



**ORGANISATION, MANAGEMENT
AND CONTROL MODEL
PURSUANT TO THE
LEGISLATIVE DECREE
NO. 231, ISSUED ON 8 JUNE, 2001**

**Approved with a resolution of the Board of Directors
on 21 September, 2010**

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PART 1 – GENERAL ASPECTS

This organisation, management and control Model (hereinafter, for the sake of brevity, also referred to as “the Model”) enforces art. 6, 3rd paragraph, of the legislative decree 231/2001.

The Model is made up of this part covering General Aspects, governing the purpose, the province and the recipients of same, the penalty system, the powers and the role of the Supervisory Board, and of some special parts containing the principles and internal rules covering organisation, management and control designed for the prevention of risk of committing the crimes listed by the decree, which have been deemed potentially significant in carrying out the activities of FINDER POMPE SpA (hereinafter, for the sake of brevity, referred to as “FINDER POMPE” or the Company). In addition to what is explicitly stated below, an integral part of this document is represented by all the provisions, the internal measures, the deeds and the operating procedures which are an enforcement of this document. In order to ensure that the recipients of this Model may best understand its contents and purposes, we deem it helpful to briefly illustrate the rules and regulations contained in the Legislative decree 231/2001.

1. THE LEGISLATIVE DECREE NO. 231, ISSUED ON 8 JUNE, 2001, GOVERNING THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, OF COMPANIES AND OF ASSOCIATIONS EVEN IF UNINCORPORATED

1.1 The Administrative Liability of Legal Persons

The Legislative decree no. 231, issued on 8 June, 2001, which has introduced in Italy the “*Government of the administrative liability of legal persons, of companies and of associations even if unincorporated*” (hereinafter, for the sake of brevity, referred to as the “**Legislative Decree 231/01**” or the “**Decree**”), has adjusted the Italian regulations governing the liability of legal persons to suit some International Conventions previously signed by Italy.

The Legislative Decree 231/01 lays down an administrative liability system (which is basically comparable to penal liability) against legal persons, (hereinafter, for the sake of brevity, referred to as the “**Body/Bodies**”) which adds to the liability of the individual person who has physically committed the crime and which aims at involving in the punishment of same the Bodies in whose interest or for whose benefit this crime has been committed. This type of administrative liability only exists for crimes for which this imputation system is explicitly provided for by the Decree.

Article 4 of the Decree also states that, in certain cases and under the conditions provided for by articles 7, 8, 9 and 10 of the Italian Penal Code, there can be an administrative liability of the Bodies that have their main office on the territory of the State for the crimes committed abroad by the individual persons, provided that the State of the place in which the crime has been committed does not proceed against such Bodies.

1.1.1 The persons that can commit one of the crimes provided for by the Legislative Decree no. 231/01

As regulated by art. 5 of the Legislative Decree no. 231/01, the Body is liable for crimes committed in its interest or for its benefit by:

- (i) Natural persons having a leading role (representation, administration or management of the Body or of one of its organisation units provided with financial and functional independence, or persons who practically have a management and control function: hereinafter, for the sake of brevity, they will be referred to as the “**Executives**”);
- (ii) Natural persons subject to management or supervision by one of the Executives (hereinafter, for the sake of brevity, referred to as the “**Subordinates**”).

In this regard, it is worthwhile pointing out that, according to a certain authoritative position on the subject, which is now well established, it is not necessary for the Subordinates to be employees of the Body, as this notion also includes “*workers who, even if they are not “employees” of the Body, have such a relationship with the latter that it suggests the existence of a supervisory role by the highest authorities of the Body itself: for instance, take into account agents, joint-venture partners, the so-called para-subordinates in general, distributors, suppliers, consultants and cooperators*”¹.

1.1.2 The crimes provided for by the Legislative Decree 231/01

- (1) Crimes committed in relations with the Civil Service based on articles 24 and 25 of the Decree, and in particular:
 - misuse of public funds to the detriment of the State or of another public body (art. 316-*bis* of the Italian Penal Code);
 - undue earning of disbursements to the detriment of the State (art. 316-*ter* of the Italian Penal Code);
 - aggravated fraud to the detriment of the State or of another public body (art. 640, 2nd paragraph, no. 1 of the Italian Penal Code);
 - aggravated fraud in order to obtain public funds (art. 640-*bis* of the Italian Penal Code);
 - IT fraud to the detriment of the State or of another public body (art. 640-*ter* of the Italian Penal Code);
 - extortion (art. 317 of the Italian Penal Code);
 - bribery for act of office (art. 318 of the Italian Penal Code);
 - bribery for act against office duties (art. 319 of the Italian Penal Code);
 - bribery in writs (art. 319-*ter* of the Italian Penal Code);

¹ Verbatim: Assonime Circular Letter no. 68., dated 19 November, 2002. In literature, also refer to: Zanalda-Barcellona, *The administrative liability of companies and organisational models*, Milan, 2002, page 12 and following pages; Santi, *The liability of Companies and Bodies*, Milan, 2004, page 212 and following pages; Bassi — Epidendio, *Bodies and crime-related liability*, Milan, 2006, page 158 and following pages; Zanardi – Baggio — Rebecca, *Administrative liability of companies*, Il Sole 24 Ore, 2008. In case law, special interest has the order by the magistrate in charge of preliminary investigations Salvini, issued on 27 April, 2004, according to which, one of the persons who had committed the crimes resulting in the Body’s administrative liability, that is a consultant of the Company employed — who therefore was not part of the company’s organisation chart — was deemed Subordinate.

- bribery by people in charge of public service (art. 320 of the Italian Penal Code);
 - incitement to bribery (art. 322 of the Italian Penal Code);
 - embezzlement of public funds, extortion, bribery and incitement to bribery of members of organs of the European Communities and of officers of the European Communities and of foreign states (art. 322-*bis* of the Italian Penal Code).
- (ii) IT offences and unlawful handling of data, introduced by article 7 of the Law no. 48, dated 18 March, 2008, ratifying and implementing the Convention of the Budapest Council of Europe on IT criminality, pursuant to article 24-*bis* of the Decree, and in particular:
- illicit access to an IT or computerised system (art. 615-*ter* of the Italian Penal Code);
 - illicit possession and disclosure of access codes for IT or computerised systems (art. 615-*quater* of the Italian Penal Code);
 - diffusion of IT equipment, devices or programs designed to damage or interrupt an IT or computerised system (art. 615-*quinquies* of the Italian Penal Code);
 - interception, prevention or illicit interruption of IT or computerised communications (art. 617-*quater* of the Italian Penal Code);
 - installation of equipment designed to intercept, prevent or interrupt IT or computerised communications (art. 617-*quinquies* of the Italian Penal Code);
 - damaging of IT information, data and programs (art. 635 *bis* of the Italian Penal Code);
 - damaging of IT information, data and programs used by the State or by another public body or in any case meant for public use (art. 635-*ter* of the Italian Penal Code);
 - damaging of IT or computerised systems (art. 635-*quater* of the Italian Penal Code);
 - damaging of IT or computerised systems for public use (art. 635-*quinquies* of the Italian Penal Code);
 - IT documents (art. 491-*bis* of the Italian Penal Code);
 - IT fraud of the party who renders electronic signature certification services (640-*quinquies* of the Italian Penal Code).
- (iii) Organized crime offences introduced by article 2, paragraph 29, of the Law no. 94, dated 15 July, 2009, which has included in the Legislative Decree no. 231/01 article no. 24-*ter*, and in particular:
- criminal association (art. 416 of the Italian Penal Code with the exception of paragraph 6);
 - criminal association aimed at committing the offences involving enslaving or reducing to slavery, slave trade, purchase and disposal of slaves and crimes concerning the violation of the provisions governing illegal immigration as per art. 12, of the Legislative Decree no. 286/1998 (art. 416, 6th paragraph, of the Italian Penal Code);
 - mafia-type association (art. 416-*bis* of the Italian Penal Code);
 - offences committed by availing oneself of the conditions provided for by art. 416 *bis* of the Italian Penal Code for mafia-type associations or in order to ease the activity of such associations;
 - political-mafia election exchange (art. 416-*ter* of the Italian Penal Code);

- association aimed at the unlawful trade of narcotics or psychotropic drugs (art. 74, of the Presidential Decree no. 309, dated 9 October, 1990.);
- kidnapping for robbery or ransom (art. 630 of the Italian Penal Code);
- illegal manufacture, introduction into the State, marketing, sale, possession and carrying in public areas or in areas open to the public of war weapons or war-type weapons or of parts of same, of explosives, of illegal weapons or of a number of firing weapons (art. 407, 2nd paragraph, lett. a), no. 5, of the Italian Code of Penal Procedure).

