ORGANISATIONAL AND MANAGEMENT MODEL

OF

FAI SERVICE S. COOP.

GENERAL SECTION

1. ITALIAN LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001 ON ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE NOT HAVING LEGAL PERSONALITY

1.1 The administrative liability of Legal Entities

Italian Legislative Decree no. 231 of 8 June 2001, implementing Italian Act no. 300 of 29 September 2000, introduced in Italy the "*Regulation on the administrative liability of legal entities, companies and associations, including those not having legal personality*" (hereinafter also referred to as "**Italian Legislative Decree no. 231 of 2001**" or the "**Decree**"), which forms part of a broad legislative process to combat corruption and brings the Italian regulations on the liability of legal entities into line with a number of International Conventions previously signed by Italy, in particular:

- Brussels Convention of 26 July 1995 on the Protection of the European Community's Financial Interests;
- Brussels Convention of 26 May 1997 on Combating Corruption of Public Officials of the European Community and its Member States;
- OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

In addition, the Italian legislator ratified, with Italian Act No. 146/2006, the United Nations Convention and Protocols against Transnational Organised Crime adopted by the General Assembly on 15 November 2000 and 31 May 2001.

Italian Legislative Decree No. 231 of 2001 therefore establishes a system of administrative liability (substantially comparable to criminal liability) for legal entities[1] (hereinafter referred to, for the sake of brevity, as "**Entity/ies**"), which is in addition to the liability of the natural person (better identified below) who is the material author of the offence and which aims to involve, in the punishment of the offence, the Entities in whose interest or advantage the offence was committed. This administrative liability exists only for the offences exhaustively listed in the same Italian Legislative Decree No. 231 of 2001.

Article 4 of the Decree also specifies that in certain cases and under the conditions

[1]Article 1 of Italian Legislative Decree No. 231 of 2001 delimited the scope of the recipients of the legislation to "*legal entities, companies and associations, including those without legal personality*". In light of this, the Regulation applies to:

- entities with private subjectivity, i.e. entities with legal personality and associations "even without" legal personality;
- entities with public subjectivity, i.e. entities with public subjectivity but without public powers (so-called "economic public bodies");
- entities with mixed public/private subjectivity (so-called "mixed public-private partnership").

On the other hand, the following are excluded from the list of recipients: the State, territorial public entities (in Italy: Regions, Provinces, Municipalities and Mountain Communities), non-economic public entities and, in general, all entities that perform functions of constitutional importance (in Italy: Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, Supreme Judicial Council "C.S.M.", etc.).

laid down in Articles 7, 8, 9 and 10 of the Italian Criminal Code, that there is administrative liability of Entities having their head office in the territory of the State for offences committed abroad by natural persons (as better identified below) provided that the State of the place where the criminal act was committed does not take action against such Entities.

1.2 The Persons whose conduct determines the liability of the Entity pursuant to Italian Legislative Decree No. 231 of 2001

The persons who, by committing an offence in the interest or to the advantage of the Entity, may determine its liability are listed below:

(i) natural persons holding top management positions (representation, administration or management of the Entity or of one of its organisational units with financial and functional autonomy or persons exercising *de facto* management and control: hereinafter, for the sake of brevity, referred to as "**Senior Persons**");

(ii) natural persons subject to the direction or supervision of one of the Senior Persons (hereinafter, for brevity, referred to as "**Subordinates**").

In this regard, it should be noted that Subordinates need not have a subordinate employment relationship with the Entity, since this concept also includes "*those employees who, although not employees of the Entity, have a relationship with the Entity such as to suggest the existence of a supervisory obligation on the part of the management of the Entity: for example, agents, partners in joint ventures,the so-called collaborators on contract in general, distributors, suppliers, consultants, collaborators*"[2].

In fact, according to the prevailing doctrine, situations in which a particular task is entrusted to external collaborators, who are required to perform it under the direction or control of Senior Persons, are relevant for the purposes of the entity's administrative liability.

However, it should be reiterated that the Entity is not liable, by express legislative provision (Article 5(2) of the Decree), if the aforementioned persons have acted solely in their own interest or in the interest of third parties. In any case, their conduct must be referable to that "work" relationship whereby the acts of the natural person can be imputed to the Entity.

1.3 Predicate Offences

The Decree refers to the following types of offences (hereinafter also referred to, for the sake of brevity, as the "**Predicate Offences**"):

i) **offences against the Public Administration**, including: undue receipt of funds, fraud to the detriment of the State or a public body or for the obtainment of public funds, computer fraud to the detriment of the State

[2]Thus *verbatim*: Assonime Circular Information No. 68 dated 19 November 2002.

or a public body, extortion, undue induction to give or promise other benefits and bribery (Articles 24 and 25 of Italian Legislative Decree no. 231 of 2001) introduced by the Decree and subsequently amended by Italian Act No. 190 of 6 November 2012, Italian Act No. 161/2017, Italian Act No. 3/2019, Italian Legislative Decree No. 75/2020, Italian Decree-Law No. 13/2022 and Italian Act no. 137/2023;

ii) **computer crimes and unlawful processing of data**, introduced by Article 7 of Italian Act No. 48 of 18 March 2008, which introduced Article 24-*bis* into Italian Legislative Decree No. 231 of 2001, and subsequently amended by Italian Legislative Decrees No. 7 and 8 2016 and by Italian Decree-Law No. 105/2019 and Italian Act No. 238/2021;

iii) **organised crime offences**, introduced by Article 2(29) of Italian Act No. 94 of 15 July 2009, which introduced Article 24-*ter* into Italian Legislative Decree No. 231 of 2001 and amended by Italian Act No. 69/2015;

iv) **offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs**, introduced by Article 6 of Italian Act no. 409 of 23 November 2001, which introduced Article 25-*bis* into Italian Legislative Decree No. 231 of 2001, subsequently amended by Article 15(7)(a) of Italian Act No. 99 of 23 July 2009 and by Italian Legislative Decree No. 125/2016;

v) **offences against industry and trade**, introduced by Article 15(7)(b) of Italian Act No. 99 of 23 July 2009, which introduced Article 25-*bis.1* into Italian Legislative Decree No. 231 of 2001;

vi) **corporate offences**, introduced by Italian Legislative Decree No. 61 of 11 April 2002, which introduced Article 25-*ter* into Italian Legislative Decree No. 231 of 2001, subsequently supplemented by Italian Legislative Decree No. 262 of 28 December 2005, Italian Act No. 190 of 6 November 2012, Italian Act No. 69 of 27 May 2015, Italian Legislative Decree No. 38/2017, Italian Act No. 3/2019 and Italian Legislative Decree No. 19/2023;

vii) **offences with the purpose of terrorism or subversion of the democratic order**, introduced by Italian Act No. 7 of 14 January 2003, which introduced Article 25-*quater* into Italian Legislative Decree No. 231 of 2001;

viii) **offences against physical safety**, with particular reference to female sexual integrity, introduced by Italian Act No. 7 of 9 January 2006, which introduced Article 25-*quater.1* into Italian Legislative Decree No. 231 of 2001;

ix) **crimes against the individual**, introduced by Italian Act No. 228 of 11 August 2003, which introduced Article 25-*quinquies* into Italian Legislative Decree No. 231 of 2001, subsequently amended by Italian Act No. 199 of 29 October 2016;

x) **market abuse offences**, provided for by Italian Act No. 62 of 18 April 2005, which introduced Article 25-*sexies* in Italian Legislative Decree No. 231 of 2001 and Article 187-*quinquies* "*Liability of the Entity*" in the Italian Consolidated Act on Finance "TUF":

xi) **offences of culpable homicide or serious or very serious injury**,

committed in violation of the rules on the protection of health and safety at work, introduced by Italian Act No. 123 of 3 August 2007, which introduced Article 25-*septies* into Italian Legislative Decree No. 231 of 2001, subsequently amended by Italian Act No. 3/2018;

xii) **offences of receiving stolen goods, money laundering and use of money**, goods or benefits of unlawful origin, as well as self-laundering, introduced by Italian Legislative Decree no. 231 of 21 November 2007, which introduced Article 25-*octies* into Italian Legislative Decree no. 231 of 2001, subsequently amended by Italian Act no. 186/2014 and Italian Legislative Decree no. 195/2021;

xiii) **offences relating to payment instruments other than banknotes**, introduced by Italian Legislative Decree no. 184/2021, which introduced Article 25-*octies.1*, subsequently amended by Italian Act no. 137/2023, into Italian Legislative Decree no. 231 of 2001;

xiv) **offences relating to violation of copyright**, introduced by Article 15(7)(c) of Italian Act No. 99 of 23 July 2009, which introduced Article 25-*novies*, subsequently amended by Italian Act No. 93/2023, into Italian Legislative Decree No. 231 of 2001;

xv) **the offence of inducement not to make statements or to make false statements to the judicial authorities**, introduced by Article 4 of Italian Act No. 116 of 3 August 2009, which introduced Article 25-*decies*[3] into Italian Legislative Decree No. 231 of 2001;

xvi) **Environmental offences**, introduced by Italian Legislative Decree No. 121 of 7 July 2011, which added Article 25-*undecies* to Italian Legislative Decree No. 231 of 2001, subsequently amended by Italian Act No. 68 of 22 May 2015 (so-called Ecocrimes "Ecoreati"), by Italian Legislative Decree No. 21/2018 and by Italian Act No. 137/2023;

xvii) **transnational crimes**, introduced by Italian Act No. 146 of 16 March 2006, "*Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime*";

xviii) **the crime of employment of third-country nationals whose stay is irregular**, introduced by Italian Legislative Decree no. 109 of 16 July 2012, concerning the "*Implementation of Directive 2009/52/EC introducing minimum rules on sanctions and measures against employers who employ third-country nationals whose stay is irregular*", which introduced Article 25-*duodecies* into Italian Legislative Decree no. 231 of 2001, subsequently amended by Italian Act no. 161/2017 and by Italian Decree-Law no. 20/2023;

xix) **offences of bribery among private individuals**, introduced by Italian Act No. 190 of 6 November 2012, which introduced letter s-*bis* to Article 25-*ter* in Italian Legislative Decree No. 231 of 2001, paragraph 1, amended by Italian Legislative Decree No. 38 of 15 March 2017 and by Italian Act No. 3/2019;

xx) **crime of racism and xenophobia**, introduced by the 2017 European Law which, in implementation of Framework Decision 2008/913/JHA in Italy, aimed at combating certain forms and expressions of racism and

[3]Originally 25-*novies* and so renumbered by Italian Legislative Decree No. 121/2011.

xenophobia, including Article 25-*terdecies* in Italian Legislative Decree No. 231 of 2001, subsequently amended by Italian Legislative Decree No. 21/2018;

xxi) **offences of fraud in sporting competitions**, **abusive gaming or betting**, introduced by Italian Act No. 39 of 3 May 2019 implementing the Council of Europe Convention on the Manipulation of Sports Competitions, which introduced Article 25-*quaterdecies* in Italian Legislative Decree No. 231 of 2001;

xxii) **tax offences**, introduced by Italian Legislative Decree No. 74/2000 (as amended by Italian Act No. 157 of 19 December 2019, converting the Italian Decree-LawNo. 124 of 26 October 2019 so-called tax decree), which introduced Article 25-*quinquiesdecies* in Italian Legislative Decree No. 231 of 2001, subsequently amended by Italian Legislative Decree No. 75/2020;

xxiii) **smuggling offences**, introduced by Italian Legislative Decree No. 75 of 14/07/2020, by which EU Directive 2017/1371 was transposed within the Italian legal system, which introduced Article 25-*sexiesdecies* into Italian Legislative Decree No. 231 of 2001;

xxiv) **offences against cultural heritage**, introduced by Italian Act No. 22/2022, which introduced Articles 25-*septiesdecies* and 25-*duodevicies* (laundering of cultural assets and devastation and looting of cultural and landscape assets) into Italian Legislative Decree 231/2001.

1.4 The Sanctions laid down in the Decree

Italian Legislative Decree No. 231 of 2001 provides for the following types of sanctions applicable to entities covered by the legislation:

(a) pecuniary administrative sanctions;
(b) disqualification sanctions;
(c) confiscation of the price or profit of the offence;
(d) publication of the judgement.

