



COMPLIANCE PROGRAMME
as per
LEGISLATIVE DECREE No. 231 of 8 JUNE 2001

231 GUIDELINES
for
AVIO GROUP FOREIGN COMPANIES

Approved by the AVIO S.p.A. Board of Directors

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1. Legislative Decree No. 231/2001: the Administrative Responsibility Regime for Corporate Bodies, Companies and Associations

To enforce the delegated law as per Article 11 of Italian Law No. 300 of 29 September 2000, Legislative Decree No. 231 (hereunder the “Decree”) was passed on 8 June 2001, which became effective on 4 July 2001.

The Decree aims at bringing in line Italian regulations in the area of corporate-body responsibility with some international agreements Italy has already signed, such as the **Brussels Convention** of 26 July 1995, on the protection of European Community (hereunder “EC”) financial interests, the Convention signed in Brussels on 26 May 1997, on the fight against corruption, which has seen several officers of the EC or the member states involved, the **OECD Convention** of 17 December 1997, on the fight against corruption of foreign public officers in economic and international operations.

This Decree, entitled “*Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica*” (Discipline of the administrative responsibility of corporate bodies, companies and associations, also those not having a legal status) introduced a regime of administrative responsibility **into the Italian law** (broadly regarding criminal responsibility) for **Italian companies** for certain offences committed, in their interest or to their own advantage **in Italy or abroad**: (i) by individual persons having a representative, financial or managerial position within the bodies or within a business unit linked to them, albeit independent from a financial and functional viewpoint, as well as by individual persons who, also *de facto*, manage and control the bodies; and (ii) by individual persons subject to the management or supervision by one of the subjects mentioned above. This responsibility is added to that of the individual person who has materially committed the offence.

The broadening of responsibility aims at punishing, as regards certain criminal offences, also those bodies that benefit from the offence.

The most serious of the fines provided for in the Decree include various types of disqualification such as the suspension or withdrawal of licences and permissions, the prohibition from signing agreements with Italian or foreign Public Administrations, the debarment from performing certain activities, the barring from or withdrawal of financing and contributions, and the prohibition from advertising goods and services.

The responsibility provided for by the above-mentioned Decree also relates to criminal offences committed outside Italy if the foreign country where the offence was committed does not take steps against them.

The following types of offences are currently covered by the Decree:

- (a) offences committed in relation to (or against) Public Agencies;
- (b) offences involving the counterfeiting of money, securities and revenue stamps¹;
- (c) certain white collar crimes²;
- (d) terrorist offences or subversion of the democratic order³;
- (e) offences against the person⁴;
- (f) crimes of market abuse or abuse of inside information (“Insider Trading”) and market manipulation⁵ (“Market Rigging”);
- (g) transnational crimes⁶;
- (h) negligent homicide and serious or very serious negligent personal injuries committed through violation of accident prevention and health and safety protection Laws⁷;

¹ This category was introduced by Art. 6 of Law No. 409 of 23 November 2001, which added Art. 25 *bis* to Legislative Decree No. 231/2001.

² This category was introduced by Legislative Decree No. 61/2002, which added Art. 25 *ter* to Legislative Decree No. 231/2001

³ This category was introduced by Law No. 7 of 14 January 2003, which added Art. 25 *quater* to Legislative Decree No. 231/2001

⁴ This category was introduced by Law No. 228 of 11 August 2003, which added Art. 25 *quinqüies* to Legislative Decree No. 231/2001

⁵ This category was introduced by Law No. 62 of 18 April 2005, which added Art. 25 *sexies* to Legislative Decree No. 231/2001

⁶ This category was introduced by Law No. 146 of 16 March 2006

⁷ This category was introduced by Law No. 123 of 3 August 2007, which added Art. 25 *septies* to Legislative Decree No. 231/2001

- (i) money laundering crimes (use of money, goods or utilities of illicit origin)⁸;
- (j) computer fraud crimes⁹.

1.1 Offences against Public Agencies

Provided for by Arts. 24, 24 *bis* and 25 of Legislative Decree No. 231/2001, the principal offences are:

- Embezzlement against the State, other public bodies or the European Union (Art. 316 *bis* of the Italian Penal Code, hereunder “I.P.C.”)
- Undue cashing in of contributions, financing or other financial disbursement from the State, other public bodies or the European Union (Art. 316 *ter* I.P.C.)
- Fraud against the State, other public bodies or the European Union (Art. 640, clause II, No.1 I.P.C.)
- Serious fraud to receive public funds (Art. 640 *bis* I.P.C.)
- Computer fraud against the State, other public bodies or the European Union (Art. 640 *ter* I.P.C.), and other crimes related to the interception of public computer communications
- Extortion (Art. 317 I.P.C.)
- Corruption for official acts or in acts against official duties (Arts. 318, 319 and 319 *bis* I.P.C. and other)
- Corruption in judicial acts (Art. 319 *ter* I.P.C.)
- Inducement to corruption (Art. 322 I.P.C.)
- Peculation, Extortion, Corruption and Inducement to corruption of members of the organs of the European Communities and foreign officials of the European Communities and States (Art. 322 *bis* I.P.C.)

1.2 Offences involving the “Counterfeiting of Money, Securities and Revenue Stamps”

Provided for by Art. 25 *bis* of Legislative Decree No. 231/2001, the principal offences are:

- Counterfeiting of money, spending and introduction on the national territory of counterfeit money by means of conspiracy (Art. 453 I.P.C.)
- Alteration of money (Art. 454 I.P.C.)
- Spending and introduction on the national territory of counterfeit money without conspiracy (Art. 455 I.P.C.)
- Spending of counterfeit money received in good faith (Art. 457 I.P.C.)
- Counterfeiting of revenue stamps, introduction on the national territory, acquisition, possession or putting in circulation of counterfeit revenue stamps (Art. 459 I.P.C.)
- Counterfeiting of watermarked paper used to fabricate banknotes, securities or revenue stamps (Art. 460 I.P.C.)
- Fabrication or possession of watermarks or tools for counterfeiting money, revenue stamps or watermarked paper (Art. 461 I.P.C.)

1.3 White Collar Crimes

Provided for by Art. 25 *ter* of Legislative Decree No. 231/2001, the principal offences are:

- False Company reports/communications (Art. 2621 of the Italian Civil Code, hereunder “I.C.C.”)
- False Company reports/communications to the damage of shareholders or creditors (Art. 2622 I.C.C.)
- False reports or communications issued by auditing companies (Art. 2624 I.C.C.)
- Hindered control (Art. 2625 I.C.C.)
- Undue repayment of contributions (Art. 2626 I.C.C.)
- Illegal distribution of profits and reserves (Art. 2627 I.C.C.)
- Illegal operations on stock or company shares or by the parent company (Art. 2628 I.C.C.)
- Operations prejudicial to creditors (Art. 2629 I.C.C.)
- Failure to notify a conflict of interest (Art. 2629 *bis* I.C.C.)

