



Organisational, Management
and Control Model
Pursuant to Italian
Legislative Decree
No. 231 of 8 June 2001.

Organisational, Management and Control Model approved by Ansaldo Nucleare S.p.A.'s Board of Directors at its meeting of 27 July 2016, thereby updating the model approved by the Board of Directors at its meeting of 25 July 2006, subsequently updated at the meetings of 20 April 2011, 17 December 2012, 22 July 2013, 10 March 2014 and 22 October 2015 and amended, pursuant to Art. 3.7 of this Model, by the Supervisory Board at its meeting on 29 September 2014, 25 January 2016, 11 March 2016 and 22 February 2017.

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GENERAL SECTION

Organisational, Management and Control Model - General Section

1. ITALIAN LEGISLATIVE DECREE No. 231/2001 AND RELEVANT LEGISLATION

1.1 ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES.

Legislative Decree No. n° 231 come into force on 8 June 2001 (hereinafter, the "Decree") introduced administrative responsibility (liability) into the Italian law system (essentially comparable with criminal responsibility) in companies and associations whether or not they are legal entities (hereinafter referred to as "Entities") for some offences committed in their own interests or to their own advantage, by:

- Individuals who hold representative, administrative or managerial positions in the Entities themselves or one of their organisational units that enjoys financial and functional independence, as well as individuals who are responsible for the management and control of the company in question, also in practice.
- Individuals subordinate to the management or supervision of one of the individuals referred to above.

Administrative responsibility of legal entities is added to the (criminal) liability of the person that actually committed the offence and both shall be investigated during the relevant proceedings before a criminal court.

Before the Decree came into effect, the principle of personality of criminal liability imposed by Art. 27 of the Constitution, forbade the possibility of judgement and possible sentencing of entities in a criminal court, in relation to offences committed in their interests, as there could only be joint liability in a civil court for any damages caused by their employee or for the civil obligation arising from sentencing to payment of a fine or punishment of an employee, should they be insolvent (Articles 196 and 197 of the criminal procedure code).

Currently, the Entity is only responsible if the following types of illegal conduct are carried out, explicitly referred to in the Decree:

- i) Offences against the Public Administration (Art. 24 and 25 of Legislative Decree 231/2001).
- ii) Offences of forging money, public credit notes, revenue stamps and instruments or identity marks (Art. 25-*bis* of Italian Legislative Decree 231/2001);
- iii) corporate crimes (Art. 25-*ter* Italian Legislative Decree 231/2001);
- iv) offences connected to terrorism or subversion of democracy (Art. 25-*quater* Legislative Decree 231/01);
- v) crimes against individual personality (Art. 25-*quinqies* Legislative Decree 231/01);
- vi) crimes of market abuses (Art. 25-*sexies*, Italian Legislative Decree 231/01);
- vii) Transnational offences (Art. 10, Law 146/06).
- viii) the practice of mutilation female genital organs (Art. 25-*quater.1* Legislative Decree 231/01).
- ix) Crimes of manslaughter, culpable, serious or very serious injuries, committed in violation of regulations referring to health and safety in the work place (Art. 25-*septies* Legislative Decree 231/01).
- x) Offences of receiving, laundering, and use of money, goods or profits obtained from illegal activities as well as "self-laundering" (Art. 25-*octies* Italian Legislative Decree 231/01).

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- xi) Computer crimes and illegal handling of personal details (Art. 24-*bis* Legislative Decree 231/01).
- xii) Organised crime (Art. 24-*ter* Legislative Decree 231/01).
- xiii) Offences against the protection of copyright and other related rights (Art. 25-*novies* Legislative Decree 231/01).
- xiv) Offences related to violation of copyright (Art. 25-*novies* Legislative Decree 231/01).
- xv) offences connected to inducing individuals into not making statements or into making statements to judicial authorities (Art. 25-*novies* Legislative Decree 231/01).
- xvi) environmental offences (Art. 25-*undecies* Italian Legislative Decree 231/01) as well as "illegal burning of waste" (Art. 256-*bis* Italian Legislative Decree 152/2006);
- xvii) Employment of foreign nationals whose permit to stay is irregular (Art. 25-*duodecies* Italian Legislative Decree 231/01).

In its original text (Art. 24 and 25) the Decree only covered a series of *offences against the Public Administration*, which included:

- Embezzlement causing damage to the State (Art. 316-*bis* of the Italian Criminal Code).
- Undue receipt of payments causing damage to the State (Art. 316-*ter* of the Italian Criminal Code).
- Swindling (Art. 640, 2nd paragraph, No. 1 of the Italian Criminal Code).
- Aggravated swindles resulting in the payment of public money (Art. 640-*bis* of the Italian Criminal Code).
- Corporate fraud (Art. 640-*ter* of the Italian Criminal Code).
- Extortion (Art. 317 of the Italian Criminal Code).
- Corruption for exercising an office (Art. 318 of the Italian Criminal Code).
- Corruption for an act contrary to official duty (Art. 319 of the Italian Criminal Code).
- Corruption in judicial deeds (Art. 319-*ter* of the Italian Criminal Code).
- Undue inducement to give or promise favours (Art. 319-*quater* of the Italian Criminal Code).
- Corruption of individuals engaged in public service (Art. 320 of the Italian Criminal Code).
- Instigation of corruption (Art. 322 of the Italian Criminal Code).
- Embezzlement, extortion, undue inducement to give or promise favours, corruption and instigation of corruption of members of the bodies of the European Communities and Foreign States (Art. 322-*bis* of the Italian Criminal Code).

The most recent offence introduced in this category is that of undue inducement to give or promise favours, provided by Law no. 190 of 6 November 2012, "Provisions for preventing and repressing corruption and illegality in the public administration" (published in the Official Gazette No. 265 of 13 November 2012). This law also increased the penalties previously provided for some of the listed offenses, in addition to introducing additional amendments, including:

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- for the crime of extortion, the elimination of the reference to public service employee, only retaining the public official, and deletion of the term "induces", only retaining the term "forces";
- the amendment of the crime of "corruption in relation to an official duty" in "corruption for exercising an office" with consequent amendments to its description.

Through Italian Law no. 69 of 27 May 2015, the penalties envisaged for the following crimes were further increased: corruption for exercising an office, corruption for an act contrary to official duties, bribery in judicial proceedings, undue inducement to give or promise favours. It also reintroduced the reference to a public service employee for the crime of extortion.

In 2001, Art. 6 of Italian Law No. 409 of 23 November 2001 containing "Urgent provisions in light of introduction of the Euro" added Art. 25-bis to the Decree to punish *offences of forging of money, public credit notes, and revenue stamps*.

Law No. 99 of 23 July 2009 subsequently amended this provision, also introducing, as cases of liability on the part of Entities, offences related to instruments or identity marks, as per Art. 473 and 474 of the Italian Criminal Code, for which the offences provided for by Art. 25-bis of the Decree are:

- Forging money, spending and introducing forged money in the State, with collaboration (Art. 453 of the Italian Criminal Code).
- Alteration of money (Art. 454 of the Italian Criminal Code).
- Spending and introducing forged money in the State, without collaboration (Art. 455 of the Italian Criminal Code).
- Spending forged money received in good faith (Art. 457 of the Italian Criminal Code).
- Forging revenue stamps, introducing into the State, buying, possessing, or circulating counterfeit revenue stamps (Art. 459 of the Italian Criminal Code).
- Forging watermarked paper used to fabricate public credit notes or revenue stamps (Art. 460 of the Italian Criminal Code).
- Fabricating or possessing watermarking equipment or tools used to forge money, revenue stamps or watermarked paper (Art. 461 of the Italian Criminal Code).
- Use of forged or altered revenue stamps (Art. 464 of the Italian Criminal Code).
- Forging, altering or using distinctive marks or signs, or patents, models and designs (Art. 473 of the Italian Criminal Code).
- Bringing products with false signs into the country and trading in them (Art. 474 of the Italian Criminal Code).

