said bodies for urgent reasons through the competent departments or subjects.

## **5. Flow of Information to the Supervisory Board: General Information and Specific Mandatory Information**

The section in question takes into account Law 179/2017 which concerns the provisions for the protection of anyone reporting crimes or irregularities during working relationship either in the public or private sector. (so called whistleblowing).

In particular, art. 2 of the abovementioned law, in order to protect employees or collaborators who reports misbehaviours in the private sector, has introduced an amendment to the Legislative Decree 231 dated 8 June 2001 under its art. 6 of the mentioned Legislative Decree according to which organization management and control models have to regulate inter alia:

- One or more channels to allow those who represent or manage the institution as well as those subject to their direction or supervision (art. 5 a) and b) of the Legislative Decree 231/2001) to submit, in order to protect the integrity of the company, relevant and detailed reports of misbehaviours based on consistent and factual elements, or violations of the organization management model of the company which they have learned performing their functions. Such channels must guarantee the confidentiality of the identity of the reporting agent.
- At least an alternative reporting channel suitable to guarantee, with IT tools, the confidentiality of the reporting agent.

In order to implement the provisions of the Law 179/2017, the Company adopted a specific procedure (Whistleblowing Procedure dated 24<sup>th</sup> October 2018) which aims to



regulate the process of receipt, analysis and processing of the Reports, by anyone sent or transmitted, even anonymously.

The Supervisory Body has its domicile with the Company's registered office, where each mail addressed to it is received and kept and it has an e-mailbox to the dedicated address.

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The Supervisory Board must be kept informed, by appropriate notification received from the Employees, Corporate Bodies, Service Companies, Consultants, and Business Partners in regard to events that could result in responsibility for the Company pursuant to the Legislative Decree 231/01.

In particular, every Recipient that finds out clear breaches to the Code of Ethics or, anyway witnesses behaviours generally not in line with the provisions of the Model, shall immediately notify the Supervisory Body thereof or, alternatively, if such person is an Employee, his/her immediate superior, who shall forward it to the Supervisory Body.

In this respect the following general provisions shall apply:

- Any reports, that concerns general conduct not complying with the code of conduct as per this Model, shall be collected;
- In accordance with the provisions of the Code of Ethics, should an employee wish to report a violation (or supposed violation) of the Model, such person shall contact his/her immediate superior. In the absence of any forthcoming action in response to the report, or should the employee feel uneasy about reporting the matter to his/her immediate superior, the employee shall contact the Supervisory Board. The members of the Corporate Bodies, and as to the activities they performed for IM, the Service Companies, Consultants, and Business Partners shall report directly to the Supervisory Board;
- the Supervisory Body shall review the reports received; possible ensuing measures shall be applied in compliance with the provisions of the “Disciplinary System”;
- Those reporting in good faith shall be guaranteed against any form of retaliation, discrimination or penalty and, in any case, confidentiality relative to his/her identity will also be ensured, except for legal obligations and the rights of the Company and of the persons accused in bad faith;
- the report shall preferably be in non-anonymous form and can be sent through various channels, among which the dedicated e-mail address;
- any anonymous detailed reports (and, therefore containing all the objective elements necessary to the following verification stage) shall be considered for additional investigations.
- In addition to reports relating to violation of a general nature as described above, information relating to the following matters is immediately sent to the Supervisory Board:
  - Proceedings and/or notifications by judicial police departments, or any other authority, indicating that investigations for Offences, also relevant to unknown persons, are underway;
  - Requests for legal assistance submitted by Employees with regard to proceedings by Judicial Authorities relative to Crimes;



- reports prepared by the managers of other company departments within their control activities, which might possibly show facts, acts, events or omissions involving the compliance with the rules of the Legislative Decree 231/2001;
- Information relevant to the disciplinary proceedings executed and the possible sanctions imposed (including actions towards the Employees) or withdrawal of such proceedings with their relevant motivations;
- Criticalities or conflict of interest that might emerge over the course of the relations with the Public Administration;
- Any irregularities or anomalies found by those who hold the role of monitoring and supervising actions with regard to accomplishments connected to sensitive activities (payment of invoices, allocation of funding received from the State or Community bodies, etc.).
- Judicial, ship, tax and administrative inspections (e.g., relating to the rules on the protection of safety and hygiene at workplace, tax, Social Security audits, etc.) in case the final report highlights critical issues to be charged to the company (the person responsible for the department involved is charged with transmission);
- Records and audit reports of the first and third part carried out on board and ashore;
- Others relating to the protection of safety and hygiene at workplace and environment (accident list, accident report, new appointments, special inspections, budget and progress plan etc.).

Further information flows required are defined by the Supervisory Board in consultation with the relevant company departments upon their transmission.

## 6. Receipt and Retention of Information

Any information, communication and report provided for by this Model must be retained by the Supervisory Body in a specific (electronic or hardcopy) database for a period of 10 years.

Besides the Members of the Supervisory Body, access to the database is restricted exclusively to the Chairman of the Board of Directors, the Managing Director and to the Chairman of the Board of Auditors as well as to the members of the Board of Directors and of the Board of Auditors duly authorized by the Board they are members of.