⁸ This category was introduced by Law No. 231 of 21 November 2007, which added Art. 25 *opties* to Legislative Decree No. 231/2001

⁹ This category was introduced by Law No. 48 of 18 March 2008, which added Art. 24 *bis* to Legislative Decree No. 231/2001

- Simulated capital formation (Art. 2632 I.C.C.)
- Undue apportionment of corporate assets by receivers/liquidators (Art. 2633 I.C.C.)
- Illegal influence on shareholders' meeting (Art. 2636 I.C.C.)
- Agiotage (stock manipulation and market rigging) (Art. 2637 I.C.C.)
- Hindering public supervisory authority in exercising their functions (Art. 2638 I.C.C.)

In the case of white-collar crimes, if the entity is liable, it will be subject solely to the monetary penalties specifically envisaged in Legislative Decree No. 231/2001, thus excluding application of disqualifications and injunctions envisaged for other types of offences.

1.4 Terrorist Offences or Subversion of the Democratic Order

Provided for by Art. 25 *quater* of Legislative Decree No. 231/2001, the principal offences are:

- Subversive actions (Art. 270 I.P.C.)
- Associations promoting terrorism, also international, or subversion of the democratic order (Art. 270 *bis* I.P.C.)
- Support of terrorist or subversive associations (Art. 270 *ter* I.P.C.)
- Attacks for terrorist or subversive purposes (Art. 280 I.P.C.)
- Kidnapping for the purpose of terrorism or for subverting the democratic order (Art. 289 *bis* I.P.C.)
- Inducement to commit crimes against the State (Art. 302 I.P.C.)
- Political conspiracy through agreements and associations (Arts. 304 and 305 I.P.C.)
- Formation of, and participation in, an armed organisation, and support to conspirators or members of an armed organisation (Arts. 306 I.P.C.)
- Terrorist offences as provided by special Laws No. 15 of 6 February 1980, No. 342 of 10 May 1976 and No. 422 of 28 December 1989, aimed at fighting terrorism
- Offences, different from the ones set forth in the Penal Code and in the special Laws, in violation of Art. 2 of the Convention of New York of 9 December 1999

1.5 Offences against the Person

Provided for by Arts. 25 *quater-1* and 25 *quinques* of Legislative Decree No. 231/2001, the principal offences are:

- Placing or holding a person in conditions of slavery or servitude (Art. 600 I.P.C.)
- Child prostitution (Art. 600 *bis* I.P.C.)
- Child pornography (Art. 600 *ter* I.P.C.)
- Possession of pornographic material (Art. 600 *quater* I.P.C.)
- Tourism promoting child sexual exploitation (Art. 600 *quinques* I.P.C.)
- Trafficking in human beings (Art. 601 I.P.C.)
- Sale and purchase of slaves (Art. 602 I.P.C.)
- Practice of mutilation of female genitalia (Art. 583 *bis* I.P.C.)

1.6 Crimes of Market Abuse

Provided for by Art. 25 *sexies* of Legislative Decree No. 231/2001:

- Abuse of confidential information (Insider Trading) (Art. 184 Legislative Decree No. 58/1998, so-called "Consolidated Financial Act")
- Market manipulation (Market Rigging) (Art. 185 Consolidated Financial Act)

1.7 Transnational Crimes

Provided for by Art. 10 of Law No. 146/2006¹⁰:

- Racketeering (Art. 416 I.P.C. and Art. 3 Law No. 146/2006)
- Mafia-type racketeering (Art. 416-bis I.P.C. and Art. 3 Law No. 146/2006)
- Inducement not to make statements or make false statements to judicial authorities (Art. 377 *bis* I.P.C. and Art. 3 Law No. 146/2006)
- Assisting an offender (Art. 378 I.P.C. and Art. 3 Law No. 146/2006)
- Racketeering for the purpose of smuggling foreign processed tobacco (Art. 291 *quater* of Presidential Decree No. 43/1973 and Art. 3 Law No. 146/2006)
- Racketeering for the purpose of trafficking in drugs or psychotropic substances (Art. 74 of Presidential Decree 309/1990 and Art. 3 Law No. 146/2006)
- Trafficking in migrants (Art. 12 paragraphs 3, 3 *bis*, 3 *ter*, and 5 of Legislative Decree No. 286/1998 and Art. 3 Law No. 146/2006)

1.8 Negligent Homicide and Serious or Very Serious Negligent Personal Injuries committed through Violation of Accident Prevention and Health and Safety Protection Laws

Provided for by Art. 25 *septies* of Legislative Decree No. 231/2001:

- Negligent homicide (Art. 589 I.P.C.)
- Serious or very serious negligent personal injuries (Arts. 590, paragraph 3, and 583 I.P.C.)

1.9 Money Laundering Crimes

Provided for by Art. 25 *opties* of Legislative Decree No. 231/2001:

- Crime of receiving (Art. 648 I.P.C.)
- Money laundering (Art. 648 *bis* I.P.C.)
- Investment of money, goods or gains of illegal origin (Art. 648 *ter* I.P.C.)

1.10 Computer Fraud Crimes

Provided for by Art. 24 *bis* of Legislative Decree No. 231/2001:

- Alteration or emission of false computer records/documents (Art. 491 *bis* I.P.C.)
- Illegal use of password/pin and access key code (Art. 615 *ter*, *quater*, *quinques* I.P.C.)
- Crimes related to the interception of computer communications (Art. 617 *quater*, *quinques* I.P.C.)
- Damages of computer system or computer data, information and programs (Art. 635 *bis*, *ter*, *quater*, *quinques* I.P.C.)
- Computer fraud in digital signature certification (Art. 640 *quinques* I.P.C.)

¹⁰ The Law (Art. 3 Law No. 146/2006) defines a transnational offence as an offence punished by imprisonment whose maximum term shall not be less than four years, involving an organised criminal group, and that:

- is committed in more than one State; or
- is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State; or
- is committed in one State, but involves an organised criminal group that engages in criminal activities in more than one State; or
- is committed in one State, but has substantial effects in another State.

1.11 Form of Exemption from Responsibility

By introducing the above-mentioned administrative responsibility regime, Art. 6 of the Decree, however, makes provision for a specific form of exemption from said responsibility if the company proves that:

- a) prior to the offence(s) being committed, the Board of Directors of the company had approved and effectively implemented a **Compliance Programme in conformity with Legislative Decree No. 231/2001 (“Modello di Organizzazione, Gestione e Controllo ai sensi del D.Lgs. 231/2001”)**, which was suitable for preventing offences of the same type as that/those perpetrated;
- b) the task of supervising operations and ascertaining that the Compliance Programme is complied with, as well as taking care of its updating, is entrusted to a **Compliance Officer or Compliance Officers Committee (“Organismo di Vigilanza”)** of the company having independent powers of initiative and control;
- c) the person(s) who committed the offence acted by fraudulently circumventing the above-mentioned Compliance Programme;
- d) the Officer(s) indicated under b) above, performed its supervisory task and did so in an adequate manner.