Law No. 99 of 23 July 2009 added Art. 25-bis1 to the body of the Decree, which introduces liability of Entities in relation to offences against the protection of copyright and other related rights laid down in Art. 513, 513-bis, 514, 515, 516, 517, 517-ter, and 517-quater of the Italian Criminal Code

Art 3 of Italian Legislative Decree No. 61 of 11 April 2002, in effect since 16 April 2002, as part of the new reforms of company law, introduced Art. 25-ter of the Decree, thereby extending the administrative liability of Entities also in relation to *corporate crimes*, as configured in said Decree No. 61/2002, subsequently supplemented by Italian Law No.

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262 of 28 December 2005, and by Italian Law No. 190 of 6 November 2012, and amended by Italian Law no. 69 of 27 May 2015, specifically:

- False corporate communications (Art. 2621 of the Italian Civil Cod).
- False corporate communications of listed companies (Art. 2622 of the Italian Civil Code).
- False indications in prospectuses (Art. 2623 of the Italian Civil Code).
- Falseness in reports or communications by auditing companies (Art. 2624 of the Italian Civil Code).
- Impeded control (Art. 2625 of the Italian Civil Code).
- Undue return of payments (Art. 2626 of the Italian Civil Code).
- Illegal distribution of profits and reserves (Art. 2627 of the Italian Civil Code).
- Illegal operations involving shares or stakes in the company or its subsidiaries (Art. 2628 of the Italian Civil Code).
- Operations that prejudice creditors (Art. 2629 of the Italian Civil Code).
- Failure to communicate a conflict of interests (Art. 2629-*bis* of the Italian Civil Code).
- Fictitious formation of capital (Art. 2632 of the Italian Civil Code).
- Undue distribution of company assets by liquidators (Art. 2633 of the Italian Civil Code).
- Corruption between private citizens (Art. 2635, 3rd paragraph of the Italian Civil Code).
- Illegal influencing of the shareholders meeting (Art. 2636 of the Italian Civil Code).
- Stock manipulation (Art. 2637 of the Italian Civil Code).
- Obstruction of carrying out of duties by public supervisory authorities (Art. 2638 of the Italian Civil Code).

In addition to amending some norms originally covered by Art. 25-*ter* and doubling the amount for pecuniary fines provided for in the same Article, Law No. 262 of 2005 also laid down administrative responsibility of Entities in relation to the offence of failing to communicate a conflict of interests (Art. 2629-*bis* of the Italian Civil Code). One of the changes brought about by said law, Art. 34 therein introduced the new offence of false indications in prospectuses, at the same time abrogating Art. 2623 of the Italian Civil Code. Since Art. 25-*ter* specifically refers to Art. 2623 of the Italian Civil Code., as a precondition for the administrative offence, abrogation of the norm in the civil code, which was not accompanied by adding to Art. 25-*ter* reference to the new case covered by Art. 173-*bis* TUF [Financial Consolidation Act] should as a result, bring about the non applicability of the administrative sanction in terms of the Decree for the new offence of false indications in prospectus (in this regard also see the comments below on the offence of falseness in reports or communications by auditing companies).

Legislative Decree No. 39 of 27 January 2010 set about reforming the entire matter of legal auditing, and imposed abrogation of Art. 2624 (falseness in reports or communications by auditing companies), which was replaced by Art. 27 of the same Legislative Decree. However, abrogation of the norm in the civil code was not accompanied by replacement, in Art. 25-*ter* of the reference to Art. 2624, with reference to the new type of offence in terms of Art. 27 of Legislative Decree No. 39 of 2010 (falseness in reports or communications by those responsible for legal audits). This

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means that the new type of offence would not be applicable in terms of Legislative Decree 231/01. The Court of Cassation (United Penal Sections, sentence No. 34476 of 23 June 2011), also expressed itself stating that: "*Legislative Decree No. 39 of 27 January 2010, in abrogating and reformulating the preceptive convent of Art. 174-bis of the T.U.F. [Financial Consolidation Act] (Falseness in reports or communications by auditing companies), has not in any way influenced the discipline as such related to administrative responsibility for offence dictated by Art. 25-ter Legislative Decree No. 231 of 2001, because the related cases are not referred to by this normative text and so cannot constitute grounds for said liability.*"

The same Legislative Decree 39/2010 meanwhile also modified the provisions of Art. 2625 (prevented checking) and 2635 (unfaithfulness due to transfers or promises of favours) in the Italian civil code.

The aforementioned Italian Law 190/2012, in addition to including the offence of undue inducement to give or promise favours in Art. 25 of Italian Legislative Decree 231/01, also introduced the offence of corruption between private individuals among corporate crimes. By means of these two actions the Legislator accepted and implemented some prescriptions contained in the United Nations Convention against Corruption of 31 October 2003 (so-called Merida Convention, ratified by Law No. 116/2009), as well as the criminal convention on corruption, approved by the European Council on 27 January 1999 (Strasbourg Convention, ratified by Law No. 110/2012).

Finally, Law 69/2015 has introduced amendments to false corporate communications offences, and specifically: by changing the title of Article 2622 from "false corporate communications to the detriment of the company, its shareholders or creditors", into "false corporate communications of listed companies"; by increasing the relevant penalties; by eliminating the quantitative thresholds for penalty exemption, but introducing the special system of "minor" offences for non-listed companies (Art. 2621-bis).

By means of Law No. 7/2003 Art. 25-quater was introduced, by means of which administrative responsibility of Entities is also extended to committing some *offences connected to terrorism or subversion of democracy*.

Italian Law No. 228 of 11 August 2003 introduced Art. 25-quinquies, by means of which the liability of entities is extended to committing *offences against individual personality*. This Law was supplemented with Italian Law No. 38 of 6 February 2006; In addition, Italian Law No. 172 of 1 October 2012, which ratified the so-called Lanzarote Convention, amended some Articles covered by the decree in terms of offences against individual personality; Finally, Italian Decree no. 39 of 4 March 2014 introduced the solicitation of minors among the crimes of the category in question. The Italian Law 199/2016 has recently introduced the offence envisaged by Art. 603 *bis* of the Italian Criminal Code among the offences listed in Art. 25-quinquies of the Decree.

Currently the offences in question covered are:

- Reducing to or keeping in slavery or servitude (Art. 600 of the Italian Criminal Code).
- Child prostitution (Art. 600-*bis* of the Italian Criminal Code).
- Child pornography (Art. 600-*ter* of the Italian Criminal Code).

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- Possession of pornographic material (Art. 600-*quater* of the Italian Criminal Code).
- Virtual pornography (Art. 600-*quater*.1 of the Italian Criminal Code);
- tourism aimed at exploiting child prostitution (Art. 600-*quinquies* of the Italian Criminal Code);
- Trafficking in people (Art. 601 of the Italian Criminal Code).
- Buying and selling slaves (Art. 602 of the Italian Criminal Code).
- Enticement of minors (Art. 609-*undecies* of the Italian Criminal Code);
- illicit brokering and labour exploitation (Art. 603-*bis* of the Italian Criminal Code).

Law No. 62 of 2005 (so-called Community Law 2004) further increased the new offences, committing of which can result, where objective and subjective conditions are met, with administrative responsibility of entities in terms of the Decree. In particular, the first added Art. 25-*sexies* into the body of the Decree that provides for the punishability of the Entity in whose interests or to whose advantages the so-called . *market abuse*“ offences” , are committed, specifically the offences of:

- Abuse of privileged information (Art. 184, Finance Consolidation Act).
- Manipulation of the market (Art. 185, Finance Consolidation Act).

Law No. 7 of 9 January 2006 then introduced into Art. 25-*quater* the new offence of *practices of mutilation of female genital organs* (Art. 583-*bis* of the Italian Criminal Code) commission of which in the interests or to the advantage of the entity can result in its administrative responsibility. The norm - clearly aimed at discouraging practices of mutilation engaged in, even in our Country, for reasons of a cultural or religious nature - sanctions the actions of anyone, in the absence of therapeutic needs, causes mutilation of female sexual organs or, in any case, injury of the same.