(a) The pecuniary administrative sanctionsanction, governed by Articles 10 *et seq*. of the Decree, is the "basic" sanction to be applied, for the payment of which the Entity is liable from its assets or from the common fund.

The legislator has adopted an innovative criterion for the determination of the sanction, giving the judge the obligation to proceed to two different and subsequent evaluation steps. This entails a greater adjustment of the sanction to the seriousness of the offence and the economic conditions of the organisation.

The first assessment requires the judge to determine the number of shares (in any event not less than one hundred nor more than one thousand)[4] taking into

[4] with reference to market abuse offences, the second paragraph of Article 25-*sexies* of Italian Legislative Decree No. 231 of 2001 provides that: "*If, as a result of the commission of the offences referred to in paragraph 1,*

account that:

- the seriousness of the fact;
- the degree of responsibility of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offences.

During the second evaluation, the Judge determines, within the minimum and maximum values predetermined in relation to the offences sanctioned, the value of each share, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is fixed "*on the basis of the economic and asset conditions of the entity in order to ensure the effectiveness of the sanction*" (Articles 10 and 11(2), Italian Legislative Decree No. 231 of 2001).

As stated in point 5.1. of the Report to the Decree, "*As to the methods for ascertaining the entity's economic and asset conditions, the judge may make use of the financial statements or other records that are in any event suitable for proving such conditions. In some cases, the assessment may also be based on the size of the entity and its position on the market.* (...) *The judge shall not refrain from investigating the reality of the company, with the help of consultants, to draw information relating to the state of economic, financial and patrimonial solidity of the entity*".

Article 12, Italian Legislative Decree No. 231 of 2001, provides for a number of cases in which the pecuniary sanction is reduced. They are schematically summarised in the following table, indicating the reduction made and the preconditions for its application.

Reduction	**Preconditions**
1/2 (and may in no case exceed Euro 103,291.00)	• The person committing the crime did so mainly in its own interest or in the interest of third parties *and* the Entity did not gain an advantage or gained a minimal advantage; *or* • the economic loss caused is of particular minor concern.
from 1/3 to 1/2	[Before the declaration of the opening of the first instance proceedings] • The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case taken effective steps to do so; *or* • an organisational model suitable for preventing offences of the kind that have occurred has been implemented and made

the product or profit obtained by the entity is of a significant amount, the penalty is increased up to ten times such product or profit".

Reduction	Preconditions
	operational.
from 1/2 to 2/3	[Before the declaration of the opening of the first instance proceedings] • The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case taken effective steps to do so; *and* • an organisational model suitable for preventing offences of the kind that have occurred has been implemented and made operational.

(b) The following **disqualification sanctions** are provided for in the Decree and apply only in relation to the offences for which they are expressly provided for:

- disqualification from trading or exercising business activity;
- suspension or revocation of those permits, licenses or concessions which were/are functional to the commission of the offence;
- prohibition to negotiate with the public administration, except when requesting public services;
- exclusion from all financing, public grants, contributions and subsidies with revocation of those already granted;
- prohibition to advertise goods or services.

For prohibitory sanctions to be imposed, at least one of the conditions set out in Article 13, Italian Legislative Decree No. 231 of 2001 must be met, namely:

- "*the Entity has obtained significant profit from the offence and the offence has been committed by senior officers or otherwise by persons reporting to others when, in this case, commission of the offence is caused or facilitated by severe organisational shortcomings*"; or
- "*in cases of reiteration of the offences*"[5].

In addition, disqualification sanctions may also be requested by the Public

[5] Pursuant to Article 20 of Italian Legislative Decree No. 231 of 2001, "*repetition occurs when the entity, already definitively convicted at least once for an offence, commits another offence in the five years following the final conviction*".

Prosecutor and applied to the Entity by the Judge as a precautionary measure, when:

- there are serious indications that the Entity is liable for an administrative offence;
- there is solid and specific evidence to suggest that there is a real danger that offences of the same nature as the one being prosecuted will be committed;
- the Entity made a significant profit.

In any case, disqualification sanctions shall not be applied where the offence was committed in the predominant interest of the person committing the crime or of third parties and the Entity obtained little or no advantage from it, or where the economic loss caused is of particular minor concern.

The application of disqualification sanctions is also excluded if the Entity has engaged in the remedial conduct set out in Article 17, Italian Legislative Decree No. 231 of 2001 and, more specifically, when the following conditions are met:

- "*the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case taken effective steps to do so*";
- "*the Entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind committed*";
- "*the Entity has made available the profit for the purposes of confiscation*".

Disqualification sanctions duration is not less than three months and not more than two years, and the choice of the measure to be applied and its duration is made by the Judge on the basis of the criteria previously indicated for the determination of the pecuniary sanction, "*taking into account the suitability of the individual sanctions to prevent offences of the type committed*" (Article 14, Italian Legislative Decree No. 231 of 2001).

The legislator then took care to specify that the disqualification of the business activity has a residual nature compared to the other disqualification sanctions.

(c) Pursuant to Article 19 of Italian Legislative Decree No. 231 of 2001, the **confiscation** - also for equivalent value - of the price (money or other economic benefit given or promised to induce or determine another person to commit the offence) or profit (immediate economic benefit obtained) of the offence is always ordered in the conviction, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

(d) The **publication of the judgement** in one or more newspapers, either in excerpts or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its head office, when a disqualification sanction is applied. Publication is carried out by the office of the competent court and at the expense of the Entity.

Finally, it should be noted that the judicial authority may also order:

- the preventive seizure of property for which confiscation is permitted (Art. 53);
- the seizure as cautionary measure of the movable and immovable property of the Entity where there is a well-founded reason to believe that the guarantees for the payment of the pecuniary sanction, the costs of the proceedings or other sums due to the State are lacking or are dissipated (Article 54).

1.5 Attempt to commit crimes

In the event of the commission, in the form of attempt, of the Predicate Offences covered by the Decree, the pecuniary sanctions (in terms of amount) and disqualification sanctions (in terms of time) are reduced by between one third and one half, while the imposition of sanctions is excluded in cases where the Entity voluntarily prevents the action from being carried out or the event from taking place (Article 26 of the Decree).

1.6 Conducts exempting from liability

Articles 6 and 7 of Italian Legislative Decree No. 231 of 2001 provide for specific forms of exemption from administrative liability of the Entity for offences committed in the interest or to the advantage of the Entity by both Senior Persons and Subordinates (as defined in paragraph 1.2 above).

In particular, in the case of offences committed by Senior Persons, Article 6 of the Decree provides for exoneration if the Entity proves that:

a) before the commission of the fact, the governing body has adopted and efficaciously implemented an organisation and management model suitable to prevent Crimes of the same kind as the one occurred hereinafter, for the sake of brevity, the "**Model**");
b) the task of supervising the operation of and compliance with the Model as well as ensuring that it is kept up-to-date has been entrusted to a body of the Entity (hereinafter, for the sake of brevity, referred to as the "**Supervisory Board**" or "**SB**"), endowed with autonomous powers of initiative and control;
c) the persons who committed the offence acted by fraudulently circumventing the Model;
d) there was no omitted or insufficient supervision on the part of the Supervisory Body.

However, the Entity's exoneration from liability is not determined by the mere adoption of the Model, but by its effective implementation to be achieved through the implementation of all the protocols and controls necessary to limit

the risk of commission of the offences that the Company intends to prevent. In particular, with reference to the characteristics of the Model, the Decree expressly provides, in Article 6(2), for the following preparatory phases for its proper implementation:

a) identification of the activities within the scope of which there is a possibility of offences being committed (so-called crime-risk activities);
b) preparation of specific protocols which aim to provide training and implementation programmes for company resolutions which refer to the crimes to be prevented;
c) identify the methods for the management of resources suitable to prevent Crimes from being committed;
d) provision of obligations of reporting to the Supervisory Board;
e) introduction of a disciplinary system suitable to sanction non compliance with the measures indicated in the Model.

Furthermore, pursuant to Article 6, paragraph 2-*bis*, "*the models referred to in paragraph 1(a) shall provide, pursuant to the Italian Legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, the internal reporting channels, the prohibition of retaliation and the disciplinary system, adopted pursuant to paragraph 2(e)*" (see *below* para. 4.8).

In the case of persons in a subordinate position, the adoption and effective implementation of the model means that the Entity will only be held liable in the event that the offence was made possible by the failure to comply with management and supervisory obligations (combined in Article 7(1) and (2)).

Subsequent paragraphs 3 and 4 introduce two principles which, although they are placed within the scope of the aforementioned provision, appear to be relevant and decisive for the purposes of exempting the Entity from liability for both offences referred to in Article 5(a) and (b) (*i.e.* offences committed by Senior Persons and Subordinates). In particular, it is stipulated that:

- the Model must provide for appropriate measures both to ensure that activities are carried out in compliance with the law and to promptly detect risk situations, taking into account the type of activity carried out as well as the nature and size of the organisation;
- the effective implementation of the Model requires periodic verification and amendment thereof if significant violations of the provisions of the law are discovered or if there are significant changes in the organisation or regulations; the existence of an appropriate disciplinary system is also relevant (a condition, indeed, already provided for in Article 6(2)(e)).

It should also be added that, with specific reference to the preventive effectiveness of the Model with regard to (voluntary) offences in the field of health and safety at work, Article 30 of Italian Legislative Decree No. 81/2008 (Italian Consolidated Act on safety in the workplace"TU SSL") states that:
"*The organisational and management model suitable for exempting legal persons, companies and associations, including those without legal personality, from*

administrative liability under Italian Legislative Decree No. 231 of 8 June 2001, must be adopted and effectively implemented, ensuring a corporate system for the fulfilment of all related legal obligations:

a) *compliance with all regulatory technical-structural standards regarding equipment, systems, workplace, physical, biological and chemical agents;*
b) *risk assessment activities and the provision of consequential prevention and protection measures;*
c) *activities of an organisational nature, such as: emergencies, first aid, tender management, periodic safety meetings, meetings with the workers' representatives for safety issues;*
d) *health and hygiene monitoring activities;*
e) *training and instruction activities for workers;*
f) *monitoring activities concerning compliance with safety and work procedures and instructions by workers;*
g) *the acquisition of documents and certificates required by law;*
h) *the periodic audits to ensure the adopted procedures are applied in an efficient and effective manner".*

Also according to the letter of Art. 30: "*The organisational and management model must provide for appropriate systems for recording the performance of activities. The organisational model must in any case provide, insofar as required by the nature and size of the organisation and the type of activity carried out, for an articulation of functions ensuring the technical competences and powers necessary for the verification, assessment, management and control of the risk, as well as a disciplinary system capable of sanctioning non-compliance with the measures indicated in the model. The organisational model must also provide for an appropriate control system on the implementation of the same model and the maintenance over time of the conditions of suitability of the measures adopted. The review and possible amendment of the organisational model must be adopted when significant violations of the regulations on accident prevention and hygiene at work are discovered, or when there are changes in the organisation and activity in relation to scientific and technological progress. Upon first application, company organisation models defined in accordance with the Italian UNI-INAIL Guidelines for an occupational health and safety management system (SGSL) of 28 September 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements of this Article for the corresponding parts. For the same purposes, further organisation and management models may be indicated by the Commission referred to in Article 6".*

As is well known, from a formal point of view, the adoption and effective implementation of a Model does not constitute an obligation, but only an option for Entities, which may well decide not to comply with the provisions of the Decree without incurring any sanctions. However, the adoption and effective implementation of a suitable Model is a very important prerequisite for Entities to benefit from the exemption provided for by the Legislator.

It is also important to bear in mind that the Model is not to be understood as a static tool, but must be considered, conversely, a dynamic apparatus that allows the Entity to eliminate any shortcomings that, at the time of its creation, could

not be identified, through a correct and targeted implementation of the model over time.

1.7 Guidelines

On the express indication of the delegated legislator, the Models may be adopted on the basis of codes of conduct drawn up by representative trade associations that have been communicated to the Ministry of Justice, which, in agreement with the competent Ministries, may, within 30 days, formulate observations on the suitability of the models to prevent offences.

The preparation of this Model is inspired by the Guidelines for the creation of Organisational, Management and Control Models pursuant to Italian Legislative Decree no. 231 of 2001, approved by Confindustria on 7 March 2002 and subsequently updated, as well as by the Guidelines prepared by ConfCooperative on 21/09/2010 as the main organisation representing, assisting and protecting the Italian cooperative world, and which therefore, has constructed its own Guidelines taking into account the varied business reality of its member entities.