Furthermore, the Decree makes provision that, with regard to the extension of the delegated powers and the risk of committing the offence(s), the Compliance Programme, as per a) above, shall meet the following requirements:

1. identify the activities wherein it is possible that the offence(s) dealt with by the Decree are committed;
2. make provision for specific protocols aimed at planning decision making and related implementation by the company regarding the offences to be prevented;
3. identify management procedures of financial resources suitable for stopping such offences from being committed;
4. make provision for information obligations for the committee delegated to supervise operations and the conformity to the rules of the Compliance Programme;
5. introduce an internal disciplinary system to punish non-compliance with the rules of the Compliance Programme.

2. Approval of the Compliance Programme by AVIO

2.1 Objectives pursued by Avio in adopting the Compliance Programme

AVIO S.p.A., being sensitive to the need to guarantee conditions of professionalism and transparency in conducting its business activities, in order to protect the Company's and its subsidiaries' position and image, as well as the expectations of its shareholders and employees, deemed it necessary, in keeping with its own corporate policies, to implement the Compliance Programme, provided for by Legislative Decree 231/2001, throughout the AVIO Group.

This initiative, following the issuing of the Code of Conduct within the Group, was undertaken in the firm belief that the adoption of the Compliance Programme would constitute a valid awareness-enhancement tool for all those operating in the name and on behalf of AVIO S.p.A. and its subsidiaries, so that they would behave in a professional and transparent way while performing their duties, thus avoiding the risk of offences, as envisaged in the Decree, being committed.

The Compliance Programme, 1st issue, was adopted by the Board of Directors of AVIO S.p.A. on 29 March 2004.

Furthermore, in order to implement the provisions contained in the Decree, the Board of Directors, upon passing the above-mentioned Compliance Programme, nominated the people with the task of taking on the function of internal control body (the so called "*Organismo di Vigilanza*" or "*OdV*", translated as "Compliance Officer" or "Compliance Officers Committee" or "CO"), and of ascertaining that the Compliance Programme works efficiently and effectively, and that it is complied with, and to supervise the updating of the same.

2.2 Purpose of the Compliance Programme

The Compliance Programme aims at building a structured and organic system for procedures and control activities to be carried out also pre-emptively (*ex ante* control), to prevent different types of offences envisaged by the Decree.

In particular, by identifying the "at-risk activity areas" and consequent procedure definition, the Compliance Programme aims at:

- creating, in all those who operate on behalf of AVIO and its subsidiaries in "at-risk activity areas", the awareness as to the possibility to commit, should the provisions contained therein be infringed, an offence that is liable to both economic and penal sanctions, not only for themselves but also for the company;
- confirming that such illegal behaviour is strongly condemned by AVIO, in that (even if the companies appeared to benefit from them) it is, nevertheless, against not only the legal provisions but also the ethical and social principles the Group strictly adheres to in pursuing its corporate mission;
- allowing the company, through monitoring "at-risk activity areas", to intervene in a timely manner to prevent or oppose the offence(s).

In addition to the aforementioned principles, the key points of the Compliance Programme are:

- ⇒ awareness-enhancement initiatives, propagating and making known the strict rules of behaviour and procedures set up at all company levels;
- ⇒ map of the Company's "at-risk activity areas"; those activities where offences are more likely to be committed;
- ⇒ assignment to the CO of specific supervisory responsibilities for an efficient and correct operation of the Compliance Programme;
- ⇒ verification and reporting at-risk operations;
- ⇒ observance of the principle of the separation of functions;
- ⇒ definition of empowerment in keeping with delegated responsibilities;
- ⇒ verification of company behaviour and Compliance Programme operations, with consequent periodic updating (*ex post* control).

3. The Compliance Programme, the CO (OdV), the Code of Conduct and the 231 Guidelines

Italian companies belonging to the AVIO Group shall be responsible for adopting and implementing their own Compliance Programme with regard to the specific activities they carry out, according to their “at-risk activities areas”, and based on the general principles and rules set forth in the AVIO Compliance Programme. Upon passing the Compliance Programme, their Board of Directors shall assign the CO’s (OdV) responsibility with the task of ascertaining that the Compliance Programme works efficiently and effectively, and is complied with, and to supervise the updating of the same.

The foreign companies belonging to the AVIO Group (hereunder “Foreign Companies”) are assigned the responsibility for adopting and respecting the general instructions in these Guidelines, and any others issued by AVIO’s CO in their regard. Upon approving the adoption of these Guidelines, the Board will assign to the Chief Executive Officer (CEO), the Managing Director or another Manager chosen, the responsibility to apply and continuously verify the respect of the general principles and instructions in the Guidelines (similar to a Compliance Officer). The entrusted Manager shall report every six months to the Board on the activities performed in connection with the application of these Guidelines.

Within this framework, AVIO’s CO shall carry out consulting and methodological coordination activities aimed at harmonising the dissemination of the general principles and rules for the creation of a Group Compliance Model.

This coordination shall be guaranteed by periodic reports, in the form of written communication by the Compliance Officer of all AVIO Group companies, to the Compliance Officers Committee (*Organismo di Vigilanza*) of AVIO S.p.A.

The rules of behaviour contained in these Guidelines are integrated with those of AVIO Group’s Code of Conduct, although the present Guidelines have a different aim to that of the Code.

Indeed, under this profile:

- the Code of Conduct is a tool adopted independently and therefore one that is generally applied by the AVIO Group to express the principles of “company ethics”, which the Group acknowledges as belonging to it, and which it requires its employees to observe fully;
- instead, these Guidelines contain rules of general behaviour and principles to prevent different types of offences committed by the Companies of AVIO Group operating abroad in “at-risk activity areas”, as defined below.

4. Offences and At-Risk Activity Areas

In general, with regard to the specific activities carried out by the foreign companies of the AVIO Group, the offences covered by the Decree, which could be potentially committed in their “at-risk activities” areas, are probably the following:

1. offences committed in relation to (or against) Public Agencies,
2. white collar crimes,
3. negligent homicide and serious or very serious negligent personal injuries committed through violation of accident prevention and health and safety protection Laws.

However, excluding the non-applicable offences involving the counterfeiting of money, securities and revenue stamps, and computer fraud crimes, the foreign companies of the AVIO Group shall also consider the other types of offences if they have activities in the related areas.

4.1 Offences committed against Public Agencies

The areas of activity considered as being specifically at risk presuppose the existence of relations between the AVIO Group’s foreign companies and the Public Administrations of foreign countries (i.e. the participation, also in association with a foreign partner, in tenders or direct negotiation procedures called by foreign public authorities for the awarding of contracts, supplies or services, concessions, partnerships or assets; and the execution of a specific consultancy or representation agreement with a third party etc.).

In those regions guaranteed by appropriate transparency standards, the employees of AVIO’s foreign companies, in performing their work, shall not adopt unlawful behaviour in relations with Public Authorities, which constitute corporate crimes provided for by laws in force, which their respective company has to conform with.