In ratifying the United Nations Convention and Protocols against transnational organised crime adopted at the General Assembly of 15 November 2000 and 31 May 2001, Law No. 146 of 2006 provided for the liability of entities for *transnational offences* of:

- criminal association (Art. 416 of the Italian Criminal Code);
- mafia-type association, including foreign association (Art. 416-*bis* of the Italian Criminal Code).
- Criminal association aimed at smuggling foreign processed tobacco products (Art. 291-*quater* of Consolidation Act of the President of the Republic No. 43 of 23 January 1973).
- Association intended for illegal trafficking of drugs (Art. 74 of Consolidation Act of the President of the Republic No. 309 of 9 October 1990).
- Trafficking of migrants (Art. 12, co. 3, 3-*bis*, 3-*ter* and 5, of the Consolidation Act in terms of Legislative Decree No. 286 of 25 July 1998).
- Obstructing the course of justice, in the form of inducement to not make statements or to make mendacious declarations to the judicial authority and abetting (Art. 377-*bis* and 378 of the Italian Criminal Code).

The law in question also covers the liability of entities in relation to offences concerning money laundering, provided this is committed transnationally: Art. 64 of Legislative

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Decree No. 231 of 21 November 2007, abrogated this provision, by introducing Art. 25-*octies* into the Decree.

In this regard, an offence is considered to be transnational if it is punished with imprisonment of not less than four years, when it involves an organised criminal group, as well as:

- Must be committed in more than one State.
- Or when committed in one State, but a substantial part of its preparation, planning, management and control occurs in another State.
- Or when committed in one State, but implicates an organised criminal group involved in criminal activities in more than one State.
- Or when committed in one State, it has substantial effects in another State.

L'art. 9 della Legge 123/2007, ha introdotto l'art. 25-*septies* del D.Lgs. 231/2001, successivamente modificato dal D.Lgs. 30 aprile 2008, n. 81, che prevede la responsabilità amministrativa degli Enti per i *crimes of manslaughter or serious or very serious injuries* committed in violation of regulations referring to health and safety in the work place. . In particular, the norm referred to expressly includes:

- manslaughter (Art. 589 of the Italian Criminal Code).
- Culpable personal injuries (Art. 590, paragraph 3, of the Italian Criminal Code).

Legislative Decree No. 231/2007, which came into effect on 29 December 2007, provides the inclusion of Art. 25-*octies* which expressly deals with administrative responsibility of entities for *offences of receiving, laundering and using money, goods or gains of illegal origin*. The aforementioned Article has been amended by Italian Law no. 186 of 15 December 2014, which introduced the "*self-laundering*" offence. In particular, the norm referred to expressly includes:

- Receiving (Art. 648 of the Italian Criminal Code).
- Money laundering (Art. 648-*bis* of the Italian Criminal Code).
- Using money, goods or gains of illegal origin (Art. 648-*ter* of the Italian Criminal Code);
- self-laundering (Art. 648-*ter*.1).

Law 48/08 ratifying the Convention on Computer Crime - published in the Official Gazette of the Italian Republic No. 80 of 4 April 2008 - extended, as from 5 April 2008, administrative responsibility of legal entities to *computer crime and illegal handling of personal details*. In particular, said Law introduced into Legislative Decree 231/01 Art. 24-*bis*, which refers to the following crimes:

- Falseness in a public or private computer document (491-*bis* of the Italian Criminal Code).
- Abusive access to a computer or telematics system (615-*ter* of the Italian Criminal Code).
- Abusive possession or dissemination of access codes for computer or telematics systems (615-*quater* of the Italian Criminal Code).
- Dissemination of equipment, devices or computer programs intended to damage or interrupt a computer or telematics system (615-*quinquies* of the Italian Criminal Code).

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- Interception, impediment, or illegal interruption of computer or telematics communications (617-*quater* of the Italian Criminal Code).
- Installation of equipment intended to intercept, impede, or interrupt computer or telematics communications (617-*quinqüies* of the Italian Criminal Code).
- Damaging of information, data and computer programs (635-*bis* of the Italian Criminal Code).
- Damaging of information, data or computer programs used by the State or some other public body or, in any case, of public utility (635-*ter* of the Italian Criminal Code).
- Damaging of computer or telematics systems (635-*quater* of the Italian Criminal Code).
- Damaging of public utility computer or telematics systems (635-*quinqüies* of the Italian Criminal Code).
- Computer fraud of subjects that provide electronic signature certification services (640-*quinqüies* of the Italian Criminal Code).

Law No. 94 of 15 July 2009 introduced into the body of the Decree, under Art. 24-*ter* the *offences of organised criminality*, providing particularly severe sanctions. This Law was integrated with Italian Law No. 172 of 1 October 2012, which ratified the so-called Lanzarote Convention to protect minors against exploitation and sex abuse, by adding the 7th paragraph to Art. 416 of the Italian Criminal Code. The offences currently covered by this Article are:

- criminal association (Art. 416 of the Italian Criminal Code);
- mafia-type association, including foreign association (Art. 416-*bis* of the Italian Criminal Code).
- Political-mafia electoral exchanges (Art. 416-*ter* of the Italian Criminal Code as amended by Art. 1 of Law No. 62 of 17 April 2014).
- kidnapping for the purposes of robbery or extortion (Art. 630 of the Italian Criminal Code);
- Association intended for illegal trafficking of drugs (Art. 74 of DPR [Decree of the President of the Republic] No. 309 of 9 October 1990).
- Illegal manufacture, bringing into the Country, putting on sale, transferral, possession and carrying in a public or open space of war or warlike arms or parts thereof, explosives, hidden arms or common firearms (Art. 407, 2nd paragraph, lett. a) No. 5 of the Italian Code of Criminal Procedure).

Law No. 99 of 23 July 2009 extended the Decree's discipline to some types of offence related to *offences against the protection of copyright and other related rights*, introducing art. 25-*bis* 1:

- Disturbing free industry and trade (Art. 513 of the Italian Criminal Code)
- illegal competition with threats or violence (Art. 513-*bis* of the Italian Criminal Code).
- Fraud against national industries (Art. 514 of the Italian Criminal Code).
- Fraud in trade operations (Art. 515 of the Italian Criminal Code).
- Sale of non genuine food substances as genuine (Art. 516 of the Italian Criminal Code).

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- Sale of industrial products with mendacious signage (Art. 517 of the Italian Criminal Code).
- Manufacture and trade in goods made in contravention of intellectual property rights (Art. 517-*ter* of the Italian Criminal Code).
- Forging geographical or name of origin indications for agro-alimentary products (Art. 517-*quater* of the Italian Criminal Code).

The same Law 99 of 23 July 2009 also introduced Art. 25-*novies* into the body of the Decree, which provides for disciplining of some *offences in relation to the violation of copyright* provided by Law 633 of 1941, including making something available to the public that is protected by intellectual property rights; abusive duplication of programs; abusive use of intellectual property or decoding devices or elements.

Law 116 of 9 August 2009 adds a further Art. 25-*novies*, subsequently corrected as art. 25-*decies*, which disciplines the *offence of "offences connected to inducing individuals into not making statements or into making statements to judicial authorities"* (art. 377-*bis* of the Italian Criminal Code).

With the issuing of Italian Legislative Decree No. 121 of July 2011 Art. 25-*undecies* was added to Italian Legislative Decree No. 231/2001, resulting in an extension - to some offences related to managing environmental aspects - of the offences necessary for administrative responsibility of legal entities to apply. The legislator implemented a merely "partial" reference to the current norm on safeguarding the environment, selecting only specific types of offence and introducing ex novo the cases indicated in Articles 727-*bis* and 733-*bis* of the Italian Criminal Code. Italian Decree No. 136 of 2012 added Art. 256-*bis* to Legislative Decree 152/2006 for "illegal burning of waste," the sanctions for which refer to the interdiction measures provided for by Art. 9 of Italian Legislative Decree 231/2001. The *environmental crimes* envisaged by Art. 25-*undecies* are listed below:

- Norms set up to safeguard protected animal and vegetable species and habitats within protected sites (Art.727-*bis* and 733-*bis* of the Italian Criminal Code).
- Norms related to discharges of waste water, emissions into the atmosphere, and waste management laid down by the Environmental Consolidation Act (Legislative Decree No. 152/2006, paragraphs 2, 3, 5, 11 and 13).
- Unauthorised waste management activities (Art. 256, paragraphs 1, 3, 4, 5 and 6 first part, Legislative Decree No. 152/2006).
- Failure to clear up sites in conformity to the plan approved by the competent authority (Art. 257, paragraphs 1 and 2 Legislative Decree No.. 152/2006).
- Violations of obligations to provide communications, keep obligatory registers and forms (Art. 258, paragraph 4, second part, Legislative Decree No.. 152/2006).
- illegal waste trafficking (Art. 259, co 1, Legislative Decree 152/2006).
- Organised activity for illegal waste trafficking (Art. 260, para. 1 and 2 Legislative Decree No. 152/2006).
- False certification in the waste analysis certificate, also used in relation to the SISTRI [Waste Traceability Control System] – Movement Area, and documental and material falseness in the SISTRI - Movement Area schedule (Art. 260-*bis*, co. 6, 7, second and third part and 8, Legislative Decree n. 152/2006).
- Exceeding the emission limit values that result in exceeding the air quality limit values (Art 279, co 2 and 5, Legislative Decree No.. 152/2006).

