



ORGANISATION, MANAGEMENT AND CONTROL MODEL

ex Italian Legislative Decree no. 231/01

SPECIAL PART

Rev.02

The English text is a translation of the Italian Official "Model 231"; for any conflict or discrepancies between the two text the Italian text shall prevail

BREDA ENERGIA S.p.A.

Headquarters
20099 Sesto S. Giovanni (Milan) - Italy,
Via G. Carducci, 125
Ph. +39 02 24419.1 - Fax +39 02 24419544
E-mail: info@bredaenergia.it
Web: <http://www.bredaenergia.it>

Legal address and Workshop
20126 Milan - Italy, Viale Sarca, 336
Ph. +39 02 64477.1
Share capital € 7.800.000,00
R.E.A. no. 1106100
Fiscal Code and
V.A.T. Code n.06877880156



FUNCTION OF THE SPECIAL PART	3
OFFENCES AGAINST THE PUBLIC ADMINISTRATION.....	4
1. THE CASES OF CRIMES AGAINST THE PUBLIC ADMINISTRATION (ARTICLES 24 AND 25 ITALIA LEGISLATIVE DECREE 231/2001).....	4
2. METHODS FOR DEFINING THE PUBLIC ADMINISTRATION AND INDIVIDUALS IN CHARGE OF A PUBLIC SERVICE.....	8
3. AREAS AT RISK.	9
4. THE GENERAL PRINCIPLES OF BEHAVIOUR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK.	9
5. SPECIFIC PROCEDURES TO BE ADOPTED IN COMPLIANCE WITH THE ORGANISATION MODEL.....	10
6. THE CONTROLS OF THE SUPERVISORY BODY.	12
CRIMES AGAINST INDIVIDUALS	13
1. CRIME CASES AGAINST INDIVIDUALS (ARTICLE 25-QUINQUIES ITALIAN LEGISLATIVE DECREE 231/2001).	13
2. AREAS AT RISK.	14
3. THE GENERAL PRINCIPLES OF BEHAVIOUR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK.	15
4. THE CONTROLS OF THE SUPERVISORY BODY.	15
CORPORATE CRIMES	16
1. THE CASES OF CORPORATE CRIMES (ARTICLE 25-TER ITALIAN LEGISLATIVE DECREE 231/2001).	16
2. AREAS AT RISK.	21
3. RECIPIENTS - THE GENERAL PRINCIPLES OF BEHAVIOUR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK.....	21
4. SPECIFIC PROCEDURES TO BE ADOPTED IN COMPLIANCE WITH THE ORGANISATION MODEL.....	23
5. THE CONTROLS OF THE SUPERVISORY BODY.	24
OFFENCES COMMITTED WITH THE PURPOSE OF TERRORISM OR THE SUBVERSION OF DEMOCRATIC ORDER.....	26
1. THE CASES OF OFFENCES COMMITTED WITH THE PURPOSE OF TERRORISM OR THE SUBVERSION OF DEMOCRATIC ORDER (ARTICLE 25-QUARTER ITALIAN LEGISLATIVE DECREE 231/2001).	26
2. AREAS AT RISK.	27
3. RECIPIENTS - THE GENERAL PRINCIPLES OF BEHAVIOUR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK.....	27
4. SPECIFIC PROCEDURES TO BE ADOPTED IN COMPLIANCE WITH THE ORGANISATION MODEL.....	28
5. THE CONTROLS OF THE SUPERVISORY BODY.	28
OFFENCES OF CULPABLE HOMICIDE AND NEGLIGENT INJURY, COMMITTED WITH VIOLATION OF THE RULES ON PROTECTION OF HEALTH AND SAFETY AT WORK	30
1. THE CASES OF OFFENCES OF CULPABLE HOMICIDE AND NEGLIGENT INJURY, COMMITTED WITH VIOLATION OF THE RULES ON PROTECTION OF HEALTH AND SAFETY AT WORK. (ARTICLE 25-SEPTIES ITALIAN LEGISLATIVE DECREE 231/2001).....	30
2. AREAS AT RISK.	31
3. RECIPIENTS - THE GENERAL PRINCIPLES OF BEHAVIOUR AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN THE AREAS AT RISK.....	32
4. SPECIFIC PROCEDURES TO BE ADOPTED IN COMPLIANCE WITH THE ORGANISATION MODEL.....	32
5. THE CONTROLS OF THE SUPERVISORY BODY.....	34



FUNCTION OF THE SPECIAL PART

This Special Part refers to behaviours that can be carried out by employees and Company Bodies of Breda Energia Sesto Industria S.p.A. (hereinafter referred to as Breda Energia), as well as its Agents, Consultants and Partners.

The objective of this Special Part is that all receivers, as identified above, must adopt rules of behaviour in compliance with its requirements in order to prevent the occurrence of offences contained in it.

Specifically, the purpose of this Special Part is to:

- a) indicate the principles of procedure that the employees, Company Bodies, Consultants and Partners of Breda Energia are asked to observe in order to ensure the proper application of the organization, management and control Model (hereinafter also referred to as the "Model"), adopted pursuant to Italian Legislative Decree no. 231/2001;
- b) provide the Supervisory Body and managers of other business functions cooperating with it with the principles on which the instruments required for carrying out the control, monitoring and verification must be based.

The identification of areas at risk represents an essential task for the construction of the Model. It was carried out in Breda Energia, when preparing this Model, by analyzing the company in order to identify the activities and the processes in which risk elements detrimental to the objectives set out by Legislative Decree No. 231/2001 may occur.

The Supervisory Body must update this activity on a regular basis with the appropriate cooperation of all the business sectors and the assigned employees.



Offences against the Public Administration

1. The cases of crimes against the Public Administration (Articles 24 and 25 Italia Legislative Decree 231/2001)

This part refers to offences carried out within the relations between Breda Energia and the Public Administration.

Each case contemplated by Articles 24 and 25 of Italian Legislative Decree No. 231/2001 is briefly described below.

I) Embezzlement against the State or the European Union (Article 316-bis of the Italian Penal Code)

Pursuant to Article 316-bis of the Italian Penal Code, *“any person who, outside the Public Administration, has been granted from the State or other public entity or from the European Communities, contributions, subsidies or loans in order to favour initiatives aimed at the carrying-out of works or activities of public interest, and does not use them for the above-mentioned objectives, is punished with imprisonment from six months to four years”*.

This crime case occurs when, after receiving funding or contributions from the Italian State or the European Union, the amounts obtained are not used for the purposes for which they were assigned (the behaviour consists in the total or partial embezzlement of the amount obtained, without pointing out that the planned activity has been carried out).

Considering that the moment in which the crime is committed coincides with the phase of execution, the offence can arise also with reference to the funding already obtained in the past and that now is not allocated to the purposes for which it was disbursed.

EXAMPLE: one or more employees entrusted with fund management use them for purposes other than those for which they were disbursed.

II) Misappropriation of funds to the detriment of the State or the European Union (Article 316-ter Italian Penal Code)

Pursuant to Article 316-ter of the Italian Penal Code, *“Unless the deed constitutes the crime established by Article 640-bis, any person who, by using or submitting forged declarations or documents or declarations and documents containing false statements, or by omitting any information due, receives unduly, for oneself or for others, contributions, loans and subsidized loans or other funds of the same type, however they are called, granted or lent by the State, other public entities or the European Communities, is punished with imprisonment from six months to three years. When the amount unduly received is equal or below EUR 3999.96, only the administrative sanction of the payment of an amount ranging from EUR 5,164 to 25,822 applies. Such a penalty cannot however exceed three times the benefit obtained”*.

This crime case occurs when - by using or submitting forged declarations or documents or by omitting any information due - contributions, loans and subsidized loans or other funds of the same type granted or disbursed by the State, other public entities or the European Community are unduly obtained.

In this case, contrary to what was seen on the previous point (Article 316-bis Italian Penal Code), the use of the funds is not important since the offence is carried out when the loans are obtained.

Finally, it should be pointed out that such an offence, unlike the previous case, occurs only in cases where the conduct does not amount to fraud against the State.

EXAMPLE: an employee, in order to obtain a fund from the European Communities, submits to the competent authority documents falsely certifying that the company has a prerequisite for obtaining the fund.



III) Extortion (Article 317 of the Italian Penal Code)

Pursuant to Article 317 of the Italian Penal Code, *“a public official, or any individual in charge of a public service, who abuses his/her position or powers and obliges or induces someone to give or unjustly promise him/her or a third party cash or other benefits, is punished with imprisonment from four years up to twelve years”*.

This crime case occurs when a public official or an individual in charge of a public service, abusing his/her position, obliges someone to give oneself or others undue money or other benefits.

This type of offence occurs only in the abstract for what concerns Breda Energia, in that the company does not carry out activities qualified as public service and it is difficult for its employees to participate only in the “typical” crime with a public official and an individual in charge of a Public Service.

IV) Corruption for an official measure or act against official duties (Articles 318-319-320 Italian Penal Code.)

Pursuant to Article 318 of the Italian Penal Code, *“a public official who receives, for oneself or a third party, cash, other benefits, or undue payment or accepts the promise of such remuneration in order to carry out an official measure, is punished with imprisonment from six months up to three years.*

If a public official receives a remuneration for an official measure that he/she has already carried out, the punishment is imprisonment up to one year”.

Pursuant to Article 319 of the Italian Penal Code (Corruption for an act against official duties), *“the public official, who receives, for oneself or for a third party, cash or other benefits, or accepts the promise thereof, as payment for omitting or delaying or for having omitted or delayed an official measure as well as for performing or having performed an act against official duties, is punished with imprisonment from two years up to five years”*.

Pursuant to Article 320 of the Italian Penal Code (Corruption of an individual in charge of a public service), *“the provisions of Article 319 also apply to an individual in charge of a public service; the provisions set out in Article 318 also apply to an individual in charge of a public service, if he/she acts in the capacity of civil servant.*

In any case, the punishments are reduced by one third”.

These crime cases also occur when a public official receives, for oneself or for others, money or other benefits for carrying out, omitting or delaying his/her official duties (determining a benefit in favour of the offerer).

It is necessary to bear in mind that, pursuant to Article 321 of the Italian Penal Code, *“ the penalties established in the first paragraph of Article 318, in Article 319, in Article 319-bis, in Article 319-ter and in Article 320 in relation to the aforesaid cases of Articles 318 and 319, also apply, to those who give or promise the money or other benefit to the public official or to the individual in charge of a public service”*.

The public official may carry out an official duty (for example: speed up a file of public concern), and an act against his/her duties (for example: the public official accepts money to secure the award of a tender.)

Corruption differs from extortion in that there is an agreement between the corrupt person and the corrupter aiming to achieve a mutual benefit, whereas during extortion the private individual suffers the conduct of the public official or of the individual in charge of the public service.