(iv) Crimes concerning counterfeit money, bank notes and coupons, revenue stamps and stamped paper or signs of recognitions, introduced by the article 6 of the Law no. 406 of 23 November, 2001, which has included in the Legislative Decree no. 231/01 article 25-bis, subsequently changed into article 15, paragraph 7, lett. a), of the Law no. 99 of 23 July, 2009, and in particular:

- counterfeiting of money, spending and introduction into the state, based on a previous agreement, of counterfeit money (art. 453 of the Italian Penal Code);
- money alteration (art. 454 of the Italian Penal Code);
- spending and introduction into the state, without previous agreement, of counterfeit money (art. 455 of the Italian Penal Code);
- spending of counterfeit money received in good faith (art. 457 of the Italian Penal Code);
- counterfeiting of revenue stamps and stamped paper, introduction into the state, purchase, possession and circulation of counterfeit revenue stamps and stamped paper (art. 459 of the Italian Penal Code);
- counterfeiting of watermarked paper in use for the manufacture of bank notes and coupons or of revenue stamps and stamped paper (art. 460 of the Italian Penal Code);
- manufacturing and possession of watermarks or tools designed for the counterfeiting of money, of revenue stamps and stamped paper or of watermarked paper (art. 461 of the Italian Penal Code);
- use of counterfeited or altered revenue stamps and stamped paper (art. 464 of the Italian Penal Code);
- counterfeiting, alteration or use of marks or distinctive signs, or else of patents, models or drawings (art. 473 of the Italian Penal Code);
- introduction into the state and marketing of products with counterfeit signs (art. 474 of the Italian Code of Civil Procedure).
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(v) Offences against industry and commerce, introduced by article 15, paragraph 7, lett. b), of the Law no. 99 of 23 July, 2009, which has included in the Legislative Decree no. 231/01 article 25-bis.1., and in particular:

- disrupted freedom of industry and commerce (art. 513 of the Italian Penal Code);
- unlawful competition with threat of violence (art. 513-bis of the Italian Penal Code);
- frauds against national industries (art. 514 of the Italian Penal Code);
- fraud in trade practice (art. 515 of the Italian Penal Code);
- sale of non-genuine foodstuffs as genuine (art. 516 of the Italian Penal Code);
- sale of industrial products with counterfeit signs (art. 517 of the Italian

- Penal Code);
 - manufacturing and trade of goods produced by encroaching on industrial property rights (art. 517-ter of the Italian Penal Code);
 - counterfeiting of geographic indications or designation of origin of agricultural and food products (art. 517-quater of the Italian Penal Code).
- (vi) Crimes concerning corporate matters introduced by the Legislative decree no. 61 of 11 April, 2002, which has included in the Legislative Decree no. 231/01 article 25-ter and in particular:
- false corporate communications (art. 2621 of the Italian Civil Code);
 - false corporate communications to the detriment of the Company, of shareholders or creditors (art. 2622 of the Italian Civil Code);
 - audit impediment (art. 2625 of the Italian Civil Code);
 - undue restitution of capital contributions (art. 2626 of the Italian Civil Code);
 - illegal sharing of profits and reserves (art. 2627 of the Italian Civil Code);
 - illicit transactions on stock or corporate shares or on the parent company (art. 2628 of the Italian Civil Code);
 - transactions to the detriment of creditors (art. 2629 of the Italian Civil Code);
 - failure to notify conflicts of interest (art. 2629-bis of the Italian Civil Code);
 - fictitious capital formation (art. 2632 of the Italian Civil Code);
 - undue sharing of corporate assets by official receivers (art. 2633 of the Italian Civil Code);
 - illicit influence over the shareholders' meeting (art. 2636 of the Italian Civil Code);
 - rigging the market (art. 2637 of the Italian Civil Code);
 - obstacle to public supervisory authorities' activities (art. 2638 of the Italian Civil Code).
- (vii) Crimes aimed at terrorism or subversion of the democratic order introduced by Law no. 7, of 14 January, 2003 for the "*Confirmation and enforcement of the International Convention for the Suppression of the Financing of Terrorism*" held in New York on 9 December, 1999, which has included in the Legislative Decree no. 231/01 article 25-quater, and in particular:
- subversive associations (art. 270 of the Italian Penal Code);
 - association with terrorist or subversive purposes against the democratic order (art. 270-bis of the Italian Penal Code);
 - crime involved in assisting the associates (art. 270-ter of the Italian Penal Code);
 - recruitment with the aim of terrorism, also of an international nature (art. 270-quater of the Italian Penal Code);
 - training and activity aimed at terrorism, also of an international nature (art. 270-quinquies of the Italian Penal Code);
 - behaviour with terrorist purposes (art. 270-sexies of the Italian Penal Code);
 - act of terrorism or subversion (art. 280 of the Italian Penal Code);
 - unlawful restraint for terrorist or subversive purposes (art. 289-bis of the Italian Penal Code);
 - incitement to commit one of the crimes against the figure of the State (art. 302 of the Italian Penal Code);
 - political conspiracy by means of an agreement (art. 304 of the Italian

- Penal Code);
 - political conspiracy by means of an association (art. 305 of the Italian Penal Code);
 - armed band: establishment and participation (art. 306 of the Italian Penal Code);
 - assistance to the participants to conspiracy or armed band (art. 307 of the Italian Penal Code).
- (viii) Offences involving female genital mutilation practices introduced by the Law no. 7 of 9 January, 2006, which has included in the Legislative Decree no. 231/01 article 25-quater.1, and in particular, female genital mutilation practices (art. 583-bis of the Italian Penal Code)
- (ix) Offences against individual personality introduced by the Law no. 228, of 11 August, 2003, which has included in the Legislative Decree no. 231/01 article 25-quinquies, and in particular:
- Reducing to slavery or enslaving (art. 600 of the Italian Penal Code);
 - Juvenile prostitution (art. 600-bis of the Italian Penal Code);
 - Juvenile pornography (art. 600-ter of the Italian Penal Code);
 - Possession of pornographic material (art. 600-quater of the Italian Penal Code);
 - Tourist projects aimed at the exploitation of juvenile prostitution (art. 600-quinquies of the Italian Penal Code);
 - Slave trade (art. 601 of the Italian Penal Code);
 - Purchase and disposal of slaves (art. 602 of the Italian Penal Code).
- (x) Crimes involving misuse of privileged information and market manipulation, provided for by the Law no. 62 of 18 April, 2005, which has included in the Legislative Decree no. 231/01 article 25-sexies, and in particular:
- misuse of privileged information, art. 184 Unified Finance Law c. 1, lett. a (s.c. “*insider trading*”);
 - misuse of privileged information, art. 184 Unified Finance Law c. 1, lett. b (s.c. “*tipping*”);
 - misuse of privileged information, art. 184 Unified Finance Law c. 1, lett. c (s.c. “*tuyantage*”);
 - manipulation of the market (art. 185 Unified Finance Law).
- (xi) Crimes involving manslaughter and serious or very serious culpable injuries, committed by infringing the accident prevention regulations and the standards for the prevention of health and safety on the workplace, introduced by the Law no. 123/2007 and subsequently amended by article 300 of the Legislative Decree no. 81 of 9 April, 2008, as provided for by article 25-septies of the Decree, and in particular:
- manslaughter (art. 589 of the Italian Penal Code);
 - culpable personal injuries (art. 590 of the Italian Penal Code).
- (xii) Crimes involving the receiving of stolen goods, money laundering and the employment of money, assets or benefits of illicit provenance, introduced by the Legislative Decree no. 231 of 21 November, 2007, which has included in the Legislative Decree no. 231/01 article 25-octies and, in particular:
- receiving of stolen goods (art. 648 of the Italian Penal Code);
 - money laundering (art. 648 bis of the Italian Penal Code);
 - employment of money, assets or benefits of illicit provenance (art. 648-ter of the Italian Penal Code).