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- Norms to protect the ozone layer (Art. 3 Law No. 549/1993).
- Norms on international trade in animal and vegetable species facing extinction (Law No. 150/1992).
- Falsification or alteration of certificates, licences, import notices, declarations, and information communications called for by Art. 16 par. 1, lett. a), c), d), e), and l) of CE Regulation No. 338/97 and subsequent amendments and additions (Art. 3-*bis*, Law No. 150/1992).
- Possession of live mammals and reptiles of wild species and mammals and reptiles from reproduction in captivity that pose a danger to the health and safety of the public (Art. 6, Law No. 150/1992).
- legal provisions aimed at preventing pollution caused by ships (Articles 8 and 9, Italian Legislative Decree No. 202/2007);
- rules regarding the computer system for controlling traceability of waste (Art. 260-*bis* - accessory administrative sanctions, 260-*ter*).
- Also, only for the purposes of applying interdictive measures "illegal burning of waste" (Art. 256-*bis*, Italian Legislative Decree 152/2006).

Italian Law no. 68 of 22 May 2015 introduced new environmental crimes in the Italian Criminal Code and, therefore, also expanded the range of those covered by Italian Legislative Decree no. 231/01, by including the following crimes:

- environmental pollution (Art. 452-*bis*, of the Italian Criminal Code)
- environmental disaster (Art. 452-*quater* of the Italian Criminal Code);
- environmental crimes through negligence (Art. 452-*quinquies*, of the Italian Criminal Code), which refer to the crimes mentioned in the two previous subparagraphs, when committed through negligence;
- aggravated crimes related to participation in a criminal organisation (Art. 452-*octies*, of the Italian Criminal Code), namely crimes covered by Title VI-*bis* of the Italian Criminal Code committed as criminal association or as mafia-type association, including foreign ones;
- trafficking and abandonment of highly radioactive materials (Art. 452-*sexies* of the Italian Criminal Code)

Legislative Decree No. 109/2012 (published in Official Gazette No. 172 of 25 July 2012) further extends the catalogue of offences that may give rise to administrative responsibility of the entity, adding to Legislative Decree 231/01 l'art. 25-*duodecies* related to the offence of *employing foreign nationals whose residence is irregular*. More specifically, Legislative Decree 231/10, Art. 25-*duodecies* provides that "In relation to committing of the offence in terms of Article 22, paragraph 12-*bis*, of Legislative decree No. 286 of 25 July 1998, the entity has a pecuniary sanction applied to it of 100 to 200 shares, up to a limit of Euro 150,000." Art 22, paragraph 12-*bis*, of Legislative Decree 286/98 establishes that "The punishment for the case covered by paragraph 12 are increased from one third to a half:

- a. If more than three such workers are employed.
- b. If the workers employed are of a non-working minor age.
- c. If the workers employed are subordinate to other working conditions of particular exploitation, in terms of the third paragraph of Article 603-*bis* of the Italian Criminal Code."

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Article 22, paragraph 12, of Legislative Decree 286/98 referred to, establishes that: "An employer that employs foreign workers without the residence permit called for by this Article, or whose permit has expired and for which renewal, revocation, or annulling was not requested, in accordance with the law, is punished with imprisonment from six months to three years, with a fine of Euro 5,000 for each worker employed".

The particular conditions of exploitation referred to in the third paragraph of Art. 603-*bis* of the Italian Criminal Code are, in addition to those indicated under letters a) and b) above, "committed the deed exposing the temporary workers to situations of serious danger, in terms of the characteristics of the duties to be carried out and the working conditions".

The Legislator may add other cases of offences to the Decree in the future.

1.2 SANCTIONS

The sanctions provided for illegal administrative actions in relation to offence are:

- Pecuniary sanctions.
- Interdictive sanctions.
- Confiscation.
- Publication of the sentence.

In particular, interdictive sanctions lasting not less than three months and not more than two years, relate to the specific activity to which the Entity's illegality refers, and include:

- Interdiction of engaging in the activity.
- Forbiddance of contracting with the Public Administration, other than to obtain the services of a public service.
- Suspension or revoking of authorisations, licences or concessions related to commission of the illegal act(s).
- Exclusion from incentives, financing, grants or subsidies, and possible revocation of those already granted.
- Forbiddance to advertise goods or services.

Interdictive sanctions are applied only in the cases indicated by the Decree, and only if at least one of the following conditions applies:

- 1) The Entity gained significant profit from the offence, and the offence was committed:
 - By individuals in senior positions; or
 - By individuals directed and supervised by others, when commission of the offence came about or was facilitated by serious organisational shortcomings.
- 2) Illegal actions are repeated.

The type of duration of interdictive sanctions are established by the judge, taking into account the seriousness of the matter, the degree of the Entity's liability, and the Entity's actions to eliminate or attenuate the consequences of the matter and to prevent further illegal activities being committed. Instead of applying the sanction, the Judge may order that a judicial commissioner continue the Entity's activities.

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Interdictive sanctions can be applied to an Entity as a precaution, where there is serious evidence of the Entity's liability for the commission of the offence, and there are founded, specific elements that lead one to believe that there is a real danger of illegal acts of the same nature of the one in question may be committed (Art. 45). In this case too, instead of a precautionary interdictive measure, the judge can appoint a judicial commissioner.

Failure to observe interdictive sanctions constitutes an autonomous offence provided for by the Decree, as a source of possible administrative responsibility of the Entity (Art. 23).

The financial penalties that are applicable to all offences are established through a "*quota*" based system, the number of quotas being no less than one hundred and not more than one thousand, ranging from a minimum amount of € 258.23 and a maximum amount of € 1,549.37. The judge determines the number of quotas taking into account the seriousness of the crime, the degree of Entity's liability and the activities undertaken to eliminate or mitigate the effects of the offense and to prevent the commission of further offences. The share amount is set based on the Entity's economic and asset situation, in order to ensure the efficacy of the sanction (Art. 11 of the Decree).

In addition to said sanctions, the Decree provides for confiscation of the price and profit from the offence in all cases. This may also relate to assets or other items of equivalent value, as well as publication of the sentence in the case of an interdictive sanction.

1.3 OFFENCES ATTEMPTED AND OFFENCES COMMITTED ABROAD

The Entity is also responsible for illegal conditions resulting from attempted offences or offences committed abroad.

In the commission cases in an attempted offence form indicated in Chapter I of the Decree, the pecuniary sanctions and the interdictive sanctions are reduced by one third to half, while applying sanctions is excluded in cases in which the Entity voluntarily prevents commission or the action or occurrence of the event. In this case exclusions of sanctions is justified subject to interruption of any involvement between the Entities and subjects that assume to act in its name or on its behalf. This is a particular case of what is called "active withdrawal", provided for by Art. 56, par. 4, of the Italian Criminal Code.

In terms of the provision of Art. 4 of the Decree, an Entity with its registered office in Italy can be called on to answer, in relation to offences - covered by said Decree - committed abroad, in order to avoid no sanctions being applied for criminal behaviour that occurs frequently, as well as to avoid easy evasion of the entire normative arrangement in question.

The conditions, on which the Entity's liability for offences committed abroad are based, are:

- a) The offence must be committed abroad by a subject functionally linked to the Entity, in terms of Art. 5, paragraph 1, of the Decree.
- b) The Entity must have its main registered office within Italy.
- c) The Entity can only answer in the cases and under the conditions laid down in Art. 7, 8, 9, and 10 of the Italian Criminal Code.

If the cases and conditions laid down in said Articles of the Italian Criminal Code apply, the Entity answers provided the State in which the offence was committed does not take action against them.