The path indicated by the Guidelines for the elaboration of the Model can be summarised according to the following basic points:

- identification of areas at risk, aimed at verifying in which company areas/sectors offences may be committed;
- setting up a control system capable of reducing risks through the adoption of appropriate protocols. This is supported by the coordinated set of organisational structures, activities and operational rules applied - on the instructions of top management and consultants, aimed at providing reasonable assurance that the purposes of a good internal control system are achieved.

The **most relevant components of the preventive control system** proposed by the Guidelines are, with regard to the prevention of intentional offences:

- the **Code of Ethics**: consisting of the document, approved by the Board of Directors, through which the company must disseminate within the organisation, and to all stakeholders, a table of the principles, commitments and ethical responsibilities to which it inspires its activities and the corresponding conduct required of recipients;
- the **organisational system**: the entity must define in formal documents (organisation chart, job description, function chart, delegations and proxies, appointments, etc.) the functions and powers of each corporate figure, clarifying the type of relations (hierarchical, staff, control, reporting) between them. The procedures for access to certain roles in the company and any reward and gratification systems aimed at staff (objectives, results, seniority steps, acquisition of new titles and skills) shall be clearly defined.
- **manual and computerised procedures**: there must be company

provisions and formalised procedures (computerised and manual) suitable for providing principles of conduct and operating methods for carrying out sensitive activities, as well as methods for archiving relevant documentation. Careful compliance with the procedures adopted appears to be necessary, especially for the administrative-financial area (Article 6(2)(c) of Italian Legislative Decree No. 231/2001 explicitly states that the model must "identify methods of managing financial resources that are suitable for preventing the commission of offences"). In this context, the system of internal controls can be implemented by means of widespread and recognised tools, including: signature matching, regular and frequent meetings, task sharing, provision of at least one dual control (operator and senior figure), verification of compliance with the budget, verification of the existence of adequate supporting and justifying documentation (invoices, contracts, orders, transposition documents, resolutions, etc.). If certain operations are carried out, by company choice or due to exceptional events, outside the system of adopted procedures and practices, then it will be important to ensure absolute transparency and documentation of the activity carried out.

- **authorisation and signatory powers**: authorisation and signatory powers must be consistent with the responsibilities assigned, including, where required, an indication of expenditure limits; they must also be clearly defined and known within the Company and externally. In any case, it is necessary to avoid attributing unlimited and unchecked powers to persons who are required to take decisions that could lead to the commission of offences.
- the **management and control system**: in particular, the management control system must be articulated in the different phases of annual budget preparation, analysis of periodic final balances and preparation of forecasts.

  The control system must be updated based on the following principles:
  - verifiability, documentability, consistency and congruence of each operation;
  - separation of functions (no one can independently manage all stages of a process);
  - documentation of controls;
  - introduction of an adequate system of sanctions for violations of the rules and protocols laid down in the Model;
  - identification of a Supervisory Board whose main requirements are:
    - autonomy and independence;
    - professionalism;
    - continuity of action;
- **communication to and training of personnel**: aimed at consolidating the knowledge of the principles and rules with which concrete operations must comply in all Recipients.

With reference to voluntary offences, the most relevant components identified by the Guidelines are:

- the Code of Ethics (or Code of Conduct) with reference to the offences considered;
- the organisational structure;
- education and training;
- communication and involvement;
- operational management;
- the security monitoring system.

- obligation on the part of the corporate functions, and in particular those identified as being most "at risk of offences", to provide information to the Supervisory Board, both on a structured basis (periodic reporting in implementation of the Model itself), and to report any anomalies or atypicalities found within the information available.

2. THIS MODEL

2.1 FAI Service S. Coop.

FAI Service Soc. Coop. (hereinafter, for brevity, "**FAI Service**", the "**Company**" or the "**Cooperative**") is governed and regulated according to the principle of mutuality and reciprocity, without speculative ends, and its purpose is to facilitate the management of associated road haulage companies by providing them with work opportunities and supplying them with goods and services at the best quality conditions and at lower prices than the market ones, in order to allow them to be more competitive and manage them better.
In summary, the Company is responsible for:

- performing road haulage for third parties;
- entering into agreements and contracts with motorway, tunnel and crossing concessionary companies in order to establish accounts in the name of the Cooperative or groups of haulage members, with the Cooperative assuming the burden of the total payment of all tolls charged to the members, which shall then be charged back to members in proportion to their quotas;
- crediting members with the amount accruing to each of them, the discounts, contributions, facilitations and disbursements in general that shall actually be granted to the Cooperative in relation to the tolls referred to in the preceding section;
- taking care of the collective purchase and procurement on behalf of the members of anything necessary for the activity of road haulage and, in particular, motor vehicles and special means of transport, fuels, lubricants, tyres, various equipment, and spare parts;
- reselling computer, electronic, consumer, audiovisual and/or photographic media and materials;
- in the interest and/or on behalf of the members, entering into special agreements with companies producing the aforementioned goods for the direct sale of goods and services to members;
- concluding agency contracts and promote among the members the conclusion of insurance contracts and in general contracts pertaining to the exercise of the profession of road haulage operator;
- informing members about transport requests from various customers, search for customers whom the members' activities may be directed to;
- undertaking studies and carry out or commission research to reduce operating costs in the road haulage sector, draft transport and freight rates to be applied to the various services;
- running workshops for repairing motor vehicles, fuel depots and distributors, washing facilities for members' vehicles, premises and parking areas for motor vehicles, for loading, unloading and distribution operations and for all operations pertaining to road haulage activities;
- upon request, providing technical, administrative and accounting assistance; to request certificates, authorisations, concessions, carrying out motor vehicle paperwork and, in general, all paperwork connected with

the activity of road haulage entrepreneur;
- promoting the training and specialisation of employed and non-employed personnel in the road transport sector;
- providing technical and administrative assistance to members for obtaining contributions and facilities, including credit, relating to the road haulage sector in accordance with public provisions;
- providing guarantees to third parties on behalf of members for the payment of supplies and purchases of vehicles, machinery and equipment;
- promoting the Cooperative's self-financing by stimulating the members' spirit of foresight and savings and by collecting loans only from them and exclusively for the achievement of the corporate purpose;
- setting up and managing, on its own or by entrusting to third parties, equipped areas for parking, refuelling and refreshment for lorry drivers, also exercising the activity of serving food and beverages in those areas;
- carrying out other activities that are closely related to those indicated above and, in any case, to all activities related to the haulage sector.

2.2 The Model

2.2.1 The purposes of the Model

The Model prepared by the Company on the basis of the identification of the areas of possible risk in the company activities within which the possibility of offences being committed is considered the highest, has the following purposes:

- setting up a prevention and control system aimed at reducing the risk of commission of offences related to the company activities;
- making all those who work in the name and on behalf of FAI Service, and in particular those engaged in "areas of activity at risk", aware that they may incur, in the event of violation of the provisions contained therein, an offence liable to penal and administrative sanctions, not only against themselves but also against the company;
- informing all those who work with the Company that violation of the provisions contained in the Model will result in the application of appropriate sanctions or termination of the contractual relationship;
- confirming that FAI Service does not tolerate unlawful conduct of any kind and for any purpose whatsoever and that, in any case, such conduct (even if the Company was apparently in a position to benefit from it) is in any case contrary to the principles inspiring the Company business activity.

2.2.2 The structure of the Model

On the basis also of the indications contained in the reference Guidelines, the structure of the Model (and the subsequent drafting of this document) was divided into the phases described below:

(i) preliminarily examining the company context by analysing relevant

company documentation and conducting interviews with FAI Service managers, informed of its structure and activities, in order to define the organisation and activities carried out by the various organisational units/company functions, as well as the company processes in which the activities are articulated and their concrete and effective implementation;

(ii) identifying the areas of activity and of the corporate processes "at risk" or - limited to offences against the Public Administration - "instrumental" to the commission of offences, carried out on the basis of the above-mentioned preliminary examination of the corporate context (hereinafter, for the sake of brevity, jointly referred to as the "**Offence Risk Areas**");

(iii) defining hypotheses of the main possible ways of committing the Offences in the individual Offence Risk Areas;

(iv) detecting and identifying the entity control system aimed at preventing the commission of Predicate Offences;

(v) implementing of the behavioural principles and procedural rules laid down by the Model as well as verifying the concrete suitability and operability of the control instruments, continuously monitoring the actual compliance with the Model.

2.2.3 The concept of risk

In preparing an Organisation and Management Model, such as this one, the concept of risk cannot be overlooked. In order to comply with the provisions introduced by Italian Legislative Decree No. 231 of 2001, it is, in fact, essential to establish a threshold that enables the quantity and quality of the preventive instruments that must be adopted in order to prevent the commission of the offence to be reduced to zero or greatly limited. With specific reference to the sanction mechanism introduced by the Decree, the effective implementation of an adequate preventive system is required, which is such that it cannot be circumvented unless intentionally, i.e., for the purposes of the exclusion of the entity's administrative liability, the persons who have committed the offence have acted by fraudulently circumventing the Model and the controls adopted by the Company.

2.2.4 The structure of the Model and the relevant Predicate Offences

The Company intended to prepare a Model that would take into account its peculiar corporate reality, consistent with its system of governance and capable of enhancing the existing controls and bodies.

Therefore, the Model represents a consistent set of principles, rules and provisions that:

- affect the internal functioning of the Company and the way in which it relates to the outside world;
- regulate the diligent management of a control system for Offence Risk Areas, aimed at preventing the commission or attempted commission of the offences referred to in the Decree.

In particular, FAI Service's Model is made up of a "**General Section**", which contains its main principles, and a "**Special Section**", which in turn is divided into Sections in relation to the different categories of offences provided for in Italian Legislative Decree No. 231 of 2001.

The Special Section contains - for each category of predicate offence - a short description of the offences that may give rise to the administrative liability of the Company, an indication of the Offence Risk Areas identified and a description of the main rules of conduct implemented by the Company, which the Recipients of the Model (as defined below) must abide by in order to prevent the commission of such offences.

In the light of FAI Service's specific operations, it has been decided to focus attention on the risks of commission of the offences indicated in the following articles of the Decree, insofar as they are considered more relevant:

- 24 and 25 (offences against the Public Administration and its assets); which also includes the offence set out in Article 25-*decies* (inducement not to make statements or to make false statements to the judicial authorities);
- 25-*ter* (corporate offences, amended pursuant to Italian Act 190/2012 which, *inter alia*, introduced the offence of bribery between private individuals and Italian Act 69/2015 which amended Article 2621 of the Italian Civil Code and introduced Article 2621-*bis* of the Italian Civil Code, entitled "Minor offences"),
- 25-*octies* (receiving, laundering and using money, goods or benefits of unlawful origin as well as self money-laundering, following the introduction, by Italian Act 186/2014, of the offence of self money-laundering, referred to in Article 648-*ter* 1 of the Italian Criminal Code) and 25-*quater* (offences for the purposes of terrorism or subversion of the democratic order);
- 25-*octies*.1 (offences relating to payment instruments other than banknotes);
- 25-*quinquies* (offences against the individual);
- 25-*septies* (*manslaughter and serious or very serious culpable lesions* committed in violation of the rules on the protection of health and safety at work);
- 25-*undecies* (environmental offences, further supplemented by Italian Act No. 68 of 22 May 2015, containing "Provisions on crimes against the environment");
- 25-*quinquiesdecies* (tax offences).

The general principles of control described in the General Section and the Code of Ethics, as well as the general principles of conduct and preventive control described in each Special Section, apply to these categories of offences.

With regard to the offences referred to in Articles 24-*ter* (offences against organised crime, including transnational crime within the meaning of Italian Act 146/06), 24-*bis* (computer offences), 25-*bis 1* (offences against industry and trade), 25-*novies* (offences against copyright), 25-*duodecies* (employment of third-country nationals whose stay is irregular) 25-*septiesdecies* and 25-*duodicies* (offences

against the cultural heritage) the outcome of the risk assessment activities led to the conclusion that the concrete possibility of these offences being committed was not significant in view of the activities carried out by the Company and the prevention measures adopted in this regard by the competent corporate structures. Therefore, in relation to these types of offences, the general control principles described in the General Section as well as the principles of conduct described in Special Section H and the Code of Ethics shall apply.