In those regions not guaranteed by appropriate transparency standards (the “country risk” may be assessed for such purposes, also taking into account the rating prepared by Transparency International), the employees of foreign companies shall not adopt unlawful behaviour similar to that provided for by the Italian Penal Code, and by Arts. 24 and 25 of Legislative Decree No. 231/2001.

In Appendix A1, there is a brief description of the quoted articles of the Italian Law.

4.2 White Collar Crimes

Irregular operations in accounting and financial areas are considered illegal in almost all judicial systems (i.e. irregular bookkeeping, recording of false operations, recording of operations in a deceptive way or not sufficiently documented, non-recording of commitments, also only guarantees, which may generate liabilities or obligations for AVIO Group companies etc.).

The AVIO Group considers transparency in the accounting methods of each single operation carried out to be of the utmost importance for its success.

The employees of foreign companies, in performing their work, shall not adopt unlawful behaviour, which constitute corporate crimes provided for by laws in force, which their respective company has to conform with.

In any case, also if not eventually considered unlawful behaviour by laws in force, no employees of foreign companies shall adopt unlawful behaviour similar to that provided for in Article 25 *ter* of Legislative Decree No. 231/2001.

In Appendix A2, there is a brief description of the quoted articles of Italian Law.

4.3 Negligent Homicide and Serious or Very Serious Negligent Personal Injuries committed through Violation of Accident Prevention and Health and Safety Protection Laws

The AVIO Group requests all its employees, in performing the work entrusted to them, not to adopt any actions or behaviour that might expedite the commissioning of manslaughter, and non-intentional injuries arising from the breach of health and safety protection laws.

Therefore, all behaviour shall be avoided that might potentially bring about the violation of health and safety protection laws.

The notes regarding the quoted articles of Italian Law are described in Appendix A7.

4.4 Terrorist Offences or Subversion of the Democratic Order

The AVIO Group requests all its employees, in performing the work entrusted to them, not to adopt any actions or behaviour, which might expedite the commissioning of terrorist or subversive crimes.

Therefore, all behaviour shall be avoided that might potentially bring about the violation of Art. 2 of the New York Convention of 9 December 1999, regarding the repression of financing for national and international terrorism, as ratified in Italy by Art. 3 of Law No. 7 of 14 January 2003, and adopted by Art. 25 *quater* of Legislative Decree No. 231/2001.

Moreover, even if it does not eventually constitute a crime as regards the reference legislation, all employees working in subsidiaries abroad shall not adopt unlawful behaviour provided for by the Italian Penal Code and by special laws concerning terrorism as also adopted by Art. 25 *quater* of Legislative Decree No. 231/2001.

The notes regarding the quoted articles of Italian Law are described in Appendix A3, as well as part of Art. 2 of the New York Convention, relative to behaviour considered as liable crime.

4.5 Offences against the Person

The AVIO Group request all its employees, in performing their work, or through the use of Company equipment, not to adopt any illegal behaviour which constitutes crimes against individual personality and concerning paedophilia or pornography.

Within Italian Legislation, dealing with crimes provided for in the Italian Penal Code, and set forth in Arts. 25 *quater.1* and 25 *quinques* of Legislative Decree No. 231/2001, as introduced by Laws No. 07/06 and No. 228/03 concerning, respectively, measures against the practice of mutilation of female genitalia, and the trafficking of people, as well as paedophilia and pornography.

Even if it does not eventually constitute a crime as regards the reference legislation, all employees working in subsidiaries abroad shall not adopt unlawful behaviour provided for by the Italian Penal Code and by the articles of Legislative Decree No. 231/2001.

The notes regarding the quoted articles of Italian Law are described in Appendix A4.

4.6 Crimes of Market Abuse

The AVIO Group requests all its employees, in performing their work, or through the use of Company equipment, not to adopt any illegal behaviour which constitutes crimes of market abuse.

Within Italian Legislation, dealing with crimes provided for in the Italian Penal Code, and set forth in Arts. 25 *sexies* of Legislative Decree No. 231/2001, as introduced by Law No. 62/05 concerning, respectively, crimes of abuse of inside information (“insider trading”) and market manipulation (“market rigging”).

Even if it does not eventually constitute a crime as regards the reference legislation, all employees working in subsidiaries abroad shall not adopt unlawful behaviour provided for by the Italian Penal Code and by the articles of Legislative Decree No. 231/2001.

The notes regarding the quoted articles of Italian Law are described in Appendix A5.

4.7 Transnational Crimes

The AVIO Group request all its employees, in performing their work, or through the use of Company equipment, not to adopt any illegal behaviour which constitutes transnational crimes as introduced by Law No. 146/06 concerning transnational organised crimes.

Even if it does not eventually constitute a crime as regards the reference legislation, all employees working in subsidiaries abroad shall not adopt unlawful behaviour provided for by the Italian Penal Code and by the articles of Laws No. 146/2006.

The notes regarding the quoted articles of Italian Law are described in Appendix A6.

4.8 Money Laundering Crimes

The AVIO Group requests all its employees, in performing their work, or through the use of Company equipment, not to adopt any illegal behaviour which constitutes crimes of money laundering.

Within Italian Legislation, dealing with crimes provided for in the Italian Penal Code, and set forth in Arts. 25 *opties* of Legislative Decree No. 231/2001, as introduced by Law No. 231/007 concerning, respectively, crimes of receiving, money laundering and investment of money, goods or gains of illegal origin.

Even if it does not eventually constitute a crime as regards the reference legislation, all employees working in subsidiaries abroad shall not adopt unlawful behaviour provided for by the Italian Penal Code and by the articles of Legislative Decree No. 231/2001.

The notes regarding the quoted articles of Italian Law are described in Appendix A8.

5. Intended Users of these Guidelines and General Guidelines of Behaviour

These Guidelines deal with the behaviour of all employees – executives, directors, managers, office staff and factory workers (“Company Representatives”) – of AVIO Group Foreign Companies working in recognised risk areas, and independent consultants and partners (hereinafter all these will be referred to as the “Intended Users”), with the exception of those Foreign Companies that have implemented special precautionary measures according to their local laws, which are similar to the Decree.

The purpose of this document is to make all Intended Users, as identified above, to follow the Guidelines of behaviour specified herein.

Within the framework of these Guidelines, all Company Representatives directly, and independent consultants and partners by means of specific agreement terms shall expressly refrain from:

- a) making payments to public officers (deemed as any officer or employee of a foreign government or any department, agency, or any person acting in an official capacity for, or on behalf of, said government or department or agency etc.);
- b) giving gifts and gratuities except as per the company’s customary practice; in particular, it is prohibited to offer any form of gift to foreign public officials (including those countries where this is a widespread practice), or to their relatives, which may affect their impartiality of judgment or induce them to ensure an advantage of any kind to the company. Permitted gifts shall always be either of modest value or be intended to promote artistic initiatives (e.g. distribution of art books etc.), or the Group’s brand image;
- c) according other advantages of any kind (e.g. promises to hire etc.) to Public Administration representatives, that may lead to the consequences described in paragraph b) above;
- d) rendering services in favour of partners that are not justified within the framework of the partnership agreement established with those partners;
- e) paying to independent consultants fees that are not justified compared to the assignment they have to perform and to common local practices;
- f) submitting untrue statements to government or Community public authorities in order to obtain public funds, grants or facilitated loans;
- g) allocating amounts received from State or Community public authorities as funds, grants or loans for other purposes than those they were intended for.

