

# **ORGANIZATION AND MANAGEMENT MODEL**

**(hereinafter COMPLIANCE PROGRAM)**

**ART. 6 - D.LGS. N. 231/2001**

## **Part A) – General Part**

This document has been translated into English for the convenience of international readers. The original Italian document should be considered the authoritative version.

### **GENERAL PART**

*(abstract)*





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## GLOSSARY (alphabetical order)

<b>Areas (activity) at risk of crime</b>	The areas of business in which it is looming, in more concrete terms, the risk of committing the offenses listed by Decree. N. 231/2001.
<b>CCNL</b>	National collective labour agreement applicable to the Company.
<b>Code of Ethics</b>	Company Code of Ethics adopted by the Company (and which is an integral and substantial part of the Compliance Program).
<b>Coworkers</b>	Those who act in the name and/or on behalf of the Company on the basis of a specific appointment, contract or power of attorney and, directly or indirectly, carry on activities connected or interesting the company's business (eg. consultants, external experts).
<b>Decree</b>	Legislative Decree n. 231/2001 implementations and amendments included.
<b>Recipients</b>	All the subjects to whom the Program (together with the Code of Ethics) is addressed to, which means, beyond Employees, Coworkers and Interlocutors, even the Corporate Bodies.
<b>Employees</b>	All employees of the Company (including management) and similar.
<b>Entity/ies</b>	Companies, Associations, Consortia and other subjects etc., relevant pursuant to Legislative Decree. n. 231/2001.
<b>Function/Area/Department/Office</b>	Department/Part of the organization of the Company as per Company official organization chart.
<b>Group</b>	Group of companies of which Midac S.p.A. might be part, including its subsidiaries directly or indirectly controlled, or under common control, as in group chart.
<b>Disciplinary Rules Breach</b>	Conduct of the Employee in violation of the rules of conduct provided by the Program (including the Code of Ethics).
<b>Interlocutors</b>	All parties contracting with the Company, different from Coworkers, either natural or legal

	persons (eg. customers, suppliers), and generally partners, commercial or operative of the Company who have a role in projects and specific operations.
<b>Compliance Program (or only Program)</b>	Organization and management model adopted by the Company pursuant to art. 6 of Legislative Decree. n. 231/2001.
<b>Corporate Bodies</b>	Board of Directors and Statutory Auditors of the Company.
<b>Supervisory Board / Supervisory Body</b>	The Board appointed pursuant to art. 6 of the Decree and which is in charge of supervising the functioning and observance of the Program and of its updating.
<b>Public Administration (P.A.)</b>	Any government agencies, including their representatives in their capacity as Public Officials or Public Service Officers (even <i>de facto</i> ); including members of the Bodies of foreign states and officials and members of the European Community Bodies.
<b>Sensitive Processes (or Sensitive Activity)</b>	Company procedures and/or activities whereby crimes (pursuant to the Decree) can be committed or whereby the conditions to commit the same crimes can be created.
<b>Crimes</b>	Crimes relevant pursuant to the Decree.
<b>Company</b>	Midac S.p.A. (or even only "Midac"), having its registered office at Via A. Volta n. 2, Soave (VR)
<b>Persons in senior executive positions (Senior Executive)</b>	People who are representatives, directors or managers of the Company or one of its organizational units with financial and functional autonomy, or persons who exercise, even <i>de facto</i> , the management and control of the Company.
<b>Subordinate Staff</b>	People under the direction or supervision of a Senior Executive.

## **PREMESSA**

### **1. Overview**

Midac S.p.A. (hereinafter also “Midac” or the “Company”) is a leading company engaged in the production of batteries for starting and for electrical traction and in the design and production of stationary batteries.

After its incorporation in 1989, Midac started its activity in 1992 aiming at maintaining its production at a high quality and technology level in order to set in qualifying and profitable market segments, in Italy and abroad.

In the light of the above, over the years, Midac acquired a number of certifications according to international standards, to implement a real *Management System for Quality*, compliant, with the UNI EN ISO 9001: 2000 (Vision 2000), since 2002.

Following its path of adoption of qualitatively ever higher operating protocols, in compliance with the market demand, and with organizational improvement needs by 2004 Midac acquired the certification systems of the Automotive Industry ISO / TS 16949, Environmental Management ISO 140001 and Health and Safety OHSAS 18001. The array of mentioned certifications is currently implemented and maintained by Midac through an *Integrated Management System* (hereinafter system also “IMS System” or just “IMS”), which is formalized into a Manual (hereinafter also “IMS Manual” or just “IMSM”) and in a series of business procedures and instructions.

In total compliance with the above Company policy of “quality of product and process” and “continuous improvement process” are even the *Value Stream Manufacturing* guidelines which support the *Lean Production* system developed by the Company.

Accordingly, the drafting of the present document, called *Organization and management Model of Midac S.p.A.* (hereinafter also “Compliance Program” or “Program”), stems from the attention to the parameters of “quality” organization that characterizes the Company, also in terms of maximum adherence (*compliance*) with regulatory systems in force.

The present Program is drafted pursuant to the provisions of articles 6, paragraph 1, letter a) and b) and 7, paragraph 2 and 3 of the Decree n. 231 of June 8, 2001 (as implemented and amended).

The model was developed according to the results of the analysis of business operations and associated risks, referring to the instructions contained in the “*Guidelines for the establishment of the organizational, management and control models and Decree. n. 231/2001*” issued by Confindustria, approved on April 7, 2002 and later updated on March 31, 2008, as well as the “*Guidelines*” on the subject issued by ANIE (association of the economic category sector of the Company) [Italian body that associates electrotechnical companies – *translator's note*], approved December 12, 2003 and updated as of April 2010 (version available).

## 2. Structure of the Program

The Compliance Program is divided into the following parts<sup>1</sup>:

Part ID	Title	Content		Attachments
<b>A</b>	<b>General Section</b>	1.	Criminal Liability of Legal Entities	<u>Attachment 1:</u> Types of crime
		2.	Midac S.p.A. Compliance Program	<u>Attachment 2:</u> Crime Risky Processes
		3.	Supervisory Board	<u>Attachment 3:</u> Report Form
		4.	Disclosure of the Compliance Program	
		5.	Code of Ethics and conduct (cross reference)	Cross reference: Part B
		6.	Disciplinary System	
		7.	Related documents	Reference: Part B, Part C, Attachments
<b>B</b>	<b>Code of Ethics</b>	§.	Code of Ethics and conduct	

<sup>1</sup> With reference to the Special Sections, the chart refers to the Special Sections drafted at the date of adoption of the Program and does not include any future Special Sections that can be inserted following to regulatory and/or organizational changes in the Company.