On the other hand, as far as the remaining offences provided for in Decree 231 are concerned, it was considered that their commission may be deemed insignificant in view of the Company sphere of activity, and therefore the general principles laid down in the Code of Ethics and in the applicable procedures apply to them.
Also in view of the number of offences that currently constitute grounds for the administrative liability of Entities pursuant to the Decree, some of them were not considered relevant for the purposes of the construction of this Model, since it was considered that the risk relating to the commission of such offences was only abstractly and not concretely conceivable.

In any case, the ethical principles on which the Company Model and its governance structure are based are also aimed at preventing, in general terms, those offences which, due to their insignificance, are not specifically regulated in the Special Section of this Model.

2.2.5 The adoption of the Model

The adoption of this Model is delegated by the Decree itself to the management body (and in particular to the Board of Directors), which is also entrusted with the task of supplementing this Model with additional Sections of the Special Section relating to other types of Predicate Offences by the new Italian Legislative Decree no. 231 of 2001.

2.3 Model-related documents

The following documents form an integral and substantial part of the Model:

- Code of Ethics containing the set of rights, duties and responsibilities of FAI Service vis-à-vis the recipients of the Model (hereinafter, for brevity, the "**Code of Ethics**");
- disciplinary system and related sanctioning mechanism to be applied in case of violation of the Model (hereinafter, for brevity, the "**Sanctioning System**");
- system of delegations and powers of attorney, as well as all the documents aimed at describing and assigning responsibilities and/or duties to persons working within the Entity in Offence Risk Areas (*i.e.* organisation charts, service orders, job descriptions, function charts, etc.);
- system of procedures, protocols and internal controls whose purpose is to ensure adequate transparency and knowledge of the decision-making and

financial processes, as well as of the conduct to be adopted by the recipients of this Model operating in Offence Risk Areas.
(Hereinafter, for the sake of brevity, the above-mentioned system of delegations and powers of attorneys, procedures, protocols and internal controls will be jointly referred to as "**Procedures**").

Therefore, the term Model is to be understood not only as this document, but also including all further documents and Procedures that will be subsequently adopted in accordance with its provisions and that will pursue the purposes indicated therein.

2.4 Management of financial resources

Without prejudice to what is set out in paragraph [2.3] above, taking into account that, pursuant to Article 6, letter c) of Italian Legislative Decree No. 231 of 2001, among the requirements to which the Model must respond there is also the identification of the methods of management of financial resources suitable to prevent the commission of offences, the Company has adopted rules to be followed in the management of such resources.

2.5 Dissemination of the Model

2.5.1 Recipients

This Model takes into account the particular business reality of FAI Service and represents a valuable awareness and information tool for Senior Persons and Subordinates (hereinafter, for the sake of brevity, referred to as the "**Recipients**").

All this so that the Recipients follow correct and transparent conduct in the performance of their activities, in line with the ethical-social values that inspire the Company in the pursuit of its corporate purpose and such, in any case, as to prevent the risk of commission of the offences provided for in the Decree.

In any case, the competent company departments ensure that the principles and rules of conduct contained in the Model and FAI Service's Code of Ethics are transposed into the Company Procedures.

2.5.2 Staff Training and Information

It is FAI Service's objective to ensure that Recipients are properly informed of the content of the Decree and the obligations arising from it.

For the purposes of the effective implementation of this Model, training and information to the Recipients is managed by the Human Resources function in close coordination with the Supervisory Board and the heads of the other corporate functions involved from time to time in the application of the Model.

The main methods of carrying out the training/information activities necessary also for the purposes of compliance with the provisions contained in the Decree, concern the specific information at the time of recruitment and the further activities deemed necessary to ensure the correct application of the provisions laid down in the Decree. In particular the following is foreseen:

- an initial communication. In this regard, the adoption of this Model is communicated to all the resources present in the Company. New employees are given the Code of Ethics and the Model - General Section of FAI Service. They are also made to sign a form in which they acknowledge that the Model is available on the company intranet and undertake to comply with its contents. In addition, Senior Persons and/or Subordinates operating in Offence Risk Areas are informed of the Section(s) of the Special Section that relates to the relevant Area;
- a specific training activity. This "continuous" training activity is compulsory and developed through IT tools and procedures (update e-mail, company intranet, self-assessment tools), as well as regular training and refresher meetings and seminars. This activity is differentiated, in terms of content and delivery methods, according to the Recipients' qualification, the risk level of the area in which they operate, and whether or not they have a representative function for the Company.

In order to ensure the effective dissemination of the Model and the provision of information to personnel with reference to the contents of the Decree and the obligations arising from its implementation, a specific section of the corporate intranet (where all the documents making up the Model are present and available) is dedicated to the subject and updated, from time to time, by the relevant internal function in coordination with or at the indication of the Supervisory Board.

2.5.3 Information to Third Parties and Dissemination of the Model

FAI Service also envisages the dissemination of the Model to persons who have non-subordinate collaborative relationships with the Company, consultancy relationships, agency relationships, commercial representation relationships and other relationships that take the form of a professional, non-subordinate service, whether continuous or occasional (including persons acting for suppliers and partners, including in the form of a temporary association of companies, as well as joint ventures) (hereinafter, for brevity, referred to as "**Third Parties**").

In particular, the company functions, from time to time involved, provide third parties in general and the service companies with which they come into contact, with appropriate information in relation to FAI Service's adoption of the Model in accordance with Italian Legislative Decree No. 231 of 2001. The Company also invites third parties to read the contents of the Code of Ethics and the General Section of the Model on its website.

The respective contractual texts include specific clauses aimed at informing Third Parties of the adoption of the Model by FAI Service, of which they declare that they have read and are aware of the consequences of non-compliance with the precepts contained in the General Section of the Model and in the Code of Ethics, and that they undertake not to commit and to ensure that their top management or subordinates refrain from committing any of the Predicate Offences.

3. Toc108241242ELEMENTS OF THE GOVERNANCE MODEL AND GENERAL ORGANISATIONAL STRUCTURE OF FAI SERVICE

3.1 The Company Governance Model

FAI Service is a cooperative society and is administered by a Board of Directors consisting of five to eleven members, including non-members, as decided by the Shareholders' Meeting.

Directors hold office for three financial years, or for the shorter period determined by the Shareholders' Meeting at the time of their appointment, and their term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, without exception, with all powers for the implementation and achievement of the corporate purposes.

It may therefore enter into any kind of obligation and perform any act of asset disposition without any limitation whatsoever, anything not expressly reserved by law to the resolutions of the Shareholders' Meeting being within its competence.

The Board of Directors may appoint an Executive Committee, determining the number of its members and its operating rules, and/or one or more Managing Directors, determining the content, limits and manner of exercise of the delegation.

The Board of Directors may delegate all those powers that are by law delegable to the Chairperson, the Vice Chairperson, the Managing Directors, the Executive Committee and one or more Board members.

The Board of Directors may appoint one or more General Managers as well as Special Attorneys for specific deeds or categories of deeds, determining their duties, attributions and powers, including powers of representation, in compliance with legal limitations.

Within the limits of their powers, the Chairperson, the Vice Chairperson, the Managing Directors and the Executive Committee may also grant special powers of attorney to third parties for categories of acts of ordinary administration, as well as for certain acts of extraordinary administration.

The Chairperson, the Vice-Chairperson and the Managing Directors, if appointed, shall severally represent the Company vis-à-vis third parties and in court, with the power to bring actions, lawsuits and judicial and administrative petitions at all levels of judgement and also for revocation proceedings or appeals in cassation.

The Board of Directors, also through the Chairperson or Managing Directors, reports promptly and at least quarterly to the Board of Statutory Auditors on the activities carried out and on the most significant economic, financial and asset operations carried out by the Company or its subsidiaries, including atypical, unusual or with related parties; in particular, it reports on operations in which the directors have an interest, on their own behalf or on behalf of third parties, or which are influenced by the subject exercising management and coordination activities.

3.2 FAI Service's internal control system

FAI Service has adopted the following general instruments aimed at planning the formation and implementation of the Company decisions, as well as in relation to the offences to be prevented:

- the ethical principles by which the Company is inspired, also on the basis of the provisions of the Code of Ethics;
- the system of delegations and powers of attorney;
- the documentation and provisions relating to the company hierarchical and organisational structure;
- the internal control system and thus the structure of corporate rules and procedures;
- company communications and circular notices addressed to staff;
- compulsory, adequate and differentiated training of all personnel;
- the system of sanctions laid down in the Italian National Collective Labour Agreements (CCNLs);
- the set of national and foreign laws and regulations when applicable.

3.3 General principles of control in all Offence Risk Areas

In addition to the specific controls described in each Section of the Special Section of this Model, the Company has implemented specific general controls applicable in all Offence Risk Areas.

Specifically, these are the following:

- **Transparency**: every operation/transaction/action must be justifiable, verifiable, consistent and congruent;

- **Separation of Functions/Powers**: No one may independently manage an entire process and be endowed with unlimited powers; authorisation and signature powers must be defined in a manner consistent with the organisational responsibilities assigned;

- **Adequacy of internal rules**: the set of company rules must be consistent with the operations carried out and the level of organisational complexity,

and such as to guarantee the controls necessary to prevent the commission of the offences set out in the Decree;

- **Traceability/Documentability**: every operation/transaction/action, as well as the related verification and control activity must be documented and the documentation must be properly filed.

4. THE SUPERVISORY BOARD

4.1 Characteristics of the Supervisory Board

According to the provisions of Italian Legislative Decree No. 231 of 2001 (Articles 6 and 7), as well as the indications contained in the Guidelines, the characteristics of the Supervisory Board, such as to ensure the effective and efficient implementation of the Model, must be:

(a) autonomy and independence;
(b) professionalism;
(c) continuity of action.

Autonomy and independence;
The requirements of autonomy and independence are fundamental so that the Supervisory Board is not directly involved in the management activities that are the subject of its control activities and, therefore, is not subject to influence or interference by the management body.
These requirements can be achieved by guaranteeing the highest possible hierarchical position for the Supervisory Board, and by providing for reporting to the company highest operational management, i.e. to the Board of Directors. For the purposes of independence, it is also necessary that the Supervisory Board is not assigned operational tasks, which would compromise its objectivity of judgement with regard to checks on the conduct and effectiveness of the Model.

Professionalism
The SB must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgement[6].

Continuity of action
The Supervisory Board shall:

- continuously carry out the activities necessary for the supervision of the Model with adequate commitment and the necessary powers of investigation;
- be a structure referable to the Company, so as to ensure due continuity in supervisory activities.

[6] This refers, *inter alia*, to: techniques for analysing and assessing risks; measures for their containment (organisational procedures, mechanisms for task contraposition, etc.); flow charting of procedures and processes for identifying weaknesses; interviewing and questionnaire processing techniques; methodologies for fraud detection; etc. The Supervisory Board must have inspection-type competences (to ascertain how an offence of the kind in question could have occurred and who committed it); advisory-type competences (to adopt - at the time of the design of the Model and subsequent amendments - the most suitable measures to prevent the commission of such offences, with reasonable certainty,) or, again, day-to-day competences (to verify that day-to-day conduct actually complies with those codified) and legal competences. Italian Legislative Decree No. 231 of 2001 is a criminal law, and since the purpose of the Supervisory Board's activity is to prevent offences from being committed, knowledge of the structure and the ways in which offences are committed is therefore essential (which can be ensured through the use of company resources, or external consultancy).

In order to ensure the effective fulfilment of the requirements described above, in addition to the professional skills described above, it is advisable for such persons to possess the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g. honourableness, absence of conflicts of interest and family relationships with corporate bodies and top management, etc.).

4.2 Identification of the Supervisory Board

In compliance with the provisions of the Decree, in implementation of the indications provided by the Guidelines and in accordance with the provisions of Article 6, paragraph 4-*bis* of Italian Legislative Decree No. 231 of 2001, the FAI Service Board of Directors has entrusted the functions of the Supervisory Board to the Board of Statutory Auditors.

By the same resolution that appointed the Supervisory Board, the Company Board of Directors set the remuneration due to that body for the task assigned to it.

Once established, the Supervisory Board defines its own internal rules of procedure and establishes and updates the plan of activities to be carried out.