The following principles shall apply for the purpose of implementing the Guidelines of behaviour described above:

1. adequate evidence shall be given as to all principal relations with Public Administrations regarding “at-risk activities”;
2. all partnership agreements shall be defined in writing, specifying the terms of agreement, relative to the financial terms for joint bidding;
3. all assignments given to independent consultants shall also be made in writing, specifying the fees agreed;
4. no payment in cash shall be allowed;
5. all statements rendered to national or European public authorities for the purpose of obtaining funds, grants or loans shall contain only true information and, where said funds, grants or loans are obtained, these shall be appropriately accounted for;
6. all audit managers and supervisors in charge of the obligations related to the performance of these activities (payment of invoices, allocation of State or European Community funds etc.) shall comply with said obligations and report immediately any irregularity to the Managing Director;
7. within the company, on the AVIO S.p.A. CO’s proposal, suitable evaluation systems might be put in place for the selection of agents, consultants etc., as well as partners with whom the Foreign Company intends to make a partnership (e.g. a joint-venture, also in the form of a temporary company association or consortium etc.), and be used to cooperate with the company in the performance of “at-risk activities”;

8. any behaviour by agents or consultants etc., as well as partners with whom the Foreign Company intends to make a partnership, which contrasts with the Guidelines of behaviour stated in this document, might result, according to the provisions contained in the specific clauses of the job orders or in the partnership agreements, in cancellation of the agreement subject to the possibility of the company applying for damages if such behaviour causes real damage to the company.

Moreover, the Foreign Companies are required to:

1. keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the companies;
2. design and maintain a system of internal control sufficient to provide reasonable assurance that:
 - (a) transactions are executed in accordance with a management's general or specific authorisations;
 - (b) transactions are recorded as necessary:
 - (i) to permit the preparation of financial statements in conformity with the generally accepted applicable accounting principles or any other criteria applicable to such statements, and
 - (ii) to maintain the accounting for assets;
 - (c) access to assets shall only be permitted in accordance with the management's general or specific authorisation, and the recorded accounting for assets shall be compared with the existing assets at reasonable intervals, and appropriate action shall be taken with respect to any differences.

Moreover, the AVIO Group Officers and Administrators of Foreign Companies shall:

1. conduct themselves diligently, transparently and cooperatively in accordance with the law and internal corporate procedures in all activities involving the preparation of financial statements and other corporate communications, in order to provide shareholders and others with true and accurate information concerning the economic, financial and balance sheet position of the company and its subsidiaries;
2. comply rigorously with all provisions of law concerning maintenance of capital so as not to prejudice the rights of creditors and others in general;
3. ensure the regular operation of the Company and Corporate Officers, guaranteeing and facilitating all forms of internal control of company management prescribed by law, as well as the free and proper expression of the will of the shareholders meeting;
4. send all communications required by law and regulations to the relevant supervisory authorities promptly, diligently and in good faith, without obstructing the exercise of such authorities' supervisory duties in any way;
5. introduce an occupational health and safety management system, to enable the company to control its health and safety at work risks.

Appendix A: Notes regarding the Quoted Articles of Italian Law

A1 – Offences against Public Agencies

- **Embezzlement against the State, other public bodies or the European Union (Art. 316 *bis* I.P.C.)**

This criminal offence is committed when, after receiving financing or contributions from the Italian Government, other public entities or the European Union, the sums obtained are not used for their intended purposes (in fact, the offence consists of the misappropriation, also partially, of the obtained sums, regardless of whether the planned activity was carried out).

Given that the perpetration of the crime coincides with the executive phase, it can also be linked to financing already received in the past that is not now destined for the purposes for which it was disbursed.

- **Undue cashing in of contributions, financing or other financial disbursement from the State, other public bodies or the European Union (Art. 316 *ter* I.P.C.)**

This criminal offence is committed when, through the use or presentation of false statements or documents, or the omission of mandatory information, any contributions, financing, subsidised loans or other disbursements of the same type, granted or allocated by the State, other public entities, or the European Union, are wrongfully obtained.

In this case, contrary to the preceding clause (Art. 316 *bis*), the way disbursements are used is irrelevant as regards the offence, as the offence is committed at the moment financing is obtained.

Finally, it is important to underline that this is a residuary offence that may often apply in circumstances where the offender lacked the intent required for the offence of defrauding the State.

- **Extortion (Art. 317 I.P.C.)**

This criminal offence is committed when a public official, or a person responsible for a public service, abuses his position in order to procure for him/her, or others, money or other benefits that are not due to him/her or them. This offence is purely liable to a residuary application in the case in point provided for by Legislative Decree No. 231/2001. In particular, this type of offence, as regards the application of the same Decree, could apply where an employee or agent of a Group company aids or abets the public official in the offence who, abusing his position, requests that third parties perform services not due or rightful (provided that the Group company in some way derives a benefit/advantage from such conduct).

- **Corruption for official acts or in acts against official duties (Arts. 318, 319 and 319 *bis* I.P.C.)**

This criminal offence is committed when a public official receives, for him/her or on behalf of others, money or other benefits in exchange for carrying out, omitting or delaying certain official acts of his office (creating an advantage for the corrupting party).

The public official's conduct may become apparent both in a duty (e.g. speeding up the handling of a matter whose paperwork falls within his/her competence) and in an act contrary to his/her duties (e.g. a public official who accepts money to guarantee the awarding of a tender).

This offence is different from that of extortion as there is an agreement between the corrupted and corrupting person(s) aimed at gaining mutual benefit while, as regards extortion, a private party suffers the conduct of a public official or a person responsible for a public service.

- **Corruption in judicial acts (Art. 319 *ter* I.P.C.)**

This criminal offence is committed when a company is involved in judicial proceedings and, in order to gain an advantage in such proceedings, bribes a public official (not only a judge/magistrate but also a clerk of the court or other official).

- **Inducement to corruption (Art. 322 I.P.C.)**

This criminal offence is committed when a public official is offered a bribe and he/she refuses to accept the illegal money/benefit proposed.

- **Fraud against the State, other public bodies or the European Union (Art. 640, clause II, No.1 I.P.C.)**

This criminal offence occurs when a wrongful gain is obtained by deception or under false pretences and with the intent to deceive and defraud to the detriment of the State, a public body or the European Union.

For instance, this offence may be committed in circumstances where false and inaccurate documentation or information, relative to the participation in a call for tenders, is knowingly submitted to a Public Administration in order to obtain the same tender.