It is also worth noting that corruption occurs also when it is carried out against foreign subjects if they are considered, according to the Italian law, public officials or individuals in charge of a public service. Article 322-bis of the Italian Penal Code establishes that *“the provisions of Articles 314, 316, from 317 to 320 and 322, third and fourth paragraph, also apply: 1) to members of the Commission of the European Communities, of the European Parliament, of the Court of Justice and of the Accounting Office of the European Communities; 2) to officials and agents employed under the statute of the officials of the European Communities or of the system applicable to the agents of the European Communities; 3) to individuals under the control of the Member States or of any public or private entity of the European Communities, who perform functions corresponding to those of the officials or agents of the European Communities; 4) to members and people in charge of entities*



incorporated on the basis of the Treaties drawn up by the European Communities; 5) to those who, within other Member States of the European Union, perform functions or activities corresponding to those of public officials or individuals in charge of a public service.

The provisions referred to in Articles 321 and 322, first and second paragraph, shall apply even if money or other benefit is given, offered or promised: 1) to the persons indicated in the first paragraph of this article; 2) to persons who perform functions or activities corresponding to those of public officials and individuals in charge of a public service within other foreign States or international public organizations, if the fact is committed to obtain for oneself or others an illegal benefit in international business transactions.

The persons indicated in the first paragraph are treated as public officials, if they perform corresponding functions and as individuals in charge of a public service in other cases".

EXAMPLE: an employee of Breda Energia offers a sum of money to an official of a public office with a view to obtaining a quick issuing of an administrative measure necessary for running the company business.

V) Incitement to corruption (Article 322 of the Italian Penal Code)

Pursuant to Article 322 of the Italian Penal Code, "any person who offers or promises undue money or other benefits to a public official or an individual in charge of a public service who performs the function of a civil servant, to incite him/her to perform an official act, incurs, should the offer or promise not be accepted, the punishment established in the first paragraph of Article 318, reduced by one third.

If the offer or promise is made to induce a public official or an individual in charge of a public service, to omit or delay an official act, or perform an act contrary to his/her duties, the person responsible incurs, should the offer or promise not be accepted, the punishment established in art. 319, reduced by one third.

The punishment mentioned in the first paragraph applies to a public official or an individual in charge of a public service who performs the function of civil servant who incites a promise or offer of money or other benefits from a private party for the purposes set out in Article. 318.

The punishment set out in the second paragraph applies to a public official or an individual in charge of a public service who incites a promise or an offer of money or other benefits from a private party for the purposes set out in Article 319".

This crime case occurs when, in the presence of a corrupting behaviour, the public official refuses the offer illegally put forward.

It is also worth noting that the offence occurs also when the incitement to corruption is carried out against foreign subjects if they are considered, according to the Italian law, public officials or individuals in charge of a public service, in accordance with what was established by Article 322-bis of the Italian Penal Code mentioned above.

VI) Corruption in judicial acts (Article 319-ter of the Italian Penal Code)

Pursuant to Article 319-ter of the Italian Penal Code, "if facts as per articles 318 and 319 are committed to favour or damage a party in a civil, criminal or administrative case, the punishment is imprisonment from three years up to eight years.

If an undue judgment of imprisonment not longer than five years derives from the above, the punishment is imprisonment from four years up to twelve years; if the undue judgment of imprisonment is longer than five years up to life imprisonment, the punishment is from six years up to twenty years".

This crime case occurs when the Company is party to a legal proceeding and, with a view to obtaining a benefit in the proceeding itself, corrupts a public official (not only a judge but also a registrar or other official).

EXAMPLE: an employee offers a large sum to the public prosecutor holding the inquiry on activities carried out by Breda Energia to conceal unlawful acts and dismiss the case.



VII) Fraud against the State, other Public Body or of the European Union (Article 640 par. 2 no. 1 Italian Penal Code)

Pursuant to Article 640 of the Italian Penal Code, *“any person who, by means of deception and scam, misleading anyone, obtains, for oneself or someone else, an unlawful profit to the detriment of third parties, is punished with imprisonment from six months to three years and with a fine of EUR 51 up to EUR 1,032.*

The punishment consists in imprisonment from one year up to five years, and a fine of EUR 309 up to EUR 1,549:

- 1. if the fact is committed against the State or other public body or on the pretext of exempting individuals from military service;*
- 2. if the fact is committed by causing in the victim of crime the fear of an imaginary danger or the wrongful conviction to comply with an order of the authority.*

The crime is punishable subject to an action at law filed by the victim of crime, unless any one of the circumstances described above or another aggravating circumstance occurs”.

The offence established by the second paragraph, number 1, of such regulations occurs when, to obtain an unlawful profit, devices or tricks are carried out such as to mislead and cause damage to the State (or another Public Body or the European Union).

EXAMPLE: an employee of Breda Energia, in order to obtain a licence or an administrative authorization, misleads the public officials in charge by falsifying the reality through the production of forged documents.

VIII) Aggravated fraud for obtaining public grants (Article 640-bis of the Italian Penal Code)

Pursuant to Article 640-bis of the Italian Penal Code, *“the punishment is imprisonment from one year to six years and an ex officio proceeding is adopted if the fact under article 640 concerns contributions, loans, subsidised loans or other funds of the same type, however they are called, granted or lent by the State, other public entities or the European Communities”.*

This crime case occurs when the fraud is carried out to obtain unlawful public grants.

The case can occur when, in order to obtain public funds, devices or tricks are carried out (for example, by giving false information or preparing forged documents), such as to “mislead anyone and obtain for oneself or others an unlawful profit to the detriment of third parties”.

EXAMPLE: an employee, in order to obtain public grants, voluntarily misleads the public officials in charge of deciding on the application with the aid of third parties stating the existence of fictitious situations.

IX) Computer fraud against the State or other Public Body (Article 640-ter of the Italian Penal Code)

Pursuant to Article 640-ter of the Italian Penal Code, *“any person who, by falsifying in any way the operation of a computer or telematic system or however manipulating data, information or programs contained in an IT or telematic system or pertaining thereto without the right to do so, obtains for oneself or for others an unjust profit to the detriment of others, is punished with imprisonment from six months to three years and with a fine of EUR 51 up to EUR 1,032.*

The punishment is imprisonment from one year up to five years and a fine of EUR 309 up to EUR 1,549 if any one of the circumstances contemplated by number 1) of the second paragraph of Article 640 occurs, or if the deed is committed by abusing one's capacity as system operator.

The crime is punishable subject to an action at law filed by the victim of crime, unless any one of the circumstances set forth in the second paragraph or another aggravating circumstance occurs”.

This crime case occurs when, by falsifying the operation of a computer or telematic system of the public body or by manipulating the data contained therein, an unjust profit is obtained causing damage to third parties.

EXAMPLE: falsification of computer records of the Public Administration to show as if the prerequisites to participate in tenders exist (enrolments, etc.) or to produce documents proving facts and circumstances that do not exist or to change tax or social security figures involving the company (e.g. 770 form), already sent to the Authority. The offence under examination can also occur when,



after obtaining the funding, the information system of the Public Administration is violated in order to enter an amount related to the funding higher than the one lawfully obtained.

2. Methods for defining the Public Administration and individuals in charge of a public service

The aim of this chapter is to indicate the general methods and provide a list of examples of the subjects qualified as “active subjects” in the relevant offences for the purposes of Italian Legislative Decree 231/2001, i.e. those subjects whose qualification is required to integrate the cases provided for in the said Legislative Decree.

I) Public officials

Pursuant to Article 357, first paragraph, of the Italian Penal Code, the person who “carries on a legislative, judicial or administrative public function” is a public official “for the purposes of the Italian Penal Code”.

The second paragraph states that: “the administrative function governed by public law and official deeds and characterized by the formation and manifestation of the will of the public administration or by its carrying-out through official or certifying powers is public.”

In other words, the administrative function regulated by “public law”, that is to say by regulations with a view to pursuing a public purpose and by the protection of public interest, and as such, opposed to the rules of private law, is defined public.

The second paragraph of Article 357 of the Italian Penal Code expresses also in regulatory terms some of the main preliminary methods identified by the law and by doctrine in order to differentiate the concept of “public function” from that of “public service”.

The administrative tasks that respectively and alternately represent the exercise of the powers to decide, authorize or certify are defined as “public functions”.

II) Individuals in charge of a public service

The definition of the category of “individuals in charge of a public service” can be found in Article 358 of the Italian Penal Code, which states that “those who offer a public service for any reason are in charge of a public service”.

Public service is defined as an activity regulated as a public function, but characterized by the lack of its typical powers, and with the exclusion of the carrying-out of simple tasks and the supply of purely material services.

The service must be regulated by public laws, such as the public function, in order to be considered public; however, the service is characterized by the absence of the powers to certify, authorize and decide, which belong to the public function.

It is also worth noting that the same methods established by our system to qualify a subject as a “public official” or “individual in charge of a public service” also apply to the members of the bodies of the European Communities and to the officials of the European Communities and of foreign States, at least for the limited purposes set forth in Article 322-bis of the Italian Penal Code.

In any case, Breda Energia considers in a precautionary way the contracts signed with all the Italian or foreign state-owned subjects as potentially at risk, unless the Supervisory Body has specifically verified that such subjects cannot hold the office of public official or individual in charge of a public service pursuant to the Italian legislation.



3. Areas at risk

The main activities that Breda Energia has identified within itself as areas at risk of commission of offences against the Public Administration are set below:

- I) participating in tender or direct negotiation procedures held by Italian or foreign Public Bodies for awarding orders (contracts, supplies or services), granting of partnerships, assets (business complexes, shareholdings, etc.) or other similar operations characterized by the fact that they are carried out in a potentially competitive context, by considering in this way also a context in which, even if there is only one competitor in a particular procedure, the contacting entity would have had the possibility of choosing also other companies present on the market;
- II) participating in procedures to obtain grants, licences or authorizations from the Public Administration;
- III) participating in procedures to obtain funds, contributions or funding from Italian or EC Public Bodies and their practical use.

4. The general principles of behaviour and implementation of the decision-making process in the areas at risk

The objective of this Special Part of the Model is that all receivers, directors, managers, employees of the company must adopt rules of behaviour in compliance with the requirements of the Special Part and of the Code of Conduct, in order to prevent the occurrence of offences provided by Italian Legislative Decree No. 231/2001.

This Special Part does not allow - all the Business Representatives, directly, and the external collaborators, agents, business consultants, brokers, partners in joint-ventures and the like and Partners, through appropriate contractual clauses - to:

- carry out behaviours such as to include the crime cases considered above (Articles 24 and 25 of the Decree);
- carry out behaviours that, even if they do not consist in crime cases falling under those considered above, can potentially become so;
- carry out any situation of conflict of interest against the Public Administration in relation to what was provided by the crime cases above.