- (xiii) Offences involving the infringement of copyright, introduced by article 15, paragraph 7, lett. c), of the Law no. 99 of 23 July, 2009, which has included in the Legislative Decree no. 231/01 article 25-novies, and in particular the crimes provided for by the following legal provisions:
- art. 171, 1st paragraph, lett. a-bis), and 3rd paragraph, of Law no. 633/1941;
 - art. 171-bis, 1st and 2nd paragraph, of Law no. 633/1941;
 - art. 171-ter, 1st paragraph, lett. a), b), c), d), and), f), f-bis), h), of Law no. 633/1941;
 - art. 171-ter, 2nd paragraph, lett. a), a-bis), b), c), of Law no. 633/1941;
 - art. 171-septies, of Law no. 633/1941;
 - art. 171-octies, of Law no. 633/1941.
- (xiv) Crimes involving incitement not to make statements or to make false statements to the Judicial Authority (article 377-bis of the Italian Penal Code), introduced by art. 4 of the Law no. 116 of 3 August, 2009, which has included in the Legislative Decree no. 231/01 article 25-novies²
- (xv) Transnational crimes, introduced by the Law no. 146 of 16 March, 2006, "*Law ratifying and enforcing the Convention and Protocols of the United Nations against transnational organised crime*", which are listed below³:
- criminal association (article 416 of the Italian Penal Code);
 - mafia-type association (article 416-bis of the Italian Penal Code);
 - criminal association aimed at the contraband of foreign processed tobacco (article 291-quater of the Presidential Decree no.43 of 23 January, 1973);
 - association aimed at the unlawful trade of narcotics or psychotropic drugs (article 74 of the Presidential Decree no. 309 of 9 October, 1990);
 - provisions against illegal immigration (article 12, paragraphs 3, 3-bis, 3-ter and 5 of the Legislative Decree no. 286 of 25 July, 1998);
 - incitement not to make statements or to make false statements to the Judicial Authority (article 377-bis of the Italian Penal Code);
 - personal aiding and abetting (article 378 of the Italian Penal Code).

² This articles was introduced by art. 4, paragraph 1, of the Law no. 116 of 3 August, 2009, without taking into account the introduction of a provision with the very same numbering provided for by art. 15, paragraph 7, letter c) of the Law no. 99 of 23 July, 2009, which has introduces the crimes listed under point xiii).

³ In particular, pursuant to article 3 of the Law no. 146 of 16 May, 2006, the transnational nature applies when: (i) the crime is committed in more than one state, (ii) or else the crime is committed in a specific state, but a significant part related to its preparation, planning, management or control has taken place in another state, (iii) or else the crime is committed in a state and involved in the crime is an organised criminal association involved in criminal actions in more than one state, (iv) or else the crime is committed in one state, but has significant effects in another state. Please note that article 5 of the Framework Resolution of the European Council of 24 October, 2008 has extended to the bodies the administrative liability for crimes concerning participation in a criminal association, as defined by article 2 of said Framework Resolution, irrespective of the existence of the transnationality requirement. Member states are to adjust to these indications by 11 May, 2010.

2. PENALTIES PRESCRIBED BY THE DECREE AGAINST THE BODY

2.1 The Penalties in General

The penalties prescribed by the Decree for administrative offences resulting from a crime are the following: (i) fines, (ii) interdictions, (iii) confiscation of the price or profit of the crime and (iv) conviction publication.

2.1.1 Fines

Fines are governed by article 10 and following articles of the Decree, and apply in all cases in which the liability of the Body is acknowledged.

Fines are applied by “shared” and are decided by the judge, in a number not lower than one hundred and not higher than one thousand (depending on the seriousness of the fact, on the liability of the Body, on the activity carried out to eliminate or reduce the consequences of the fact and to prevent the perpetration of further offences).

The value of each share ranges between a minimum of Euro 258.23 and a maximum of Euro 1,549.37. This amount is fixed “*based on the financial and property conditions of the Body in order to ensure the effectiveness of the penalty*” (articles 10 and 11, paragraph 2, of the Legislative Decree no. 231/01).

As stated under point 5.1. of the Report on the Decree, “As regards the assessment methods concerning the financial and property conditions of the Body, the judge may avail him/herself of the balance sheets or of the other accounts in any case fit to depict such conditions. In certain cases, the evidence may also be obtained by taking into account the dimensions of the Body and its position on the market. (...) The judge cannot avoid identifying, with the assistance of consultants, in the company’s situation, wherefore he/she may also obtain information concerning the economic, financial and property solidity of the Body”.

Article 12 of the Legislative Decree no. 231/01 provides for a range of cases in which fees are reduced. These are briefly summarised in the following table, with an indication of the reduction granted and of the conditions for the granting of same.

Reduction	Conditions
1/2 (and in any case cannot exceed Euro 103,291.00)	<ul style="list-style-type: none"> • The perpetrator of the crime has committed the offence mainly for his own or for a third party's interest and the Body has received no benefit or has received a minimum benefit; • The property damage caused is particularly slight.
from 1/3 to 1/2	(Prior to the first instance proceedings opening statement) <ul style="list-style-type: none"> • The Body has fully indemnified the damage and has eliminated the damaging or dangerous consequences of the crime, or else has in any case effectively done its best in this regard; or else • Measures have been taken to create and implement an organisation model fit to prevent crimes of the type that has been perpetrated.
from 1/2 to 2/3	(Prior to the first instance proceedings opening statement) <ul style="list-style-type: none"> • The Body has fully indemnified the damage and has eliminated the damaging or dangerous consequences of the crime, or else has in any case effectively done its best in this regard; and • Measures have been taken to create and implement an organisation model fit to prevent crimes of the type that has been perpetrated.

2.1.2 Interdictions

The interdictions prescribed by the Decree only apply in connection with crimes for which they are officially provided for by this regulatory text. In particular, the crimes for which interdiction penalties are prescribed fall within the following categories:

- a)** crimes committed in relations with the Civil Service (articles 24 and 25 of the Decree);
- b)** computer offences and unlawful handling of data (art. 24-*bis* of the Decree);
- c)** organised crime offences (art. 24-*ter* of the Decree);
- d)** falseness crimes in money, bank notes and coupons, revenue stamps and stamped paper and in recognition tools and signs (art. 25-*bis* of the Decree);
- e)** offences against industry and commerce (art. 25-*bis*.1. of the Decree);
- f)** crimes aimed at terrorism and subversion of the democratic order (art. 25-*quater* of the Decree);
- g)** female genital mutilation practice-related crime (art. 25-*quater*.1 of the Decree);
- h)** offences against individual persons (art. 25-*quinquies* of the Decree);

- i) manslaughter and serious or very serious culpable injuries, committed by infringing the accident prevention regulations and the standards for the prevention of health and safety on the workplace (art. 25-*septies* of the Decree);
- j) receiving of stolen goods, money laundering and the employment of money, assets or benefits of illicit provenance (art. 25-*octies* of the Decree);
- k) offences involving the infringement of copyright (art. 25-*novies* of the Decree);
- l) transnational crimes (Law no. 146/2006).

More specifically, interdiction penalties are the following:

- a) ban on running business activities;
- b) suspension or revocation of authorisations, licences or permits involved in committing the offence;
- c) prohibition to negotiate with the Civil Service, save for obtaining the performance of a public service;
- d) exclusion from facilitations, funding, contributions and aids, and/or revocation of those that have eventually already been granted;
- e) prohibition to advertise goods and services.

In order to inflict the interdiction penalties, not only the crime in question needs to be among those providing for interdiction, but it is also necessary for at least one of the conditions provided for by article 13 of the Legislative Decree no. 231/01 to exist: these are:

- a) *“the Body has significantly benefited from the crime and the crime was committed by a person in an executive position, or else by Subordinates subject to the other party’s management; in this case, perpetration of the crime was determined or eased by serious organisation deficiencies”*; or else
- b) *“in the event of reiteration of the offences”*⁴.

In any case, interdiction penalties are not applied when the crime has been committed for the prevailing interest of the perpetrator or of third parties and the Body has benefited from it to a minimum extent or not at all, or else when the property damage is especially slight.

Application of interdiction penalties is also excluded when the Body has taken the reparatory measures provided for by article 17 of the Legislative Decree no. 231/01 and, more specifically, when the following conditions apply:

- a) *“the Body has fully compensated the damage and has eliminated the detrimental or dangerous consequences of the crime, or else has in any case effectively done its best to this end”*;

⁴ Pursuant to article 20 of the Legislative Decree no. 231/01, *“reiteration applies when the Body, which has already been finally convicted at least once for an offence resulting from a crime, commits another one within five years of the final conviction”*.

b) *“the Body has eliminated the organisation deficiencies that have determined the crime by adopting and implementing organisation models that are fit to prevent crimes of the kind that has been committed”;*

c) *“the Body has made available the profit attained following confiscation”.*

Interdiction penalties last not less than three months and not over two years and the choice of the measure to be implemented and of its duration is made by the judge, based on the criteria that have been previously indicated for the proportioning of the fine, *“taking into account the suitability of individual penalties to prevent crimes of the kind that has been committed”* (art. 14, Legislative Decree no. 231/01).