4.3 Term of office and causes of termination

The Supervisory Board remains in office for the term indicated in the deed of appointment and may be renewed.

The termination of the appointment of the Supervisory Board may occur for one of the following reasons:

- expiry of the assignment;
- revocation of the Board by the Board of Directors;
- resignation of a member, formalised by written notice sent to the Board of Directors;
- occurrence of one of the grounds for disqualification set out in paragraph 4.4 below.

The revocation of the Supervisory Board can only be ordered for just cause, and this includes, by way of example, the following cases:

- where the member is involved in a criminal trial concerning the commission of a crime;
- breach of the confidentiality obligations imposed on the SB;
- gross negligence in the performance of the duties connected with the assignment;
- the possible involvement of the Company in criminal or civil proceedings which are connected with an omitted or insufficient supervision,

including negligence.

Revocation is ordered by resolution of the Board of Directors.

In case of expiry, revocation or resignation, the Board of Directors appoints the new member of the Supervisory Board without delay, while the outgoing member remains in office until it is replaced.

4.4 Cases of ineligibility and disqualification

The following cases grounds for ineligibility and/or disqualification of the member of the SB:

a) absence, or supervening loss, of the requirements of professionalism, autonomy, independence and continuity of action;
b) disqualification, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offences set out in the Decree or, in any case, a sentence entailing disqualification, even temporary, from public offices or the inability to exercise executive offices;
c) existence of relationships of kinship, marriage or affinity within the fourth degree with members of the Board of Directors, or with external auditors;
d) existence of patrimonial relationships between the member and the Company such as to compromise the member's independence;
e) being subject to preventive measures ordered by the judicial authority, i.e. declaration of bankruptcy, disqualification, even temporary, from public office or inability to exercise executive offices;
f) outstanding criminal proceedings, or a conviction or sentence pursuant to Articles 444 *et seq.* of the Italian Criminal Code, even if not final, in relation to offences under the Decree or other offences of the same nature;
g) a sentence of conviction or application of the penalty pursuant to Articles 444 *et seq.* of the Italian Criminal Code in criminal proceedings, or a conviction measure in administrative proceedings, even if not final, issued against the Company in relation to the offences provided for by the Decree, which shows the omitted or insufficient supervision by the Supervisory Body, pursuant to Article 6(1)(d) of the Decree;
h) a serious breach of one's duties as defined in the Model (including confidentiality obligations), or serious reasons of convenience, such as to prevent one from performing one's duties diligently and effectively or to impair one's autonomy of judgement in the exercise of assigned functions;
i) failure to attend at least 80% (eighty per cent) of the meetings of the Board, or inability to perform the task for a period exceeding six months.

Should a cause for disqualification arise during the term of office, the member of the Supervisory Board shall immediately inform the Board of Directors.

4.5 Functions, tasks and powers of the Supervisory Board

In accordance with the indications provided by the Decree and the Guidelines, the function of the Supervisory Board in general consists in:

- monitoring the effective application of the Model in relation to the different types of offences covered by it;
- verifying the effectiveness of the Model and its actual capacity to prevent the commission of the offences in question;
- identifying and proposing the Board of Directors updates and amendments to the Model itself in relation to changes in legislation or in the company needs or conditions;
- verifying that the updating and modification proposals formulated by the Board of Directors have been effectively implemented in the Model.

Within the scope of the function described above, the Supervisory Board is entrusted with the following tasks:

- periodically checking the map of Offence Risk Areas and the adequacy of the control points in order to allow their adaptation to changes in the activity and/or corporate structure. To this end, the recipients of the Model, as better described in its special parts, must report the Supervisory Board any situations that could expose FAI Service to the risk of offences. All communications must be in writing and sent to the e-mail address activated by the Supervisory Board;
- periodically carrying out, on the basis of the activity plan of the Supervisory Board established in advance, targeted checks and inspections on specific operations or acts carried out within the Offence Risk Areas;
- collecting, processing and storing information (including the reports referred to in the following paragraph) relevant to compliance with the Model, as well as updating the list of information that must be mandatorily transmitted to the Supervisory Board;
- conducting internal investigations to ascertain alleged violations of the prescriptions of this Model brought to the attention of the Supervisory Board by specific reports or which have emerged in the course of its supervisory activities;
- verifying that the elements provided for in the Model for the different types of offences (standard clauses, procedures and related controls, system of delegated powers, etc.) are actually adopted and implemented and meet the requirements of compliance with Italian Legislative Decree No. 231 of 2001, and, if this is not the case, propose corrective actions and updates thereof;
- implementing, in accordance with the Model, an effective flow of information to the Administrative Body that enables the Board to report to it on the effectiveness of and compliance with the Model;
- promoting, through the competent corporate structures, an adequate personnel training process through appropriate initiatives for the dissemination of knowledge and understanding of the Model;
- periodically verifying, with the support of the other competent structures, the validity of the clauses aimed at ensuring compliance with the Model

by the Recipients;
- reporting any violations of the Model to the competent bodies under the Disciplinary System, for the purpose of adopting any sanctioning measures and monitor their outcome.

In order to perform the above-mentioned functions and tasks, the Supervisory Board is granted the following powers:
- broad and extensive access to the various corporate documents and, in particular, to those concerning relations of a contractual and non-contractual nature established by the Company with third parties;
- availing itself of the support and cooperation of the various corporate structures and corporate bodies that may be interested, or otherwise involved, in control activities;
- conferring specific consultancy and assistance mandates on professionals, including professionals from outside the Company.

4.6 Resources of the Supervisory Board

The Board of Directors assigns the SB the human and financial resources deemed appropriate for the performance of the assigned task. In particular, the Supervisory Board is vested with autonomous spending powers, as well as the power to enter into, amend and/or terminate professional assignments to third parties possessing the specific skills necessary for the best performance of the assignment.

4.7 Information flows of the Supervisory Board

4.7.1 Obligations of reporting to the Supervisory Board

In order to facilitate the supervisory activity on the effectiveness of the Model, the Supervisory Board must be informed, by means of appropriate information, by the Recipients (and, where appropriate, Third Parties) of events that could entail FAI Service's responsibility under Italian Legislative Decree No. 231 of 2001.

In particular, information concerning the following must be mandatorily and immediately transmitted to the Supervisory Board by the Recipients (and, where appropriate, by Third Parties):
- actions and/or information from criminal investigation entities or any other authority, relating to investigations involving FAI Service or members of its corporate bodies;
- any reports prepared by the heads of other bodies (e.g. Board of Statutory Auditors) as part of their control activities and from which facts, acts, events or omissions with critical profiles may emerge with respect to compliance with Italian Legislative Decree No. 231 of 2001;
- information about disciplinary measures as well as any sanctions imposed,

or of the dismissal of such proceedings with the relevant reasons, if they are related to the commission of offences or violation of the rules of conduct or procedures of the Model;
- commissions of enquiry or internal reports/communications from which responsibility for the alleged offences under Italian Legislative Decree No. 231 of 2001 emerges;
- organisational changes;
- updates to the system of mandates and powers;
- particularly significant operations carried out in Offence Risk Areas;
- changes in Offence Risk Areas or potentially at risk;
- any communications from the Board of Statutory Auditors concerning aspects that may indicate deficiencies in the system of internal controls, reprehensible facts, observations on the Company financial statements;
- the declaration of truthfulness and completeness of the information contained in corporate communications;
- a copy of the minutes of the meetings of the Board of Directors and the Board of Statutory Auditors.

The Company adopts specific dedicated information channels in order to guarantee the confidentiality referred to above and facilitate the flow of reports and information to the Body.

4.7.2 Obligations of reporting of the Supervisory Board

Given that the responsibility for adopting and effectively implementing the Model remains with the Company Board of Directors, the SB reports on the implementation of the Model and the occurrence of any critical issues.

In particular, the Supervisory Board is responsible to the Board of Directors for:
- communicating, at the beginning of each financial year, the plan of activities it intends to carry out in order to fulfil its assigned tasks. This plan will be approved by the Board of Directors itself;
- reporting periodically on the progress of the programme together with any changes made to it;
- promptly communicating any issues related to the activities, where relevant;
- reporting, at least every six months, on the implementation of the Model.

The Board may request to be convened by the Board of Directors to report on the functioning of the Model or on specific situations. Meetings with the corporate bodies to which the Supervisory Board reports must be minuted. Copies of these minutes will be kept by the Supervisory Board and the bodies involved from time to time.

Without prejudice to the foregoing, the Supervisory Board may also communicate, on a case-by-case basis:
(i) the results of its investigations to the heads of the functions and/or

processes if the activities give rise to aspects requiring improvement. In this case, it will be necessary for the Supervisory Board to obtain an action plan, with a timetable, from the persons in charge of the processes for the implementation of activities susceptible to improvement, as well as the result of such implementation;

(ii) reporting to the Board of Directors conduct/actions not in line with the Model in order to:
   a) acquiring all the elements from the Board of Directors to make any communications to the structures in charge of assessing and applying disciplinary sanctions;
   b) giving directions for the removal of deficiencies in order to avoid a recurrence.

4.8 Whistleblowing channels

In compliance with the provisions of Italian Legislative Decree No. 24/2023 on the "*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on the provisions concerning the protection of persons who report breaches of national laws*" ("**Whistleblowing Decree**"), the Company has adopted a specific procedure, an integral part of this Model, aimed at regulating the procedures for handling reports relevant under the Whistleblowing Decree.

Reports may concern, in general, all conduct, acts or omissions that may constitute unlawful conduct and, in particular:

- communications of alleged unlawful conduct pursuant to Italian Legislative Decree no. 231/01 or violations of the Model;
- reports of criminal conduct;
- reports of conduct in breach of laws or regulations, codes of conduct or other company provisions that may be subject to disciplinary sanctions;
- reports of conduct likely to harm the image of the Company.

Reports, together with any supporting documents, should be submitted electronically by accessing the "*Whistleblowing Policy and Reporting Platform*" section of the corporate website, or by clicking directly on: https://segnalazioni.lumesia.com (the "Portal").

Acknowledgement of receipt is sent to the reporting party within 7 (seven) days of receipt of the report and within three months of the date of the acknowledgement of receipt or, in the absence of such notice, within 3 (three) months of the expiry of the seven-day period from the submission of the report, acknowledgement is provided.

The manner in which reports are handled by the Company guarantees, pursuant to Italian Legislative Decree 24/2023:

a) the confidentiality and integrity of all the information contained in the report and in the documents annexed thereto and, in particular, the confidentiality of the identity of the whistleblower, of the person to whom the reported facts refer and of the other persons mentioned in the report;

b) the protection of the whistleblower and other persons protected under the Whistleblowing Decree from any act of retaliation or discrimination, whether direct or indirect, for reasons directly or indirectly related to the Whistleblowing Decree;

c) the independence, competence and absence of conflict of interest on the part of those involved in handling reports;

d) the processing of personal data and the storage of the documents and information referred to in the report for the time strictly necessary in accordance with the Whistleblowing Decree and the applicable privacy provisions.

For detailed information on how the process is managed and for any other aspect not expressly referred to herein, please refer to the procedure annexed to this Model.

5. Sanctioning system for non-compliance with this Model and rules and provisions referred to herein

5.1 General Principles

FAI Service acknowledges and declares that the provision of an adequate penalty system for the violation of the rules contained in the Model, its Annexes and Procedures is an essential condition for ensuring the effectiveness of the Model itself.

In this respect, in fact, the same Article 6(2)(e) of the Decree provides that the organisation and management models must *"introduce a disciplinary system capable of penalising non-compliance with the measures indicated in the model"*.

The application of disciplinary sanctions is irrespective of the outcome of any criminal proceedings, since the rules of conduct imposed by the Model and the Procedures are assumed by the Company in full autonomy and independently of the type of offences under Italian Legislative Decree No. 231 of 2001 that the violations in question may determine.

More precisely, failure to comply with the rules contained in the Model and the Procedures damages, in itself, the relationship of trust in place with the Company and entails disciplinary action regardless of whether criminal proceedings are brought in cases where the violation constitutes an offence. This is also in compliance with the principles of timeliness and immediacy of disciplinary charges and the imposition of sanctions, in accordance with the applicable legal

provisions.