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1.4 PROCEDURE FOR ASCERTAINING AN ILLEGAL ACT AND THE JUDGE'S SUITABILITY RULING

Responsibility for an administrative illegal act resulting from an offence is ascertained by means of a criminal procedure.

Another rule laid down by the Decree, for the purposes of procedural effectiveness, uniformity, and economy, is the obligatory combining of procedures: the procedure against the Entity must be combined, as far as possible, with the criminal procedure against the actual person who committed the offence, which is supposed to have given rise to liability on the part of the Entity.

Ascertaining the company's liability, done by the criminal judge, is done by:

- Checking that the offence on which the company's liability is based exists.
- Ascertaining effective interests or advantage for the Entity in commission of the offence by its employee or its senior position.
- The judgement on suitability of the organisational models adopted.

The judge's judgement of the abstract suitability of the organisational model to prevent offences in terms of the Decree, is done according to the criterion of so-called "posthumus prognosis". This judgement of suitability is therefore formulated in terms of an essentially *ex ante* criterion, for which the judge ideally puts themselves in the company's situation at the time the offence occurred, in order to assess the congruity of the model adopted.

1.5 ACTIONS EXEMPTED FROM ADMINISTRATIVE RESPONSIBILITY

Art 6 and 7 of the Decree however, lay down specific forms of exoneration from the Entity's administrative responsibility for offences committed in the Entity's interests or to their advantage by both senior individuals and employees.

In particular, in the case of offences committed by individuals in senior positions, Art. 6 provides for exoneration if the Entity itself shows that:

- a) The managing body had adopted and effectively implemented an *Organisational, Management and control Model*, before the offence was committed, that was suitable for preventing offences of the type that occurred (hereinafter, the "Model").
- b) The task of monitoring functioning and observance of the Model, as well as proposing updates to the same had been entrusted to a Body in the Entity (hereinafter "Supervisory Board" or "Board" or "S.B."), with autonomous initiative and control powers.
- c) The people that committed the offence acted by fraudulently eluding said Model.
- d) There was no lapse in or insufficient vigilance on the part of the S.B.

As regards employees, Art. 7 provides for exoneration of the Entity if it had effectively adopted and implemented a Model prior to the offence being committed, that was suitable for preventing offences of the type committed.

The Decree also provides that the Model must meet the following needs:

- Identifying the activities in relation to which there is a possibility of offences being committed.
- Laying down specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the offences to be avoided.

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- Identifying ways for managing financial resources that are suitable for preventing the commission of such offences.
- Laying down obligations for information in relation to the S.B.
- Introducing an in-house disciplinary system that is suitable for sanctioning failure to comply with the measures indicated in the Model.

The same Decree provides that the Models can be adopted, guaranteeing the needs indicated above, based on codes of conduct drawn up by trade associations, communicated to the Justice Ministry that, in collaboration with the competent Ministries can formulate comments within 30 days, on the suitability of the models for preventing offences. With reference to administrative offences and illegal deeds in terms of *market abuse*, this suitability assessment is done by the Justice Ministry, having consulted Consob.

Finally the Decree provides that in small size Entities, the supervisory function can be seen to by the management body itself.

2. CONFINDUSTRIA GUIDELINES

Preparation of this Model is based on the *Guidelines* issued by Confindustria on 7 March 2002 and subsequently updated over time.

The process these indicate for preparing the Model can be schematically illustrated according to the following basic points:

- Identifying areas at risk, aimed at checking what areas / sectors of the company are possible settings for committing the offences.
- Setting up a control system that is able to reduce the risks by adopting specific protocols. This needs to be backed up by a coordinated system of organisational structures, activities and operating rules applied - on the indication of senior management - by the company's management and personnel, aimed at providing reasonable certainty in terms of attaining the goals that are part of a good internal control system. The most relevant components of the preventive control system proposed by Confindustria are:
 - Code of Ethics
 - Organisational system
 - Procedures, manuals and informatics
 - Authorisation and signing powers
 - Control and management systems
 - Communications with personnel and personnel training.

The control system must also be aligned with the following principles:

- Assessability, documentability, coherence, and congruity of each operation.
- Separation of functions (nobody can autonomously manage all phases of a process).
- Control documentation.
- Introduction of an adequate system of sanctions for violations of the norms and procedures laid down in the Model.

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- Appointment of a S.B. whose main requirements are:
 - Autonomy and independence
 - Professionalism
 - Continuity of action.

The Guidelines also lay down:

- The obligation on the part of company departments, and especially those identified as being most "at risk" to provide the S.B. with information, on a structured basis as well, and to report anomalies or atypical events encountered within the information available (in the latter case the obligation is extended to all employees, without following hierarchical lines).
- The possibility of implementing organisational solutions within groups, that centralise operating resources at the holding company, to be assigned to monitoring within the group's companies are well, provided that:
 - A S.B. is set up in Italian subsidiaries.
 - The subsidiary's S.B. must have access to the holding company's operating resources earmarked for monitoring, based on a predefined contractual arrangement.
 - The individuals used by the holding company's S.B. to carry out checks, when doing so at other companies in the group, assume the position of outside professionals that do their job in the subsidiary's interests, reporting directly to its S.B., with bonds of confidentiality that are part and parcel of outside consultancy.

It is understood that deciding not to follow some specific points in the Guidelines, does not affect the validity of the Model. In fact, since the Model is drawn up in relation to the peculiar situation of a particular company, it may differ from the Guidelines that, by their very nature, are of a general type.

3. ADOPTION OF THE MODEL BY ANSALDO NUCLEARE S.P.A.

3.1 COMPANY GOALS AND MISSION

Ansaldo Nucleare S.p.A. (hereinafter Ansaldo Nucleare or the Company or the Firm), a wholly owned subsidiary of Ansaldo Energia S.p.A. (hereinafter Ansaldo Energia or the Parent Company or the Parent) is the largest Italian operator in the sector of nuclear power plants for the generation of electric energy.

Ansaldo Nucleare's company purpose is to execute and supply projects and related services to the industry, connected with nuclear production of electricity throughout the world, as well as the design, construction, erection, installation and commissioning, assistance with operating, and servicing, decommissioning and disassembly of industrial plants, machinery and/or parts thereof.

In particular, Ansaldo Nucleare:

- Manages and controls activities related to constructing nuclear plants or any type of work in them, including putting them into passive conservation and decommissioning. In this regard, Ansaldo Nucleare engages in promotional and

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- commercial activities, as well as subsequent management activities, including engineering, design, and work on site.
- It develops new technologies for nuclear products. In this regard Ansaldo Nucleare has special technical know-how when it comes to specific nuclear technologies. It oversees maintenance and development, aimed at engineering new products and using them in non-nuclear products, in which these technologies have a significant added value.
- It develops, promotes, and markets products for handling, transportation and storage of nuclear fuel and conditioned radioactive waste. In this regard, Ansaldo Nucleare carries out activities aimed at consolidating and developing technologies and products, as well as the necessary commercial and managerial actions.

All the Company's products are characterised by advanced technology, designed to meet the most complex needs of clients in terms of efficiency, reliability, and environmental impact.

Finally, Ansaldo Nucleare pursues its mission in full compliance with the goal of creating value for its shareholders, and aiming to strengthen national skills in its various business sectors.

3.2 GOVERNANCE MODEL

Ansaldo Nucleare's *corporate governance*, based on a traditional model, is broken down as follows:

- SHAREHOLDERS MEETING, competent for deliberating at ordinary and extraordinary meetings on matters reserved to it by Law or the Articles of Association.
- BOARD OF DIRECTORS (hereinafter also BoD), vested with full powers for the administration of the Company, with the authority to perform all acts necessary to achieve the corporate purpose, except for those that fall under the exclusive responsibility of the shareholders' meeting pursuant to law or the Articles of association;
- BOARD OF AUDITORS, tasked with monitoring: a) Compliance with the law and Articles of association, as well as respecting of the principles of correct administration. b) The adequacy of the Company's organisational structure, its internal control system, and the administrative accounting system, also as regards the reliability of the latter to correctly represent operating facts. c) The adequacy of the instructions issued to Subsidiaries in relation to the information to be provided in order to comply with their communication obligations.
- ACCOUNTS AUDITING COMPANY: as called for by the present norm, the statutory auditing of accounts is done by an auditing company that is registered in the register kept by the Italian Ministry of Economy and Finance, appointed for this purpose by the Shareholders' Meeting.