The Legislator has then pointed out that activity banning has a residual nature compared to the other interdiction penalties.

2.1.3 Confiscation of the price or of the profit

Pursuant to art. 19 of the Legislative Decree no. 231/01, a conviction always involves a confiscation – also on an equivalent basis – of the price (money or other economic benefit granted or promised to incite or cause another party to commit the crime) or of the profit (immediate economic benefit earned) of the crime, save for the part that can be returned to the damaged party and without prejudice to the rights acquired from third parties in good faith.

2.1.4 Conviction publication

The publication of the conviction in one or more newspapers, either as an abstract or in full, may be ordered by the judge along with posting in the town hall of the place where the Body has its registered office, when an interdiction penalty is applied. The publication is accomplished by the office of the clerk of the competent judge at the expenses of the Body.

Lastly, we wish to point out that the judge may also arrange for the following:

- a) precautionary seizure of the items for which confiscation is allowed, in compliance with art. 53 of the Decree; or else
- b) preventive seizure of movables and immovables belonging to the Body in the event that there is a grounded reason for believing that the guarantees are missing, or may be lost, for payment of the fine, of the proceedings expenses and of other amounts due to the national revenue, as provided for by art. 54 of the Decree.

2.1.5 Preventive measures

The Legislative Decree no. 231/01 provides for the possibility of applying to the Body the interdiction penalties prescribed by art. 9 c. 2, also as a preventive measure.

Preventive measures meet a procedural caution requirement, as they can be enforced during the course of the proceedings and hence on a party subject to investigation or accused in a trial, who however has not yet suffered a conviction. For this reason, preventive measures can be arranged, upon the Public Prosecutor's request, provided certain conditions exist.

Art. 45 lists the prerequisites for the application of preventive measures and says that they can only be enforced if serious evidence of culpability exists as to the liability of the Body, in line with the provision contained in art. 273 c. 1 of the Italian Code of Penal Procedure. The assessment of serious evidence with reference to the applicability of preventive measures pursuant to art. 45 must take into account:

- the complex nature of the administrative offence ascribable to the Body;
- the relationship between crime and prerequisite;
- the existence of an interest or of a benefit for the Body.

The procedure employed to enforce preventive measures follows the guidelines provided in the Italian Code of Penal Procedure, even though it involves a few derogations. The competent judge who orders the measure, upon the Public Prosecutor's request, is the previous judge, that is, during preliminary investigations, the magistrate in charge of preliminary investigations. The enforcement order is the one provided for by art. 292 of the Italian Code of Penal Procedure, a regulation which is explicitly referred to in art. 45 of the Legislative Decree no. 231/01.

3. THE BEHAVIOURS EXEMPTING FROM AN ADMINISTRATIVE LIABILITY

3.1 General Organisation and Management Models and the Supervisory Board

Articles 6 and 7 of the Legislative Decree no. 231/01 provide for specific forms of exemption from the administrative liability of the Body for crimes committed in the interest and for the benefit of same, both by Executives and Subordinates, as defined in section 1.1.1 of this document.

In particular, in the case of crimes committed by Executives, article 6 of the Decree provides for the exemption from administrative liability should the Body prove that:

- a)** The executive organ has adopted and effectively implemented, before the crime was committed, an organisation and management Model fit to prevent crimes of the kind that has been committed;
- b)** the task of supervising operation of and compliance to the Model, as well as that of proposing its update, has been entrusted to a Supervisory Board of the Body (hereinafter, for the sake of brevity, referred to as the “**OdV**”), provided with independent initiative and control powers;
- c)** the persons who have committed the crime have fraudulently evaded the Model;
- d)** there has been no supervision failure or deficiency by the OdV.

As regards Subordinates, article 7 of the Decree provides for the exemption from liability in the event that the Body has adopted and effectively implemented, before the crime was committed, a Model fit to prevent crimes of the kind that has been committed.

However, the exemption from liability for the Body is not only the result of the mere adoption of the Model, but of its effective enforcement to be attained by implementing all the procedures and controls required to limit the risk of committing crimes, which the Company is willing to avoid. In particular, with reference to the features of the Model, the Decree explicitly provides – with article 6, paragraph 2 – for the following preliminary phases aimed at a proper implementation of the Model itself:

- a)** identification of the activities within which there is a chance that crimes may be committed;
- b)** arrangement of specific protocols designed to schedule the formation and enforcement of the Body’s decisions in connection with crimes to be prevented;
- c)** identification of financial resources management methods fit to prevent the perpetration of such crimes;
- d)** prescription of information duties towards the OdV;
- e)** introduction of a disciplinary system fit to punish failure to comply with the measures provided for by the Model.

3.2 The Guidelines of the Confederation of Italian Industry

Based on the indications supplied by the delegated legislator, Models can be adopted on the basis of behaviour codes drawn up by representative trade associations, they can be notified to the Ministry of Justice, which, in agreement with the competent Ministries, can issue within 30 days remarks on the suitability of the models to prevent crimes.

The drawing up of this Model draws inspiration from the guidelines for the creation of organisation, management and control Models pursuant to the Legislative Decree no. 231/01, approved by the Confederation of Italian Industry on 7 March, 2002 and updated on 31 March, 2008 (hereinafter, for the sake of brevity, referred to as the “**Guidelines of the Confederation of Italian Industry**”).

The course indicated by the Guidelines of the Confederation of Italian Industry for the processing of the Model can be summarised according to the following key points:

- a) identification of the risk areas, aimed at assessing in which company areas/sectors the crimes can be committed;
- b) arrangement of a control system capable of reducing risks through the adoption of duly provided protocols. In support of this, there exists the coordinated range of organising structures, activities and rules applied – as indicated by the top management – by the company management and staff, aimed at supplying reasonable safety with regards to the achievement of the goals that are part of a good internal control system.

c) The most significant components of the preventive control system proposed by the Confederation of Italian Industry are the following:

- arrangement of a Code of Ethics setting out the general behaviour guidelines;
- definition of an organisation system aimed at guaranteeing a clear and organic assignment of tasks, as well as assessing behaviour appropriateness;
- identification and documentation of potential risks and adoption of the related tools that may help lessen them;
- adoption of manual and computer procedures;
- organisation of a system of authorising and signature powers, consistent with the assigned responsibilities and aimed at ensuring a clear and transparent representation of the company decision making and enforcement process;
- organisation of an adequate control and management system;
- implementation of a communication and staff training plan;
- enforcement of disciplinary sanctions in the event of behaviours violating the conduct rules set by the Company.

Furthermore, the control system must be in line with the following principles:

- verifiability, provability, consistency and congruence of each operation;
- function separation (no one can independently manage all stages of a process);
- documentation of controls;
- introduction of an adequate penalty system for the violations of the policies prescribed by the Model;
- identification of an OdV whose main requirements are:
 - (i) autonomy and independence;
 - (ii) professionalism;
 - (iii) continuity of action.

c) obligation for the company officers, and especially for those identified as being subject to a greater crime risk, to supply information to the OdV, both on a regular basis (periodic information in compliance with the Model itself), and in order to report anomalies or atypicalities found among available information.

4. THIS MODEL

4.1 Finder Pompe S.p.A. and its *Mission*

For over 50 years, our company has been active in the sector involving manufacturing, wholesale and retail of centrifugal vacuum pumps, pneumatic, volumetric, self-priming pumps, compressors, electrical motors and related components.

The company, which was established in 1952, has its registered office in Merate (LC), a production factory in Querceta (LU) and employs approximately 120 employees, with a turnover of around 50 million Euro, also through the aid of sales agencies.

The Company belongs to the FINDER Group, one of the leading European groups specialising in the design and production of pumps, filters and engineered systems for industrial applications. The main products are sold worldwide to the most important engineering companies and to the end users who play a leading role in the fields of Oil & Gas, of nuclear energy, of desalinisation and of chemical, pharmaceutical and food industries.

The FINDER sales network extends in all continents and covers 75 Countries with direct sales offices, agents and local distributors. The sales network is supported by a post-sale and technical assistance department which is also responsible for the sale of spare parts.

The Finder Pompe Governance Model

The Finder Pompe corporate governance system is organised as described below.

The shareholders' meeting is qualified to resolve, in ordinary and extraordinary meetings, on the areas falling within its province according to the Law or to the Articles of Association.