5.2 Definition of "Violation" for the purposes of the operation of this Sanctioning System

By way of a purely general and illustrative example, a "**Violation**" of this Model and of the relevant Procedures is:

- the implementation of actions or conduct, which do not comply with the law and with the prescriptions contained in the Model itself and in the relevant Procedures, and which entail a situation of mere risk of the commission of one of the offences contemplated by Italian Legislative Decree No. 231 of 2001;
- the omission of actions or conduct prescribed in the Model and in the relevant Procedures, and which entail a situation of mere risk of the commission of one of the offences contemplated by Italian Legislative Decree No. 231 of 2001;
- the failure to comply with the provisions of the reporting process set out in the Model and the provisions of the Whistleblowing Decree, with particular reference to:
    - the proven intentional or grossly negligent making of reports that turn out to be unfounded;
    - conduct aimed at obstructing (as well as attempts to obstruct) reporting;
    - conduct and acts in breach of the prohibition of retaliation under paragraph 5;
    - breaches of the confidentiality obligations of the information referred to in the report, pursuant to paragraph 5;
    - failure to carry out follow-up activities (*e.g.*, verification and analysis, *etc.*) of reports received;
    - the failure to establish reporting channels, or the failure to adopt procedures for making and handling reports, or the adoption of procedures that do not comply with the Whistleblowing Decree.

5.3 Sanctions for employees

5.3.1 Employees in non-management positions

Conduct by employees in violation of the rules contained in this Model and in the Company Procedures are defined as *disciplinary offences*.

With reference to the type of sanctions that can be imposed on such employees,

they fall within those provided for by the Italian National Collective Labour Agreement for Logistics, Freight Transport and Forwarding (hereinafter, for brevity, the "**CCNL**"), in compliance with the procedures provided for in Article 7 of Italian Act No. 300 of 1970 (hereinafter, for brevity, the "**Workers' Statute**") and any special applicable regulations.

Violations by employees, pursuant to paragraph 5.2 above of this Model, may give rise, depending on the seriousness of the violation itself, to the following measures, which are established in application of the principles of proportionality, as well as the criteria of correlation between offence and sanction and, in any case, in compliance with the form and manner provided for by the legislation in force.

In any case, without prejudice to the provisions of the Disciplinary System in use at FAI Service, it incurs, as provided for in the aforementioned CCNL in:

(i) measures of verbal warning, written reprimand, fine or suspension from work and pay, depending on the seriousness of the breach, the worker who violates the internal procedures laid down in this Model (e.g. who fails to observe the prescribed procedures, omits to notify the Supervisory Board of the prescribed information, omits to carry out checks, etc.) or adopts, when carrying out activities in areas at risk, a conduct that does not comply with the requirements of the Model, since such conduct must be considered a breach of contract entailing damage to the discipline and morale of the company;

(ii) dismissal with notice, a worker who adopts, in the performance of activities in areas at risk, a conduct that does not comply with the provisions of this Model and is unequivocally directed towards the commission of an offence sanctioned by the Decree, such conduct being insubordination with respect to the provisions imposed by the company;

(iii) dismissal without notice, a worker who adopts, in the performance of activities in areas at risk, a conduct clearly in breach of the provisions of this Model, such as to determine the concrete application against the Company of the measures laid down in the Decree, should be dismissed, since such conduct should be such as to cause "serious moral and/or material damage to the Company", as well as to constitute a "crime under the law".

The disciplinary system is constantly monitored by the Supervisory Board and the Human Resources department.

5.3.2 Executives

In case of: (a) Violation pursuant to paragraph 5.2 above, or (b) adoption, in the performance of activities in Offence Risk Areas, of a conduct that does not comply with the prescriptions of the above-mentioned documents, by executives, the most appropriate disciplinary measures shall be applied against those

responsible, in accordance with the provisions of the Italian National Collective Labour Agreement for Executives of Tertiary Companies.
In particular:

(i) in case of a non-serious breach of one or more of the rules of conduct laid down in the Model, the manager is subject to a written warning to comply with the Model, which is a necessary condition for maintaining the fiduciary relationship with the Company;
(ii) in case of a serious breach of one or more provisions of the Model such as to constitute a material breach, the manager shall be liable to dismissal with notice;
(iii) where the breach of one or more provisions of the Model is so serious as to irreparably damage the relationship of trust, not permitting the continuation, even temporary, of the employment relationship, the worker incurs the measure of dismissal without notice.

5.4 Directors

In case of a breach of the rules set out in paragraph 5.2. above by one or more of FAI Service's Directors, the Supervisory Board will inform the Company Board of Directors without delay for the appropriate evaluations and measures.

In the event that one or more of the Directors, alleged persons committing the crime from which the administrative liability of the Company derives, is indicted, the Chairperson of the Board of Directors of FAI Service (or, in his/her stead, the other Director) must proceed to convene the Shareholders' Meeting to deliberate on the revocation of the mandate.

5.5 Auditors

Should one or more members of the Board of Statutory Auditors breach the rules set forth in Section 5.2. above, anyone who becomes aware of this shall inform the Board of Directors and, at the request of the Chairperson of the Board of Directors, the Shareholders' Meeting shall be convened to take the appropriate measures.

5.6 Third parties: collaborators, agents and external consultants

In case of a breach of the rules set out in paragraph 5.2. above by external collaborators, agents or consultants, or, more generally, by Third Parties, the Company shall, depending on the seriousness of the breach: (i) remind those involved of the strict observance of the provisions set out therein; or (ii) be entitled, depending on the different types of contract, to terminate the existing relationship for just cause or to terminate the contract for non-performance of the aforementioned parties.

To this end, FAI Service has provided for the inclusion of appropriate clauses in the same that provide for: (**a**) the information to third parties of the adoption of the Model and the Code of Ethics by FAI Service, of which they declare that they have read, committing themselves to comply with its contents and not to engage in behaviour that could lead to a violation of the law, the Model or the commission of any of the Offences; (**b**) the right for the Company to withdraw from the relationship or terminate the contract (with or without the application of penalties), in the event of non-compliance with these obligations.

5.7 Register

The Company shall adopt a register in which it shall register all those who have committed a Violation as defined in paragraph 5.2 above. Entry in this register entails a ban on the establishment of new contractual relationships with the same persons.

FAI SERVICE S. COOP.

ANNEX TO THE GENERAL SECTION

of the ORGANISATION, MANAGEMENT AND CONTROL MODEL *PURSUANT TO* ITALIAN LEGISLATIVE DECREE 231/2001

ANNEX 1: PREDICATE OFFENCES

A brief indication of the categories of offences relevant under Italian Legislative Decree No. 231/2001 (hereinafter, the "**Decree**") is provided below.

The first type of offence to which, according to the Decree, the administrative liability of the Entity follows is that of the **offences committed against the Public Administration**, which are detailed in **Articles 24 and 25** of the Decree, namely:

- fraud to the detriment of the State or other public bodies or the European Union (Article 640(2)(1) of the Italian Criminal Code);
- aggravated fraud to obtain public funds (Article 640-*bis* of the Italian Criminal Code)[1];
- computer fraud to the detriment of the State or other public bodies (Article 640-*ter* of the Italian Criminal Code);
- corruption for the exercise of a function (Articles 318 and 321 of the Italian Criminal Code);
- bribery for an act contrary to official duties (Articles 319 and 321 of the Italian Criminal Code);
- bribery in judicial proceedings (Articles 319 *ter* and 321 of the Italian Criminal Code);
- undue inducement to give or promise benefits (art. 319-*quater* Italian Criminal Code);
- incitement to bribery (Art. 322 of the Italian Criminal Code);
- bribery of persons entrusted with a public service (Articles 320 and 321 of the Italian Criminal Code);
- embezzlement, illegal abuse of a position or office for personal gain, bribery, undue inducement to give or promise benefits and incitement to bribery, abuse of office, of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and of officials of the European Communities and of foreign States (Art. 322-*bis* of the Italian Criminal Code)[2];
- illegal abuse of a position or office for personal gain (Art. 317 of the Italian Criminal Code);
- embezzlement of public funds (Art. 316-*bis* of the Italian Criminal Code)[3];
- undue receipt of public funds (Art. 316-*ter* of the Italian Criminal Code)[4];

[1] Last amended by Italian Decree-Law No. 13 of 25 February 2022.
[2] Last amended by Italian Legislative Decree No. 156/2022.
[3] Last amended by Italian Decree-Law No. 13 of 25 February 2022.
[4] Last amended by Italian Decree-Law No. 13 of 25 February 2022.

- interfering with the freedom to invitation to tenders (Art. 353 of the Italian Criminal Code)[5];
- interfering with the freedom to choose a contractor (Art. 353-*bis* of the Italian Criminal Code)[6];
- influence peddling (Art. 346-*bis* of the Italian Criminal Code)[7];
- fraud in public supply (Art. 356 of the Italian Criminal Code)[8];
- fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Art. 2 Italian Act 898/1986)[9];
- embezzlement (Art. 314(1) of the Italian Criminal Code)[10];
- embezzlement by profiting from another person's error (Art. 316 of the Italian Criminal Code)[11];
- abuse of office (Art. 323 of the Italian Criminal Code)[12].

With reference to the offences referred to in Articles 314(1), 316 and 323 of the Italian Criminal Code indicated above, it is specified that they are relevant if the act offends the financial interests of the European Union.

Article **24-*bis*** of the Decree, introduced by Italian Act No. 48 of 18 March 2008, extends the liability of Entities to certain **so-called computer crimes**:

- computer documents (Art. 491-*bis* of the Italian Criminal Code);
- unauthorised access to a computer or telecommunications system (Art. 615-*ter* of the Italian Criminal Code);
- unauthorised possession, dissemination and installation of equipment, codes and other means of accessing computer or telecommunications systems (Art. 615-*quater* of the Italian Criminal Code)[13];
- possession, dissemination and abusive installation of equipment, devices or software intended to damage or disrupt a computer or telecommunications system (Art. 615-*quinquies* of the Italian Criminal Code)[14];

[5] Introduced by Italian Act No. 137/2023.
[6] Introduced by Italian Act No. 137/2023.
[7] Introduced by Italian Act No. 3/2019.
[8] Introduced by Italian Legislative Decree No. 75/2020.
[9] Introduced by Italian Legislative Decree No. 75/2020.
[10] Introduced by Italian Legislative Decree No. 75/2020.
[11] Introduced by Italian Legislative Decree No. 75/2020.
[12] Introduced by Italian Legislative Decree No. 75/2020.
[13] Article amended by Italian Act No. 238/2021
[14] Article amended by Italian Act No. 238/2021

- interception, hindrance or unlawful interruption of computer or telecommunications communications (article 617-quater of the Italian Criminal Code)[15];
- unauthorised possession, dissemination and installation of equipment and other means of intercepting, impeding or interrupting computer or telematic communications (Art. 617-*quinquies* of the Italian Criminal Code)[16];
- damage to information, data and computer programmes (Art. 635-*bis* of the Italian Criminal Code);
- damage to information, data and computer programmes used by the State or any other public entity or public utility (Art. 635-*ter* of the Italian Criminal Code);
- damage to computer or telecommunications systems (Art. 635-*quater* of the Italian Criminal Code);
- damage to computer or telecommunications systems of public utility (Art. 635-*quinquies* of the Italian Criminal Code);
- computer fraud by electronic signature certifier (Art. 640-*quinquies* of the Italian Criminal Code);
- violation of the rules on the National Cybersecurity Perimeter (Art. 1, Section 11, Italian Decree-Law no. 105 of 21 September 2019).

The provision in Art. 491-*bis* of the above-mentioned Italian Criminal Code (which reads: "*if any of the forgeries provided for in this Chapter concerns a public electronic document having probative value, the provisions of this Chapter concerning public documents shall apply*") extends the provisions on forgery of public documents laid down in Chapter III of Title V of the Italian Criminal Code to forgeries concerning an electronic document.

Article ***24-ter***, introduced by Italian Act No. 94 of 15 July 2009, containing provisions on public security, provides for the liability of entities for the commission of **organised crime offences**[17]:

- criminal association aimed at enslavement, trafficking in persons or the purchase or sale of slaves (Art. 416, para. 6 of the Italian Criminal Code);
- criminal association of a mafia type (Art. 416-*bis* of the Italian Criminal Code);
- political-mafia election collusion (Art. 416-*ter* of the Italian Criminal Code);
- kidnapping for the purpose of extortion (Art. 630 of the Italian Criminal Code);

[15]Article amended by Italian Act No. 238/2021
[16]Article amended by Italian Act No. 238/2021
[17] Organised crime offences were previously only relevant for the purposes of the Decree if they were transnational.