Part ID	Title	Content		Attachments
<b>C</b>	<b>Special Part</b>	0.	Part 0.  Introduction	<u>Attachment 4:</u>  Contractual Clause
		1.	Section 1.  Offences against Government  Agencies	<u>Attachment 2 (above)</u>  <u>Attachment 5:</u>  Info Form
		2.	Section 2.  Corporate Offences: Bribery/Corruption among private people, Self-moneylaundering	<u>Attachment 2 (above)</u>  Procedure attached
		3.	Section 3.  Offences against Health and Safety at Work.	<u>Attachment 2 (above)</u>  Procedure attached
		4.	Section 4.  Information Technology Crimes Unfair Treatment of Data	<u>Attachment 2 (above)</u>  Procedure attached
		5.	Section 5.  Money Laundering and Utilisation of Money, Goods or Benefits of Unlawful Origin, Handling of Stolen Goods	<u>Attachment 2 (above)</u>  Procedure attached
		6.	Section 6.  Forgery of signs of Identification, crimes against industry and trade	<u>Attachment 2 (above)</u>  Procedure attached
		7.	Section 7.  Environmental Offences	<u>Attachment 2 (above)</u>  Procedure attached



**MIDAC S.p.A.**  
**Compliance Program D.Lgs. n. 231/2001**  
**Part A\_General Part**

## Chapter 1

### Criminal Liability of Legal Entities

#### 1.1 Legislative Decree n. 231/2001

With law no. 300 of September 29, 2000, Italy has ratified some international Conventions<sup>2</sup>, delegating the Government to the creation of a regulatory text that should govern the corporate responsibility.

The Decree, concerning “*Standards Governing the Administrative Liability of Legal Entities, Companies, and Associations, Including Those without Legal Personality, pursuant to art. 11 L September 29, 2000, n. 300*”, constitutes the implementation of the commitments of Italy being part of UE and at international level in the fight against corruption. The Decree introduced in our legal system the responsibility of entities (including corporations) in the event of administrative offenses deriving from crimes committed by individuals “belonging” to the same administrative organization.

The Decree lays down the general principles and the criteria of administrative responsibilities of the entities together with the sanctions together with the relevant proceedings to establish criminal offenses and the application of sanctions.

In this Chapter 1. of the Program, the general and/or basic criteria of the law are reported, without claiming to be exhaustive with respect to the text of the law (to which reference is made for any necessary technical information), taking into account - also and above all - the purpose of “disclosure” of the Program, which means the “information and training” function of the same: for this reason in this document, the use of the technical-legal terminology will be “limited” and, where possible, the form of the chart representation will be used to facilitate the readers and get their attention.

#### 1.2 Criminal Liability of the Legal Entity and subject whose actions are considered relevant

The administrative liability of the Entity is autonomous, but in its core, it is a direct consequence of the conduct engaged in by a natural person belonging to the Entity and

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<sup>2</sup> OECD Paris Convention of December 17, 1997 (concerning bribery of foreign public officials in international business transactions); EU Convention of Brussels of July 26, 1995 (concerning the protection of the financial interests of the European Communities and its protocols); EU Convention of Brussels of May 26, 1997 (concerning the fight against corruption involving officials of the European Communities or of the Member States).

constituting an illicit case and which integrates one of the illicit cases (crimes) expressly indicated by the Decree (referred to in paragraph 1.3 below). In practice, the administrative liability of the Entity is “aside” and/or “added” to the one of the natural person who committed the crime.

According to the Decree, only the illicit conducts adopted “*for the benefit or in the interest*” of Entity are to be considered and have criminal relevance: therefore the Entity is not liable if the material offenders have acted in their own interest or in the interest of third parties.

The condition precedent of the interest or of the advantage of the Entity, as characterizing item of the unlawful conduct, is achieved not only where the unlawful conduct has actually given a profit to the Entity (evaluated at a later stage) but also where, missing this result, the conduct was aimed at achieving, however, an interest of the Entity (evaluated in advance).

The administrative liability of the Entity, subsequent to the commission of a crime, determines the application of sanctions of different nature and painful intensity (referred to in paragraph 1.4 below) to the Entity.

The application of sanctions is also envisaged in the event of an “attempted” crime (Article 26 of the Decree): therefore the entity is also liable for “attempted crimes”: in this case, however, the sanctions are applied to a reduced extent. The Entity, however, is not liable when, voluntarily, it prevents the completion of the action or the realization of the event.

### **1.3 Censurable conducts**

The Censurable conducts that can give rise to administrative liability of the Entity are only those listed in the Decree: in Attachment 1 to the present Program are summarized the Crimes listed in the Decree as updated, grouped into “families or categories”, stating from now that they might be subject to subsequent additions as a result of the possible future introduction of new Crimes by the Legislator.

### **1.4 Administrative Sanctions**

In the event that natural person belonging to the Entity commits a Crime in its own interest or advantage, and an administrative liability depending on a Crime involves the Entity, the sanctions to the Entity are the following: a) financial penalty; b) disqualification sanction; c) confiscation; d) publication of the sentence.

In general, pecuniary sanctions are applied to all offenses, disqualification sanctions only in mandatory cases of particular gravity and, moreover, the latter can be accompanied by the publication of the sentence.

With the sentence of conviction, the confiscation of the price or profit of the crime – even “by equivalent” (see below) - is always ordered against the Entity.

SANCTION	DESCRIPTION
<ul style="list-style-type: none"> <li>• <b>Monetary sanction</b></li> </ul>	<ul style="list-style-type: none"> <li>• Payment of amounts of money stated by the judge according to a “quotas” algorithm</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Interdictory sanctions</b></li> </ul>	<ul style="list-style-type: none"> <li>• Interdiction of business activity</li> <li>• Suspension or revocation of permits, licenses or concessions related to the commission of the offense</li> <li>• Exclusion from benefits, loans, grants or subsidies and revocation of granted ones</li> <li>• Prohibition to maintain relations with the Public Administration (except to obtain a public service)</li> <li>• Prohibition to advertise goods and services</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Confiscation</b></li> </ul>	<ul style="list-style-type: none"> <li>• Always pronounced in the event of conviction, on the things that are the price, the product, the profit of the crime (except for the part that can be returned to the damaged party - the rights of <i>bona fide</i> third parties are not affected) or on sums of money or other goods or assets of equivalent value,</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Publication of the sentence</b></li> </ul>	<ul style="list-style-type: none"> <li>• Can be ordered in case of application of interdictory sanctions</li> </ul>

*Monetary sanctions* applicable to all offenses, are established according to a system based on “quotas”: , the Judge determines the sanction deciding the number of quotas and the value of each quota. The sanction is no less than one hundred quotas and not more than a thousand quotas, and of variable amount (from a minimum of € 258 to a maximum of € 1,549).

The Judge determines the number of the quotas taking into account the seriousness of the crime, the degree of the Entity liability, as well as the actions put in place to eliminate or mitigate the consequences of the offense and prevent the commission of further offenses. The amount of the quota is calculated on the basis of economic and

financial conditions of the Entity, in order to ensure the effectiveness of the sanction. The Decree includes specific hypothesis of sanction reductions (art. 11 of the Decree).