3.3 ORGANISATIONAL ARRANGEMENT

Ansaldo Nucleare's organisational structure is based on implementation of separation of tasks, roles and responsibilities between the operating and control departments.

The Company operates in terms of a Company management System that meets the requirements of the International standards: ISO 9001:2008 Quality, ISO 14001:2004 Environment, OHSAS 18001:2007 health and safety in the workplace.

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Ansaldo Nucleare's Organisational System is defined and systematically updated in specific Company documents, signed by the Company's Managing Director, and specifically referred to as Organisational Instructions and Service Communications.

Formalisation and dissemination of the documents referred to is ensured by publication on the Company's intranet, as well as by notification by e-mail.

Annex III to this Organisational, Management and Control Model (Organisational Structure), to which you are referred, contains the principal formalised company documents that indicate the functions, duties and responsibilities of the Company's various Organisational Units.

Annex III to the Model is systematically updated on the basis of company organisational changes that have occurred and formalised in the documents indicated, by the Supervisory Board in terms of Italian Legislative Decree 231/2001, in virtue of the powers attributed to the latter by the Company's Board of Directors.

3.4 ANSALDO NUCLEARE S.P.A.'S REASONS FOR ADOPTING THE MODEL

In order to ensure that the conduct of all those that work on behalf of or in the interests of the Company always conform to the principles of correctness and transparency in going about its business, Ansaldo Nucleare deemed it useful to proceed on 25 July 2006 with adopting a Model in line with the provisions of the Decree and indications in jurisprudence in this regard, as well as on the basis of the Guidelines issued by Confindustria.

The Company subsequently decided to review the Model in 2011, 2012, 2013, 2014 (in March and September, respectively) and again in 2015 and 2016, in order to update it in relation to the offences introduced subsequent to its initial adoption, as well as the evolution of the organisational structure and evolution of the control system inside the Company.

These actions, along with reviewing the principles and rules of conduct contained in the Code of ethics, were taken in the conviction that adopting such a Model - over and above the requirements of the Decree that indicate the Model itself as an optional element that is not obligatory - can provide a valid tool for sensitisation of all of those who work in the interests of or to the advantage of Ansaldo Nucleare.

In particular, the following are seen as the Recipients of this Model and, as such in relation to their specific positions, they are required to know it and observe it:

- Members of the Board of Directors, in setting goals, deciding activities, execute projects, propose investments, and any decision or action related to the Company's business.
- Members of the Board of auditors, in controlling and checking formal and substantial correctness of the Company's activity and functioning of the internal control system.
- Managers, in applying the Company's managerial activities in concrete terms, in managing the company's internal and external activities.
- Employees, including those seconded to carry out the activity, and all collaborators with whom contractual ties are in place, of any kind, including occasional and/or only temporary.
- All those that have business and/or financial ties with the Company of any kind.

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3.4.1 AIM OF THE MODEL

The Model prepared by Ansaldo Nucleare is based on a structured, organic system of documents and procedures, as well as control activities that:

- Identify the areas / processes at possible risk in the company's activities, that is, those activities in relation to which it is believed there is the greatest possibility of offences of being committed.
- Define an in-house normative system, aimed at preventing offences, that among other things, includes:
 - A Code of Ethics that expresses the ethical commitments and responsibilities in carrying out the Company's business and activities, assumed by employees, directors, and collaborators of various types in the Company.
 - A system of delegations, signing powers, and powers of attorney for signing company deeds, which ensures clear, transparent representation of the process of forming and implementing decisions.
 - Formalised procedures, aimed to disciplining the operating methods in risk areas.
 - A system of sanctions.
- These have their own place in an organisational structure that suits the Company's activities, aimed at inspiring and controlling correctness in conduct, ensuring clear, organic assignment of tasks, applying correct segregation of functions, and ensuring that the desired aspects of the organisational structure are really implemented, by means of:
 - An organisational chart formally defined, clear, and adequate for the activity to be carried out.
 - A system of delegation of internal functions and powers of attorney for representing the Company with the outside world, which ensures clear, coherent segregation of functions.
- Identification of processes for managing and controlling financial resources in activities at risk.
- Assigning the S.B. the task of monitoring the functioning and observance of the Model and proposing updates, using methodologies and instruments formally indicated in:
 - Statutes for the Supervisory Board, which lay down the requirements and criteria for nomination, term of office, and revocation of the S.B. and attributes to the same the responsibilities, tasks and powers in conformity to the provisions of the Decree.
 - A Supervisory Board Regulation that indicates the methods and instruments used to ensure correct functioning of the S.B. itself, and the system for calling meetings, voting and deliberations by the same.

Therefore the aims of the Model are to:

- Improve the Corporate Governance system.
- Provide a structured, organic system for prevention and control, aimed at reducing the risk of offences being committed in relation to the Company's activities, especially as regards preventing any illegal behaviour.

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- Determine, in all those that operate in the name of or on behalf of Ansaldo Nucleare in "areas of activity at risk", an awareness of being able to be involved, in case of violation of the provisions contained therein, in an illegal action subject to sanctions, on a criminal and administrative level, not only on their own behalf but also in relation to the Company.
- Inform all those that work in any capacity in the name of, on behalf of, or in the interests of Ansaldo Nucleare that violation of the provisions contained in the Model will result in application of specific sanctions to the point of termination of their contractual relationship.
- Reiterate that Ansaldo Nucleare will not tolerate illegal conduct, not taking into account in any way the end pursued or the erroneous conviction of acting in the Company's interests or to its advantage, as such conduct is contrary to the ethical principles that Ansaldo Nucleare intends to abide by and therefore contrary to its interests.
- Censure conduct in violation of the Model in concrete terms, by applying disciplinary and/or contractual sanctions.

3.4.2 THE PROCESS OF PREPARING THE MODEL

In light of the needs indicated by the Decree, Ansaldo Nucleare has launched an in-house project, in which the S.B. plays an active, proactive part, aimed at ensuring constant updating of this Model.

Consequently, updating this Model, originally approved by the Company's Board of Directors on 25 July 2006 and subject to subsequent revisions, was preceded by a series of activities, broken down into various phases, aimed at constructing a system for preventing and managing risks, as described below.

- 1) Mapping of activities at risk. The aim of this phase was to analyse the Company's context, in order to map all the areas of Company activity and to identify which of these processes and activities may, in abstract terms, be areas in which the offences indicated by the Decree can be committed. Identifying the company's activities and processes / activities at risk was done by first examining company documentation (organisational charts, principle processes, powers of attorney, organisational provisions, etc.) and subsequent carrying out of a series of interviews with key individuals in the Company's structure. The result of these activities was represented in a document that contains a map of the main company activities, indicating those that, abstractly, are deemed to be at risk.
- 2) Analysis of potential risks. With reference to mapping of the activities, carried out based on the specific context in which Ansaldo Nucleare operates, and the related representation of the sensitive or "at risk" processes / activities, the offences that could potentially be committed within the Company's activities were identified as well as the occasions, aims, and manner in which such illegal conduct could be committed. The result of this activity is summarised in the "Risk profile" fields of the document entitled "Schedules in terms of Legislative Decree 231/01: risk profile and existing prevention", which shows, for each area in which there is a offence risk, an analysis of the potential risks in relation to some possible means of committing offences in the Company's specific context.
- 3) "As-is analysis". Once the potential risks had been identified, the existing preventive control system for processes / activities at risk was analysed, in order to subsequently judge its suitability in order to prevent offence risks. In that phase current preventive measures for internal control were surveyed (formal procedures

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and/or practices adopted, verifiability, documentability, or traceability of operations and controls, separation or segregation of functions, etc.) by means of information provided by the Company's units and analysing the documentation they provided. The result of these activities is contained in the "Existing prevention" fields of the document entitled "Schedules ex 231/01: Risk profile and existing prevention".