- offences committed by taking advantage of the conditions of subjugation and code of silence resulting from the existence of mafia influence; association aimed at the illegal trafficking of narcotic or psychotropic substances (Art. 74, Italian Presidential Decree no. 309 dated 9/10/1990);
- offences of unlawful manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof, explosives, clandestine weapons as well as several common firing weapons (Article 407, para. 2, letter a) no. 5 of the Italian Code of Criminal Procedure).

Italian Act No. 146 of 16 March 2006, which ratified the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, provided for the liability of Entities for certain **transnational offences**.

The criminal offence shall be deemed to be a criminal offence if an organised criminal group is involved in the commission of the offence and a sentence of not less than a maximum of four-year imprisonment is imposed, and, as regards territoriality, the offence is committed in more than one State; it is committed in one State, but has substantial effects in another State; it is also committed in only one State, but a substantial part of its preparation or planning or direction and control takes place in another State; it is committed in one State, but an organised criminal group is involved in criminal activities in more than one State.

The offences relevant for this purpose are:

- criminal association (Art. 416 of the Italian Criminal Code);
- mafia-type criminal association, including foreign ones (Art. 416-*bis* of the Italian Criminal Code);
- criminal association for the purposes of smuggling tobacco manufactured abroad (Art. 291-*quater* of Italian Presidential Decree No. 43 of 23 January 1973);
- association aimed at the illicit trafficking of narcotics and psychotropic substances (Art. 74 of Italian Presidential Decree No. 309 of 9 October 1990);
- smuggling of migrants (Art. 12, para 3, 3 *bis*, 3 *ter* and 5, Italian Legislative Decree no. 286 of 25 July 1998);
- obstruction of justice in the form of not making statements or making false statements to the judicial authorities and of aiding and abetting (Articles 377 *bis* and 378 of the Italian Criminal Code).

Article **25-*bis*** of the Decree - introduced by Article 6 of Italian Act No. 409 of 23 September 2001 and subsequently amended by Italian Act No. 99 of 23 July 2009

and by Italian Legislative Decree No. 125/2016 - then refers to the **offences of counterfeiting money**, public credit cards and revenue stamps:

- forgery of money, spending and introducing counterfeit money into the State with collaborators (Art. 453 of the Italian Criminal Code);
- alteration of currency (Art. 454 of the Italian Criminal Code);
- introduction and spending of counterfeit money in the State, without collaborators (Art. 455 of the Italian Criminal Code);
- spending of counterfeit money received in good faith (Art. 457 of the Italian Criminal Code);
- forgery of revenue stamps, or introducing counterfeit revenue stamps into the State, or purchasing or possessing them or placing them in circulation (Art. 459 of the Italian Criminal Code);
- counterfeiting of watermarked paper used for the manufacture of legal tender or revenue stamps (Art. 460 of the Italian Criminal Code);
- manufacture or possession of watermarks or instruments intended for forgery of money, revenue stamps or watermarked paper (Art. 461 of the Italian Criminal Code);
- use of counterfeit or altered revenue stamps (Art. 464 of the Italian Criminal Code);
- forgery, alteration or use of trademarks or distinctive signs such as patents, models and designs (Art. 473 of the Italian Criminal Code);
- introduction into the State and trade of products with false signs (Art. 474 of the Italian Criminal Code).

Article 25 *bis*.1 - introduced by Italian Act No. 99 of 23 July 2009, containing provisions for the development and internationalisation of enterprises, as well as on energy - provides for the liability of entities for offences against industry and trade, and in particular:

- interfering with the freedom of industry or trade (Art. 513 of the Italian Criminal Code);
- unlawful competition with threats or violence (Art. 513-*bis*);
- fraud committed against national industries (Art. 514 of the Italian Criminal Code);
- commercial fraud (Art. 515 of the Italian Criminal Code);
- sale of non-genuine food substances as genuine (Art. 516 of the Italian Criminal Code);

- sale of industrial products with false signs (Art. 517 of the Italian Criminal Code);
- production and sale of goods made through unlawful seizure of industrial property rights (Art. 517-*ter* of the Italian Criminal Code);
- falsification of geographical indications or denominations of origin of agricultural produce (Art. 517-*quater* of the Italian Criminal Code);

A further and important type of offence to which the Entity's administrative liability is linked is **corporate offences**, a category governed by **Article 25-*ter*** of the Decree, a provision introduced by Italian Legislative Decree No. 61 of 11 April 2002, which identifies the following cases:

- false corporate communications (Art. 2621 of the Italian Civil Code in its new wording laid down by Italian Act No. 69 of 27 May 2015);
- false corporate communications of listed companies (Art. 2622 of the Italian Civil Code in its new wording laid down by Italian Act No. 69 of 27 May 2015);
- false prospectus (Art. 2623 of the Italian Civil Code, repealed by Art. 34 of Italian Act No. 262/2005, which, however, introduced Art. 173-*bis* of Italian Legislative Decree No. 262/2005). no. 58 of 24 February 1998)[18];
- falsity in relations or communications by Auditors (Art. 2624 of the Italian Civil Code);
- obstruction of control activities (Art. 2625 of the Italian Civil Code);
- improper reimbursement of contributions (Art. 2626 of the Italian Civil Code);
- illegal distribution of profits and reserves (Art. 2627 of the Italian Civil Code);
- unlawful transactions in respect of shares or quotas or the parent company (Art. 2628 of the Italian Civil Code);
- transactions in prejudice of creditors (Art. 2629 of the Italian Civil Code);
- failure to disclose a conflict of interest (Art. 2629 *bis* of the Italian Civil Code);
- fictitious capital formation (Art. 2632 of the Italian Civil Code);

[18] Art. 2623 of the Italian Civil Code (False Prospectus) was repealed by Italian Act no. 262/2005, which reproduced the same offence provision through the introduction of Art. 173-*bis* of the Italian Legislative Decree No. 58 of 24 February 1998 (hereinafter also T.U.F. namely the Italian Consolidated Law on Finance). This new incriminating provision is not, at present, *verbatim* among the offences referred to by the Legislative Decree 231/2001. Part of the doctrine, however, considers that Art. 173-*bis* of the Italian Consolidated Law on Finance ("TUF") , although not referred to by Italian Legislative Decree No. 231/2001, is relevant for the administrative liability of entities, since it must be considered in regulatory continuity with the previous Art. 2623 of the Italian Civil Code. Jurisprudence, on the other hand, has ruled to the contrary, albeit on the different offence set out in Art. 2624 of Italian Civil Code. (False statements in the reports or communications of the Auditing Firm) [see note below], considering that offence no longer to be a source of liability under Italian Legislative Decree 231/2001 and relying on the principle of legality of the rules contained in the Decree. Given the lack of a specific ruling on Art. 2623, similar to that made for Art. 2624, as a precautionary measure, it was decided to abstractly consider the offence in the Model.

- improper distribution of corporate assets by the liquidators (Art. 2633 of the Italian Civil Code);
- **bribery between private parties** (Art. 2635, paragraph III of the Italian Civil Code introduced by Italian Act 190/2012);
- unlawful influence over shareholders' meetings (Art. 2636 of the Italian Civil Code);
- agiotage (Art. 2637 of the Italian Civil Code, amended by Italian Act No. 62 of 18 April 2005);
- obstruction of public supervisory authorities in the performance of their duties (Art. 2638 of the Italian Civil Code, amended by Italian Act No. 62/2005 and Italian Act No. 262/2005);
- false or omitted declarations for the issuance of the preliminary certificate (Art. 54 of Italian Legislative Decree 19/2023)[19].

Article **25-*quater*** - introduced by Italian Act No. 7 of 14 January 2003 - further extends the scope of administrative liability for criminal offences **to include offences for the purposes of terrorism and subversion of the democratic order** under the Italian Criminal Code and special laws.

Moreover, Article **25-*quater*.1** of the Decree - introduced by Italian Act No. 7 of 9 January 2006 - provides for the Entity's administrative liability for offences in the event that the case of **female genital mutilation practices** (Article 583 bis of the Italian Criminal Code) is committed.

Pursuant to Article **25-*quinquies***, introduced by Italian Act No. 228 of 11 August 2003, subsequently amended in 2016, the Entity is liable for the commission of **offences against the individual**:

- reduction into or maintenance of slavery (Art. 600 of the Italian Criminal Code);
- child prostitution (Art. 600-*bis* (1) and (2) of the Italian Criminal Code);
- child pornography (Art. 600-*ter* of the Italian Criminal Code);
- possession of pornographic material (Art. 600-*quater* of the Italian Criminal Code);
- virtual pornography (Art. 600-*quater*.1 of the Italian Criminal Code);
- tourist initiatives aimed at exploiting child prostitution (Article 600-*quinquies* of the Italian Criminal Code);

[19] Case introduced by Italian Legislative Decree No. 19/2023.

- trafficking in persons (Art. 601 of the Italian Criminal Code);
- sale and purchase of slaves (Art. 602 of the Italian Criminal Code);
- Illegal intermediation and exploitation of labour (Art. 603-*bis*);
- solicitation of minors (Art. 609-*undecies* of the Italian Criminal Code).

Italian Act No. 62/2005, so-called. Community Law, and Italian Act No. 262/2005, better known as the Savings Law, have further increased the number of relevant offences under the Decree. In fact, **Article 25-*sexies***, concerning **market abuse offences** , was introduced and refers to:

- abuse of inside information (Art. 184 of Italian Legislative Decree No. 58/1998);
- market manipulation (Art. 185 of Italian Legislative Decree no. 58/1998).

These offences were subsequently amended by Italian Legislative Decree No. 107 of 2018 "Rules for the adaptation of national legislation to the provisions of Regulation (EU) No. 596/2014 on market abuse" repealing Directive 2003/6/EC and Directives 2003/124/EU, 2003/125/EC and 2004/72/EC and by Italian Act No. 238/2021 "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European Law 2019-2020".

The Italian legislator amended the Decree by means of Italian Act No. 123 of 3 August 2007 and, subsequently, by means of Italian Legislative Decree No. 231 of 21 November 2007.

Italian Act No. 123/2007 introduced Art. **25-*septies*** of the Decree, later replaced by Italian Legislative Decree No. 81 of 9 April 2008, which provides for the liability of Entities for **offences of manslaughter and serious or very serious culpable lesions** committed in violation of the rules on the protection of health and safety at work:

- manslaughter (Art. 589 of the Italian Criminal Code), in violation of occupational health and safety regulations;
- culpable personal injury (Art. 590, para. 3 of the Italian Criminal Code), in violation of occupational health and safety regulations.

Italian Legislative Decree no. 231/2007 introduced Art. **25-*octies*** of the Decree, under which the Entity is liable for the commission of the offences of **receiving stolen goods** (Art. 648 of the Italian Criminal Code), **money laundering** (Art. 648 *bis* of the Italian Criminal Code) and **using money, goods or benefits of unlawful origin** (Art. 648-*ter* of the Italian Criminal Code).

Moreover, with Italian Act No. 186 of 15 December 2014 "*Provisions on the facilitation of re-entry of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on self money laundering*" introduced the new offence of **self money laundering** (Art. 648-*ter* 1 of the Italian Criminal Code) and, at the same time, provided for an increase in the penalties for the offence of money laundering and the use of money, goods or other benefits of unlawful origin.

The Italian Legislative Decree No. 195 of 8 November 2021, "*Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by means of criminal law*", in force since 15 December 2021, also introduced significant amendments to the Italian Criminal Code, and in particular to the offences of receiving stolen goods (Art. 648 of the Italian Criminal Code), money laundering (Art. 648-*bis* of the Italian Criminal Code), use of money, goods or benefits of unlawful origin (Art. 648-*ter* of the Italian Criminal Code), self money laundering (Art. 648-*ter*.1 of the Italian Criminal Code).

For all these offences, the Decree provides for the extension of the catalogue of predicate offences to include intentional offences and breeches punishable by imprisonment for a maximum of one year or a minimum of six months, and for a different sanction depending on whether the predicate offence is a crime or a breech.