*Interdictory sanctions* are applied only to specific crimes in the cases listed in the Decree, only in presence of at least one of the following conditions:

- the Entity earned from the offense a significant profit and the Offense was committed:
  - a) by a Senior Executive;
  - b) by Subordinate Staff when the commission of the crime has been determined or facilitated by serious organizational shortcomings;
- in case of reiteration of the offenses.

The disqualification sanctions have a duration of not less than 3 months and not more than 2 years (without prejudice to some cases of exclusion from application) and relate to the specific activity to which the offense of the entity refers.

The type and duration of the interdictory sanctions are set by the Judge taking into account the seriousness of the fact, the degree of the Entity liability as well as the actions meanwhile put in place to eliminate or mitigate the consequences of the offense and prevent the commission of further offenses, evaluating the capability of the chosen sanction to prevent the commission of further offenses of the same kind.

If the conditions for the application of a disqualification sanction that determines the interruption of the activity of the Entity exist, the Judge may order, in lieu of the sanction, that the business of the Entity is managed by a court appointed receiver for the same duration, under certain conditions (art. 15).

The interdictory sanctions can be applied also to the Entity as precautionary measure when there are serious indications of the existence of the responsibility of the Entity in the commission of the offense and there are substantial and specific elements which suggest real danger that offenses of the same nature of that for which it is proceeding (art. 45 of the Decree) are about to be committed. Even in this case, in lieu of the precautionary interdictory measure, the Judge may appoint a court receiver.

The confiscation against the Entity is always stated together with the sentence of conviction, except for the part that can be returned to the damaged party. The rights of bona fide third parties are not affected. When the confiscation cannot be run, the same may involve sums of money, goods or other benefits of equivalent value to the price or profit of the offense (by equivalent).

Finally, the publication of the conviction sentence may be ordered when, against the Entity, interdictory sanctions are applied. The sentence shall be published only once, either in part or in full, in one or more newspapers indicated by the judge in the sentence, and is also displayed in the town hall where the Entity has its headquarters.

At the Casellario Giudiziale Centrale [criminal record central office— *translator's note*] has been established the *National Register of Administrative Sanctions* where irrevocable sentences and/or decrees of entities are registered.

## 1.5 Crimes committed abroad

The liability pursuant to the Decree extends – for the Entity which has its registered office in Italy - even to offenses committed abroad by an individual functionally connected to the Entity, provided that the crimes are not prosecuted by the Country in which the offense was committed.<sup>3</sup>

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<sup>3</sup> The Decree refers to the hypothesis in the following articles of the Criminal Code.

**Art. 7. Crimes committed abroad.** Shall be punished according to the Italian law the citizen or foreigner who commits any of the following offenses in a foreign territory any of the following offenses:

1. crimes against the personality of the Italian State;
2. crimes of counterfeiting the State seal and use of such a forged seal;
3. crimes involving counterfeit coins which are legal tender in the State, or revenue stamps or public Italian credit cards;
4. crimes committed by public officials in the state service, abusing powers or violating the duties inherent in their duties;
5. any other crime for which special legal provisions or international conventions establish the applicability of the Italian criminal law.

**Art. 8. Political crime committed abroad.** The citizen or foreigner who commits in a foreign territory a political crime which is not among those specified in n. 1 of the preceding article, shall be punished according to Italian law, at the request of the Minister of Justice.

If it is a crime punishable on complaint of the victim, there must be, above this request, the complaint.

For the purposes of the criminal law, it is political crime every crime that offends a political interest of the State, or a political right of the citizen. It is also considered political crime the common crime determined, in whole or in part, by political reasons.

**Art. 9. Crime of the common citizen abroad.** The citizen, who, apart from the cases mentioned in the two previous articles, commits in a foreign territory a crime for which Italian law prescribes life imprisonment, or imprisonment for not less than a minimum of three years, shall be punished according to the same law, if he is in the State.

If it is a crime for which it is established deprivation of freedom of shorter duration, the culprit is punished at the request of the Minister of Justice or at complaint of the offended party.

As allowed under the foregoing provisions, in case of the crime committed against the European Community, against a foreign country or a foreigner, the culprit is punished at the request of the Minister of Justice, provided that the extradition of him has not been granted or it has not been accepted by the State Government in which he committed the crime.

**Art. 10. Common crime of foreigner abroad.** The foreigner, who, apart from the cases listed in articles 7 and 8, commits abroad, against the State or a citizen, a crime for which Italian law prescribes life imprisonment, or imprisonment for not less in the minimum of one year, shall be punished in accordance with that law, provided that he is in the State, and there is the request of the Minister of Justice, or petition or complaint of the victim.

If the crime is committed against the European Community, against a foreign country or a foreigner, the culprit shall be punished according to Italian law, at the request of the Minister of Justice, provided that:

1. he is in the territory of the State;

In cases where according to the law the guilty has to be punished upon request of the Minister of Justice, proceedings against the Entity can be carried out only if the request is made even against the Entity.

## 1.6 Responsibility of the Legal Entity and Compliance Program

The administrative responsibility of the Legal Entity (deriving from crime) under the Decree, results from a “guilty organization” (or rather, from a guilty *mis-organization*), understood as a lack of organization that has made the crime possible.

However, if the Entity provides itself with an organization suitable for preventing the occurrence of the Crimes, i.e. it has a suitable Compliance Program, having certain characteristics provided for by the Decree, the same Entity, even under specific conditions (see below, in relation to the proof aspects), may be “exempt” from administrative responsibility for a crime.

In this sense, the Entity is required to adopt behavioral models specifically tailored to the “level” of crime-risk that characterizes it, aimed at preventing, through the provision of rules of conduct, that the Offence is committed: prerequisite for the exemption of responsibility of the Entity is that the adopted Compliance Program is also effectively implemented.

The presence of the Compliance Program, however, is not alone sufficient to guarantee the exemption from liability: in fact, the characteristics of the person who committed the crime are also relevant, so that the evidence to be provided in judgment to obtain exemption from administrative liability will be different according to the characteristics of the offender.

The Decree sorts between:

- people who are representatives, directors or managers of the Entity or of one of its organizational units with financial and functional autonomy or people who exercise, even *de facto*, the management and control of the organizational unit. The formula therefore includes all the people who perform management and control functions of the Entity (eg directors, managers), even if only in fact;

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2. it is a crime for which Italian law prescribes life imprisonment, or imprisonment for not less in the minimum of three years;
3. the extradition of him has not been granted or it has not been accepted by the State Government in which he committed the crime or by the State Government to which he belongs.

- people in a subordinate position, the natural persons subject to the management or supervision of one of the subjects in a top position such as, for example, employees.