The Board of Directors is vested with the vastest powers for ordinary and extraordinary management of the Company and, more specifically, has all the powers for the implementation and attainment of the corporate purposes, save for the matters which are strictly meant for the Shareholders by the Law or by the Articles of Association.

The Board of Directors of Finder Pompe is made up of 6 (six) members, including a Chairman and a Managing Director.

The Board of Auditors is made up of 3 (three) permanent members and 2 (two) deputy members. The Board of Auditors is responsible for checking:

- Compliance with the Law and with the Memorandum of Association.;
- Compliance with proper management principles;
- Suitability of the organisation structure of the Company, of the internal control system and of the accounting administration system, also in connection with the reliability of the latter in accurately representing management facts.

Finder Pompe has entrusted an Auditing Firm, which is on the Special Roll held by Consob [Securities and Exchange Commission], with the assignment involving the audit and accounting control of financial statements.

4.2 The Aims of this Model

This Model takes into account the entrepreneurial reality of Finder Pompe and represents a valid tool for making aware and informing the Directors, the Auditors and all the other parties concerned, such as, merely by way of example and not limited to, employees, suppliers, consultants, contract counterparts and third parties in general (hereinafter, for the sake of brevity, the “**Third Parties**” and, inclusive of the other parties, the “**Receivers**”). All this is aimed at ensuring that the Receivers follow, in carrying out their activities, proper and transparent behaviours, in line with the ethical and social values Finder Pompe refers to in pursuing its corporate purpose and such as to prevent, in any case, the risk of committing the crimes provided for by the Decree.

This Model was arranged by the Company based on the identification of the possible risk areas in the company’s activity, as part of which the possibility that crimes may be committed was deemed to be higher, and the goals are:

- a) arrange for a prevention and control system aimed at reducing the risk of committing crimes related to the company’s activity;
- b) make all those who act in the Company’s name and on its behalf, and in special way those involved in “risk activity areas”, aware of the fact that they may incur, in the event of a violation of the provisions therein contained, an offence liable to sanctions, both on a penal and on an administrative level, and that they may also expose the Company to such sanctions;
- c) inform all those who operate with the Company that infringement of the prescriptions contained in this Model will involve the application of duly provided sanctions, or else the termination of the contract;
- d) confirm that the Company does not tolerate criminal behaviours of whatever kind and irrespective of any aim, and that, in any case, such behaviours are always and in any case against the principles which entrepreneurial activity draws inspiration from, even if the Company were apparently in a position to benefit from them.

4.3 The concept of acceptable risk

In the arrangement of an organisation and management Model such as this one, we cannot neglect the concept of acceptable risk. Indeed, it is unavoidable to establish, for the purposes of complying with the provisions introduced by the Legislative Decree no. 231/01, a threshold that makes it possible to restrict the quantity and quality of prevention tools that must be adopted in order to prevent the perpetration of the crime.

With specific reference to the penalty mechanism introduced by the Decree, the acceptability threshold is represented by the effective implementation of an adequate preventive system, which is such that it cannot be unwillingly sidestepped. In other words, in order to rule out the administrative liability of the Body, the perpetrators of the crime must have acted by fraudulently evading the Model and the controls adopted by the Company.

The above being understood and taking into account the prescriptions of the Guidelines of the Confederation of Italian Industry, the assessment as to the nature of the acceptable risk must also be based on a comparative analysis of costs and related benefits.

4.4 The Construction of the Model and its Adoption

Also on the basis of the indications contained in the Guidelines of the Confederation of Italian Industry, during the months preceding the adoption of the Model, Finder Pompe SpA put together a Working Team made up of Company resources and supported by consultants from a leading consultancy firm with specific competence in the field that is significant for and covered by the reference regulations. This Working Team had as its purpose the performance of a mapping of the risk areas, as well as the indication and assessment of the risks related to the category of crimes covered by the regulation and by the applicable Internal Control System; based on the results of this activity, the Company has drawn up this Model.

The drawing up of this Model has involved the following stages:

- a) preliminary analysis of the company context, through the interview of informed persons within the company structure, in order to define the organization and the tasks performed by the various staff member of the company, as well as the various company processes in which activities take place and their tangible and effective implementation;
- b) identification of the activity areas and of the company processes that are “at risk” or which can be a means for committing a crime (hereinafter, for the sake of brevity, jointly referred to as “Crime Risk Areas”), made on the basis of the preliminary analysis of the company context described under letter a) above;
- c) identification, for each risk area, of the main risk factors, as well as detection, analysis and assessment of the adequacy of existing company controls;
- d) identification of the improvement points in the Internal Control System;
- e) adjustment of the Internal Control System in order to reduce identified risks to an acceptable level.

In particular, the Working Team has made an inventory and a specific mapping (s.c. “risk mapping”) of company activities, mainly through interviews to Company staff.

At the end of the above-mentioned activities, the Working Team has produced a list of the “crime risk” areas, that is a list of the Company sectors and/or company processes for which, in abstract terms, it was deemed that, in view of the mapping results, there is a risk of committing crimes among those listed by the Decree, which in abstract terms can be related to the type of business run by the Company (crimes against the Civil Service, certain corporate crimes, offences aimed at terrorism and subversion of the democratic order, crimes in the field of labour health and safety, crimes involving the receiving of stole goods, money laundering and employment of money, assets and benefits of illegal provenance).

We have also identified (with regards to crimes against the Civil Service) the s.c. “instrumental areas”, that is the areas which have to do with the management of financial instruments and/or substitute means, and that therefore may support the perpetration of crimes in the Crime Risk Areas. The Working Team has therefore seen to the detection and analysis of existing company controls – *as-is* phase – as well as to the identification of improvement points, followed by the formulation of duly provided suggestions, such as to allow the definition of a plan of action in order to face the related topics.

Besides the *risk assessment* activity and the identification of existing control points, the Working Team has carried out a careful investigation of the company's status quo, with the chief aim of analysing the remaining components of the Model, that is:

- the Code of Ethics;
- the Disciplinary System;
- the Supervisory Board.

To this end, we deem it necessary to point out that, in compliance with the prescriptions of the Guidelines of the Confederation of Italian Industry, the Working Team, in carrying out the risk assessment and the identification of existing controls, has taken into account possible episodes which may have involved the Company over the last 5 years, with reference to the crimes listed by the Legislative Decree no. 231/01 (e.g. current investigations, notifications of investigation, etc.) – s.c. historical analysis –, and has found no such episodes.

This Model was adopted by the Board of Directors of the Company, which is also responsible for complementing it and updating it.

Therefore, subject to a resolution, the Board of Directors may, at any time, amend this Model, in full or in part, in order to adjust it to the new legal provisions or following a process of reorganisation of the company structure.

4.5 The Structure of the Model

This Model is made up of a “General Part” and of a few “Special Parts”.

The “General Part” illustrates the contents of the Legislative Decree no. 231, the purpose of the Organisation and Management Model, the duties of the Supervisory Board, applicable penalties in case of violations, and, in general, the principles, logics and structure of the Model itself.

Le “Special Parts” are devoted to specific types of crime and, in particular:

- Special Part A: Crimes against the Civil Service;
- Special Part B: Corporate crimes;
- Special Part C: Crimes aimed at terrorism or subversion of the democratic order;
- Special Part D: Crimes involving manslaughter and serious or very serious culpable injuries, committed by infringing the accident prevention regulations and the standards for the prevention of health and safety on the workplace;
- Special Part E: Crimes involving the receiving of stolen goods, money laundering and the employment of money, assets or benefits of illicit provenance.

The purpose of each Special Part is that of stressing the obligation, for identified receivers, to adopt behaviour rules in line with the provisions of the company policies prescribed by the Model, in order to prevent the perpetration of the crimes covered by the Legislative Decree no. 231/01 and identified as significant, in abstract terms, based on the organisation structure of the company activities performed.

In particular, for each Special Part, the following points are listed:

1. the “crime risk” areas and related activities involved;
2. the possible “instrumental” areas and the related risk areas;
3. the management and/or company departments operating within each risk or instrumental area;
4. the main controls existing in the individual Crime Risk Areas;
5. the crimes that, in abstract terms, can be committed, with the related perpetration methods;
6. the behaviour principles to be complied with in order to reduce the crime perpetration risk;
7. the obligations of the Supervisory Board in connection with the performance of its duties.