Within the aforesaid behaviours, it is not allowed, in particular, to:

- make money donations to public officials;
- distribute gifts and presents outside what is contemplated by the usual company procedure (that is to say, in accordance with the Code of Conduct, any kind of gift offered or received, in excess of normal business or courtesy practices, or however aimed at receiving favourable treatment in the conduct of any business activity). In particular, it is not allowed to make any gift to Italian and foreign public officials (also in those Countries where donations represent a common practice) or to their family members, which can influence free judgment or obtain any kind of advantage for the company;
- give advantages of any nature (promises of recruitment, etc.) in favour of representatives of the Public Administration that can influence free judgment or obtain any kind of advantage for the company;
- carry out services in favour of the Partners that are not adequately justified in the context of the contractual relationship established with the Partners themselves;
- recognize fees in favour of External Collaborators that are not adequately justified in relation to the type of task to be carried out and to the practices locally in force;



- submit false declarations to national or EC Public Bodies in order to obtain public grants, contributions or soft loans;
- allocate amounts received from national or EC Public Bodies by way of funds, contributions or funding for purposes other than those for which they were disbursed.

5. Specific procedures to be adopted in compliance with the organization model

For the purpose of implementing the behaviours described above, in relation to procedures in the risk areas, the following procedures will be taken.

The relations vis-à-vis the Public Administration for the aforementioned activities at risk must be managed jointly, by appointing a person in charge for each operation or multiple operations (should they be particularly repetitive) undertaken in the areas at risk.

The association agreements with the Partners of the company must be defined in writing by pointing out all the conditions of the agreement itself - in particular as regards economic conditions agreed for joint participation in the procedure - and must be proposed or verified or approved by at least two subjects from Breda Energia. In particular, the Joint-Venture agreements, temporary business combines, association of companies and any type of partnership must contain an express prohibition clause of any behaviour that may constitute a violation of the provisions of the Decree, as well as of the related applicable international regulations, or that may be substantiated in a violation of the Code of Conduct of Breda Energia, and must contemplate, should this prohibition be violated, a termination clause of the agreement for a just cause that justifies the compensation for damage.

The tasks assigned to the external collaborators must be drawn up in writing, by indicating the agreed fee and must be proposed or verified or approved by at least two subjects from Breda Energia. In particular, contracts with agents, business consultants and brokers must contain an express prohibition clause of any behaviour that may constitute a violation of the provisions of the Decree, as well as of the related applicable international regulations, or that may be substantiated in a violation of the Code of Conduct of Breda Energia, and must contemplate, should this prohibition be violated, a termination clause of the agreement for a just cause that justifies the compensation for damage.

No type of payment can be made in cash or in kind.

The statements made to national or EC Public Bodies in order to obtain funds, contributions or loans, must contain only absolutely true elements and, should they be obtained, a special report must be issued.

Those who control and supervise the fulfilment of the obligations related to the performance of the aforesaid activities (payment of invoices, allocating loans obtained by the State or by EC bodies, etc.) must pay special attention to the fulfilment of these obligations and immediately refer any irregular situation to the Supervisory Body.

For each operation at risk, the internal manager must fill in an Evidence Card to be updated during the procedure, using for that purpose a special “check list” showing the following elements:

- a) The description of the operation at risk, by pointing out, even if only by way of example, the economic value of the operation;
- b) The Public Administration that has jurisdiction over the procedure forming the subject matter of the operation;
- c) The name of the person responsible for the operation (with the details or enclose a copy of the letter of appointment), by pointing out his/her position within the organization;
- d) The statement issued by the internal manager stating that he/she is fully aware of the tasks to be carried out and the obligations to be observed when carrying out the operation and that he/she did not commit the offences covered by Italian Legislative Decree No. 231/2001;



e) The name of any person appointed by the internal manager to which, without prejudice to his/her liability, are delegated certain functions, by pointing out their position within the business organization;

f) The statement issued by such subjects, designated by the internal manager, stating that they are fully aware of the tasks to be carried out and the obligations to be observed when carrying out the operation;

g) The indication of the main initiatives and of the main tasks performed when carrying out the operation.

In particular, the card must indicate in detail at least the tasks listed below for participating in tender or direct negotiation procedures:

- sending the expression of interest to participate in the procedure;
- sending the non-binding offer;
- sending the binding offer;
- other significant steps of the procedure;
- issued guarantees;
- result of the procedure;
- termination of the operation.

For participating in loan disbursement procedures, at least the following must be indicated:

- application for the loan;
- significant steps of the procedure;
- result of the procedure (for example: suspension sine die of the tender, no invitation to tender, positive assignment, assignment to other competitor, etc.);
- report of the amounts obtained with the fund, contribution or public funding.

h) The indication of possible external collaborators in charge of assisting the company in the participation of the procedure (by indicating the reasons for choosing the collaborators, the verification of their requirements, type of task conferred, acknowledged consideration, any special condition applied);

i) The statement issued by the aforesaid external collaborators stating that they are fully aware of the tasks to be carried out and the obligations to be observed when carrying out the operation;

l) The indication of any Partner identified for the purposes of joint participation in the procedure (by indicating the reasons for choosing such Partners, the verifications of the requirements of the Partners as well as the composition of their share structure, the type of associated agreement carried out, agreed economic conditions, any special condition applied, and with a special reference also to the possibility of forecasting a higher contribution by Breda Energia to the benefit of the Partners);

m) The statement issued by the aforesaid Partners, indicated in the relevant associated agreement, showing that the parties fully acknowledge the mutual commitment to base the behaviours aimed at implementing the common initiative on principles of transparency and correctness and to the strictest observance of the provisions of law;

n) Other factors and circumstances pertaining to the operation at risk (such as, for example, money transfers carried out within this procedure).

The internal manager must, in particular:

- inform the Supervisory Body of Breda Energia on the opening of the operation by sending the initial data of the card;
- keep the card at the disposal of the Supervisory Body of the company, updating it during the procedure;
- inform the Supervisory Body of the closing of the operation.



6. The controls of the Supervisory Body

The tasks of the Supervisory Body include the following.

I) Issuing and updating the standardized instructions to make sure that the Cards are filled in homogeneously and consistently; to describe the behaviours within the activities at risk and, in general, in the relations with the Public Administration; to determine the extent to which it is not necessary to use some of the items of the Evidence Card.

These instructions must be written and stored by the Supervisory Body on a paper or electronic report.

II) Checking on a regular basis, with the support of other competent functions, the system of proxies in force, recommending changes if the management power or the qualification of the proxy does not correspond to the powers of representation granted to the internal manager.

III) Checking on a regular basis - with the support of the other competent business functions - the validity of the clauses aimed at:

- making the receivers observe the provisions of the decree;
- giving Breda Energia the possibility of checking the receivers of the Model in order to make sure that the requirements contained therein are met;
- implementing the sanction mechanisms (such as the withdrawal from the contract with regard to Partners or external collaborators) if the requirements of the organization Model or of the Code of Conduct are violated;

suggesting their updating as often as necessary or appropriate.

According to the activity assigned to the Supervisory Body in this Model, it must have free access to all the relevant company documents in order to monitor the areas at risk identified in this Special Part.



Crimes against Individuals

1. Crime cases against individuals (Article 25-quinquies Italian Legislative Decree 231/2001)

I) Child prostitution and child pornography, virtual or otherwise (Articles 600-bis, 600-ter, 600-quarter, 600-quinquies Italian Penal Code)

Pursuant to Article 600-bis of the Italian Penal Code (Child prostitution, amended by Italian Law 38/06) “anyone inducing a person under the age of eighteen to prostitution or encouraging or exploiting prostitution is punished with imprisonment from six to twelve years and with a fine of EUR 15,493 up to EUR 154,937.

Unless the fact constitutes a more serious offence, anyone who commits sexual acts with a minor between fourteen and sixteen years of age, in exchange for money or other economic reasons, is punished with imprisonment from six months to three years or with fine not less than EUR 5,164.

If the fact referred to in the second paragraph is committed against a person who has not attained the age of sixteen, the penalty of imprisonment from two to five years applies.

If the perpetrator of the fact referred to in the second subparagraph is a person less than eighteen years of age, the penalty of imprisonment or fine is applied, reduced by one third to two-thirds”.

Pursuant to Article 600-ter of the Italian Penal Code (Child pornography, amended by Italian Law 38/06), “Anyone using persons less than eighteen years of age produces pornographic performances or produces pornographic material or induces persons less than eighteen years of age to participate in pornographic performances is punishable with imprisonment from six to twelve years and a fine of EUR 25,822 up to EUR 258,228.

The same fine is subject to any person who makes business out of pornographic material according to the first paragraph.

Anyone, outside the cases referred to in the first and second paragraph, who distributes, discloses, disseminates or publishes pornographic material according to the first paragraph by any means including telematically, or distributes or discloses records or information with the purpose of soliciting or sexually exploiting persons less than eighteen years of age is punished with imprisonment from one to five years and a fine of EUR 2,582 up to EUR 51,645.

Any person who, outside the cases referred to in the first, second and third paragraph, offers or gives to others, even free of charge, the pornographic material referred to in the first paragraph, is punished with imprisonment up to three years and a fine of EUR 1,549 up to EUR 5,164.

In the cases referred to in the third and fourth paragraph, the penalty is increased to an extent not exceeding two thirds if the quantity of the material is considerable”.

Pursuant to Article 600-quarter of the Italian Penal Code (Possession of pornographic material, amended by Italian Law 38/06) “any person who, outside the cases referred to in Article 600-ter, knowingly obtains or possesses pornographic material created by using persons less than eighteen years of age, is punished with imprisonment up to three years and a fine not less than EUR 1,549.

The penalty is increased to an extent not exceeding two thirds if the quantity of the material held is considerable”.

Pursuant to Article 600-quarter 1 of the Italian Penal Code (Virtual pornography, amended by Italian Law 38/06) “the provisions set forth in Articles 600-ter and 600-quarter apply also when the pornographic material represents virtual images created by using persons or parts of persons less than eighteen years of age, but the penalty is reduced by one third.

Virtual images are defined as images created with graphical processing techniques not related in whole or in part with real situations, whose representation quality makes unreal situations look like real”.

Pursuant to Article 600-quinquies of the Italian Penal Code (Tourism initiatives for the exploitation of child prostitution), “any person who organizes or promotes travels aimed at using prostitution against minors or involving such activity is punished with imprisonment from six to twelve years and a fine of



EUR 15,493 up to EUR 154,937".