The Decree provides for several “proof scenarios” with regard to the characteristics of the person who commits the Offense (Senior Executive or Subordinate Staff):

- Crime committed by Senior Executive

In cases the offense is committed by Senior Executive the exemption from liability occurs if the Entity proves:

- a) the management has *adopted and efficiently implemented* prior to the perpetration of a crime, a Compliance Program suitable to prevent similar crimes;
- b) to have put *in charge a specific internal body* (hereinafter “Supervisory Body” or “S.B.”) with autonomous initiative and control powers with the duty to verify the effectiveness of the Program and to watch upon the compliance of the Entity with the Program and to take care of its updating;
- c) individuals who perpetrated the crime acted fraudulently against the *Program*;
- d) there is *no lack of or insufficient care in the supervision by the Supervisory Body* [see lett. b) above];

- Crime committed by Subordinate Staff

In cases the offense is committed by persons who are directed or controlled by a Senior Executive the Entity is liable if the perpetration of the crime is due to not compliance with direction and supervision obligations. In any case the missing compliance with direction and supervision obligations can be excluded whenever, prior to the perpetration of the crime, the Entity has adopted and efficiently implemented an organization and management model suitable to prevent similar crimes.

## 1.7 Guidelines

The Decree provides for the possibility that the Compliance Programs are prepared and adopted on the basis of codes of conduct (for example, the “Guidelines”) drawn up by associations and approved by the Ministry of Justice through the procedure laid down by the Decree.

Confindustria approved the final text (updated version of March, 31 2008 and 2014) of its “*Guidelines for the construction of the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001*,” which, schematically, provide the following activities:

- **identification of risk areas**, aimed at verifying in which company area/company department adverse events listed in the Decree might take place;

- <b>predisposition of a control system</b> able to prevent risks through the adoption of appropriate protocols.
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Federazione Nazionale Imprese Elettrotecniche ed Elettroniche (ANIE) has drawn up its own guidelines, using as a “base” Confindustria Guidelines, not depart from it, and to the latter (Confindustria), therefore, we will refer in the following paragraphs (hereinafter, Guidelines).

It should be noted that any discrepancy of this Program with respect to specific points of the aforementioned Guidelines does not in itself invalidate the validity of the Program: the present document, in fact, must be drawn up with regard to the concrete reality of the Entity it refers to, may well deviate from the aforementioned Guidelines which, by their nature, have a general character and must necessarily find a personalization in relation to the specific case.

#### 1.7.1 The essential aspects of the Guidelines

The most significant components of the *control system* identified by Confindustria in order to reasonably prevent the commission of Offenses included the Decree are the following:

A) With reference to intentional Crimes:

- Code of Ethics
- Organizational system
- Manual and/or IT procedures
- Proxies and powers of attorney
- Control and Management Systems
- Communication to personnel and training.

B) With reference to culpable Crimes, on top of what indicated with reference to the cases of intentional crimes above (letter A):

- Code of Ethics
- Organizational structure
- Communication and involvement (of resources)
- Operational management
- Monitoring system (for offenses related to “labor safety”).

The *components of the control system* must, in any case, meet the following *principles*:

- verification, documentation, consistency and congruity of each transaction;
- application of the principle of separation of functions (for example, no one can independently manage an entire process);

- documentation of controls;
- provision of an adequate system of sanctions for violation of the Code of Ethics and the procedures envisaged by the Program;
- identification of the requirements of the Supervisory Board, summarized as follows:
  - a) autonomy and independence,
  - b) professionalism,
  - c) continuity of action;
- information duties (information flows) to the Supervisory Board.



## Chapter 2

### The Compliance Program

#### 2.1 The *governance* of Midac S.p.A.

From a corporate standpoint, Midac has adopted a *corporate governance model* so-called “traditional”: the administration of the Company is entrusted to a Board of Directors, appointed by the Shareholders, the supervisory function is exercised by the Board of Auditors, the legal auditing of accounts (previously “accounting control”) is conducted by a leading independent auditor company.

*(omissis)*

The Company has decided to proceed with the drawing up of the present Compliance Program in the belief that it represents, *inter alia*, a tool for improvement of the company *corporate governance*, as well as an opportunity to raise awareness of company personnel through the process control, the need to prevent and/or avoid the commission of offenses.

#### 2.2 The adoption and updating of the Compliance Program

Midac adopted its own Compliance Program for the first time with a resolution of the Board of Directors on September 9, 2010 and has updated it at a later stage. The resolution of the first adoption of the Program included the appointment of the Supervisory Board which has been provided with a budget (see Chapter 3), in compliance with the provision of the Program.

*(omissis)*

#### 2.3 The structure and the contents of the Compliance Program

As described in the “Overview”, the Program is divided into the following parts (A, B, C):

<ul style="list-style-type: none"><li>- <b>Part A – General Part</b>, the contents of which are <u>mainly</u> related to:<ul style="list-style-type: none"><li>a) Principles of the Program (Chapter 1 and Chapter 2);</li><li>b) Supervisory Board (Chapter 3);</li></ul></li></ul>
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- c) Disclosure of the Compliance Program among the Recipients and Training (Chapter 4);
- d) Disciplinary System (Chapter 6).

- **Part B - Code of Ethics**, containing the ethical principles to which the Company and all recipients are inspired in the conduct of the business (Chapter 5, cross reference).

- **Part C – Special Part**, divided into Sections. In particular, each Section examines a distinct category of Crimes envisaged by the Decree and the commission of which can be considered in the interest or for the benefit of the Company<sup>4</sup>. The different Sections are aimed at defining the principles which should inspire the procedures and protocols adopted by the Company (or to be adopted in the future) by the Company. Among the contents of each Section are highlighted:

- a) description of types of crimes;
- b) identification of sensitive processes;
- c) definition of general principles of conduct;
- d) identification of operating principles of conduct.

- **Attachments** (to the single Parts/Sections of the Program).

## 2.4 Recipients of the Compliance Program

The rules contained in the present Program are applied to:

- *Senior Executives*, natural persons who are representatives, directors or managers of the Entity or one of its organizational units with financial and functional autonomy, or persons who exercise, even *de facto*, the management and control of the Entity (eg. members of corporate bodies, managers);
- *Subordinate Staff*, natural persons working in the Company under the direction or supervision of a Senior Executive (eg. employees);
- *coworkers*, external cooperators who act in the name and/or on behalf of the Company on the basis of a specific appointment, contract or power of attorney

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<sup>4</sup> The other Crimes envisaged by the Decree, and for which a specific section has been set up, do not present - at the moment - risk profiles such as to make reasonably founded their possible commission in the interest or to the benefit of the Company. The Special Part is also subject to update, which may involve the inclusion of additional Sections, partly due to regulatory changes that extend the administrative liability of entities in case of further, different crimes.

and, directly or indirectly, carry on activities connected or interesting the company's business (eg. consultants, external experts);

- *interlocutors*, all parties contracting with the Company, with the exception of Coworkers, either natural or legal persons, such as suppliers, customers and generally all persons to or from which the Company delivers or receives any benefit, as well as partners, commercial or operative of the Company.

Unless otherwise specified below, the present Program and the Code of Ethics shall refer to the *Recipients of the Program*, which include all the above mentioned parties.

The behavior of the Recipients must comply with the rules of conduct - both general and specific - provided for in the Program and in the Code of Ethics, also to fulfill the duties of loyalty, fairness and diligence arising from the legal relationship established with the Company.