Based on the results of the Risk Assessment, as of today, the following types of crimes have been deemed not significant, even though applicable to the Company in abstract terms:

- Art. 24 bis – IT offences and unlawful handling of data;
- Art. 24 ter – Organised crime offences;
- Art. 25 bis – Falseness crimes in money, bank notes and coupons, revenue stamps and stamped paper and in recognition tools and signs;
- Art. 25 bis.1 – Offences against industry and commerce;
- Art. 25 quinquies – Offences against individual persons;
- Art. 25 novies – Persuasion not to make statements or to make false statements to the Judicial Authority;
- Law 146/2006 – Transnational crimes.

On the other hand, the following types of crimes have been deemed not applicable to the Finder company situation:

- Art. 25 quater.1 – Female genital mutilation practices;
- Art. 25 sexies – Market abuse crimes;
- Art. 25 novies – Crimes involving the infringement of copyright.

For the above-mentioned types of crime, based on the above considerations, we have not deemed it necessary to draw up specific special parts.

This decision was made by taking into account the present structure of Finder Pompe, the activities currently run by the Company, as well as the type of crimes indicated.

The Company commits to carry out constant monitoring of its activity, both in connection with the above-mentioned crimes and with regards to the regulatory development which the Legislative Decree no. 231/01 may be subject to. Should the significance of one or more than one of the above-mentioned crimes emerge, or else that of possible new crimes which the Legislator may deem it appropriate to include in the Decree, the Company will consider the possibility of complementing this Model with new special parts.

4.6 Documents Related to the Model

The Model is complemented by the principles and provisions of the Code of Ethics, by a whole series of processes, policies and systems.

In particular, for the purposes of this Model, we hereby explicitly and fully refer to all the tools which are already in use at Finder Pompe, including all the policies, procedures and behaviour regulations that have been adopted. These tools represent an integral and substantive part of this Model.

In particular, the following documents represent an integral and substantive part of this Model:

- Code of Ethics containing the whole range of rights, duties and responsibilities of the Company towards Receivers (hereinafter, for the sake of brevity, referred to as the “Code of Ethics”);
- organisation structure aimed at guaranteeing a clear and systematic assignment of tasks – providing, as far as possible, for a seclusion of functions or, alternatively, of compensating controls – as well as checking accuracy of behaviours;
- corporate policies and internal controls aimed at guaranteeing adequate transparency and knowability of decision-making processes, as well as governing the operating procedures aimed at making and enforcing resolutions in the Crime Risk Areas, including those related to the proper management of financial resources;
- system of proxies and decision-making powers consistent with the responsibilities assigned in order to ensure a clear and transparent representation of the decision – making and enforcement company process;
- disciplinary system and related penalty mechanism to be applied in case of violation of the Model (hereinafter, for the sake of brevity, referred to as the “Penalty System”).

It follows that, with the term Model, we are not only referring to this document, but also to all the further documents which will be subsequently adopted in line with the provisions of same and which will pursue the purposes therein mentioned.

5. THE SUPERVISORY BOARD

5.1 Composition of the Supervisory Board

Finder Pompe has opted for a multiple-subject and collective make-up of the Supervisory Board, in view of the purposes pursued by the law and of the size and organization of the Company.

The Supervisory Board was first established with the Board of Directors' resolution of 21 September, 2010, which is the date on which the Company formally adopted the Model. At that time, the Board decided the number of members, the duration of the office, the authority and powers, and the responsibilities and duties of the Supervisory Board, in compliance with the following provisions.

The Supervisory Board is appointed by the Board of Directors and remains in office for the same time period as the Board of Directors. The Supervisory Board is made up of 3 re-electable members, who may or may not be part of the Finder Pompe staff, and who meet the reputation, professionalism, independence and autonomy requirements needed in order to take the office; in this regard, please refer to the personal and professional features required by our regulations for Directors or Auditors or for the parties in charge of internal controls or other distinguished positions. Members' selection must in any case be made by taking into account the purposes of the Legislative Decree no. 231/01 and the primary requirement to ensure effectiveness of controls and of the Model, the appropriateness of same, the duration in time of its requirements, its update and adjustment.

The Supervisory Board is to select a Chairman among its members.

The external members of the Supervisory Board must have specific qualifications in the areas of internal organisation and control and in the legal sector. Upon appointment, the Board of Directors decides the remuneration due to the members of the Supervisory Board for the tasks assigned to them.

Lastly, the Company has decided that the management organ, during the drawing up of the company budget, will have to approve an adequate supply of financial resources, proposed by the Supervisory Board itself, which the Supervisory Board may make use of for any requirement related to the proper performance of its duties (e.g.. expert's opinions, business trips, etc.) as prescribed by the Guidelines of the Confederation of Italian Industry.

5.2 Office termination

Office termination due to the expiry of the office term takes effect as from the time the Supervisory Board is re-elected. Office termination may also take place upon resignation, loss of right, revocation or death of individual members.

The members of the Supervisory Board who renounce the assignment are to notify the Board of Directors and the Supervisory Board itself in writing, so that they may see to their prompt replacement

The members of the Supervisory Board lose their office in the event that they cease to possess the requirements for the office itself (such as for instance in case of disqualification, inability, bankruptcy, conviction involving a ban on holding public office or if they are convicted for the crimes provided for by the Legislative Decree no. 231/01 and, in general, in case of legal incapacity and incompatibility, loss of requirements, etc.).

The appointment as members of the Supervisory Board can be revoked with good cause by the Board of Directors, after consulting the Board of Auditors. By way of example, we have a good cause in the event of failure to comply with the obligations prescribed for each member of the Supervisory Board, in the event of unjustified absence at three or more meetings of the Supervisory Board, in the event of conflict of interest, of impossibility to carry out the activities of member of the Supervisory Board, etc. Furthermore, if an internal member is involved, the possible dismissal of the member of the Supervisory Board as an employee of FINDER POMPE usually involves the revocation of the assignment. The revocation of the assignment for a member of the Supervisory Board can be requested from the Board of Directors by the Supervisory Board itself, by providing the reason for the request.

In the event of renunciation, loss of right, revocation or death of a member of the Supervisory Board, the Board of Directors will see to the replacement after consulting the Board of Auditors. Members appointed in this way remain in office for the residual office period of the Supervisory Board.

5.3 Requirements of the Supervisory Board

In compliance with the provisions of art. 6, paragraph 1, of the Legislative Decree no. 231/01, the Supervisory Board is to supervise the operation of and compliance with the organisation and management Model, it is to see to its update and has independent initiative and control powers.

In particular, the Supervisory Board of FINDER POMPE is to meet, in compliance with the prescriptions of the Legislative Decree no. 231/01 and of the Guidelines of the Confederation of Italian Industry, the requirements of:

- **autonomy and independence**: since

- (a) control activities are not subject to any form of interference and/or conditioning by internal members of FINDER POMPE;
- (b) among the members of the Supervisory Board are professionals who are not part of the Company;
- (c) the Supervisory Board directly reports to the top management of the company, that is to the Board of Directors, with the possibility of directly referring to both Shareholders and members of the Board of Auditors;
- (d) likewise, the Supervisory Board has not been given operating duties, nor does it take part in operating decision-making or activities, in order to protect and guarantee its unbiased judgement;

- (e) the Supervisory Board is also provided with adequate financial resources for the proper performance of its duties;
 - (f) the internal operation rules of the Supervisory Board are defined and adopted by the Supervisory Board itself;
- **professionalism**: since the professionalism existing in the Supervisory Board allows it to relay on a range of qualifications, both with regards to the auditing and control system analysis activities and from a juridical competence point of view, with special reference to the field of penal law; to this end, the Supervisory Board is also entitled to resort to company managers and to internal resources, as well as to external consultants;
 - **activity continuity**: since the Supervisory Board represents a body *ad hoc*, which is exclusively devoted to the task of supervising the operation of and compliance with the Model and is provided with an adequate budget for the implementation of its activities.

The Board of Directors establishes the existence of the above-mentioned requirements and operating conditions of the Supervisory Board, as well as the fact that the members of the Supervisory Board possess the subjective reputation and competence requirements and are not in a conflict of interest situation, in order to further guarantee the autonomy and independence of the Supervisory Board.