- **Serious fraud to receive public funds (Art. 640 bis I.P.C.)**

This criminal offence is committed in circumstances where public funds or grants are fraudulently obtained.

Fraud may take place when untrue information or false documentation is provided in order to obtain public financing.

- **Computer fraud against the State, other public bodies or the European Union (Art. 640 ter I.P.C.)**

This criminal offence is committed when, altering information functions or a computerised system, or manipulating data contained in such systems, wrongful gain is obtained by fraud thus causing damage to third parties. In fact, this offence may be committed should such systems, once financing has been obtained, be violated in order to insert an amount, relative to the financing, higher than that legitimately obtained.

- **Peculation, Extortion, Corruption and Inducement to corruption of members of the organs of the European Communities and foreign officials of the European Communities and States (Art. 322 bis I.P.C.)**

The criminal offences of peculation, extortion, corruption and inducement to corruption are also applied to:

- members of the Commission of the European Communities, and the European Parliament, the Court of Justice and the State Auditors' Department of the European Communities;
- officials and agents recruited under contract to conform with the statute of officials of the European Communities or the regime applicable to agents of the European Communities;
- people instructed by State members or any public or private body of the European Communities that carry out duties corresponding to those of the officials or agents of the European Communities;
- members and officers of bodies constituted on the basis of the Treaties that established the European Communities;
- those people who, within the area of other State members of the European Union, carry out duties or activities corresponding to those of public officials and people entrusted with a public service.

The provisions of Arts. 321 I.P.C. (penalty for corruption) and 322 I.P.C. (inducement to corruption) – first and second paragraph – are applied even if the money or other benefit is given, offered or promised to:

- 1) people as indicated in the first paragraph of this Article;
- 2) people that carry out duties or activities corresponding to those of public officials and people entrusted with a public service within the area of other foreign States or international public organisations, should the unlawful act be committed in order to gain undue advantage for the people themselves or for others in international economic operations.

The people indicated in the first paragraph are compared to public officials, should they carry out corresponding duties and activities, and to those entrusted with a public service in the other cases.

A2 – White Collar Crimes

- **False company reports/communications to the damage of shareholders or creditors (Arts. 2621 and 2622 I.C.C.)**

This criminal offence is committed when false statements of material facts are made in the financial statements or reports of a company or group, or in any other corporate communication required by law, with the intent of misleading or deceiving shareholders, creditors or the public as to the economic, financial or balance sheet position of the company or group. It is also an offence to omit information required by law with the intent of misleading or deceiving as above.

- **False reports or communications issued by auditing companies (Art. 2624 I.C.C.)**

This criminal offence is committed when a company's independent auditors make false statements or conceal information concerning the economic, financial and balance sheet position of the company in order to realise wrongful gains for themselves or others.

The penalty is more severe if the recipients of false statements or information suffer financial losses as a result of the independent auditors' conduct.

In addition to the independent auditors' liability for the crime, the financial accounting organs of the company and its employees may also be involved by way of complicity in the crime. Pursuant to Art. 110 of the Italian Penal Code, any directors, statutory auditors or other members of an audited company may be held liable if they have determined or instigated the unlawful conduct of the independent auditors relative to the criminal act.

- **Hindered control (Art. 2625 I.C.C.)**

It is a criminal offence to conceal documents or to employ other means of impeding or obstructing legally authorised inspections or audit activities by shareholders, other corporate officers or the company's independent auditors.

- **Undue repayment of contributions (Art. 2626 I.C.C.)**

In general, a company shall not return any contribution of capital, also simulated, than by means of the legitimate reduction of capital share to its shareholders, or release shareholders from the same obligations to fulfil this.

- **Illegal distribution of profits and reserves (Art. 2627 I.C.C.)**

It is a criminal offence to allocate profits or advances on profits, which have not been realised or allocated by law to reserves, or to allocate reserves, even if they are not formed with profits that, by law, may not be distributed.

- **Illegal operations on stock or company shares or by the parent company (Art. 2628 I.C.C.)**

It is a criminal offence to purchase or subscribe to shares or capital share in the controlling company, which causes an infringement to the integrity of the capital share or reserves that are not distributable.

- **Operations prejudicial to creditors (Art. 2629 I.C.C.)**

This criminal offence is committed, in violation of creditor protection laws, when reductions in capital share or mergers with other companies or demergers are executed, which may cause damage to creditors.

- **Failure to notify a conflict of interest (Art. 2629 bis I.C.C.)**

This criminal offence is committed if a member of the Board of Directors with listed shares does not communicate to the other members of the Board, as well as to the Statutory Auditors, that he/she, or a third party, has an interest in a determined company operation which, following this nonfeasance, may cause damage to the company or third parties.

- **Simulated capital formation (Art. 2632 I.C.C.)**
This criminal offence is committed when company capital is falsely created or increased by the issuing of shares or capital share in the company at an amount below their nominal value; shares or capital share are reciprocally subscribed; the contribution of assets in kind, receivables or corporate assets are significantly overvalued in the case of company transformation.
- **Undue apportionment of corporate assets by receivers/liquidators (Art. 2633 I.C.C.)**
This criminal offence is committed when corporate assets are distributed among shareholders before payment of corporate creditors or allocation of money necessary to satisfy them, which may cause damage to the creditors.
- **Illegal influence on shareholders' meetings (Art. 2636 I.C.C.)**
This criminal offence consists of conduct that would typically determine, by simulated acts or fraud, the majority in a shareholders meeting with the purpose of attaining unfair profit for oneself or others.
- **Agiotage (stock manipulation and market rigging) (Art. 2637 I.C.C.)**
This criminal offence consists of diffusing false information or executing sham transactions or other deceptions that may materially cause a significant change in the price of financial instruments, either unlisted or for which a request for placement on an official stock market has not been presented, or significantly affect public confidence in the financial stability of banks or banking groups.
- **Hindering public supervisory authorities in exercising their functions (Art. 2638 I.C.C.)**
This criminal offence is committed when a company makes false statements of material facts in communications to the supervisory authorities provided for by law, with the intent of obstructing their functions, also through the object of valuation concerning the economic, financial or balance sheet position of the company, subject matter of the supervision, or fraudulently omits or conceals information, in whole or in part, that should have been communicated relative to the same situation.