*Furthermore, the Directors, Managers and key people, to the applicable extent, the Internal Auditors of the Company and the External Auditor shall have the duty to keep a diligent conduct in identifying any deficiencies or violations of the Program or the Code of Ethics, as well as monitoring the compliance with the same by the people subjected to them (Recipients).*

## **2.5 Implementation and aims of the Compliance Program**

The Program is based on identifying and updating of the risk areas and relevant processes: all Company processes involved and their overseeing procedures are given in the document entitled *Mapping of Crime Risk Areas*, attached to the Program (Attachment 2). This will make all those who work in and/or in the name and on behalf of the Company fully aware of the approach to be taken or, conversely, to be avoided in order to prevent or impede the commission of Crimes.

The guiding principles of the Program are:

- definition of a clear and transparent *Organizational System*;
- definition of an *Internal Regulatory System*, directed at planning the creation process and implementation of Company decisions in connection with the risks of crimes to be prevented;
- assignment of specific tasks to the *Supervisory Board* regarding the effective supervision and proper functioning of the Program, the consistency of the Program with respect to the targets and its regular update (see Chapter 3).

The model is drafted and implemented in order to prevent and reasonably limit the business risks, particularly with regard to the discovery and reduction of any possible illegal conduct.

The aim of the Program is to educate all its Recipients to the respect of ethical principles, roles, operating modes, company procedures (of which the Program becomes an integral part), thus determining all those who operate in the name and on behalf of the Company in risk Areas (activity)/Processes, the awareness, in case of violation of the provisions contained in the Program, of causing an offense punishable by criminal and administrative sanctions not only against them personally, but also against the company.

With the adoption of the Program, the Company wants to reiterate that it does not tolerate unlawful behavior of any kind regardless of their purpose, due to the fact that the same, beyond transgressing the laws in force, are even contrary to the ethical and social principles which the Company intends to comply with and which are expressed in the Code of Ethics.

With the adoption of the Model, the Company also guarantees the preparation of communication channels for the “reporting” activity aimed at stigmatizing and sanctioning the aforementioned behaviors, as established in the following paragraph.

## **2.6 Reports protected by confidentiality**

The Company must prepare one or more channels that allow the above-mentioned subjects, who are “Senior Executive” and / or “Subordinates”, to submit detailed reports relating to the following circumstances, of which they have become aware due to the functions performed:

- unlawful conduct, relevant pursuant to the Decree and based on precise and clear facts;
- violations of the Company's Program.

Said channels must ensure the confidentiality of the identity of the whistleblower in the management of the report: at least one alternative reporting channel is suitable for ensuring the confidentiality of the whistleblower's identity using IT methods.

Acts of retaliation or discriminatory direct or indirect against the whistleblower for reasons connected, directly or indirectly, to the report are prohibited. In particular:

- the adoption of discriminatory measures against the whistleblower can be reported to the National Labor Inspectorate by the same whistleblower or by the trade union organization they belong to;
- are void: retaliatory or discriminatory dismissal, change of duties pursuant to art. 2103 of the Italian Civil Code and any other retaliatory or discriminatory measures taken against the whistleblower.

In the event of a dispute for the reasons indicated above, it is the Company's responsibility to demonstrate that the measures against the worker have been adopted for reasons unrelated to the report itself.

It is recalled that, by express provision of the law, the pursuit of the interest in the integrity of entities, including the Companies, as well as in the prevention and repression of embezzlement, constitutes just cause for disclosure of information covered by the obligation of secrecy referred to in articles 326, 622 and 623 of the Criminal Code, as well as to art. 2105 of the Civil Code.

There are penalties for those who:

- violate the protection of the whistleblower;
- make reports with willful misconduct or gross negligence that prove to be unfounded.

Please refer to Chapter 6.

With reference to the "reporting system", the Company has established that the reports may be sent to the Supervisory Body in the following ways:

- in writing, by return receipt letter, addressed to the professional office of the President of the Supervisory Body;
- by e-mail, from a personal private (non-corporate) e-mail address of the reporting party to the professional personal e-mail address indicated by the President of the Supervisory Body.

The Company will provide adequate communication and dissemination to the interested parties of the communication channels to be used towards the Supervisory Body (professional office, dedicated e-mail boxes).

## **2.7 Company Corporate Governance**

### **2.7.1 Overview on Company Corporate Governance and Company Procedures**

As explained in the "Overview" to this Program, Midac has always directed its activities and organization to quality, whether of the product and/or process/organizational, with a view to business growth meant as "improvement" in the broadest sense of the term.

The Company holds a number of certifications according to international standards of reference, to implement an effective "Management System for Quality", which was made compliant, in 2002, to the UNI EN ISO 9001: 2000 (Vision 2000).

Following its path of adoption of qualitatively ever higher operating protocols, in compliance with the market demand, and with organizational improvement needs, by year

2004 Midac acquired the certification systems of the Automotive Industry ISO/TS 16949, Environmental Management ISO 140001 and Health and Safety OHSAS 18001.

The array of mentioned certification is currently implemented and maintained by Midac through an *Integrated Management System* (IMS System or IMS) which is formalized into a manual (Manual IMS or MIMS) and in a series of business procedures and instructions.

(omissis)

### **2.7.2 Organization Chart and Job description**

Midac is a company structured and organized internally according to an articulated functional structure. This breakdown is represented in the Company Organization Chart, as defined within the SGI System - in its versions gradually updated over time - which forms an integral part of this Program.

The company roles and duties are therefore represented in appropriate, updated company documentation: it should be noted that, in any case, the internal provisions, to have contractual relevance, must be brought to the attention of the interested parties by suitable means and accepted by them.

In compliance with this organizational structure mentioned above, the Company equips itself with a system of proxies and powers of attorney in order to ensure the efficient management of the business and prevent the commission of crimes within the same.

In particular, it is meant by:

- *proxy*, an internal act for conferring of functions and tasks, a reflection of the organizational communications system;
- *power of attorney*, a unilateral legal transaction with which the Company assigns powers of representation towards third parties.

### **2.7.3 Proxies**

(omissis)

### **2.7.4 Power of Attorneys**

(omissis)

## **2.7.5 Communication and dissemination of the Organizational System**

The *organization chart*, the *job descriptions* and the *system of proxies and powers of attorney* - which form an integral part of this Program - are also made available, in an always updated version, in the appropriate section of the company intranet.

## **2.7.6 Verification of the system of proxies and powers of attorney**

The Supervisory Body periodically checks, with the support of the competent Management, the system of proxies and powers of attorney in force and their consistency with the internal communications system relating to the company organization. In the event that anomalies are highlighted, the Body will report them and recommend any changes deemed necessary to the management.

## **2.8 Updating of the Compliance Program**

Article. 6 letter. a) of the Decree provides that the Program is an "*act of the corporate body*" and therefore the Board of Directors is in charge of the editing tasks, or updating as may be necessary as a result of regulatory changes, structure organizational changes or significant violations of the Program and/or in case the Program was found ineffective.