- 4) Improvement proposals. Based on the results obtained in the previous phase and comparison with a theoretical reference model (conforming to the Decree, Confindustria's Guidelines, and the best national and international practices), the Company identified a series of areas requiring additions to and/or improvement of the control system, for which suitable actions to be taken were defined.
- 5) Preparing the Model. In light of the outcome of the phases described above, the Company updated the Model, the structure of which is described in the next paragraph.

This model was adopted by resolution of the Board of Directors on 22 October 2015.

In particular, in order to implement the Decree in concrete terms, and to achieve correct, complete mapping of the areas at risk of commission of offences, the Company's activities were surveyed to identify the areas in which there was a possible risk of offence, taken to be any event or conduct that may determine and/or facilitate the occurrence, even in an attempted form, of any of the offences indicated by the decree, in the interests of or to the advantage of the Company.

In light of Ansaldo Nucleare's specific operations, it was therefore deemed that the most significant risks concern the commission of the following offences or some of the offences included within the following categories (also see further on):

- Art. 24 (offences against the assets of the Public Administration).
- Art 24-*bis* (computer crimes and illegal handling of personal details).
- Art 24-*ter* (offences involving organised crime).
- Art. 25 (offences against the Public Administration).
- Art. 25-*bis.1* (offences against the protection of copyright and other related rights).
- Art. 25-*ter* (corporate crimes).
- Art. 25-*quater* (offences connected to terrorism or subversion of democracy).
- Art- 25-*quinquies* (offences against individual personality);
- Art. 25-*sexies* (market abuses).
- Art. 25-*septies* (crimes of manslaughter, culpable, serious or very serious injuries, committed in violation of regulations referring to health and safety in the work place).
- Art. 25-*octies* (offences of receiving, laundering, and use of money, goods or profits obtained from illegal activities, as well as "self-laundering").
- Art. 25-*novies* (offences related to violation of copyright).
- Art. 25-*decies* (offences connected to inducing individuals not making statements or into making statements to judicial authorities).

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- Art. 25-*undecies* (environmental offences) as well as Art. 256- *bis* (illegal burning of waste);
- Art. 25-*duodecies* (employment of foreign nationals whose permit to stay is irregular);
- Art 10 Italian Law 146/06 (transnational offences).

An examination of the range of Company activities, led to maintaining that the possibility of commission of the following was remote:

- Some forms of organised crime, such as: political-mafia electoral exchanges, kidnapping for extortion purposes, association for illegal drug trafficking; illegal manufacture, bringing into the country, putting on sale, transfer, possession and carrying war or war-type arms or parts thereof in public places or places open to the public, as well as explosives, clandestine arms as well as more common firearms.
- Money forgery offences (Art. 25-*bis*).
- some offences against the protection of copyright and other related rights, such as: disturbing free industry and trade, illegal competition with threats or violence, fraud against national industries, fraud in business transactions, sale of non-genuine foods as genuine, forging geographic or name of origin indications for agricultural and food products;
- some corporate crimes, such as: false corporate communications of listed companies, false indications in prospectuses, undue return of contributions, illegal distribution of profits and reserves, fictitious formation of capital, unlawful distribution of company assets by liquidators;
- Offences of practices of mutilating female genital organs (Art. 25-*quater*.1).
- some offences against individual personality, such as: child prostitution, child pornography, possession of pornographic material, virtual pornography, tourism aimed at exploiting child prostitution, enticement of minors;
- some of the offences related to violation of copyright (only those reported in Special Section "E" are considered at risk);
- some environmental offences (only those reported in Special Section "H" are considered at risk);
- and some transnational crimes, such as: Criminal association aimed at smuggling foreign processed tobacco products; Association intended for illegal trafficking of drugs, Trafficking of migrants.

For these types of offences, reference to the rules contained in the Company's Code of Ethics was found to be sufficient.

Among the activity areas at risk, those that, in addition to having direct significance as an activity that could include criminal conduct, can have an indirect significance for the commission of other offences were also considered, as they were found to be instrumental in the commission of the same. In particular, activities within which actual conditions can occur that make commission of offences possible within the areas directly involved in carrying out the activities specifically referred for the type of offence (e.g. selection and appointment of personnel, incentivisation system, consultancy and professional services, procurement of goods and services, etc.) are taken as being instrumental.

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With reference to all the areas at risk (including instrumental areas), any indirect relationships were also examined, that is, those that Ansaldo Nucleare maintains or may maintain via third parties.

Finally, we wish to point out that the notion of Public Administration considered for the purposes of identifying areas at risk was as deduced in Art. 357 and 358 of the Italian Criminal Code, in terms of which public officials and those in public service include all those that - whether or not employed by the Public Administration - engage in an activity regulated by public law and authoritative deeds (for a detailed description, see Special Section A, paragraph A.1).

As regards Risk Assessment activities, the following components of the preventive control system were analysed:

- Organisational system
- Operating procedures
- Authorisation system
- Management control system
- System for monitoring and managing documentation
- Formalised ethical principles
- Disciplinary system
- Communication with personnel and personnel training.

More specifically, analysing and evaluating said components was broken down as follows:

Organisational system. Checking of the adequacy of the organisational system was evaluated according to the following criteria:

- Formalisation of the system.
- Clear definition of responsibilities assigned and hierarchical lines.
- Existence of segregation and overlapping of departments.
- Correspondence between activities effectively carried out and what is indicated in missions and responsibilities described in the Company's organisational chArt.

Operating procedures. In this area, attention was given to checking that formalised procedures were in place to regulate the activities carried out by the Organisational Units in areas at risk, taking into account not only negotiating factors, but also instruction and formulation of company decisions.

Authorisation system. This analysis looked at the existence of authorisation and signing powers, in line with organisational and managerial responsibilities assigned and/or carried in real terms. The check was done on the basis of examining powers of attorney granted as well as internal managerial delegations, in light of the Company's organisational chArt.

Management control system. In this regard the current management control system at Ansaldo Nucleare was analysed, looking at the individuals involved in the process and the

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system's capacity to provide timeous indications of the existence and arising of general and/or specific criticality situations.

System for monitoring and managing documentation. This analysis looked at the existence of a suitable system for constant monitoring of processes to check the results and any non-conformities, as well as the existence of a suitable system for managing documentation that allowed operations to be traced.

Formalised ethical principles. According to the individual activities posing an offence risk, the Company's Code of Ethics was prepared, which was approved by a decision of the Board of Directors on 25 July 2006 and subsequently updated.

Disciplinary system. The analyses done were aimed at checking the adequacy of the disciplinary system currently in force, in order to sanction any violation of the principles and provisions, aimed at preventing the commission of offences, both by managerial and non-managerial employees of the Company, and by the Directors, Auditors and outside collaborators.

Communication with personnel and personnel training. The checks aimed to determine the existence of forms of communication with and training of personnel. Given the need for initiatives aimed at implementing the Decree, a specific plan was introduced for the purposes of communicating the Model and the Code of Ethics, as well as subsequent targeted personnel training.

3.5 DOCUMENT STRUCTURE

This document (Model) is made up of a "General Part" and "Special Sections A, B, C, D, E, F, G, H, I, L".

Having referred to principles of the Decree, the General Part illustrates:

- The essential parts of the Model, with particular reference to the S.B.
- Personnel training and dissemination of the Model inside the Company as well as outside the Company.
- The disciplinary system and measures to be adopted if the provisions of the same are not observed.
- The general behavioural principles for offences not dealt with in the Special Sections.

Special Section "A" covers types of specific offences causing damage to the Public Administration, referred to by Art. 24 and 25 of the Decree, and the offence of corruption between private citizens, referred to in Art. 25-*ter*, letter s-*bis* of the Decree.

Special Section "B" refers to the specific types of company offence and abuse of privileged information, as well as manipulation of the market referred to by Art. 25-*ter* and 25-*sexies* of the Decree.

Special Section "C" relates to specific types of homicide or culpable personal injury offences in violation of regulations referring to health and safety in the work place, referred to in Art. 25-*septies* of the Decree.

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Special Section "D" covers specific types of offences of receiving, laundering and use of money, goods or gains obtained from illegal activities, as per Art. 25-*octies* of the Decree.

Special Section "E" relates to the specific types of computer and illegal handling of personal details offences, and offences in relation to violation of copyright, referred to in Art. 24-*bis* and 25-*novies* of the Decree.

Special Section "F" relates to specific types of organise offence, referred to by Art. 24-*ter* of the Decree.