A3 – Terrorist Offences or Subversion of the Democratic Order

A) Italian Penal Code Articles

- **Subversive actions (Art. 270 I.P.C.)**
This criminal offence is committed through the promotion, constitution, organisation or management of associations in the State territory, which are directed at ruthlessly establishing the dictatorship of a social class over others, or at violently suppressing a social class or, in any case, at wilfully subverting the economic or social systems constituted in the State or, finally, having as their purpose the ruthless suppression of every political and legal system.
- **Associations promoting terrorism, also international, or subversion of the democratic order (Art. 270 bis I.P.C.)**
This criminal offence is committed by any person who promotes, constitutes, organises, manages or finances associations that proposes the execution of acts of violence for the purposes of terrorism or subversion of the democratic order.
As regards the penal laws, the purpose of terrorism also occurs when the acts of violence are directed against a foreign State, institution or international organism.
- **Support of terrorist or subversive associations (Art. 270 ter I.P.C.)**
The criminal offence of assistance to associations punishes anyone who gives refuge or provides food, hospitality, transport and communication instruments to anybody who participates in the associations indicated in the previous Arts. 270 and 270 bis I.P.C.
It is not punishable for someone who commits the offence in favour of a close relative.
- **Attacks for terrorist or subversive purposes (Art. 280 I.P.C.)**
In conformity with this regulation, it is punishable for anyone who, for the purpose of terrorism or subversion of the democratic order, makes an attempt on the life or safety of a person.
The criminal offence is aggravated when the action results in a serious crime or the death of a person, or when the act is made against persons who carry out judicial or penal functions or public security, during or because of their functions.
- **Kidnapping for the purpose of terrorism or for subverting the democratic order (Art. 289 bis I.P.C.)**
This criminal offence is committed through the kidnapping of a person for the purpose of terrorism or the subversion of the democratic order.
The offence is aggravated by the death, intentional or not, of the kidnapped person.
- **Inducement to commit crimes against the State (Art. 302 I.P.C.)**
The law states that any person is punishable who incites somebody to commit one of the non-culpable offences provided for in the Italian Penal Code, relative to offences against the personality of the State, for which the law decrees imprisonment or a life sentence if the incitement is not recognised, or with one to eight years imprisonment if it is recognised but the offence is not committed.
- **Political conspiracy through agreements and associations (Arts. 304 and 305 I.P.C.)**
This law punishes a person who agrees to commit one of the offences set forth in the previous clause (Art. 302 I.P.C.).
- **Formation of and participation in an armed organisation, and support to conspirators or members of an armed organisation (Art. 306 I.P.C.)**
This criminal offence is committed when, in order to carry out one of the offences indicated in the aforementioned Art. 302 of the I.P.C., an armed gang is formed.

B) Special Laws

- **Art. 1 of Law No. 15 of 6 February 1980** provides for an aggravating circumstance that is applied to any offence “committed for the purpose of terrorism or the subversion of the democratic order”. It follows that any offence provided for by the Italian Penal Code or special laws, also different from those expressly directed at punishing terrorism, may become, on condition that it is committed with the aforesaid purpose, one of those offences that, in accordance with Art. 25 *quater*, may constitute a prerequisite for the allegation of the responsibility of the legal entity.
- Moreover, laws specifically directed at the prevention of offences committed with the purpose of terrorism are **Law No. 342 of 10 May 1976**, relative to the repression of offences against the safety of air navigation, and **Law No. 422 of 28 December 1989**, regarding the repression of offences against the safety of sea navigation and offences against the safety of fixed installations on intercontinental platforms.

C) Art. 2 of the New York Convention of 9 December 1999

The above article states that any person may commit a criminal offence if that person, by whatever means at his/her disposal, directly or indirectly, illegally and wilfully, provides or collects funds with the intention of using them, or knowing they are destined to be used, in full or in part, in order to carry out:

- (a) an act that constitutes a criminal offence within the scope of, and as defined by, one of the treaties listed in the annex, or
- (b) any other act intended to cause death or serious bodily harm 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 an act, by its nature or context, is to intimidate a population or to compel a government or an international organisation to carry out or abstain from carrying out any act.

For an act to constitute one of the aforementioned criminal offences, it shall not be necessary for the funds to actually be used in order to carry out an offence described in subparagraphs (a) or (b). Nevertheless, an offence is committed by a person who attempts to commit an offence as defined above.

Likewise, any person may commit an offence if he/she:

- (a) takes part as an accomplice in an offence as set forth in the aforesaid paragraph;
- (b) organises or directs others in an offence as defined in the aforesaid paragraph;
- (c) contributes to the commission of one or more offences as described in the aforesaid paragraph by a group of persons acting with a common purpose. Such contribution shall be intentional and shall either be:
 - i) made with the aim of furthering the criminal activity or criminal purpose of the group, where the activity or purpose involves the commission of an offence, or
 - ii) made in full knowledge of the intention of the group to commit an offence.

A4 – Offences against the Person

- **Placing or holding a person in conditions of slavery or servitude (Art. 600 I.P.C.)**
This criminal offence is committed when a person is reduced to slavery or a similar condition.
- **Child prostitution (Art. 600 *bis* I.P.C.)**
This criminal offence is committed when a person forces someone under 18 years of age into prostitution, or favours or exploits prostitution.
Moreover, the offence of engaging in sexual acts with a minor between 14 and 16 years of age in exchange for money or other economic benefits is also prosecuted, provided that the act does not constitute a more serious crime.
- **Child pornography (Art. 600 *ter* I.P.C.)**
This criminal offence regards the exploitation of persons under 18 years old in order to carry out explicit pornographic images or produce pornographic material, as well as the trade and conscious assignment, free of charge or voluntary, of such material.
The offence in question also occurs when the pornographic material is distributed, diffused or publicised, by any means, also via computer, or when news or information is distributed or diffused with the aim of sexually soliciting or exploiting minors under 18.
- **Possession of pornographic material (Art. 600 *quater* I.P.C.)**
This criminal offence is committed when a person knowingly procures or displays pornographic material, also computerised, produced through the sexual exploitation of minors under 18.
- **Tourism promoting child sexual exploitation (Art. 600 *quinques* I.P.C.)**
This criminal offence is committed when tours/journeys are organised or promoted that are aimed at the exploitation of prostitution to the damage of minors or, in any case, involving such an activity.
- **Trafficking in human beings (Art. 601 I.P.C.)**
This criminal offence is committed when the trade of slaves or persons in a similar situation is carried out. When the case involves minors under 18, heavier prison sentences are provided for.
- **Sale and purchase of slaves (Art. 602 I.P.C.)**
This criminal offence is committed when any person lends or sells a person that he/she finds in a state of slavery or similar condition, or appropriates and buys or maintains that person in the previously mentioned condition.
- **Practice of mutilation of female genitalia (Art. 583 *bis* I.P.C.)**
This criminal offence is committed when, in the absence of therapeutic needs, mutilation of the female genital organs is carried out. As regards the commission of this offence, the practice of mutilation of the female genital organs means clitoridectomy, excision and infibulation, and any other practice that causes the same type of effects.

A5 – Crimes of Market Abuse

- **Abuse of confidential information (Insider Trading) (Art. 184 Legislative Decree No. 58 of 24 February 1998)**

Any person who, possessing inside information by virtue of his membership of the administrative, management, or supervisory bodies of an issuer, his holding in the capital of an issuer, or the exercise of his employment, profession, duties, including public duties, or position, commits the criminal offence of insider trading when he:

- buys, sells, or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using inside information acquired as described above;
- discloses such information to others outside the normal exercise of his employment, profession, duties or position (regardless of whether those who receive such information use it to carry out transactions);
- recommends or induces others, based on the inside information he possesses, to carry out any of the transactions referred to in the first point.