*(omissis)*

## **2.9 Program, Code of Ethics and Company Procedures: interrelations**

*(omissis)*

## **2.10 Subsidiaries**

The Program also represents a set of principles and a reference point for the activity of the subsidiaries of the Group, including foreign ones, present or future, and for the preparation of the respective organizational model, where required by legislation in force *in loco* (within their respective country).

With reference to subsidiaries, the Company undertakes to promote the adoption of its own Program by them, including foreign ones, where required by the respective legislation..

*(omissis)*

## 2.11 Attachments to the Compliance Program

*(omissis)*

## Chapter 3

### Supervisory Board

#### 3.1 Identification and composition of the Supervisory Board

The Decree provides that, in order to exclude the administrative liability of the Company, an internal body, having independent powers of initiative and control, the task of supervising the functioning and compliance with the indications of the Program, as well as its updating, should be entrusted.

The Supervisory Board (Board or just S.B.), in carrying out its function, must be equipped with autonomous powers of initiative and control, free from all forms of interference or influence by other corporate bodies and in direct correlation with the Management of the Company (CEO and / or Board of Directors) and the Board of Auditors.

The Decree does not provide information on the composition of the Supervisory Body, which can therefore have a composition of a sole member (mono-subjective) and collegial (pluri-subjective), as long as it ensured the effectiveness of controls in relation to the size and organizational complexity of the Company.

*(omissis)*

#### 3.2 Subjective requisites of the Supervisory Board members

*(omissis)*

#### 3.3 Appointment and suspension

*(omissis)*

##### 3.3.1 Conflict with the performance

*(omissis)*

### **3.4 Cessation of appointment**

#### **3.4.1 Suspension**

*(omissis)*

#### **3.4.2 Termination**

*(omissis)*

#### **3.4.3 Revocation**

*(omissis)*

#### **3.4.4 Replacement**

*(omissis)*

### **3.5 Supervisory Board regulation**

For the purposes of its working, the Supervisory Body – if collegial, by the majority of members - draws up and approves its own Regulation that, as well as any subsequent possible update, is made known to the Board of Directors of the Company and to the Board of Auditors.

### **3.6 Salary, equipment and operation**

*(omissis)*

The Statutory Body might have access to the entire corporate information system (network, applications, etc.), using specific assigned authentication credentials and/or through other users/administrators, and will be equipped with its own direct e-mail address [organismodivigilanza@midacbatteries.com](mailto:organismodivigilanza@midacbatteries.com), to better operate safeguarding personal data and privacy protection, cataloging and sending communications.

### **3.7 Supervisory Body functions and authorities**

The Supervisory Body carries out its functions autonomously, *without reporting to any other business function, nor of senior management nor the Board of Directors, which, however, it informs of*

*the results of its activity:* the Supervisory Body, therefore, acts in accordance with the objectives assigned by the Decree and works in view of the pursuit of these objectives.

For the performance of its duties, and without prejudice to any other activities required for this purpose, the Supervisory Body meets regularly at least every three months and shall draw up minutes of its meetings, to be registered in a special book of meetings.

*Below is a description of the tasks assigned to the Supervisory Body and the relevant rules for their fulfillment.*

Under Article. 6 of the Decree, the Supervisory Body is tasked with supervise the following:

- the effectiveness of the Program, meaning consistency between actual conduct of the Recipients and requirements of the Program (working);
- the adequacy of the Program, understood as the effective capacity of the Program to prevent forbidden conduct, in the light of the environment in which the Company operates (eligibility);
- updating the Program, defined as the need to monitor and make proposals for amending it because of changing of concrete situations or the anticipation of new types of crime which may involve the Company's liability (updating).

Depending on this the Supervisory Body:

- monitors the application of and compliance with the Program and Code of Ethics;
- monitors the compliance with internal procedures related to preventing the risks and the development of appropriate behaviors in the context of the provisions of the Program and Code of Ethics;
- periodically assess the adequacy of information flows addressed to it and constantly monitors the information flows to the Corporate Bodies;
- plans and implements general periodic checks of the business activity, for the purposes of constant and updated control of risk Areas and sensitive Processes, with particular regard to the emergence of new activities and new business processes;
- plans and implements targeted periodic checks on particular transactions or specific acts carried out within the risk Areas and sensitive Processes;
- carries out internal investigations, periodic and surprise, for detecting any violations of the Program;
- in coordination with the relevant corporate functions, encourages and promotes the dissemination and understanding of the Program also through training of personnel;
- manages the checked violations of the Program in the way and terms expressed in the following paragraphs;

- ensures the proper completion and effectiveness of the documentation according to the Program;
- organizes specific meetings with corporate functions, for the continuous monitoring of activities in risk Areas;
- provides its collaboration in the process of identification and classification of risk Areas the appropriate corporate departments;
- supports the activities of updating of the Program, in accordance with: regulatory changes, organizational changes and developments of the company activities;
- promotes initiatives for the training and disclosure of the Program in compliance with the requirements of the present document.

In order to successfully carry out its tasks, the Supervisory Body:

- coordinates on a periodic basis with the Departments/Functions/Unit of the Company;
- checks the availability of documentation and publications related to and/or depending on to the Program in a special section of the Company intranet called “Modello\_231”, accessible to all employees, also for the continuous updating and training;
- checks the availability of documentation and publications / disseminations connected to the Program with reference to all the other Recipients of the Model (other than employees)

In order to allow its activity, the Company ensures that the Supervisory Body:

- cannot be examined in carrying out its activities by any other corporate body or Company structure, without prejudice to the supervisory activity by the governing body with respect to the adequacy of the activities;
- may ask or provide information or communications requests to the Board of Directors or to the its members, to the Board of Auditors, the Statutory Auditors, the independent auditor company as well as to all functions/corporate bodies;
- have wide inspection powers and free access to all the departments/units/offices of the Company, or its subsidiaries, without the need for any prior consent, in order to obtain any information, document or data deemed necessary for the performance of its duties;
- may request information relating to other Group companies, as well as meet with the Supervisory Bodies of the same, if any.

### **3.8 Communications and relationships with Corporate Bodies**

*(omissis)*

### 3.8.1 Periodic Report of the Supervisory Board and Activities Planning

(omissis)

### 3.8.2 *Reporting to Corporate Bodies*

(omissis)

### 3.8.3 Violations of the Program

(omissis)

## 3.9 Communications to Supervisory Board

### 3.9.1 Disclosure obligations

A disclosure obligation towards the Supervisory Body is required by law. This obligation includes a series of information which in this Program are classified as follows:

- reports (of violations in the broad sense);
- general information (General Part);
- (periodic) information related to the processes at risk of crime (Special Section).

(omissis)

### 3.9.2 Reports

All Recipients of the Program *are obliged to report* to the Supervisory Body the commission or alleged commission of Crimes, behaviors and/or practices not compliant with the standards of conduct contained in the Program, the Code of Ethics and Company procedures that are implemented. Failure to comply with this duty may be subject to disciplinary sanctions (see: Code of Ethics and Disciplinary System).