The following is an illustrative list of specific information to be kept in the database:

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## SECTION V – TRAINING OF HUMAN RESOURCES AND DIFFUSION OF THE MODEL

### **1. Premises**

For the purposes of the effectiveness of the present Model, the Company's objective is to provide both the resources already in the company and to those to be employed with a correct knowledge of the rules of conduct contained therein, with different level of details according to their different levels of involvement in the Sensitive Processes.

The information and training system is monitored and integrated with the activity carried out in this area by the Supervisory Body in cooperation with the Human Resources director and the directors of other departments from time to time involved in the application of the model.

### **2. Initial communication**

The adoption of this model was communicated to all the human resources in the company at the time it was adopted.

New employees and persons who hold a corporate office for the first time, however, are given a set of information (e.g., Code of Ethics, National Collective Bargaining Agreement, Model, Legislative Decree 231/2001, etc.), in order to provide them with the information considered of primary importance.

### **3. Training**

The training activities aimed at raising awareness about the regulations as per the Legislative Decree 231/2001 have been differentiated, in its content and methods of diffusion according to the professional status of the Recipients, the level of risk of the area in which said recipients work, and the fact that said recipients may hold representation posts in the Company.

In particular different levels of information and training have been ensured through appropriate dissemination tools to:

- Top Managers, members of the Supervisory Body and of the Corporate Bodies;
- Employees who work in sensitive areas;
- Employees who do not work in sensitive areas.

All training programs have had a minimum common contents consisting in the explanation of the elements making up the Organization, Management and Control Model, the individual offences envisaged in the Decree and the type of conduct considered sensitive with regard to the commission of the above-mentioned crimes.

In addition to this common matrix, each training program have been adjusted in order to provide its users with the tools they need to fully comply with the provisions of the Decree in relation to the operations and duties of the program recipients.

To attend the training programs described above is mandatory and control over the actual attendance is delegated to the Supervisory Body.

The Supervisory Body has also delegated control of the quality of the contents of the training programs as described above.





#### **4. Information to Consultants and Business Partners**

Consultants and Business Partners shall be informed of the contents of the Model and that the Ignazio Messina requires their conduct to be in compliance with the provisions of Legislative Decree 231/2001.



## SECTION VI – SYSTEM OF SANCTIONS

### **1. Premises**

The definition of a system of sanctions, applicable in the case of infringement of the provisions of this Model by the addressees, is the necessary condition to guarantee the effective implementation of the Model, as well as the essential condition for enabling the Company to benefit of the exemption from administrative responsibility.

The application of disciplinary sanctions does not depend on the establishment and outcome of criminal proceedings that might have been started in cases in which the breach falls within the category of crimes provided for by the Legislative Decree 231/2001.

The sanctions that may be applied are diversified on the basis of the relation between the offender and the Company, as well as of the importance and seriousness of the violation committed and the role and responsibility of the offender.

Anyhow the Constitutional Court by means of its judgement n 220/1995 has established that any labour disciplinary procedure, both for employment or self employment, have to always comply with following principles:

- proportion, by commensuring the sanction to the gravity of the infringement
- cross-examination, by assuring the involvement of the concerning party: following the warning, the concerned party must have the opportunity to defend himself by giving justifications to his behaviour.

In general, breaches can be traced to the following behaviours and classified as follows:

- a) Behaviours that imply an unintentional failure to implement the provisions of the Model, including company protocols, procedures or instructions;
- b) Behaviours that imply an intentional infringement of the provisions of the Model, so as to compromise the relationship of confidence between the author and the Company, as said infringement was solely planned in order to commit an offence.

The competent company Department and/or bodies are in any case responsible for the sanctioning procedure.

### **2. Sanctions for Company Personnel**

With regard to the company personnel, the Company shall respect the limits provided for by art. 7 of Law 300/1970 (Workers Statute) and the provisions contained in the applicable National Collective Bargaining Contract, both with regard to the sanctions that can be imposed and to the ways in which the disciplinary power may be exercised. Failure to comply by company personnel with the provisions of the Model, and all the documentation being part thereof, is considered as non-compliance with the work relationship obligations as *per* article 2104 Italian Civil Code and as disciplinary offence.





In particular, adoption by any Company employee of a behaviour which may be considered, according to what stated in the previous paragraph, as disciplinary offence, is also a breach of the obligation of the employee to carry out the tasks assigned to him/her with the maximum diligence, in accordance with the directives of the Company, as provided for by the applicable CCNL (National Collective Bargaining Contract) in force.