As for the other crime cases with respect to which the administrative liability of the entity derives pursuant to Italian Legislative Decree 231/01, the crimes mentioned above must be committed in the interest or for the benefit of the company.

Therefore, such offences occur only in the abstract for what concerns Breda Energia, since it is virtually impossible for them to identify the existence of an interest or benefit for the Entity.

II) Enslavement and trafficking in persons or slaves (Articles 600-601-602 Italian Penal Code)

Pursuant to Article 600 of the Italian Penal Code (Enslavement and trafficking in persons or slaves) *"anyone who exercises on a person powers that correspond to those of the crime of ownership or anyone adapting or maintaining a person in a state of continued subjection, forcing him/her to undertake working or sexual performances or to begging or, however, to performances that involve exploitation, are punished with imprisonment from eight to twenty years.*

The subjection or maintenance in the state of subjection takes place when the conduct is made through violence, threatening, cheating, abuse of authority or profiting by a situation of physical or psychological inferiority or by a situation of necessity or the promise or the offer of sums of money or of other advantages to those who have authority over the person.

The punishment is increased from one third to one half if the facts referred to in the first paragraph are committed against a person less than eighteen years of age or are directed to the exploitation of prostitution or with the intent of subjecting the victim of crime to the removal of organs".

Pursuant to Article 601 of the Italian Penal Code (Trafficking in persons), *"anyone trafficking in persons who is in the situation set out in Article 600 or, in order to commit the crimes according to the same article, induces it by deceit or forces it through violence, threat, abuse of authority or a state of physical or mental inferiority or a situation of need, or by promise or offer of amounts of money or of other benefits to the person who has authority over it, to enter, reside or leave the territory of the State or to move about within it, is punished with imprisonment from eight to twenty years.*

The punishment is increased from one third to one half if the crimes according to this article are committed causing damage to a person less than eighteen years of age or are directed to the exploitation of prostitution or with the intention of removing the organs of the victim of crime".

Pursuant to Article 602 of the Italian Penal Code (Purchase and sale of slaves), *"anyone, outside the cases described in Article 601, purchasing or transferring or selling a person who is in one of the conditions set out in article 601 is punished with imprisonment from eight to twenty years.*

The punishment is increased by one third to one half if the victim of crime is less than eighteen years of age or if the facts referred to in the first paragraph are directed to the exploitation of prostitution or with the intention of removing the organs of the victim of crime".

2. Areas at risk

However, regarding the offences connected to slavery, besides noting that such crime cases not only extend to the subject that directly commits the unlawful case in point but also to who knowingly facilitates even only financially the same conduct.

Without prejudice to the fact that Breda Energia intends to prevent the commission of offences of child prostitution and child pornography, established from Articles 600-bis to 600-quinquies of the Italian Penal Code, requiring all recipients of this model to comply with the principles of the Code of Conduct and of the instructions given on the use of information technology, Internet and e-mail by employees, the only area at risk (ex Italian Legislative Decree 321/01) of commission of offences against individual freedom, in the interests of the company, within the framework of the activities of Breda Energia, is the establishment of commercial relations with our Partners or suppliers who can illegally obtain the workforce through the trafficking of migrant workers and slave trade.



3. The general principles of behaviour and implementation of the decision-making process in the areas at risk

The objective of this Special Part of the Model is that all receivers, directors, managers, employees of the company as well as external collaborators and partners must adopt rules of behaviour in compliance with the requirements of the Special Part and of the Code of Conduct, in order to prevent the occurrence of offences provided by Italian Legislative Decree No. 231/2001.

This Special Part does not allow - all the Business Representatives, directly, and the external collaborators and Partners, through appropriate contractual clauses - to:

- carry out behaviours such as to include the crime cases against individual freedom considered above (Article 25-quinquies Italian Legislative Decree 231/01);
- carry out behaviours that, even if they do not consist in crime cases falling under those considered above, can potentially become so.

In particular, it does not allow its employees and collaborators to use the IT tools at their disposal for distributing, disseminating, disclosing or even only for holding pornographic or child pornographic material, virtual or otherwise.

In accordance with what is established in the Code of Conduct adopted by Breda Energia, which contemplates the company's commitment to ensure the physical and moral integrity of its employees and collaborators, and working conditions respecting individual dignity and safe and healthy workplaces, Breda Energia undertakes to observe and enforce their employees, co-workers and business partners and suppliers to observe the regulations in force on labour, focusing in particular on child labour and what is provided for by the law on health and safety.

To this end, business Partners and suppliers of Breda Energia must undertake to observe all law obligations on:

- protection of child labour and women (with a special reference to the agreements adopted by the International Labour Organization concerning the prohibition of forced labour, freedom of association and right to engage in collective bargaining, prohibition of child labour, non-discrimination in the employment sector);
- hygiene, sanitation and safety conditions;
- trade-union rights, right of assembly and representation.

4. The controls of the Supervisory Body

The tasks of the Supervisory Body include the following:

I) Checking on a regular basis - with the support of the other competent business functions - the validity of the clauses aimed at:

- making the receivers observe the provisions of the decree;
- giving Breda Energia the possibility of checking the receivers of the Model in order to make sure that the requirements contained therein are met;
- implementing the sanction mechanisms (such as the withdrawal from the contract with regard to Partners or external collaborators) if the requirements of the organization Model or of the Code of Conduct are violated.

suggesting their updating as often as necessary or appropriate.

II) Request business Partners and suppliers of Breda Energia all documents necessary to verify compliance with these requirements.

III) Carry out inspections at the premises of business Partners and suppliers of Breda Energia, in all cases where this appears necessary to verify compliance with the requirements laid down by the organization Model or principles established in the Code of Conduct.



Corporate crimes

1. The cases of corporate crimes (Article 25-ter Italian Legislative Decree 231/2001)

Italian Legislative Decree 61/2002 introduced the provision of money penalties to the charge of the entity in case of commission of corporate crimes and envisaged the insertion in Italian Legislative Decree 231/2001 of Article 25-ter, which introduces specific penalties to the charge of the entity "in relation to corporate crimes provided for by the Italian Civil Code, if committed in the interest of the company by directors, general managers, liquidators or persons under their supervision, when the fact would not have occurred if they had supervised in accordance with the obligations related to their office".

Although the text of this article does not mention explicitly the two elements that characterize Italian Legislative Decree 231/2001 (the organization, management and control Model and the Supervisory Body), it refers to them implicitly since the standard is classified in the said regulations.

Apart from an explicit rule-making provision, Breda Energia considered it appropriate to prepare an organization, management and control Model that takes into account also the offences indicated in Article 25-ter of Italian Legislative Decree no. 231/01 and has therefore prepared this Special Part; this also with a view to ensuring the transparency of the procedures and processes within the company, which is one of the objectives of the Code of Conduct adopted by the company.

Therefore, this Special Part refers to corporate crime, in particular. Each case contemplated by Article 25 of Italian Legislative Decree No. 231/2001 is briefly described below.

I) False company communications (Articles 2621 and 2622 par.1 and 3 Italian Civil Code)

Pursuant to Article 2621 of the Italian Civil Code, "expect for what is provided by Article 2622, directors, general managers, auditors and liquidators, with the intention of deceiving the shareholders or the general public and in order to obtain for themselves or for others an unjust profit, in financial statements, reports or other company reports compulsory by law, aimed at shareholders or the general public, show untrue, albeit assessed, material facts or omit information the disclosure of which is compulsory by law on the economic or financial situation of the company or of the group of which it is part, as to mislead the receivers on the above-mentioned situation, are punished with imprisonment up to one year and six months.

The liability to punishment is also extended to the case in which information concerns assets owned or managed by the company on behalf of third parties.

The liability to punishment is excluded if the false or omitted information does not significantly alter the representation of the economic or financial situation of the company or of the group of which it is part. The liability to punishment is excluded if the forgeries or the omissions determine a change in the year-end profit and loss result, before taxes, not greater than 5% or a change in the net worth not greater than 1%.

In any case, the fact is not liable to punishment if it results from estimates that, considered separately, differ not more than 10% from the correct one".

Pursuant to Article 2622 of the Italian Civil Code, "directors, general managers, auditors and liquidators who, with the intention of deceiving the shareholders or the general public and in order to obtain for themselves or for others an unjust profit, in financial statements, reports or other company communications compulsory by law, aimed at shareholders or the general public, show untrue, albeit assessed, material facts or omit information the disclosure of which is compulsory by law on the economic or financial situation of the company or of the group of which it is part, as to mislead the receivers on the above-mentioned situation by causing a financial damage to the shareholders or to the creditors, are punished subject to an action at law filed by the victim of crime with imprisonment from six months to three years.



An action at law is filed also if the fact includes another crime, albeit aggravated, to the detriment of the property of subjects other than shareholders and creditors, unless it is committed against the State, other public entities or the European Communities.

In the case of companies subject to the provisions of part IV), title III), paragraph II) of the Italian Legislative Decree no. 58 of 24 February 1998, the punishment for the facts established in the first paragraph is from one year up to four years and an ex officio proceeding can be adopted.

The liability to punishment for the facts contemplated by the first and third paragraph is also extended to the case in which the information concerns assets owned or managed by the company on behalf of third parties.

The liability to punishment for the facts contemplated by the first and third paragraph is excluded if the false or omitted information does not significantly alter the representation of the economic or financial situation of the company or of the group of which it is part. The liability to punishment is however excluded if the false or omitted information determines a change in the year-end profit and loss result, before taxes, not higher than 5% or a change of net worth not higher than 1%.

In any case, the fact is not liable to punishment if it results from estimates that, considered separately, differ not more than 10% from the correct one".

The offence of false company communications occurs by stating in the financial statements, reports or other company communications provided by law, aimed at shareholders, creditors or the general public, of untrue albeit assessed material facts, so as to mislead the receivers of the economic and financial situation of the company with the intention to deceive the shareholders, creditors or general public; or by omitting, for the same reason, information on the same situation whose communication is imposed by the law.

It must also be specified that:

- the (commissive or omissive) behaviour must aim at obtaining an unlawful profit for oneself or for others;
- the false or omitted information must be significant and such as to alter the representation of the economic or financial situation of the company or of the group of which it is part;
- the liability is recognized also if the information concerns assets owned or managed by the company on behalf of third parties;
- the offence referred to in Article 2622 of the Italian Civil Code is punishable subject to an action at law filed by the party, unless it is committed against the State, other public authorities, the European Union or listed companies, in which case an official prosecution is contemplated;
- active subjects of the offence may be directors, general managers, auditors and liquidators.