(omissis)

### 3.9.2 General information

(omissis)

### **3.10 Management of the Supervisory Body indications**

The Supervisory Body evaluates the reports received and the subsequent deepening and/or inspection activities, to be carried out even listening to the author of the report as well as the alleged person responsible for the violation.

In relation to the report received, the Body must:

- justify in writing the decision of any denial of the investigation or archiving and record it;
- give impetus to any sanctioning measures resulting from the investigation activities otherwise carried out, measures that will, in any case, be adopted by the competent Corporate Bodies / Offices of the Company normally responsible for this.

The Supervisory Body manages the reports in such a way as to guarantee the whistleblowers against any form of retaliation, discrimination or penalization, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report, ensuring the confidentiality of the whistleblower's identity: this without prejudice to legal obligations, the application of the Program and the protection of the rights of the Company or of persons accused in bad faith.

The Supervisory Body is required to comply with the obligation of confidentiality and secrecy: in particular, when the information received is the subject of business or professional secrecy, it must in no way disclose it in ways that are excessive with respect to the purposes of eliminating the offense, nor outside the communication channel set up for this purpose (reporting).

### **3.11 Receipt and Retention of Documents**

*(omissis)*

## Capitolo 4

### Disclosure of the Compliance Program

#### 4.1 Disclosure of the Program

For the effectiveness of the Program it is necessary to ensure the proper knowledge of the rules of conduct contained therein, with different levels of detail in relation to the different level of involvement of the Recipients in the Sensitive Processes (risk of crime).

In particular, the procedures and rules of conduct contained in the Program, including the Code of Ethics and the procedures, shall be communicated to all the people in the Company, as well as to the people that will be part of it in the future.

In general, the communication takes place:

- through the publication, possibly in short form, or per abstract, on the website of the Company of the Code of Ethics and of the Compliance Program: [www.midacbatteries.com](http://www.midacbatteries.com);
- through integral publication, together with the documentation mentioned in the Program (eg. Company chart, delegation of authority, job descriptions, procedures), in a special section of the Company intranet called “Modello\_231”, accessible to all employees, all documentation to be held constantly updated by the Company, even on the basis of directions provided by the Supervisory Body and/or the Board of Directors;
- through any other appropriate manner to ensure the effective knowledge of all the Recipients and in general of all those who are to be informed (such as, without limitation, e-mail to all interested parties, delivery of documentation and internal briefings on the subject, availability of the documents to a department/reference office that shall look after the distribution, delivery of documents and internal notes).

Similarly, suitable communication / knowledge of the composition of the Supervisory Body designated by the Board of Directors and the address / e-mail box dedicated to the Supervisory Body (for making reports or requesting contact) must be guaranteed.

All employees must confirm to know the Program and the Code of Ethics (also when given – according to the case - the letters of hiring or of transition to new tasks/functions, or together with the execution of the relevant contracts) and comply with the procedures and rules above.

With reference to the dissemination of the Program to people other than employees or directly “employed” in the company, please refer to paragraph 4.4 below.

#### **4.2 Training and Informing**

The Company promotes the disclosure and knowledge of the Program - including the Code of Ethics - the related internal procedures and their updates among all the employees , who are therefore expressly required to know the content, to comply with it and contribute to the implementation of the same.

The training activity aimed at disseminating the rules referred to in the Decree and the Program is differentiated in content and methods, according to the qualification of the recipients, the level of risk of the area in which they operate, the representative function of the Company.

To this aim, the Company organizes specific training courses, even through videoconference and through the use of IT resources, to disclose and promote the understanding of the procedures and rules of conduct adopted in the implementation of the Program.

More generally, constant information on the legislation and the Program can be guaranteed in various ways:

- a) initial training to be carried out following the adoption of the Program, following a new recruitment or assignment to functions operating in Risk Areas;
- b) periodic refresher training;
- c) special refresher training following regulatory interventions that may affect the area of activity;
- d) update e-mail;
- e) information in the letter of appointment (for new hires) or of assignment to new functions;
- f) express reference to the Program in the delegated functions;
- g) access to a specific section of the company intranet, where data, information, news and material can be found.

#### 4.3 Compulsoriness and checks

Participation in training activities is compulsory for employees of the Company and is formalized through the signature of a register of attendance (or other ways), or other suitable methods for “distance training”.

As part of its duties, the Supervisory Board might include specific checks, either sample checks or through assessment test/self-assessment test, to assess the quality of the content of training programs and the effectiveness of the training provided.

#### 4.4 Coworkers, external advisors and commercial *partners*

For the effective implementation of the Program it is also necessary that the knowledge and observance of the same is promoted and also insured towards Coworkers of the Company and its Interlocutors in general. For these purposes, appropriate contractual clauses are foreseen (cfr. Attachment 4: “Contract Clause”) that impose the respect for the principles contained in the Model (for applicable parts) and the Code of Ethics. Any conduct engaged in by commercial and financial partners, consultants, suppliers and coworkers, in contrast with the guidelines prescribed in the Program and in the Code of Ethics, shall result in the termination of the agreement and the claim for any possible damage caused to the Company.

In this context and in order to ensure effective and efficient knowledge of the principles on which the Company is based, the Company makes available its own Program (in summary form) and Code of Ethics to all third parties with which it comes into contact in conducting its business (eg. paper copy delivery, even in abstract, or explicit reference to the company web site).

#### 4.5 Training

The training activity aimed at the dissemination of the provisions of the Decree and of the Compliance Program is differentiated in content and methods, depending on the recipient skill level, the risk level of the area in which they operate, the Company's representative role. In particular:

##### 4.5.1 Personnel working in Risk Areas

(*omissis*)

#### 4.5.2 Personnel not working in Risk Areas

(*omissis*)

#### 4.5.3 Members of the Supervisory Board

(*omissis*)

#### 4.5.4 Personnel in charge of the Internal Auditing

(*omissis*)

#### 4.5.5 Consultants and *Partners* (ecc.)

For consultants, *partners*, etc.:

- a) Information sheet at the execution of the relevant agreements;
- b) Termination clause (attached);
- c) Reference to the Company website;
- d) Subsequent information sheets according to the terms established by the S.B..

### 4.6 Training contents

With regard to contents, the training must be adjusted to the Recipients, in particular:

(*omissis*)

### 4.7 Personnel selection

(*omissis*)

## Chapter 5

### Code of Ethics and conduct

#### 5.1 Cross reference

The Code of Ethics identifies the reference corporate values, together with the rights, duties and responsibilities of all those who, in any capacity, operate within the Company or cooperate with it, as employees, customers, suppliers, consultants, agents, business partners, government agencies, public employees, shareholders and, more generally, any other entity with which the Company will establish a contact.

*(omissis)*

The Code of Ethics is made available to other Recipients with appropriate forms (as an integral part of the Program, please see Chapter 4): it is recalled that suitable communication / knowledge of the composition of the Supervisory Body designated by the Board of Directors and of the communication channels dedicated to the Supervisory Body must be guaranteed, for making reports, transmitting information or contact requests.



