



SUMMARY DOCUMENT

ORGANIZATION MANAGEMENT AND CONTROL MODEL

General Part

Supervisory Body
July 2014

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1. AIM OF THE DOCUMENT

This document contains a synthesis of the contents of the General Part of the Gewiss Organization Management and Control Model (hereinafter the "Model") and it is a guide for an easy consultation of the Model by all the employees.

2. INTRODUCTION ABOUT THE RESPONSABILITY ARISING FROM INSTITUTIONS' OFFENCES

Before the entry into force of the Legislative Decree no. 231 of June 08th, 2001 (hereinafter the "Decree no. 231") companies, associations and authorities in general could not be considered responsible for the commission of crimes in their interests made by their representatives and employees. This because the responsibility for crimes is of a personal nature; consequently, only natural persons can stand trial and can be punished for the commission of crimes.

As the Decree no. 231 can not affect this fundamental principle, it has been created the so called **administrative responsibility of the organizations**, by which the companies and the other organizations can be considered responsible for some offences done or attempted, in the interest or for the benefit of companies, by some members of the top management of the company and by people appointed to manage and watch over them.

It is understood that a company shall not serve a term in prison, therefore the sanctions arising from the administrative responsibility are economic or of another nature.

In particular, the company can be condemned to pay a sanction or to be seriously banned (i.e. prohibition to make one's activity, to public products and services, to enter into agreements with the public administration, etc.).

The administrative responsibility of the company does not arise from any offences made by the leader subjects or by their employees, but only by the commission of offences exclusively provided for by the law.

At this regard GEWISS, after a check of its processes and confidential activities, has integrated the Model with a series of "Special Parts" dedicated to specific offences, between which, by way of an example:

- **offences against the Public Administration:** i.e. fraud to the detriment of the State, undue receipt of public payments, concussion and corruption;
- **corporate offences:** i.e. false corporate communications, unlawful influencing of the Assembly and corruption between private individuals;
- **offences concerning health protection and work safety:** i.e. manslaughter and serious or very serious offences, committed by violation of the accident-prevention rules and of sanitary and health work safety.
- **offences against industry and commerce:** i.e. fraud in commerce practice, selling of industrial products with false marks, production and trade of goods made encroaching of industrial property titles;
- **offences against environment:** i.e. offences concerning drain water, waste management, air emissions and soil contamination.

For a complete and exhausting list of the offences, please refer to the Model published in full in the Intranet. However, the company can exclude its responsibility and avoid the application of sanctions demonstrating that:

- a) the **appropriate organization and management models to prevent any offences** have been adopted and effectively implemented, before the perpetration of the offence;
- b) the task to supervise the functioning and the observance of the models as well as the care of their updating, has been given to a **body with autonomous powers of initiative and control** (the Supervisory Body);
- c) people made the offence **evading in a fraudulent way the organization and management models;**
- d) there has been no lack or insufficient supervision by the Supervisory Body.

In any case, even if the company demonstrates its correct conduct, it remains the criminal responsibility against the people who has made the offence.

The main purpose of the introduction of the administrative responsibility of the organizations is therefore to make sure that **the companies**, to avoid to be sanctioned for offences at their advantage or interest, **adopt a structure to prevent as much as possible the commission of some crimes by their employees/representatives**.

3. GEWISS ORGANIZATION MANAGEMENT AND CONTROL MODEL

The Organization, Management and Control Model adopted by GEWISS (hereinafter the “Model”), which is one of the instruments that the companies must adopt to exclude their own offence responsibility, represents a coherent ensemble of principles, procedures and provisions that: (i) affect the internal functioning of the company, as well as the ways by which it manages its relations with the external reality and (ii) regulate the correct management of the control system of the confidential activities, oriented to prevent the commission of any offences provided for by the Decree no. 231.

In particular, the GEWISS Model includes:

- the identification of the corporate activities that can lead to crimes provided for by the Decree no.231;
- the identification of control protocols in connection with the confidential activities;
- the process of identification of ways of managing financial resources suitable to prevent these offences from being committed;
- the informative flow from and to the Supervisory Body and some specific information requirements towards the same;
- a disciplinary system appointed to penalize the violations of the Model;
- a training and communication plan dedicated to the employees and to the other subjects who cooperate with the company;
- the criteria of updating and adjustment of the Model;
- the Code of Conduct.