In addition, it should be noted that on 14 December 2021, with the entry into force of Italian Legislative Decree No. 184/2021, the legislator again intervened on Italian Legislative Decree No. 231/2001, adding **Article 25-*octies*.1** under which entities may also be held liable for certain offences relating to non-cash payment instruments, if committed in their interest or to their advantage.

Article 25-octies.1 includes the following offences in its first paragraph:

- misuse and falsification of non-cash payment instruments (Art. 493-*ter* of the Italian Criminal Code);
- possession and dissemination of computer equipment, devices or programmes aimed at committing offences involving non-cash payment instruments (Art. 493-*quater* of the Italian Criminal Code);
- computer fraud (Art. 640-*ter* of the Italian Criminal Code) aggravated by the carrying out of a transfer of money, monetary value or virtual currency;
- fraudulent transfer of valuables (Art. 512-*bis* of the Italian Criminal Code)[20].

[20] Introduced by Italian Act No. 137/2023.

With regard to the sanctions that may be imposed on the entity in the event of the commission of these new predicate offences, Article 25-*octies*.1 provides for a fine ranging from 300 to 800 quotas for the offence referred to in Article 493-*ter* of the Italian Criminal Code and up to 500 quotas for the offences referred to in Articles 493-*quater* and 640-*ter*, in the aforementioned aggravated hypothesis.

In the second paragraph, then, Article 25-*octies*.1 provides that, unless the act constitutes another administrative offence punishable more severely, in relation to the commission of any other offence against public faith, against property or which in any event offends property provided for in the Italian Criminal Code, involving non-cash means of payment, the entity shall be subject to a pecuniary sanction:

- up to 500 quotas, if the offence is punishable by imprisonment of less than ten years;
- from 300 to 800 quotas, if the offence is punishable by imprisonment of less than ten years.

Paragraph 2-*bis* (introduced by Italian Act No. 137/2023) also provides that in relation to the commission of the offence referred to in Article 512-*bis* of the Italian Criminal Code, a pecuniary sanction ranging from 250 to 600 quotas shall be imposed on the entity.

Article 25 *novies* - introduced by Italian Act No. 99 of 23 July 2009, containing provisions for the development and internationalisation of enterprises, as well as on energy - is aimed at providing for the liability of entities for **offences relating to copyright infringement**. In particular, the following offences provided for and points in Articles 171(1)(a-*bis*) and (3), 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies* of Italian Act No. 633 of 22 April 1941) must be considered

In addition, Article 4 of Italian Act No. 116 of 3 August 2009 introduced Article **25-*decies***, under which the entity is held liable for the commission of the offence set out in Article 377-*bis* of the Italian Criminal Code, i.e. **inducement not to make statements or to make false statements to the judicial authorities**.

Subsequently, Italian Legislative Decree 121/2011 introduced Article **25 *undecies*** into the Decree, which extended the administrative liability for criminal offences of organisations to so-called **environmental offences**, i.e. to two offences recently introduced into the Italian Criminal Code (Articles 727-*bis* and 733-*bis* of the Italian Criminal Code), as well as to a series of offences already provided for in the so-called Environmental Code (Italian Legislative Decree 152/2006) and other special environmental protection regulations (Italian Act no. 150/1992, Italian Act no. 549/1993, Italian Legislative Decree no. 202/2007).

Italian Act No. 68 of 22 May 2015 was also recently issued and **relates to *Provisions concerning crimes against the environment*** (Italian OJ No. 122 of 28-5-2015) in force since 29/05/2015, which introduced Title VI - bis dedicated to crimes against the environment into the Italian Criminal Code. In particular, to supplement the offences already provided for and punished as a contravention by the Italian Environmental Code (Italian Legislative Decree 152/2006), several offences are introduced into the Italian Criminal Code, including the following offences, which are also relevant under the Decree:

- Art. 452-*bis* - Environmental pollution;
- Art. 452-*quater* - Environmental disaster;
- Art. 452-*quinquies* - Intentional offences against the environment;
- Art. 452-*sexies* - Trafficking in and abandoning highly radioactive material;
- Art. 452-*septies* - Impeding control;
- Art. 452-*octies* - Aggravating circumstances;
- Art. 452-*terdecies* - Omitted reclamation.

Italian Legislative Decree no. 21/2018 "Provisions implementing the delegated principle of code reservation in criminal matters pursuant to Article 1, paragraph 85, letter q) of Italian Act no. 103 of 23 June 2017" repealed Art. 260 of the Italian Legislative Decree no. 152/2006 and introduced a provision of similar content in the Italian Criminal Code, Art. 452-*quaterdecies* (Activities organised for the illegal trafficking of waste).

In order to implement EU directive 2009/52/EC, Italian Legislative Decree 109/2012 was issued which, among other things, sanctioned the insertion of **Article 25-*duodecies*** with the following provision: "**Employment of third-country nationals whose stay is irregular** - in relation to the commission of the offence referred to in Article 22, paragraph 12-*bis*, of Italian Legislative Decree No. 286 of 25 July 1998 - or of the employer who employs foreign workers without a residence permit - the financial penalty of 100 to 200 quotas, up to the limit of EUR 150,000, shall apply to the entity". This article was amended by Italian Act No. 161/2017 reforming the Anti-Mafia Code (Italian Legislative Decree 159/2011), which introduced three new paragraphs, which provide for two new predicate offences related to illegal immigration referred to, respectively, in Art. 12 paragraphs 3, 3-*bis*, 3-*ter*, and Art. 12, paragraph 5, of the Italian Consolidated Act on Immigration (Italian Legislative Decree 286/1998). In particular:

- paragraph 1-*bis* provides for the application to the entity of a fine ranging from 400 to 1,000 quotas for the offence of **transporting irregular foreigners** into the territory of the State referred to in Article 12, paragraphs 3, 3-*bis* and 3-*ter* of Italian Legislative Decree no. 286/1998;

- paragraph 1-*ter* provides for the application of a pecuniary sanction from 100 to 200 quotas in relation to the commission of the offence of aiding and abetting the **permanence of irregular foreigners in the territory of the State** referred to in Article 12, paragraph 5 of Italian Legislative Decree no. 286/1998.

Article 5(2) of Italian Act No. 167 of 20 November 2017 (European Act 2017) introduced**Article 25 *terdecies*** into the Decree, which introduces the Company liability for the offences of racism and xenophobia provided for in Article 3(3-*bis*) of Italian Act No. 654 of 13 October 1975. This provision penalises instigation and incitement, committed in such a way as to give rise to a concrete danger of dissemination, which are based in whole or in part on the denial, minimisation or apologia of the Shoah or crimes of genocide, crimes against humanity and war crimes, as defined in Articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to Italian Act No. 232 of 12 July 1999.

Article 5(1) of Italian Act No. 39 of 3 May 2019 introduced Article **25 *quaterdecies*** into the Decree, which introduces the Company liability for the offences of fraud in sporting competitions, abusive gaming or betting and games of chance exercised by means of prohibited apparatuses referred to in Articles 1 and 4 of Italian Act No. 401 of 13 December 1989.

The following pecuniary sanctions are provided for these offences:

(a) for offences, a pecuniary sanction of up to five hundred quotas;

(b) for infringements, a pecuniary sanction of up to two hundred and sixty quotas.

In addition, the second paragraph provides that in the event of conviction for one of the offences referred to in point (a) of this Article, the disqualification sanctions provided for in Article 9(2) shall apply for a period of not less than one year.

Italian Act No. 157 of 19 December 2019, which converted with amendments the Italian Decree-Law No. 124 of 26 October 2019, containing "*Urgent provisions on tax matters and for undefectible needs*", introduced **Article 25-*quinquiesdecies***, entitled "**Tax offences**", into the Decree, which provides for the punishability of the entity for the following offences:

- **fraudulent declaration by use of invoices or other documents for non-existent transactions** pursuant to Article 2 of Italian Legislative Decree 74/2000;
- **fraudulent declaration by means of other artifices** pursuant to Art. 3 of Italian Legislative Decree 74/2000;
- **issuance of invoices or other documents for non-existent transactions** pursuant to Article 8 of Italian Legislative Decree 74/2000;

- **concealment or destruction of accounting documents** pursuant to Art. 10 of Italian Legislative Decree 74/2000;
- **fraudulent evasion of payment of taxes** pursuant to Art. 11 of Italian Legislative Decree 74/2000.

Article 25-*quinquiesdecies* was then amended by Italian Legislative Decree No. 75 of 14 July 2020, which - transposing EU Directive 2017/1371 on "combating fraud affecting the financial interests of the Union by means of criminal law" (so-called PIF Directive) introduced the following paragraph 1-*bis*: "In relation to the commission of the offences provided for by Italian Legislative Decree No. 74 of 10 March 2000, if committed within the framework of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of not less than ten million euro, the following pecuniary sanctions shall apply to the entity:

a) for the offence of false declaration provided for in Article 4, a pecuniary sanction of up to three hundred quotas;

b) for the offence of failure to make a declaration provided for in Article 5, a pecuniary sanction of up to four hundred quotas;

c) for the offence of undue compensation provided for in Article 10-*quater*, a pecuniary sanction of up to four hundred quotas".

On this point, lastly, it should be noted that Italian Legislative Decree No. 156 of 4 October 2022, bearing "Corrective and supplementary provisions to Italian Legislative Decree No. 75 of 14 July 2020, implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law", made amendments to Art. 25-*quinquiesdecies*, modifying in paragraph 1-*bis* - with reference to the application of the financial penalties for the offences referred to in Articles 4 (untrue declaration), 5 (omitted declaration) and 10-*quater* (undue compensation) of Italian Legislative Decree No. 74/2000) - the words "*if committed as part of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of not less than ten million Euro*" followed by: "*when they are committed for the purpose of evading value added tax within the framework of cross-border fraudulent schemes connected to the territory of at least another Member State of the European Union, resulting or likely to result in a total loss equal to or exceeding ten million Euro*".

In addition, Italian Legislative Decree No. 75 of 14 July 2020 introduced **Article 25-*sexiesdecies*** on **smuggling** , providing for the application of a fine of up to 200 quotas (or 400 quotas if the border duty due exceeds EUR 100,000) in relation to the commission of smuggling offences under Italian Presidential Decree No. 43 of 23 January 1973.

Italian Act No. 22 of 9 March 2022, published in the Italian Official Journal No. 68 of 22 March 2022, supplements the list of offences for which the administrative liability of entities is envisaged, with the inclusion of two new articles:

- Article **25-*septiesdecies***: Crimes against the cultural heritage, which provides in relation to:
  - Article 518-*ter* (embezzlement of cultural goods), Article 518-*decies* (unlawful importation of cultural goods) and Article 518-*undecies* (unlawful exportation of cultural goods) the application of an administrative fine ranging from two hundred to five hundred quotas;
  - Article 518-*sexies* of the Italian Criminal Code (laundering of cultural goods) the application of a pecuniary administrative sanction of five hundred to one thousand quotas;
  - Article 518-*duodecies* (destructing, dispersing, deteriorating, defacing, soiling and using unlawfully cultural and landscape heritage) and Article 518-*quaterdecies* of the Italian Criminal Code (counterfeiting of works of art) the application of a pecuniary administrative sanction of between three hundred and seven hundred quotas;
  - in Article 518-*bis* (theft of cultural goods), Article 518-*quater* (receiving stolen cultural goods) and Article 518-*octies* (forgery of private documents relating to cultural goods) the application of a pecuniary sanction ranging from four hundred to nine hundred quotas.

In the event of conviction for the offences listed above, the new provision provides for the application to the entity of disqualification sanctions for a period not exceeding two years;

- **article 25-*duodevicies***: money laundering of cultural goods and devastation and looting of cultural and landscape assets, which provides for the application to the entity of a pecuniary sanction of between five hundred and one thousand quotas in relation to the offences of money laundering of cultural goods (Art. 518-*sexies*) and devastation and looting of cultural and landscape assets (Art. 518-*terdecies*). In the event that the entity, or one of its organisational units, is permanently used for the sole or predominant purpose of enabling or facilitating the commission of such offences, the sanction of definitive disqualification from exercising the activity shall apply.

For the sake of completeness, it should also be recalled that Article 23 of the Decree punishes the non-compliance with **disqualification sanctions**, which occurs when the Entity has been imposed, pursuant to the Decree, a sanction or a precautionary measure and, despite this, it violates the obligations or prohibitions inherent therein.