## Capitolo 6

### Disciplinary System

#### 6.1 Purposes and principles of the Disciplinary System

For the exemption of liability of the Company, article 6 of the Decree requires that the Program includes an adequate *disciplinary system* suitable for sanctioning non-compliance with the measures indicated by the Program: there must therefore be disciplinary sanctions applicable in case of infringements of the rules of conduct contained in the Program and in the event of violation of the principles of the Code of Ethics.

The application of disciplinary sanctions is separate from the actual commission of the crime or from beginning or the outcome of any proceedings, including criminal ones, first initiated in front of the judicial authorities. The Company, in fact, has the power to apply on the basis of the outcome of its own evaluations, the disciplinary measures deemed most appropriate to the specific case, without any need, in view of their autonomy, that they coincide with the evaluations of the judge in a criminal court.

The sanction is applied by the Company both upon reporting by the Supervisory Body, and directly, upon finding of the violation, after consulting the hierarchical superior of the perpetrator of the censured conduct (for employees) and after consultation with the Supervisory Body (where such preventive consultation is possible without precluding the effectiveness - immediacy - of the sanction itself: eg immediate recall “on sight” in case of “health and safety in the workplace”).

In the event of violation of the Program, the disciplinary sanctions provided by the current National Collective Labor Agreement (CCNL) for employees are applied (paragraph 6.4). On the other hand, a specific discipline is provided for by the Program for the categories of persons other than employees (subsequently indicated in paragraph 6.5, points II to VII).

#### 6.2 Recipients

The disciplinary system applies to the Program, as defined in Paragraph 2.4 above. In particular, the disciplinary system applies with regard to:

Directors and Auditing Bodies/Auditors
--

Said subjects are affected by specific responsibilities for compliance with and vigilance on the Program, related to their functions and institutional tasks.

### **Employees**

Compliance with the provisions contained in the Program is an essential part of the contractual obligations of the Company employees, pursuant to art. 2104 of the Civil Code.

### **Coworkers and Interlocutors**

Intended as contractors, external coworkers and contract workers, individuals who have contractual relationships with the Company.

The knowledge, the acceptance and compliance with the rules contained in the present Program will be considered an essential part of the contractual obligations, with all consequences deriving from law, including the termination of the contract and/or mandate and may lead to compensation of the damages arising therefrom.

### **6.3 Duties of Recipients**

Recipients of the Program, when carrying out their activities, have to strictly comply with the following requirements:

- comply with the Program (including the implementing procedures and of the Code of Ethics), and in general with the applicable provisions of law;
- shape any action on transparency, recognition of assumptions and compliance with procedures, legitimacy, even *ex post* verifiability of the assumptions and motivations that led to a specific activity, absence of any improper interest or of any improper conditioning even indirect;
- avoid any undue or illegal or illegitimate aiding of third parties of any kind;
- avoid any conflict of interest;
- report to their own chiefs or otherwise to Supervisory Body, any situation, carried out by anyone, of oddities or non-compliance with the models or procedures or planned checks.

Furthermore, individuals who are representatives, directors or managers or are in charge of the management and control (if only in a single organizational units with financial and functional autonomy) must strictly observe the following additional requirements:

- acquire all regulatory, professional, ethical information, necessary and appropriate to comply in a fully conscious and effective way with the forecasts above mentioned and to their substantial purpose;

- transfer to subordinates and coworkers training and information necessary to ensure the implementation of the programs and their substantive purpose;
- verify that the obligations of information towards the Supervisory Body provided for by the Program or by the application procedures (information flows) are respected;
- stimulate the reporting obligations (reports) to the Supervisory Body and / or the transmission of any other information deemed useful for the supervisory activity of the Body.

It is here underlined, therefore, expressly and with absolute and unequivocal clarity that no unlawful or illicit or unfair conduct or otherwise a conduct which does not comply with the Program (including the Code of Ethics and the Program) be justified or considered less serious if made “*in the interest or to the benefit of the Company*”.

Therefore, in case the above mentioned behavior, is engaged despite counter measures taken by the Company, it will constitute one of the specific areas of intervention of the present disciplinary system.

#### 6.4 Type and application criteria of Sanctions

(*omissis*)

#### 6.5 Disciplinary Measures

##### **I - Employees**

(*omissis*)

##### **II – Contractors**

In case of non-compliance with the Program or with the Code of Ethics (for the applicable parts) by the personnel employed with work contracts [*contractors*] the manager of the Department/Office/Area involved where the contractor carries out his work, after appropriate investigations, and communication to the Supervisory Body, shall formally report the violation to the temporary job company requesting the application of appropriate disciplinary sanctions.

It is understood that in respect of the temporary job supplier the contractual penalties set forth in section VII may apply.

### **III – *External coworkers and parasubordinate contract workers***

The non-observance of the Program and any violation of the provisions and principles established in the Code of Ethics or in the Program (for the applicable parts) by each self-employed, may establish, in accordance with what is stated in the specific contractual relationship, the termination of the contract, without prejudice to the right to request the compensation for damages incurred as a result of such conducts, including damages caused by the application by the court of the measures provided in the Decree.

### **IV – *Members of the Board of Directors***

(omissis)

### **V – *Statutory Auditors and External Auditors***

(omissis)

### **VI – *Supervisory Body***

(omissis)

### **VII - *Individuals who have contractual relationships with the Company***

Violations of the provisions and principles established in the Code of Ethics, as well as non-compliance with the Program (for the applicable parts) by parties having contractual / commercial relationships with the Company may determine, in compliance with the provisions of the specific contractual relationship, the termination of the related contract (Annex 4), without prejudice to the Company's right to request compensation for damages arising as a result of such conduct, including damages caused by the application by the judge of the measures provided for by the Decree.

### **VIII - Specific sanctions relating to reports pursuant to art. 6, paragraph 2-bis**

(omissis)

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## Chapter 7

### Related documentation

#### 7.1 Part B - Code of Ethics

The Code of Ethics is a document that constitutes an integral and substantial part of the Compliance Program, to which the same Program expressly refers. It identifies the corporate values and the main behavioral indications necessary to achieve them, furthermore it contains suitable sanctions for non-compliance with the same.

#### 7.2 Part C - Special Section

The Special Part of the Compliance Program is a complex document, consisting of an Introduction and n. 7 Sections dedicated, each one, to a “family” of crimes: its purpose is to make the Recipients behave in compliance with the provisions therein, in order to prevent conducts that could lead to hypotheses of crime.

#### 7.3 Annex no. 1: Crimes

*(omissis)*

#### 7.4 Annex no. 2: Mapping of Processes at Risk of Crime

*(omissis)*

#### 7.5 Annex no. 3: Reporting form

*(omissis)*

#### 7.6 Annex no. 4: Contractual Clause

*(omissis)*

#### 7.7 Annex no. 5: Information sheet



**MIDAC S.p.A.**  
**Compliance Program D.Lgs. n. 231/2001**  
**Part A\_General Part**

*(omissis)*

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