EXAMPLE of false company communications (financial statements): the Managing Director (or the Liquidator or General Manager) ignores the indication of the Administrative Director on the need for a provision (adjustment) for bad debts in connection with the state of crisis of a customer, and enters an amount of credit higher than the amount due; this is done in order not to show a loss that would imply taking measures on the share capital (Articles 2446 and 2447 Italian Civil Code).

II) False prospectus (art. 2623 of the Italian Civil Code.)

Pursuant to Article 2623 of the Italian Civil Code, *"any person who, in order to obtain for oneself or for others an unjust profit in the prospectuses requested for the purposes of solicitation of investment or admission to listing on a regulated market, or in the documents to be published on the occasion of public purchase offers or exchanges, with the awareness of the falseness and intention to deceive the receivers of the prospectus, shows false information or conceals data or information so as to mislead the above-mentioned receivers, is punished, if the conduct has not caused an economic damage, with imprisonment from up to one year.*

If the conduct set out in the first paragraph has caused an economic damage to the receivers of the prospectuses, the punishment is imprisonment from one year up to three years".

This criminal behaviour consists in showing false information or concealing data or information within the prospectuses (documents requested for the purposes of solicitation of investment or admission to listing on a regulated market, or to be published on the occasion of public purchase offers or exchanges) so as to mislead the receivers of the prospectuses.



It is specified that:

- the awareness of the falseness and the intention to deceive the receivers of the prospectus must exist;
- the conduct must be such as to obtain an unfair profit for oneself or for others;
- the offence in question is configured as a crime or fine depending on whether or not it has caused an economic damage to the receivers.

III) Forgery of reports or communications of the auditing company (Article 2624 of the Italian Civil Code)

Pursuant to Article 2624 of the Italian Civil Code, *“any auditor who, in order to obtain an unjust profit for oneself or for others, in reports or other communications, with the awareness of the falseness and intention to deceive the receivers of the communications, states the false information or conceals information concerning the economic and financial situation of the company, entity or individual subject to auditing, so as to mislead the receivers of the communications on the above-mentioned situation, is punished, if the conduct has not caused an economic damage, with imprisonment up to one year.*

If the conduct set out in the first paragraph has caused an economic damage to the receivers of the communications, the punishment is imprisonment from one year up to four years”.

Such criminal conduct consists of false statements or concealment of information, reports or other communications of the auditing companies concerning the economic and financial situation of the company subject to audit by the auditing company managers in order to obtain for themselves or for others an unjust profit.

The punishment is more serious if the conduct has caused an economic damage to the receivers of the communications.

It is specified that:

- the awareness of the falseness and the intention to deceive the receivers of the prospectus must exist;
- the conduct must be such as to obtain an unfair profit for oneself or for others;
- the offence in question is configured as a crime or fine depending on whether or not it has caused an economic damage to the receivers.

Active subjects of the offence are the managers of the auditing companies, but the members of the administrative and controlling bodies of Breda Energia and its employees may be involved by way of complicity in crime. In fact, the possible complicity, pursuant to Article 110 of the Italian Penal Code, of the directors, auditors, or other subjects of the company subject to auditing, who determined or instigated the misbehaviour of the manager of the auditing company, can be assumed.

IV) Preventing control (Article 2625, par. 2 of the Italian Civil Code)

Pursuant to Article 2625 of the Italian Civil Code, *“directors who prevent or impede the carrying out of the auditing activities lawfully ascribed to the shareholders, other company bodies or the auditing companies, by concealing documents or through other appropriate devices, are punished with an administrative monetary penalty up to EUR 10,329.*

If their conduct has caused damage to the shareholders, they are punished with imprisonment up to one year on the basis of an action filed by the victim of crime”.

The only relevant conduct in order to be classified as administrative liability in accordance with Italian Legislative Decree 231/01 is the one described in the second paragraph: the crime consists in impeding or preventing, through the concealment of documents or other appropriate devices, the carrying out of the control and auditing activities lawfully ascribed to the shareholders, other corporate bodies or the auditing companies.

EXAMPLE: an official of the Company does not provide a member of the Board of statutory auditors with the documents requested by the latter when carrying out the auditing activity, such as the documents concerning the legal actions undertaken by the company for debt collection. The conduct of the Directors (who can make use of their own direct collaborators) can be expressed in actions that do not comply with the request for information by the Board of Statutory Auditors, also



concerning the application of a specific regulation to the company, through the concealment, also accompanied with devices, of the documents useful for representing the application processes in the company of such law (for example, partial or forged production of the said documents).

V) Fictitious capital formation (Article 2632 of the Italian Civil Code)

Pursuant to Article 2632 of the Italian Civil Code, *“the directors and the contributing shareholders who, partially or otherwise, constitute or fictitiously increase company capital through share allocation for an amount less than the nominal value, mutual subscription of shares, considerable overestimation of non-cash contributions or receivables or shareholders' equity in the case of transformation, are punished with imprisonment of up to one year”*.

Such criminal case is identified when the company's share capital is formed or increased fictitiously, through a series of operations expressly stated in the regulation: through share allocation for an amount less than the nominal value; with the mutual subscription of shares of other companies; overestimating considerably non-cash contributions, receivables or shareholders' equity in the case of transformation.

EXAMPLE: the directors give rise to a capital increase through the offer of shares for a value less than the stated value.

VI) Illegal return of capital contributions (Article 2626 of the Italian Civil Code)

Pursuant to Article 2626 of the Italian Civil Code, *“directors who, except for the cases of lawful reduction of share capital, return, also fictitiously, the contributions to the shareholders or exempt them from the obligation of making contributions, are punished with imprisonment up to one year”*. This crime case consists in returning, except for the cases of lawful reduction of share capital (and therefore in violation of what is established by Articles 2412, 2445, 2446 and 2447 of the Italian Civil Code), also fictitiously, the contributions to the shareholders or exempt them from the obligation of making contributions. This is a typical offence: only the directors of the company can be active subjects of the offence.

VII) Illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code)

Pursuant to Article 2627 of the Italian Civil Code, *“unless the fact constitutes a more serious offence, the directors who distribute profits or interim profits not actually achieved or allocated by law to reserve, or who distribute reserves, also not made up of profits, which cannot be distributed by law, are punished with imprisonment up to one year.*

The return of profits or the reformation of reserves before the date of approval of the financial statements extinguishes the offence”.

This criminal behaviour consists in distributing profits or interim profits not actually achieved or allocated by law to reserve, or in distributing reserves, even if not made up of profits, which cannot be distributed by law. The return of profits or the reformation of reserves before the date of approval of the financial statements extinguishes the offence.

VIII) Unlawful transactions on shares (Article 2628 Italian Civil Code)

Pursuant to Article 2628 of the Italian Civil Code, *“directors who, except for the cases permitted by law, purchase or subscribe shares, damaging the integrity of the share capital or the reserves not distributable by law, are punished with imprisonment up to one year.*

The same punishment applies to the directors who, except for the cases permitted by law, purchase or subscribe shares issued by the parent company, damaging the integrity of the share capital or the reserves not distributable by law.

If the share capital or reserves are reformed before the date of approval of the financial statements of the financial period in relation to which the conduct was implemented, the offence is extinguished”. This offence is carried out by purchasing or subscribing shares that damage the integrity of the share capital or of the reserves non-distributable by law.

If the share capital or reserves are reformed before the date of approval of the financial period in relation to which the conduct was implemented, the offence is extinguished.



IX) Operations prejudicial to creditors (Article 2629 of the Italian Civil Code)

Pursuant to Article 2629 of the Italian Civil Code, *“the directors who, in violation of law provisions protecting creditors, carry out reductions of share capital or mergers with other companies or split-ups, causing damage to the creditors, are punished, subject to action at law filed by the victim of crime, with imprisonment from six months to three years.*

The compensation for damages to the creditors before the judgment extinguishes the offence”.

The case occurs by carrying out, in violation of law provisions protecting creditors, reductions of share capital or mergers with other companies or split-ups, which damage the creditors (offence involving damage).

This is a typical crime because only directors can be active subjects.

A particular cause of extinction of the offence is laid down in the second paragraph of Article 2629, which excludes liability to punishment if the damage to creditors has been compensated before the judgement.

X) Unlawful influence on the meeting (Article 2636 of the Italian Civil Code)

Pursuant to Article 2636 of the Italian Civil Code, *“any person who, with simulated or fraudulent acts, determines the majority in the shareholders' meeting in order to obtain an unjust profit for oneself or others is punished with imprisonment from six months to three years”.*

This crime case consists in determining the majority in the shareholders' meeting with simulated or fraudulent acts in order to obtain an unjust profit for oneself or others.

The fact that the liability of the company, according to Italian Legislative Decree 231/01 can be identified only when the conduct is carried out in the interest of the entity, the crime in question does not seem possible since it is normally carried out to favour biased interests and not those of the Entity. However, active subjects of the offence can be even those who do not have the qualification of the directors and, therefore, for example, shareholders.

EXAMPLE: The Managing Director, also by making use of his/her collaborators, submits to the Shareholders' Meeting, with reference to a certain agenda, false or incomplete deeds and documents or however forged in some of its contents (likely to affect the majority of shareholders), in order to persuade the Meeting to approve a precise decision on a specific point of the agenda. It is understood that the offence does not occur if the majority would have been equally reached even without the misbehaviour of the Director.

XI) Insider trading (Article 2637 of the Italian Civil Code)

Pursuant to Article 2637 of the Italian Civil Code, *“anyone who spreads false information or carries out simulated transactions or other devices specifically suitable to cause a considerable change in the price of listed or unlisted financial instruments or to affect significantly the confidence of the public in the financial stability of banks or banking groups is punished with imprisonment from one to five years”.*

The case happens when false information is spread or simulated transactions or other devices specifically suitable to cause a considerable change in the price of listed or unlisted financial instruments or to affect significantly the confidence of the public in the financial stability of the company are carried out.

It should be specified that:

- “information” is defined as a sufficiently precise indication of factual circumstances: rumours or subjective forecasts cannot be considered as “information”;
- the information is false “when, by falsifying the reality, it is such as to mislead the operators by determining an irregular price increase or decrease”;
- “other devices” is defined as “any behaviour that, by deceit, is able to change the normal prices” (i.e. a situation of danger is enough, regardless of the occurrence of an artificial change in prices);
- sufficient grounds for disclosure are not recognized when the information is not disseminated or made public but directed only to a few people.