The Model is divided in two parts:

- i. a **general part**, which contents have been summarized in the present document;
- ii. a **special part**, which contains a description of the **offences** mentioned in Decree no. 213 that the company has taken into consideration on the basis of the characteristics of its own activity, of the confidential processes and of the control standards.

The GEWISS **Code of Conduct**, which collects the ethical principles and the values that create the corporate culture and that must inspire the conducts of people operating in the interest of the company, is an integral part of the Model.

4. THE SUPERVISORY BODY

The appointment of the Supervisory Body (SB) and its effective activity represent some of the essential elements so that the organization could avoid to incur in the responsibility of offence.

In fact **the SB watches over the functioning and the observance of the Model and it takes care of the relative updating**.

The SB’s activity must be effective, as the failed or insufficient surveillance on the application of the Model, impedes the organization to make use of the exemption from the offence responsibility.

Consequently, the SB must be provided with the autonomous powers of initiative and control and it must carry on such powers properly.

The SB’s requirements, that are generally grant by the professional competences of the people it is composed of, are the following:

- autonomy and independence;
- professionalism and reputation;
- continuity of activity.

The SB's activity consists in the supervising of the way the Model functions, the updating of the same and the proactive actions towards the responsible members and directors.

With the aim to allow the SB to operate, it must be promptly informed, by a special procedure (see procedure published in the Intranet), about any possible behaviors or events that could cause a violation of the Model or that are important for the Decree no. 231.

In turn, the SB reports to the Board of Directors in performing its role and it informs the Board of Auditors.

5. THE DISCIPLINARY SYSTEM

In case of violation, the Model provides for a proper system of sanctions, which application is monitored by the Supervisory Body.

The sanctions that can be penalized are different according to the subject involved: employee, director, managing director, consultant.

In case of employees, the following conduits can be especially penalized:

- violation of the obligations included in the Code of Conduct;
- violation of the internal procedures predicted by this Model or adoption of conducts that do not comply with the Model, in activities that could cause one or more offences provided for by the Decree no. 231;
- adoption of conducts univocally aimed at committing one or more offences provided for by the Decree no. 231

In such cases, on the basis of the gravity of the conduct, the company can apply to the employee a disciplinary measure, from a verbal notification to a written warning, from a fine to a suspension from work, up to the dismissal for heavier violations.

Also the Supervisory Body can be subject to disciplinary measures, if it acts with negligence or unskillfulness when watching over the correct application of the Model and if it has not been able to identify a violation of the same and having not removed it. In such cases, the Board of Directors can revoke it from its charge and claim damages.

6. STAFF TRAINING AND COMMUNICATION

To ensure that this Model is effective, GEWISS has the goal of guaranteeing a correct disclosure of the contents and principles of the same, both among staff members already in the company, both to the external ones.

The communication and training activity about the Model is watched by the Supervisory Body which is instructed to promote and define all the initiatives for the diffusion of the knowledge and the understanding of the Model, as well as the staff training and the awakening of the same to observe the principles provided for by the Model.

The Supervisory Body has also the task to promote and develop the communication and training sessions about the contents of the Decree 231, as well as the impact of the rule on the company activity and the rules of conducts.

In particular, the Model is spread also by:

- Internal publication to all employees;
- access to the Company Intranet;
- occasional e-mail updates.

Each employee must:

- be aware of the principles provided for by the Model and the Ethical Code;
- know the operative ways by which he has to operate;
- contribute actively, on the basis of his function and responsibility, to the effective implementation of the Model, communicating any possible deficiencies.

7. THE ESSENTIAL IN SYNTESIS

The **five things not to forgive** about the Organization, Management and Control Model are the following:

1. The company could be called to account for some offences committed by its own employees and consultants, even if external.
2. The publication of an Organization, Management and Control Model and its concrete application allows the company to be exempted from any responsibility.
3. The Supervisory Body of the company has the task to apply the Organization, Management and Control Model.
4. It is possible to inform the Supervisory Body, even in anonymous form, about any possible violations of the Organization, Management and Control Model as well as the possible commission of offences by the collaborators of the company.
5. The violation of the Organization, Management and Control Model by the employees is punishable by law.