Furthermore, anyone who, possessing inside information as a result of the preparation or commission of criminal offences, engages in any of the actions described above (e.g. a hacker who, upon gaining illegal access to the IT system of a company, manages to obtain confidential or price-sensitive information) commits the criminal offence of insider trading.

- **Market manipulation (Market Rigging) (Art. 185 Legislative Decree No. 58 of 24 February 1998)**

Any person who disseminates false information (i.e. disclosure manipulation) or sets up sham transactions or employs other devices likely to produce a significant alteration in the price of financial instruments (i.e. trading manipulation), commits the criminal offence of market manipulation.

Furthermore, in regard to dissemination of false or misleading information, this type of market manipulation also includes cases of misleading information created due to the violation of disclosure obligations by the issuer or other parties subject to disclosure requirements.

A6 – Transnational Crimes

Art. 10 of Law No. 146 of 16 March 2006, published in the Official Gazette of the Republic of Italy on 11 April 2006, defines a transnational offence as an offence punished by imprisonment whose maximum term shall be not less than four years, involving an organised criminal group, and that:

- is committed in more than one State, or
- is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State, or
- is committed in one State, but involves an organised criminal group that engages in criminal activities in more than one State, or
- is committed in one State but has substantial effects in another State.

The company is liable for the following offences committed on its behalf or for its benefit, if they are transnational, as defined above:

- **Racketeering (Art. 416 I.P.C.)**

This offence is committed when three or more persons conspire in order to commit various offences. The individuals who promote, constitute, or organise the conspiracy are punished, for said offence only, with imprisonment from three to seven years. The mere fact of participating in the organisation entails imprisonment from one to five years.

- **Mafia-type racketeering (Art. 416-bis I.P.C.)**

This offence envisages that anyone who belongs to a Mafia-type organisation, comprised of three or more persons, be punished by imprisonment from five to ten years.

Those who promote, direct or organise the organization are punished by imprisonment from seven to twelve years.

The organisation is of a Mafia type when its members use the power of intimidation associated with membership in the organisation and the condition of subjugation and conspiracy of silence deriving from it in order to commit offences, to acquire control, directly or indirectly, of economic activities, concessions, authorisations, contracts and public services or to realise wrongful gains or benefits for himself/herself or others.

- **Inducement not to make statements or to make false statements to judicial authorities (Art. 377 bis I.P.C.)**

This offence is committed when a person uses violence or threats, or offers or promises money or other benefits to induce a person summoned before judicial authorities not to make statements or make false statements that can be used in a criminal action, when the summoned person has the right not to respond.

The envisaged punishment is imprisonment from two to six years.

- **Assisting an offender (Art. 378 I.P.C.)**

This offence is committed when a person is helped to avoid investigation or avoid searches by the authorities following the commission of a criminal offence. The punishment envisaged is imprisonment for up to four years.

- **Racketeering for the purpose of smuggling foreign processed tobacco (Art. 291 quater of Presidential Decree No. 43/1973)**

This offence is committed when three or more persons conspire in order to introduce, sell, transport, purchase or possess within the national territory more than ten kilograms of foreign processed tobacco.

The persons who promote, constitute, direct, organise or finance the conspiracy are punished by three to eight years of imprisonment.

The participants are punished by imprisonment from one to six years.

- **Racketeering for the purpose of trafficking in drugs or psychotropic substances (Art. 74 of Presidential Decree 309/1990)**

This offence is committed when three or more persons conspire to cultivate, produce, fabricate, extract, refine, sell or place on sale, offer, transfer, distribute, trade, transport, procure for others, send, carry or ship in transit, or deliver drugs or psychotropic substances for any purpose.

The persons who promote, constitute, direct, organise or finance the conspiracy are punished by not less than twenty years of imprisonment. The participants are punished by not less than ten years of imprisonment.

- **Trafficking in migrants (Art. 12 paragraphs 3, 3 bis, 3 ter, and 5 of Legislative Decree No. 286/1998)**

This offence is committed when a person commits acts aimed at bringing a person into the national territory in violation of immigration laws, or acts aimed at procuring illegal entry into another state where the person is not a citizen or does not have authorisation for permanent residence or facilitates the foreigner's stay in order to realise wrongful gain from the foreigner's illegal status.

In this case, the transgressor is punished with imprisonment from four to fifteen years and a fine of 15,000 euros per person (according to the individual offences that are committed, the penalties may be increased according to the provisions of the cited rules).

A7 – Negligent Homicide and Serious or Very Serious Negligent Personal Injuries committed through Violation of Accident Prevention and Health and Safety Protection Laws

- **Negligent homicide (Art. 589 I.P.C.)**

This offence is committed when a person negligently causes the death of another person.

Nevertheless, the criminal offence envisaged in Legislative Decree 231/2001 only regards the cases where the fatal accident was caused not by general negligence, and thus inexpertness, imprudence, or negligence, which consists in violation of laws relative to work accident prevention and health and safety.

- **Serious or very serious negligent personal injuries (Art. 590 paragraph 3 and Art. 583 I.P.C.)**

This offence is committed when a person causes serious injury to another person in violation of laws relative to work accident prevention and health and safety.

Pursuant to paragraph 1 of Art. 583 of the Italian Criminal Code, the injury is considered serious in the following cases:

- 1) if the act causes an illness that endangers the life of the injured person, or an illness or inability to engage in ordinary work for more than forty days;
- 2) if the act causes permanent weakening of a sense or organ.

Pursuant to paragraph 2 of Art. 583 of the Italian Criminal Code, the injury is considered serious if it causes:

- an illness that is definitely or probably incurable;
- the loss of a sense;
- the loss of a limb, or mutilation that renders the limb useless, or the loss of use of an organ or the ability to procreate, or a permanent and serious speech impediment;
- deformation or permanent disfigurement of the face.

A8 – Money Laundering Crimes

- **Crime of receiving (Art. 648 I.P.C.)**

This offence is committed when a person buys, receives or conceals money, goods, or other gains from an offence, or carries out other operations in relation to them.

- **Money laundering (Art. 648-bis I.P.C.)**

This offence is committed when a person substitutes or transfers money, goods, or other gains from a non-negligent offence, or carries out other operations in relation to them in order to obstruct identification of their criminal origin.

This offence is punished by imprisonment from four to twelve years and a fine from 1,032 euros to 15,493 euros.

The penalty is increased if the act is committed in the course of operating a professional activity.

- **Investment of money, goods or gains of illegal origin (Art. 648 *ter* I.P.C.)**

This offence is committed when money, goods or other gains resulting from a crime are invested in economic or financial activities. In this case, the offence is punishable by imprisonment from four to twelve years and a fine from 1,032 euros to 15,493 euros.

The penalty is increased if the act is committed in the course of operating a professional activity.