XII) Preventing public supervisory authorities from carrying out their duties (Article 2638 of the Italian Civil Code)

Pursuant to Article 2638 of the Italian Civil Code, *“the directors, the general directors, auditors and liquidators of companies or entities and other subjects legally submitted to the supervisory public authorities or bound to obligations towards them, who in the communications to the aforesaid authorities paid down by law, in order to impede the carrying-out of the supervisory functions, show untrue, albeit assessed, material facts on the economic or financial situation those subject to supervision or, with the same purpose, conceal with other fraudulent means, in whole or in part, facts that should have been communicated, concerning the situation itself, are punished with imprisonment from one to four years. The liability to punishment is also extended to the case in which information concerns assets owned or managed by the company on behalf of third parties.*

Directors, general directors, auditors and liquidators of companies or entities and the subjects who are legally submitted to the supervisory public authorities or bound to obligations towards them, who, in any way, even omitting the communications due to the aforesaid authorities, knowingly impede their functions, are punished in the same way”.

This criminal behaviour occurs by showing in the communications to the supervisory authorities provided by law, in order to impede their functions, untrue, albeit assessed, material facts on the economic and financial situation of the subjects submitted to supervision; or by concealing totally or partially with other fraudulent means, facts that should have been communicated, concerning the same situation.

2. Areas at risk

In relation to offences and criminal conducts stated above, the areas deemed specifically most at risk are the following:

- I)** preparation of communications intended for the shareholders or the general public concerning the economic and financial situation of the company (including, in particular, the financial statements);
- II)** preparation of information tables;
- III)** operations on share capital;
- IV)** preparation and dissemination outside the company of information relating to the company, especially with regard to its economic and financial situation.

3. Recipients - The general principles of behaviour and implementation of the decision-making process in the areas at risk

This Special Part refers to behaviours that can be carried out by directors, auditors, liquidators, managers and employees of the company, as well as behaviours carried out by external collaborators and Partners.

The objective of this part is that all recipients, as identified above and insofar as they can be involved in the carrying-out of activities in areas at risk, comply with the rules of conduct that conform to its requirements in order to prevent and impede corporate crimes.



In particular, the function of this Special Part is to:

- provide a list of general principles and specific procedures with which the recipients are required to comply for a correct application of the Model;
- provide the Supervisory Body and managers of other business functions asked to cooperate with it, the operating tools for carrying out the expected control, monitoring and inspection activities.

When carrying out all the operations relating to the company management, in addition to the rules of this Model, the recipients must, in general, know and observe all the rules and principles contained in the Code of Conduct adopted by Breda Energia and all the documents relating to the internal control system of the company, as well as instructions and internal regulations prepared for the management, processing and communication of confidential information and for preparing the financial reports.

In particular, when carrying out the activities considered at risk, the following general principles of conduct must be observed.

- Refrain from behaviours that include the cases contemplated by the aforesaid corporate crimes.
- Refrain from behaviours that, even if they do not consist in crime cases falling under those considered above, can potentially become so.
- Behave in a correct and transparent manner ensuring full compliance with laws and regulations, as well as internal company procedures and Code of Conduct adopted by Breda Energia, when carrying out all the activities aimed at the drawing-up of the financial statements, regular accounting statements and other company communications, in order to provide the shareholders and the public in General with a true and appropriate information on the economic and financial situation of the company.

With regard to that point, it is not allowed to change or indicate improperly the data and information used for drawing-up the prospectuses, and present data and information in such a way as to provide a wrong and untrue representation of the financial and economic situation of the company.

- Strictly observe all the provisions imposed by law to protect the integrity and effectiveness of the share capital and act always in compliance with internal procedures, in order not to undermine the guarantees of creditors and third parties, in general.

With regard to this point, it is expressly not allowed to:

- return the contributions to the shareholders or exempt them from the obligation of making contributions, except for the cases of lawful reduction of share capital;
- distribute profits (or interim dividends) not actually achieved or allocated by law to reserve, as well distribute reserves (even if not formed by profits) that cannot be distributed by law;
- purchase or subscribe shares of Breda Energia outside of the cases provided by law, because this can undermine the integrity of the share capital or reserves non distributable by law;
- reduce the share capital, carry out mergers or split-ups, in violation of the legal provisions to protect creditors;
- fictitiously form or increase the share capital;
- distribute company assets among the shareholders, during the liquidation phase, before paying the company creditors or setting aside the amounts required to satisfy them.
- Ensure the smooth operation of the Company and company bodies, guaranteeing and facilitating all forms of internal control on the company management established by law, as well as the free and correct forming of the will of the shareholders' meeting.

With regard to this point, it is not allowed to:

- behave in such a way as to prevent or impede materially, through concealment of documents or other fraudulent means, the carrying out of the control and auditing activities of the company management;
- carry out, on the occasion of the shareholders' meetings, simulated or fraudulent acts aimed at falsifying the regular procedure for forming the meeting's will.



- Refrain from carrying out simulated or fraudulent transactions, and from disseminating false or incorrect information, which could result in a significant change in the price of the financial instruments.

With regard to this point, it is expressly not allowed to publish or disseminate false information and carry out simulated transactions or other fraudulent or deceiving behaviours likely to affect financial instruments and suitable for changing considerably the price.

- Perform with timeliness, correctness and completeness all communications provided for by law and regulations towards public Supervisory Authorities, without putting obstacles in their way when carrying out their duties.

With regard to this point, it is not allowed to:

- omit to carry out with due clarity, completeness and timeliness, vis-à-vis the authority in question, all the communications, regular or otherwise, provided by law and regulations in this field, as well as the transmission of data and documents, established by the regulations in force, specifically required by the aforesaid Authorities;
- show in these communications and in the sent documents untrue facts or conceal facts concerning the economic and financial situation of the Company;
- carry out a behaviour that is an obstacle to the carrying out of the duties by the public Supervisory Authorities, also during inspection.

4. Specific procedures to be adopted in compliance with the organization Model

For the purpose of implementing the above behaviours, the specific procedures mentioned below, which, in relation to each area at risk, must be respected by all recipients to complement other existing business procedures, will be adopted.

l) Drawing-up of the financial statements and, in particular, preparation of the communications intended for the shareholders and for the market in general relating to the economic and financial situation of the company (for example, financial statements accompanied by the report on operations).

The aforesaid documents must be drawn up in such a way as to comply with the following principles.

- Data and information provided by each business function in order to draw up the documents intended to represent the economic and financial situation of the company must:
 - comply with the principles of transparency and completeness;
 - be interpreted in accordance with the accounting policies used in processing the data;
 - be provided to the administration in accordance with the time frame laid down by the management itself;
 - be transmitted to the administration of the company by identifying the subjects that have processed the data;
- The measurements of each balance-sheet item and of the interim reports must be carried out in compliance with the provisions of the civil code and of the other legal requirements in force, interpreted and supplemented by accounting principles prepared by the Italian Accounting Profession (CNDRC).
- The documents intended to represent the economic and financial situation of the company must show and describe all the information and data, complementary or otherwise, deemed to be necessary in order to provide a fair and true view of the situation of the company.

In order to ensure compliance with these principles, the company bodies in charge of the preparation of the financial statements and any communication intended for the shareholders or third parties concerning the economic and financial situation of the company must consult the Supervisory Body prior to the completion of activities in areas at risk, as identified in this Special Part.



II) Transactions involving share capital

All transactions involving the share capital of Breda Energia, as well as the setting-up of companies, the purchase and sale of equity investments, mergers and split-ups must be carried out in compliance with the law, the procedures laid down in this Model, and the principles laid down in the Code of Conduct adopted by the company.

In particular, the purchase operation of treasury shares must be previously communicated to the Supervisory Body for it to provide its opinion.

III) Control and auditing activities of the financial statements and other documents relating to the economic and financial situation of the company.

No one is allowed to behave in such a way as to impede materially (through concealment of documents or other fraudulent means) or prevent the carrying out of the control and auditing activities of the company management (in particular, also by the Board of Statutory Auditors).

5. The controls of the Supervisory Body

For what concerns corporate crimes, the tasks of the Supervisory Body in connection with the observance of the organization, management and supervision Model, adopted pursuant to Italian Legislative Decree No. 231/01, are set below.

I) The task of the Supervisory Body is to issue and update the standardized instructions relating to the behaviours to be followed within the activities at risk, as identified in the Special Part. These instructions must be written and stored by the Supervisory Body on paper or electronic means.

In particular, the Supervisory Body is also required to periodically check, with the support of other competent company functions, the validity of the clauses aimed at:

- making the receivers observe the provisions of Italian Legislative Decree no. 231/01;
- giving Breda Energia the possibility of checking the receivers of the Model in order to make sure that the requirements contained therein are met;
- implementing the sanction mechanisms, if the requirements of the organization Model or of the Code of Conduct are violated;

suggesting their updating as often as necessary or appropriate.

II) With a special reference to the financial statements, reports and other company communications required by law, the Supervisory Body shall:

- monitor the efficacy of the internal procedures for preventing the offence of false company communications;
- examine any specific report from the boards of control or from any employee and conduct investigations deemed necessary or appropriate as a result of the reports received;
- supervise the actual existence of the conditions to ensure the effective independence of the bodies in charge of controlling the company business.

III) With reference to the other activities in the areas at risk of commission of offences, the Supervisory Body shall:

- carry out the periodic checks on compliance with internal procedures, the rules laid down in this organization Model and the principles laid down in the Code of Conduct adopted by Breda Energia;
- check on a regular basis the carrying-out of communications with public Supervisory Authorities and the compliance of the procedures adopted during any inspection carried out by their officials;



- monitor the efficacy of the inspections to prevent the commission of offences in general and of those established by Italian Legislative Decree 231/01 in particular;
- examine any specific report from the boards of control or from any employee and conduct investigations deemed necessary or appropriate in relation to the reports received;
- see to the basic training of all function managers to convey at least the main concepts on financial statements (laws, penalties, accounting principles, etc.) and on all the relevant legislation in relation to offences identified by Legislative Decree 231/01.

According to the activity assigned to the Supervisory Body in this Model, it must have free access to all the relevant company documents in order to monitor the areas at risk identified in this Special Part.



Offences committed with the purpose of terrorism or the subversion of democratic order

1. The cases of offences committed with the purpose of terrorism or the subversion of democratic order (Article 25-quarter Italian Legislative Decree 231/2001)

Italian law no. 7 of 14 January 2003, which ratified the International Convention of New York on the Suppression of the financing of terrorism of 9 December 1999, introduced Article 25-quarter in Italian Legislative Decree No. 231/2001.

It does not specifically list the offences for which the liability of the entity is envisaged but it only mentions, in the first paragraph, the crimes contemplated by the penal code and by special laws and, in the third paragraph, the crimes other than those covered by the first paragraph but carried out in violation of the provision of Article 2 of the Convention of New York.

For example, below we briefly explain some criminal cases that fall within the provision of article 25-quarter of Italian Legislative Decree No. 231/2001.