5.4 Functions and Tasks of the Supervisory Board

In order to guarantee the operation of and compliance with the organisation and management Model, the Supervisory Board is to:

- supervise the effectiveness of the Model, that is check the consistency between actual behaviours and the established Model;
- check the suitability of the Model, that is its actual ability to prevent undesired behaviours;
- check the preservation in time of the solidity and functionality requirements of the Model;
- handle the necessary dynamic update of the Model, in the event that the analyses performed make it necessary to introduce corrections and adjustments, through:
 - adjustment requests for the Model addressed to company organs/departments that are in a position to implement them and, in the most important cases, to the Board of Directors,
 - follow-up, by checking implementation and actual operation of the amendments made to the Model.
 -

In particular, the duties of the Supervisory Board include:

- monitoring and, in conjunction with the company managers in charge, promoting activities aimed at the circulation, knowing and understanding of the organisation and management Model, as well as arranging the documentation required for its actual implementation, containing the instructions, clarifications or updates;
- monitoring the risk area mapping, and requesting that, with the cooperation of the company managers in charge, this be kept updated;
- checking the efficiency and effectiveness of the organisation and management Model to prevent the perpetration of the crimes listed by the Legislative Decree no. 231/01;
- checking and assessing the suitability of the penalty system, in the light of the Legislative Decree no. 231/01;
- checking compliance of the methods and procedures provided for by the organisation and management Model, by detecting possible behaviour deviations based on the analysis of information flows and of reports received;

- regularly performing, in the field of risk areas, checks on specific operations or specific actions taken in the risk activity areas, with the aid of the other company functions for a constant and improved monitoring of the activities performed in such areas;
- performing internal investigations to ascertain alleged violations of the prescriptions of the organisation and management Model;
- receiving reports from company representatives or third parties in connection with possible critical areas of the Model, violations of same and/or any situation that may expose Finder Pompe to the risk of crime;
- checking that the provisions of the Special Parts of the Model covering the various types of crimes adequately meet the Legislative Decree no. 231/01;
- gathering, processing and storing (in an updated file) the documentation concerning policies and other measures provided for in the Model, the information gathered in carrying out the supervisory activity, the documentation certified, the activity performed and the meetings held with the company bodies the Supervisory Board refers to;
- supplying recommendations to the managers in charge of drawing up new policies and of adopting other measures of an organisational nature and, if applicable, of adjusting the policies and measures which have already been implemented;
- drawing up Model adjustment and update proposals meant for the Board of Directors, with special reference to the amendments and integrations required as a result of significant violations of the Model prescriptions and/or of significant changes in the internal organisation of Finder Pompe and/or of the company activity implementation mode and/or of regulation amendments, as well as checking implementation of the proposals made and of their practicality;
- reporting to the Board of Directors, in order for measures to be duly taken, possible ascertained violations of the Model, which may involve the liability of Finder Pompe, pursuant to and as a result of the Legislative Decree no. 231/01;
- monitoring the legal regulations for the purposes of the effective and adequate nature of the Model in connection with the company activity.

The Supervisory Board is to report the results of its activity to the Board of Directors.

The Supervisory Board will have to arrange, for the executive organ, an informative report at least twice a year, on the supervisory activity performed, on the outcome of this activity and on the implementation of the Finder Pompe Model; this report will also have to be sent to the Board of Auditors.

5.5 Supervisory Board Powers

In order to carry out in the best possible way its duties, described under section 5.4 (Functions and Tasks of the Supervisory Board), we wish to point out that the Supervisory Board may, in addition to what has previously been mentioned:

- **access all the relevant documentation in order to check the effective and adequate nature of the Model and request from the party in charge any information that is significant for the purpose;**
 - carry out, without notice, within the risk areas, sample checks to ensure actual compliance with the policies and the other existing control systems.

Furthermore, the activities of the Supervisory Board are unquestionable for any company body, structure or department, without prejudice, however, to the supervisory authority of the Board of Directors with regards to conduct appropriateness of the Supervisory Board and of its interventions, since the Board of Directors is in any case in charge of the operation and effectiveness of the Model.

For the performance of the supervisory functions entrusted to the Supervisory Board, the latter has adequate financial resources and can avail itself – under its own direct supervision and responsibility – of the assistance of internal company structures, and, if necessary, of the support of external consultants, in compliance with the applicable company policies.

The government of the Supervisory Board internal operation is referred to the Board itself, which will therefore be in a position to define, with a duly provided regulation, the aspects concerning the performance of the supervisory functions, including the determination of control deadlines, identification of analysis criteria and procedures, minutes-taking during meetings, regulation of information flow, and so on.

5.6 Information Obligations towards the Supervisory Board

Proper operation of the functions referred to the Supervisory Board cannot set aside information obligations towards this body in compliance with art. 6, paragraph 2, letter d) of the Legislative Decree no. 231/01. Therefore, the Supervisory Board has free access to all the Funder Pompe functions, with no need to prior consent, in order to acquire any piece of information or datum that may be required, appropriate or helpful for the performance of its functions, in line with the provisions of the Legislative Decree no. 231/01, without prejudice to the legal provisions governing personal data handling.

The company departments involved in crime risk activities are to report to the Supervisory Board the periodic outcome of the control activities performed by them in compliance with the Model (such as, for instance, the summary *reports* concerning performed activities, monitoring activities, final balance rates), as well as the anomalies or atypicalities found among available information.

Furthermore, the Supervisory Board should be sent all information that has significance for the purposes of the supervisory activity, such as, by way of example, information concerning:

- decisions about the request, obtainment and use of any public funding;
- measures by and/or news coming from investigative police or any other authority, based on which the development of investigations can be inferred, also against persons unknown, for crimes covered by the Legislative Decree no. 231/01;
- legal assistance requests forwarded by employees and/or executives against which magistracy takes action for the crimes covered by the Legislative Decree no. 231/01;
- reports prepared by the managers of the departments involved, based on which behaviours not in line with the Legislative Decree no. 231/01 and which impact compliance with the Model, emerge or may emerge;
- news concerning the actual implementation, on all company levels, of the Model, with special reference to the disciplinary actions undertaken and to the sanctions inflicted, as well as to the closure decisions concerning such actions with the related reasons;
- news concerning job orders made by Public Bodies or parties performing community service, with summary tables covering contracts granted following calls for tenders or private negotiations.

Further information duties are provided for by the Code of Ethics and by the Special Parts of this organisation and management Model. In any case, with reference to the aforementioned list of information, the Supervisory Board is entrusted with the task of requesting, if necessary or appropriate, any amendments to and integrations of the information to be supplied.

The staff and all those who act in the name and on behalf of Finder Pompe who become aware of information concerning the perpetration of crimes within Finder Pompe or of practices that are not in line with the behaviour rules and principles outlined by the Code of Ethics are to promptly inform the Supervisory Board. These reports may be sent, by e-mail, to the following address: OdV@finderpompe.com. In this regard, please be reminded that workers are in any case supposed to guarantee diligence and loyalty to their employer, pursuant to articles 2104 and 2105 of the Italian Civil Code, and, therefore, proper fulfilment of these information duties by workers cannot result in disciplinary sanctions.

The Supervisory Board guarantees confidentiality to those who report possible violations with the most suitable systems and means; furthermore those who make such reports must be guaranteed immunity, with special reference to undue forms of retaliation against them.

The information supplied to the Supervisory Board is aimed at easing and improving the scheduling activities for the controls of the Supervisory Board and does not force on the Supervisory Board a systematic and timely review of all presented phenomena: deciding for which cases to take action is therefore the responsibility of the Supervisory Board and at its discretion.

6 TRAINING OF THE RECEIVERS OF THE MODEL AND CIRCULATION OF SAME WITHIN THE COMPANY

In order to ensure a more complete and broad circulation of the Model, of the Code of Ethics and of the tools adopted by Finder Pompe, the documents are made available to the employees of Finder Pompe, both through the IT tools which the company has available and through paper means. All co-operators are also notified the adoption of the Model and of the Code of Ethics, and are supplied all further information on such documents. All employees of Finder Pompe are to be familiar with the contents of the Code of Ethics and of the Model (as well as with the related policies), they are to comply with them and contribute to their effective implementation. Adequate communication is provided on all aspects that can contribute to the transparency of the company activity (ranging from the behaviour rules to authorised powers, to the company's organisation chart, to the policies, to the information flows, etc.). In order to guarantee the effectiveness of the Model, communication must be widespread, effective, authoritative, clear and detailed, and also repeated at regular intervals.

For third-party receivers who are to comply with the Model, the related summary document is displayed, as prescribed by art. 7, paragraph 1, of Law no. 300/1970, by posting in a place that is accessible to everyone, as well as being made available on the Company Internet website.

The activity involving circulation, communication and training of the employees provides for the implementation of an adequate training programme, held at regular intervals and based on the set schedule, also with the aid of the Supervisory Board, with the assistance and coordination of the company departments involved, to illustrate the practical, as well as the legal, grounds on which the Model and the Code of Ethics are based. Training activities differ depending on the role and responsibilities of the resources involved, and provide for a more in-depth training for the s.c. "executives", as well as for those who operate in areas that may be deemed "at risk" pursuant to the Model.