Company personnel can be subject to the following sanctions:

- a) verbal warning;
- b) written reprimand;
- c) fine;
- d) suspension from work and pay;
- e) disembarkation;
- f) dismissal.
- g) Termination of employment contract

In order to highlight the relationship criteria between breaches and disciplinary measures the following is to be noticed:

- a) The employee is subject to verbal warning if he/she breaches, by mere negligence, the company procedures, the provisions of the Code of Ethics or adopts, when carrying out the activities in the area of risk, a behaviour which does not comply with the requirements contained in the Model, if the non-compliance has no impact outside the company;
- b) The employee is subject to written reprimand if he/she:
  - During a two-year period, repeats the commission of offenses for which the verbal warning is applicable;
  - Breaches the reporting agent protection measures;
  - Breaches, by mere negligence, the company procedures, the provisions of the Code of Ethics or adopts, when carrying out the activities in the area of risk, a behaviour which does not comply with the requirements contained in the Model, if the non-compliance has impact outside the company;
- c) The employee is subject to fine if he/she:
  - During a two-year period, repeats the commission of offenses for which a written reprimand is applicable;
  - Reports with gross negligence misbehaviours that were found groundless;
  - According to the level of hierarchical or technical responsibility, or under aggravating circumstances, damages the effectiveness of the Model with behaviours such as:
    - non-compliance with the requirement to inform to the Supervisory Body;
    - repeated non-compliance with the obligations covered by the provisions contained in Model, if they relate to a procedure or relationship in which the Public Administration is a party;
- d) The employee is subject to suspension from work and pay if he/she:



- During a two-year period, repeats the commission of offenses for which fine is applicable;
  - Breaches company procedures relating to health, safety and environment protection;
  - Breaches the provisions concerning the power of signature and the system of delegated authority granted in respect of acts and documents addressed to the Public Administration;
  - Makes false or groundless reports concerning violation of the Model and the Code of Ethics;
- e) The employee is subject to disembarkation, dismissal or termination of the enrolment or labour contract if he/she:
- Fraudulently eludes the provisions of the Model through a behaviour, which is clearly directed to the commission of one of the crimes provided for in Legislative Decree 231/2001;
  - Breaches the internal control system by hiding, destroying or modifying documentation or hindering controls or the access to information and documentation to parties in charge thereof, including the Supervisory Body, so as to prevent their transparency and verifiability.
  - Intentionally reports illicit conducts that were found groundless;

The company shall not adopt any disciplinary measure against the employee, which does not comply with the procedures prescribed in the CCNL applicable for the specific violation.

The principles of relationship and proportionality between the violation committed and the sanction imposed are guaranteed by the following criteria:

- seriousness of the violation committed;
- duties, role, responsibility and autonomy of the employee;
- predictability of the action;
- intentionality in the behaviour or negligence, imprudence or unskillfulness degree;
- overall behaviour by the author of the violation, with regard to the previous existence or non-existence of disciplinary precedents in the terms laid down by the applicable CCNL;
- other particular circumstances characterizing the violation.

The existence of a system of sanctions connected with the failure to comply with the provisions contained in the Model, and the documentation being part thereof, shall necessarily be brought to the attention of company Employees through the means considered most suitable by the Company.

### **3. Sanctions for Subordinate Employees having the Rank of Managers**

Failure to comply with the provisions of the Model and the documentation being part thereof, by managers, including violation of the obligations to inform the Supervisory Body and to monitor their collaborators' behaviours, results in the application of the sanctions provided for in the collective contract for other categories of employees, in



compliance with articles 2106, 2118 and 2119 Civil Code, and art. 7 of the Law 300/1970.

Generally speaking, the following sanctions can be imposed on managing personnel:

- a) suspension from work;
- b) dismissal.

The establishment of any violation, as well as inadequate supervision and failure to promptly inform the Supervisory Body may result in the precautionary suspension from work for employees with the rank of managers, without prejudice to the right for the manager to be paid, as well as, again as a provisional and precautionary measure, their assignment to other tasks for a period not exceeding three months in compliance with article 2103 Italian Civil Code.

#### **4. Measures against Top Managers**

In any case, even the breach of the specific obligation to monitor subordinates by top managers shall involve the application by the Company of sanctioning measures considered appropriate in relation, on the one hand, to the nature and seriousness of the violation committed and, on the other hand, to the capacity of the top manager, who has allegedly committed the offence.

#### **5. Measures against Directors**

*--omissis--*

#### **6. Measures against Auditors**

*--omissis—*

#### **7. Measures against Members of the Supervisory Body**

*--omissis—*

#### **8. Measures against Service Companies, Consultants and Business Partners**

Any violation by the Service Companies, Consultants or Partners of the rules set out in the Model or the Code of Ethics applicable to them, or the commission of Crimes is punished in accordance with the specific contractual clauses established in their contracts. Without prejudice to any claim for damages if their conduct causes material damage to the Company, as in the case the court applies to it the measures provided for by the Legislative Decree 231/2001.



## **9. Measures against those who breach the protection measures of the reporting agent**

The company has adopted a specific procedure in order to manage the reports (Whistleblowing).

Regarding the art. 6.2 bis letter d of the Decree, the following conducts, by anyone put in place, are sanctioned:

- Breach of the reporting protection measures;
- Carrying out, with intention or gross negligence, reports that were found groundless;

The sanctioning regulation and the related procedure are ones already identified for the violations of the model with reference to the various parties involved. In order to implement sanctions, the general rules and the procedures described therein also apply.