I) Associations for the purpose of terrorism and subversion of the democratic order (Article 270-bis Italian Penal Code)

Pursuant to Article 270-bis of the Italian Penal Code (Associations for the purpose of terrorism and subversion of the democratic order) *"any person who promotes, sets up, organizes, manages or finances associations that carry out acts of violence with the purpose of terrorism or the subversion of the democratic order is punished with imprisonment from seven to fifteen years. Any person who participates in such associations is punished with imprisonment from five to ten years"*.

II) Financing of terrorism (Article 2 of the Convention of New York of 9 December 1999)

Article 2 of the Convention of New York on the suppression of the financing of terrorism, ratified by the Italian State and implemented in our system with Italian Law 7/03, states that *"1. Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out: (a) an act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annexe; or (b) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act."*

2. (a) On depositing its instrument of ratification, acceptance, approval or accession, a State Party which is not a party to a treaty listed in the annexe may declare that, in the application of this Convention to the State Party, the treaty shall be deemed not to be included in the annexe referred to in paragraph 1, subparagraph a. the declaration shall cease to have effect as soon as the treaty enters into force for the State Party, which shall notify the depositary of this fact; (b) when a State Party ceases to be a party to a treaty listed in the annexe, it may make a declaration as provided for in this article, with respect to that treaty."

3. For an act to constitute an offence set forth in paragraph 1, it shall not be necessary that the funds were actually used to carry out an offence referred to in paragraph 1, subparagraphs (a) or (b).

4. Any person also commits an offence if that person attempts to commit an offence as set forth in paragraph 1 of this article."

5. Any person also commits an offence if that person: (a) participates as an accomplice in an offence as set forth in paragraph 1 or 4 of this article; (b) organizes or directs others to commit an offence as



set forth in paragraph 1 or 4 of this article; (c) contributes to the commission of one or more offences as set forth in paragraphs 1 or 4 of this article by a group of persons acting with a common purpose. Such contribution shall be intentional and shall either: (I) be made with the aim of furthering the criminal activity or criminal purpose of the group, where such activity or purpose involves the commission of an offence as set forth in paragraph 1 of this article; or (II) be made in the knowledge of the intention of the group to commit an offence as set forth in paragraph 1 of this article”.

The behaviours of those who provide, directly or indirectly, however wilfully, funds for subjects who intend to carry out offences of terrorism fall under the scope of the Convention of New York of 9 December 1999. In particular, the Convention refers to offences provided for by other international conventions, including: aircraft skyjacking, attacks against diplomatic staff, the kidnapping of hostages, unlawful production of nuclear bombs, hijacking of ships, the explosion of bombs.

The Convention establishes that it is expressly prohibited to provide funds to those who intend to commit any act intended to cause death or serious physical injury to civilians or other subjects who do not take an active part in hostilities in situations of armed conflict, when the purpose of this act is, by its nature or the context in which it is carried out, to intimidate the population or compel a Government or an international organization to do or to avoid any act.

Obviously, in all these cases, the offence can exist only if those who (natural person or entity) provide funds or, however, collaborate in their retrieval, are aware of their subsequent use.

2. Areas at risk

In relation to offences and criminal conducts stated above, the participation in tendering procedures or direct negotiation held by Public Bodies and free bargaining with private individuals can be considered at risk (natural persons or entities, with or without legal personality) when such Public Bodies or private individuals clearly state that they want to carry out offences of terrorism or when national and international authorities have reported them as suspect members, promoters, supporters or financial backers of national or international terrorist organizations.

Supplies to individuals who have expressed the intention (or are suspected by the competent national or international authorities) to produce nuclear weapons illegally are also at risk when the subject matter of the supply are products supposedly useable for the making of such bombs.

3. Recipients - The general principles of behaviour and implementation of the decision-making process in the areas at risk

This Special Part refers to behaviours that can be carried out by directors, managers and employees of the company, as well as behaviours carried out by external collaborators and Partners.

The objective of this part is that all recipients, as identified above and insofar as they can be involved in the carrying-out of activities in areas at risk, comply with the rules of conduct that conform to their requirements of the Special Part and of the Code of Conduct in order to prevent and impede the occurrence of the crimes provided by Italian Legislative Decree no. 231/01.

This Special Part does not allow - all the Business Representatives, directly, and the external collaborators and Partners, through appropriate contractual clauses - to:

- carry out behaviours such as to include the crime cases considered above (Article 25-quarter of Italian Legislative Decree no. 231/01);
- carry out behaviours that, even if they do not consist in crime cases falling under those considered above, can potentially become so.



Within the aforesaid behaviours, it is not allowed, in particular, to have business relations with subjects (natural persons or entities) who declare support for national or international terrorist organizations or subjects who are identified and reported by the competent national or international authorities as members, promoters, supporters or financial backers of national or international terrorist organizations, or subjects who have expressed the intention (or are suspected by the competent national or international authorities) to produce nuclear weapons illegally are also at risk when the subject matter of the supply are products supposedly useable for the making of such bombs.

4. Specific procedures to be adopted in compliance with the organization model

For the purpose of implementing the above behaviours, the following procedures will be adopted.

All the Business Representatives must avoid business contacts with subjects (natural persons or entities) who declare support for national or international terrorist organizations or subjects who are identified and reported by the competent national or international authorities as members, promoters, supporters or financial backers of national or international terrorist organizations, or subjects who have expressed the intention (or are suspected by the competent national or international authorities) to produce nuclear weapons illegally are also at risk when the subject matter of the supply are products supposedly useable for the making of such bombs.

To this end, they must carry out the appropriate checks before establishing business contacts, by reporting, however, suspected cases to the Supervisory Body.

The association agreements with the Partners of the company and the tasks assigned to the external collaborators must be defined in writing by pointing out all the conditions of the agreement itself and must contain an express prohibition clause of any behaviour that may constitute a violation of the provisions of the Decree, as well as of the related applicable international regulations, or that may be substantiated in a violation of the Code of Conduct of Breda Energia, and must contemplate, should this prohibition be violated, a termination clause of the agreement for a just cause that justifies the compensation for damage.

No type of payment can be made to subjects (natural persons or entities) who declare support for national or international terrorist organizations or subjects who are identified and reported by the competent national or international authorities as supporters of terrorist organizations.

In any case, no type of payment can be made in cash or in kind.

Any person who is obliged to make payments that are due in virtue of obligations brought about prior to receiving a report on the beneficiary's links with terrorist organizations or with the purposes of subversion of the democratic order must inform the Supervisory Body in advance.

In any case, it is not allowed to make any type of contribution to political parties, movements, committees and political and trade-union organizations.

Those who control and supervise the fulfilment of the obligations related to the performance of the aforesaid activities must pay special attention to the fulfilment of these obligations and immediately refer any irregular situation to the Supervisory Body.

5. The controls of the Supervisory Body

For what concerns offences committed with the purpose of terrorism or the subversion of democratic order, the tasks of the Supervisory Body in connection with the observance of the organization, management and supervision Model, adopted pursuant to Italian Legislative Decree No. 231/01, are set below.



I) The task of the Supervisory Body is to issue and update the standardized instructions relating to the behaviours to be followed within the activities at risk, as identified in the Special Part. These instructions must be written and stored by the Supervisory Body on paper or electronic means. In particular, the Supervisory Body is also required to periodically check, with the support of other competent company functions, the validity of the clauses aimed at:

- making the receivers observe the provisions of Italian Legislative Decree no. 231/01;
- giving Breda Energia the possibility of checking the receivers of the Model in order to make sure that the requirements contained therein are met;
- implementing the sanction mechanisms, if the requirements of the organization Model or of the Code of Conduct are violated;

suggesting their updating as often as necessary or appropriate.

II) With a special reference to offences committed with the purpose of terrorism or the subversion of democratic order, the Supervisory Body shall:

- monitor the effectiveness of the internal procedures for the prevention of offences committed with the purpose of terrorism or the subversion of democratic order;
- examine any specific report from the competent national or international bodies (or from any employee) and conduct investigations deemed necessary or appropriate as a result of the reports received;
- see to the basic training of all function managers to convey, in addition to the relevant legislation in relation to offences identified by Italian Legislative Decree 231/01, also the most recent indications of national and international organizations competent in matters of resistance to terrorism and to associations or organizations or entities having purposes of terrorism or subversion of the democratic order.

According to the activity assigned to the Supervisory Body in this Model, it must have free access to all the relevant company documents in order to monitor the areas at risk identified in this Special Part.



Offences of culpable homicide and negligent injury, committed with violation of the rules on protection of health and safety at work

1. The cases of offences of culpable homicide and negligent injury, committed with violation of the rules on protection of health and safety at work. (Article 25-septies Italian Legislative Decree 231/2001)

Italian Law 123/2007 inserted Article 25-septies in Italian Legislative Decree 231/2001; this article introduced specific penalties to the charge of the entity also in relation to the offences of culpable homicide and serious or very serious negligent personal injury, committed with violation of the rules on protection of health and safety at work.

The provision of a case of responsibility of the entity for negligent offences imposes some clarification in relation to Article 5 of Italian Legislative Decree 231/2001, which defines the objective criterion as to the attribution of responsibility of the entity and subordinates it to the existence of an interest or advantage for the entity.

The criterion of "interest" is, in fact, inconsistent with negligent offences, because it is not possible to classify a subjective establishment of the aims of the action as to these offences.

However, it is possible to rightly consider that, on the basis of the first comments of the most authoritative doctrine and Guidelines of Confindustria, the liability established by Italian Legislative Decree 231/2001 can be identified already when the agent, even if the event does not occur (death or sickness of the victim of crime), has knowingly and intentionally carried out a conduct that results, indirectly or otherwise, in an advantage for the entity (even if it consists only in a saving in costs and/or time).

Pursuant to Article 589 of the Italian Penal Code, *"Any person who causes by negligence the death of a person is punished with imprisonment from six months to five years.*

If the fact is committed with violation of the rules on road traffic or those for the prevention of accidents at work, the punishment is imprisonment from two to seven years.

The punishment of imprisonment from three to ten years applies if the fact is committed in violation of the road traffic rules by: 1) subject under the influence of alcohol pursuant to Article 186 paragraph 2 let. c) Italian Legislative Decree 285/92 as amended; 2) subject under the influence of drugs or psychotropic substances.

In the case of death of several persons, or death of one or more persons and injury to one or more persons, the punishment that should be imposed for the most serious violation committed is applied increased up to three times, but the punishment cannot exceed fifteen years".

Pursuant to Article 590 of the Italian Penal Code *"any person who causes a personal injury to others by negligence is punished with imprisonment up to three months or a fine of EUR 309.*

If the injury is serious, the punishment is imprisonment from one to six months or a fine from EUR 123 to EUR 619, if it is very serious, imprisonment from three months to two years or a fine from EUR 309 to EUR 1,239.