In particular, the contents of the training sessions provide for a part covering the Legislative Decree no. 231/01 and the administrative liability of the bodies (regulatory sources, crimes, sanctions against individual persons and companies and exempting) and for a specific part on the Model adopted by the Company (reference principles for the adoption of the organisation, management and control Models pursuant to the Legislative Decree no. 231/01, General Part and Special Part of the Model).

The adoption of the Model is also notified and circulated to external parties with whom Finder Pompe is related, including, among others, suppliers, partners, collaborators, distributors, agents, consultants, etc. Actual communication and formal commitment by all the parties involved, both internal and external (the latter if applicable), to comply with the principles contained in the Code of Ethics and in the Model is proved by suitable documentation, such as, for instance, statements that one is familiar and willing to comply with the Model or specific contractual clauses. Suitable documentation is also arranged with regards to the information, training and refresher meetings.

7. PENALTY SYSTEM FOR FAILURE TO COMPLY WITH THIS MODEL AND WITH THE REFERENCED PROVISIONS AND RULES

The Company hereby acknowledges and states that the arrangement of an adequate Penalty System for the violation of the rules and provisions contained in the Model and in the related Policies is a prerequisite for ensuring the effectiveness of the Model itself.

Indeed, to this end, the very article 6, paragraph 2, letter e), of the Legislative Decree no. 231/01 says that organisation and management models must *“introduce a disciplinary system fit to punish failure to comply with the measures indicated in the Model”*.

Enforcement of the sanctions thereby described sets aside the outcome of possible criminal proceedings, as the behaviour rules set by the Model and by the related Policies are adopted by the Company in a manner which is fully autonomous and independent compared to the type of offences covered by the Legislative Decree no. 231/01.

More specifically, failure to comply with the rules and provisions contained in the Model and related Policies is enough to damage the trust relationship existing with the Company and involves measures of a penalty and disciplinary nature irrespective of the possible penal proceedings and of their outcome. This also occurs in compliance with the principles of promptness and immediacy of the notification and of penalty infliction, in line with the legal regulations in force in this field.

The principles of promptness and immediacy of the notification prescribe infliction of the penalty irrespective of the starting and outcome of penal proceedings.

7.1 Relations with Other Parties

In the event that any third party with whom the Company gets in touch (irrespective of the para-subordinate or autonomous nature of the relationship), violates the regulations and provisions prescribed by the Model and by the related Policies, the system provides for the enforcement of the penalties of a contractual nature provided for by this Penalty System under section 7.3.5., whose general principles must be deemed to all legal and contractual intents and purposes an integral part of the contractual agreements signed with the parties involved.

7.2 Definition of “Violation” for the Operating Purposes of the Penalty System

By way of example and from a merely generic point of view, the following represents a “Violation” of this Model and of the related Policies:

- a) performance or omission of actions or behaviours, not complying with the law or with the prescriptions contained in the Model itself and in the related Policies, involving the perpetration of one of the crimes covered by the Legislative Decree no. 231/01;

- b) performance or omission of actions or behaviours prescribed in the Model and in the related Policies, or else requested by the law, exposing the Company even only to a situation of mere risk of perpetration of one of the crimes covered by the Legislative Decree no. 231/01.

7.3 Penalties

7.3.1 Subordinate Workers

In compliance with the applicable legislation, FINDER POMPE informs its employees as to the provisions, principles and rules contained in the Code of Ethics and in the Model, by means of the previously described information and training activities.

The violation by employees of the provisions, principles and rules contained in the Code of Ethics and in the Model arranged by FINDER in order to prevent the perpetration of crimes pursuant to the Decree no. 231 represents a disciplinary offence, punishable according to the policies governing violation notification and infliction of the resulting penalties provided for by the National Collective Labour Agreement enforced within the company, in compliance with the provisions of art. 7 of the Workers' Statute of Rights herein transcribed.

This disciplinary system has been organised in line with the accurate compliance with all the legal provisions in terms of labour. We have not provided for methods and sanctions other than those already defined and listed in the Collective Agreements and in the Trade Union Agreements. Indeed, the National Collective Labour Agreement provides for a variety of penalties capable of modulating, depending on the seriousness of the infringement, the penalty to be inflicted. In connection with the activities identified as being at crime risk, the following represent a disciplinary offence:

1. Failure to comply with the principles contained in the Code of Ethics or the adoption of behaviours which are in any case not in line with the rules of the Code of Ethics;
2. Failure to comply with the regulations, rules and policies;
3. Missing, incomplete or untruthful documentation or unsuitable preservation of same, required in order to ensure transparency and verifiability of the activity performed in compliance with the regulations and policies covered by the Model and by the Code of Ethics;
4. Violation and avoidance of the control system, accomplished through the removal, destruction or alteration of the documentation prescribed by the above policies;
5. Obstacle to controls and/or unjustified impediment to accessing the information and the documentation to the detriment of the parties in charge of controls, including the Supervisory Board.

The above-mentioned disciplinary infringements may be punished, depending on the seriousness of the failure, with the following measures:

- 1) Verbal reprimand;
- 2) Written warning;
- 3) Fine;
- 4) Suspension;
- 5) Dismissal.

The penalties will be inflicted by taking into account the seriousness of the violation: in view of the utmost importance of the principles of transparency and traceability, and also of the significance of the monitoring and control activities, the Company will tend to enforce the measures having greater impact with regards to the offences which, owing to their nature, violate the very principles on which the Model is founded.

The type and gravity of each penalty will be enforced by taking into account:

- Intentionality of the behaviour or of the degree of negligence;
- Carelessness or unskilfulness also with regards to the predictability of the event;
- Overall behaviour of the worker, with special reference to the existence or inexistence of a disciplinary record of same, within the limits of the law;
- Worker's duties;
- Functional position and responsibility level and
- Autonomy of the people involved in the facts the infringement involves;
- Other special circumstances related to the disciplinary offence.

The Supervisory Board is responsible for checking and assessing the fitness of the disciplinary system in the light of the Legislative Decree no. 231/01. The Supervisory Board will also have to timely indicate, in its regular six-monthly report, the possible areas of improvement and development of this disciplinary system, especially in view of the development of the regulations governing the matter.

7.3.2 Executives

In case of violation of the Code of Ethics and of the Model by executives, FINDER POMPE inflicts the most suitable disciplinary measures in compliance with the provisions of the applicable National Collective Labour Agreement. On the other hand, in view of the deeper trust bond existing, for its very nature, between the Company and executive staff, and also taking into account the greater experience of the latter, any violations of the provisions of the Code of Ethics and of the Model which executives may commit would above all involve dismissal measures, as these would be deemed more adequate.

7.3.3 Directors

In the event that a Violation provided for by section 7.2 above, that is fraudulent avoidance of the rules contained in the same section, is detected on the part of one of the Directors of the Company, the OdV will promptly inform the Board of Directors and the Board of Auditors for them to make the due considerations and take the necessary measures.

In the event of a committal to trial for one or more than one of the Directors, alleged perpetrators of the crime resulting in the administrative liability of the Company, the Chairman of the Board of Directors of the Company will have to call the Shareholders' Meeting to resolve on the revocation of the office.

7.3.4 Auditors

In the event that a Violation provided for by section 7.2 above, that is fraudulent avoidance of the rules contained in the same section, is detected on the part of one or more than one of the members of the Board of Auditors, the OdV will inform the Board of Directors and the Board of Auditors itself, and, on motion of the Chairman of the Board of Directors, a Shareholders' Meeting will be called to adopt the appropriate measures.

7.3.5 Third Parties

In the event that a Violation provided for by section 7.2 above is committed, or else there is fraudulent avoidance of the rules contained in the same section on the part of Third Parties, the Company, depending on the seriousness of the violation: (i) will formally warn the parties liable of such behaviours demanding that they strictly comply with the provisions of the law and of the contract; or (ii) will be entitled, depending on the various types of contract, to terminate the contract with good cause, or else to terminate the contract for incompliance by the aforementioned parties.

8 . REGISTER OF VIOLATIONS AND PENALTIES

The Company has established a specific register for the entry of violations and fraudulent avoidances of the rules contained in section 7.2, with an indication of the liable persons and of the sanctions inflicted against them.

In relations with third parties, entry in such a register involves the prohibition to establish new contractual relations with the parties involved, unless otherwise decided by the Board of Directors.