If the facts referred to in the second paragraph are committed with violation of the rules on road traffic or those for the prevention of accidents at work, the punishment for serious injuries is imprisonment from three months to one year or a fine from EUR 500 to EUR 2,000 and the punishment for very serious injuries is imprisonment from one to three years. In cases of violation of road traffic rules, if the fact is committed by a subject under the influence of alcohol pursuant to Article 186 paragraph 2 let. c) Italian Legislative Decree 285/92 as amended, or by a subject under the influence of drugs or psychotropic substances, the punishment for serious injuries is



imprisonment from six months to two years and the punishment for very serious injuries is imprisonment from one year and six months to four years.

In the case of injury of several persons, the punishment that should be imposed for the most serious violation committed is applied, increased up to three times; but the punishment of imprisonment cannot exceed five years.

The crime is liable to punishment subject to an action at law filed by the victim of crime, except in the cases provided for in the first and second paragraphs, limited to acts committed in violation of the provisions on the prevention of accidents or concerning health at work or that have determined an occupational disease”.

The offence of culpable homicide occurs when the death of a person is caused without the awareness and will to cause the harmful event, but due to the negligence, imprudence or inexperience of the agent, or due to his/her non-observance of laws, regulations, orders or provisions (Article 43 Italian Penal Code).

Similarly, if the unaware or undesired non-observance of common rules of prudence or laws determines a disease in the victim of crime, this identifies an offence of negligent injury that qualifies as "serious" pursuant to the first paragraph of Article 583 of the Italian Penal Code, in the case of:

- a disease that engenders the life of the victim of crime;
- a disease or an inability to attend to ordinary business for a period exceeding forty days;
- permanent impairment of sense or organ;

whilst the injuries are considered very serious, pursuant to the second paragraph of Article 583 of the Italian Penal Code, should the fact give rise to;

- a disease certainly or probably incurable;
- the loss of a sense;
- the loss of a limb or a mutilation that renders the limb useless;
- the loss of the use of an organ or of the ability to procreate;
- a permanent and serious difficulty in talking;
- deformation or permanent facial scarring.

In order to apply the provisions set forth in Italian Legislative Decree 231/01, a violation of the regulations protecting the safety and health at work must be, however, ascribed to the acting subject by way of “specific fault”. In order to identify the behaviours that are not allowed, the current prevention legislation and, in particular, the regulations set forth in Italian Legislative Decree 81/08 (“Consolidated act on health and safety at work”) are important.

2. Areas at risk

In relation to offences and criminal conducts stated above, it is not possible to exclude beforehand any business segment, since such offences could concern all the business components.

The analysis of the possible methods of implementation of the offences indicated in Italian Law no. 123/07 and in Article 25-septies of Italian Legislative Decree no. 231/01 coincides, in any case, with business risk assessments carried out by Breda Energia on the basis of the prevention legislation, and in particular by Articles 28 et sequitur of Legislative Decree no. 81/08 (cf. risk and procedure assessment documents adopted by Breda for the Health, Safety, Environment and Quality Management Systems, certified by accreditation body in accordance with the BS OH SAS 18001, ISO 14001 and ISO 9001 standards).



3. Recipients - The general principles of behaviour and implementation of the decision-making process in the areas at risk

This Special Part refers to behaviours that can be carried out by directors, auditors, liquidators, managers and employees of the company, as well as behaviours carried out by external collaborators and Partners.

The objective of this part is that all recipients, as identified above and insofar as they can be involved in the carrying-out of activities in areas at risk, comply with the rules of conduct that conform to the requirements of this part in order to prevent and impede the occurrence of the offences provided by Italian Legislative Decree no. 231/01.

In particular, the function of this Special Part is to:

- provide a list of general principles and specific procedures with which the recipients are required to comply for a correct application of the Model;
- provide the Supervisory Body and managers of other business functions asked to cooperate with it, the operating tools for carrying out the expected control, monitoring and inspection activities.

When carrying out all the operations relating to the company management, in addition to the rules of this Model, the recipients must, in general, know and observe all the rules and principles contained in the Code of Conduct adopted by Breda Energia and all the documents relating to the internal control system of the company, the risk assessment document prepared pursuant to Legislative Decree no. 81/08, as well as instructions, procedures and internal regulations prepared for working in safety conditions.

In particular, when carrying out the activities considered at risk, the following general principles of conduct must be observed.

- Refrain from behaviours that include the cases contemplated by the aforesaid offences.

This Special Part does not allow - all the Business Representatives, directly, and the external collaborators and Partners, through appropriate contractual clauses - to:

- carry out behaviours such as to include the crime cases considered above (Article 25-septies of Italian Legislative Decree no. 231/01);
- carry out behaviours that, even if they do not consist in crime cases falling under those considered above, can potentially become so.

4. Specific procedures to be adopted in compliance with the organization model

For the purposes of implementing the above behaviours, all the procedures described below and those already mentioned for Health, Safety, Environment and Quality System Management will be adopted.

Breda Energia is committed to ensuring compliance with the legislation on the protection of health and safety at work, and to ensure, in general, a safe, healthy and appropriate working environment, by:

- assessing health and safety risks;
- programming prevention, by combining consistently the technical and production conditions of the company, as well as the influence of environmental factors and work organization;
- eliminating risks or, should this be impossible, reducing them to the minimum and, therefore, managing them;
- - reducing risks at source;
- replacing what is dangerous by what is not dangerous, or less dangerous;
- limiting to a minimum the number of workers who are, or who may be at risk;



- defining proper measures of collective and individual protection, notwithstanding the fact that the first one must have priority over the second one;
- the medical surveillance of workers in relation to specific risks;
- removal of the worker from exposure to risk for health reasons concerning himself/herself in order to be assigned, wherever possible, to another job;
- informing and involving the workers, within the limits of their roles, functions and responsibilities, in matters relating to health and safety at work (in this context, particular importance is given to the prior consultation of the subjects concerned, regarding the identification and assessment of risks and the definition of preventive measures);
- appropriate training of workers, within the limits of their roles, functions and responsibilities with respect to issues related to health and safety at work, in order to ensure awareness of the importance of compliance of actions with regard to the Model and possible consequences due to behaviours that differ from the rules laid down by it; in this context, a particular importance is given to:
 - the training of subjects who perform tasks that may affect health and safety at work;
 - the formalization of appropriate instruction to workers;
 - the definition of appropriate hygienic measures as well as appropriate emergency measures to be implemented in the case of first aid, fire fighting, evacuation of workers and serious and immediate danger;
 - using warning and safety signs;
 - regular maintenance of rooms, equipment, machines and plants, with a special attention to safety devices in compliance with the indication of the manufacturers;

Inside Breda Energia, in no case the measures relating to safety and health at work entail financial charges for Workers.

In order to complete successfully all the above, when carrying out its activities and within the limits of their respective tasks and functions, all recipients must comply with:

- regulations in force on health and safety at work;
- the Code of Conduct and the Organization, Management and Control Model of Breda Energia.

The contractors must ensure their professional and technical ability in relation to the works to be carried out on contract or contract for works or staff leasing contract, transpose the information provided by Breda Energia on the specific risks existing in the environment in which they are to operate and on the prevention and emergency measures adopted by Breda Energia, cooperate with Breda Energia to the implementation of the prevention and emergency measures against occupational hazards, incidents on the activities covered by the contract or contract for works or staff leasing contract, coordinate with Breda Energia interventions of prevention and protection against risks to which workers are exposed.

In the case of its own employees who provide work/interventions at the premises of Customers and Partners, Breda Energia requires and makes sure beforehand that prevention and emergency measures against occupational hazards, incidents on the activities covered by the contract that its officers are sent to carry out on its behalf are carried out where its officers will operate.

Suppliers must comply with the prohibition to sell, rent or grant the use of work equipment, individual protective devices and systems, not complying with laws and regulations in force on health and safety at work. In the case of leasing goods subject to the conformity certification procedure, the grantor must enclose the relevant documents.

The installers must comply, to the extent of their competence, with standards of health and safety at work, as well as with the instructions provided by their respective manufacturers.

In the selection of suppliers, (including contractors and work suppliers) costs for safety at work are required and estimated; therefore, this item of expenditure must be specifically indicated in the



contract, by separating it from the overall cost and it must not be subject to reduction.

The assignment, verification and management of contracts, even without a site, are carried out and monitored on the basis and in compliance with specific formalized internal rules. According to internal procedures, in the awarding of a contract, if deemed appropriate by the SPP according to the residual risks arising from the contract and present at the site, prior to the enactment of the order, it is checked that the documents and any activity contemplated for defining the annexe on the safety of the contract, presented in the safety specifications, comply with the legislation and regulations in force and that all the obligations laid down in the legislation, regulations in force and business procedures on safety are fulfilled.

Breda Energia has also prepared and implements an appropriate control system to ensure the regular registration of checks carried out by the company on health and safety at work.

Breda Energia requires its Partners and Suppliers to comply with this special part of the Model, under penalty of interruption of its cooperation with them.

The management system of issues related to health and safety at work of Breda Energia conforms to the requirements laid down by the highest quality standards recognized nationally and internationally, in which the requirements indicated by British Standard OHSAS 18001: 2007, as well as by the UNI-INAIL Guidelines for a health and safety at work management system (SGSL) of 28 September 2001 were considered with particular attention.

5. The controls of the Supervisory Body

The Supervisory Body informs and trains both apical subjects and subordinates of the company (who in turn will do so with their subordinates), so that they are precisely aware of the importance of censured behaviours and that therefore adopt rules of conduct that conform to the requirements of Breda Energia in order to prevent the occurrence of offences contemplated by Italian Legislative Decree No. 231/01 and handled in this special part.

The Supervisory Body informs and trains all recipients to use procedures implemented in the organizational structure of Breda Energia in order to avoid the commission of the aforesaid offences and informs them of their obligation to report to the Supervisory Body, should they observe the possible occurrence of such offences.

The Supervisory Body performs its supervisory tasks by ensuring that all that is implemented in the organization concerning the protection of health and safety at work, is implemented as provided by the protocols and procedures laid down by Breda Energia.

These procedures are also indicated within the special software called Livelink, published on the business intranet, containing all the protocols that must be necessarily used in carrying out all the activities of Breda Energia, and the Supervisory Body monitors its use and observance, both with regular programmed checks and with controls not established in advance.

If the Supervisory Body receives reports of possible violations, it will implement a procedure of investigation and verification, and in the case of an actual violation of regulations or business procedures, it will act according to the regulations of the Supervisory Body (investigation, reporting to the company top management also in order to apply the penalties: exclusion of the Partner and/or supplier, charging of penalties against those who have committed the violation, in agreement with the involved and concerned parties of the company, revaluation of the validity of the Model in the special part, etc....).