Special Section "G" relates to specific types of offences of inducement not to report or to make mendacious declarations to the judicial authority, and abetting referred to by Art. 25-*decies* of the Decree.

Special Section "H" covers specific types of environmental offence referred to by Art. 25-*undecies* of the Decree, as well as the offence of "illegal burning of waste".

Special Section "I" relates to specific types of offences against the protection of copyright and other related rights, referred to by Art. 25-*bis. 1* of the Decree.

Special Section "L" refers to the "self-laundering" offences envisaged by Art. 25-*octies* of the Decree.

Other integral parts of the Model adopted by Ansaldo Nucleare, are the following documents, which are also annexed hereto:

- Code of Ethics (Annex I): outlines the values the Recipients are to adhere to, accepting liability, set-ups, roles and rules, and for violations of which, even if they do not give rise to any company liability towards third parties, they accept personal liability both within and outside the Company.
- Evidence schedule and periodic Declaration (annex II): prepared to inform the S.B. of the initiatives / activities carried out in areas that potentially pose a offence risk.
- Organisational structure (Annex III): shows the breakdown of the various levels of Company units, with the assigning of the respective goals to each of them.
- Powers of Attorney prospectus (Annex IV): shows the names of those to whom powers of attorney have been granted in order to carry out the company's activities.
- Normative framework (Annex V): represents an overview of approved, updated documentation that includes directives, manuals, company procedures and operating instructions for the company to function.
- Supervisory Board Statutes (Annex VI).

3.6 ELEMENTS OF THE MODEL

As indicated above, the components (protocols) of the preventive control system that must be implemented at a company level to ensure the efficacy of the Model are:

- Ethical principles aimed at preventing the offences covered by the Decree.
- Sufficiently formalised, clear organisational system.

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- Manuals or computerised operating procedures, aimed at regulating the activities in the company areas at risk, with suitable control points.
- Authorisation and signing powers that are coherent with the organisational and managerial responsibilities defined.
- Management control system able to provide timeous indications of the existence and arising of critical situations.
- Personnel communication and training system covering all elements of the Model, including the Code of Ethics.
- Disciplinary system suitable for sanctioning violation of the norms of the Code of Ethics and other indications in the Model.

A description is provided below of the principles on which some protocols in the Ansaldo Nucleare Model are based, with common characteristics in relation to all the types of offence covered by the Decree, whereas - without prejudice to what is prescribed in this paragraph - you are referred to the Special Sections for the protocols with specific characteristics for each type of offence (e.g. procedures or other specific protocols).

As regards the Code of Ethics, S.B. disciplinary system and personnel communication and training system, see the subsequent chapters of the Model specifically dedicated to these matters.

Organisational System. The first level of the Company's Organisational system (organisational structures / positions, missions, and areas of responsibility) is approved by the Board of Directors and defined by Organisational Instructions being issued by the Managing Director. Formalisation and dissemination are ensured by the Human Resources and Systems Organisational Unit (overseen by the Central Human Resources and Organisation Function of the Parent), which periodically updates the Company's organisational chArt. The missions and responsibilities of each Organisational Unit are defined on the basis of Organisational Instructions. The Organisational Instructions are distributed to all Company personnel by publishing them on the Company's intranet. Also, the Company issues and disseminates internal / service Memos, which deal with organisational and operating aspects of the Company's organisation.

Authorisation System. The Company's Authorisation System is set up to satisfy the following requirements:

- Delegations and powers of attorney allocate power to the relevant area of responsibility.
- Each delegation and power of attorney unequivocally defines the delegate's powers, specifying the limits.
- The managerial powers granted in terms of the delegations / powers of attorney are coherent with the Company's goals.
- All those that act in the name of or on behalf of Ansaldo Nucleare in relation to third parties, and especially the Public Administration, must possess a specific delegation and/or formal power of attorney to represent the Company.

In particular, the system provides for attributing:

- Permanent powers of representation, attributable by means of registered Notarial Powers of Attorney in relation to carrying out activities connected with permanent responsibilities in terms of company organisation;

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- Powers related to individual deals, granted via notarial powers of attorney or other forms of delegation, in relation to their content the granting of these powers is made with the support of the relevant Parent Company's unit, in compliance with the laws that define the forms of representation, according to the specific types of deeds to be executed; As far as possible, standard contents / clauses will be provided for special powers of attorney for predefined categories of deeds.

The procedure for granting / revoking permanent powers of attorney, in order to discipline identification of the Organisational Unit involved in the process and the tasks and responsibilities, is activated when important changes occur in the organisational arrangement or company processes, or changes are made to outside factors such as laws, standards, etc. (suitable indicated by the competent Entities).

In these cases the Human Resources and Systems Organisational Unit does an analysis to detect any need to allocate or extend powers, limit or revoke them, and submits the same to the Managing Director for approval.

Ansaldo Energia's Corporate and Legal Affairs Unit ensures checking of legal aspects, agreeing any changes with the Human Resources and Systems Organisational Unit, prepares the text for the power of attorney and submits it to Ansaldo Nucleare's Managing Director for their assessment. The Corporate and Legal Affairs Unit then sees to the notarial formalities for granting the power of attorney, listing the deed stipulated in progressive order, notifies the new attorney-in-fact of the conferral, along with the rules and any other limits for exercising the powers themselves, by means of an instruction letter. It then sends a copy of the deed and the instruction letter to the Human Resources and Systems Organisational Unit.

In formal terms, the revocation process will be similar to the conferral process. The Human Resources and Systems Organisational Unit will be responsible for monitoring the time for which people remain in their positions, in order to determine the need, when the time is right, to revoke powers of attorney. The process will begin with a revocation proposal sent by the Human Resources and Systems Organisational unit to the Corporate and Legal Affairs Unit, which will see to the legal / implementation phases of revocation, ending with notification of ex holders of powers of attorney and the Human Resources and Systems Organisational Unit of revocation.

Company procedures in areas at risk. Internal procedures must be characterised by the following elements:

- Separation, as far as possible, within each process, between people that take decisions (decision-making impulse), the person that authorises the same, the person that executes the decision, and the person tasked with controlling the process (i.e. segregation of functions).
- A written record of each significant stage in the process, including the control (i.e. "traceability");
- Adequate level of formalisation.

Management Control The Management Control system adopted by Ansaldo Nucleare is broken down into various phases of preparing the annual Budget, analysing periodic reports, and preparing revised budgets at a Company level. This system ensures:

- Plurality of people involved, in terms of suitable segregation of functions for processing and transmitting information.

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- A capacity to provide timeous indications of the existence or arising of situations of criticality by an adequate, timely system for the flow of information and reporting.

Management of financial resources is defined on the basis of principles marked by substantial segregation of functions, in order to guarantee that all payments are requested, made and checked by independent departments or people, as distinct as possible, who are also not assigned any other responsibilities that may bring about possible conflicts or interests.

Finally, cash flow management is based on criteria of preserving assets, with a related forbiddance to do any financial operations risk, and possible two signatures for using liquidity for amounts that exceed thresholds established beforehand.

Documentation Management All internal and external documentation at Ansaldo Nucleare must be managed in ways that discipline updating, distribution, recording, filing and security management for documents and records. Specific safeguards prevent possible access to the Company's protocol by unauthorised individuals, and make it impossible to alter protocols already processed.

3.7 AMENDMENTS AND ADDITIONS TO THE MODEL

In light of the fact that this Model is a document issued by the managing body (in conformity to the provisions of Art. 6, paragraph 1 letter a of the Decree), its adoption and subsequent amendments and additions, are the responsibility of Ansaldo Nucleare's Board of Directors. However, amendments or additions that are not substantial, to be made to this Model, also as a result of Board of Directors' decisions, are added to it immediately, by Ansaldo Nucleare's S.B. and will be notified to the Board of Directors.

The following tasks are specifically reserved to Ansaldo Nucleare S.p.A.'s Board of Directors:

- To add, also at the proposal of the S.B., to the General and Special Sections of this Model, even with adding Special Sections related to types of offences that, due to the development of the reference norm, may be further connected with the extent of application of the Decree.
- Seeing to issuing the Code of Ethics and the S.B.'s Statutes and any subsequent amendments and additions.

As regards amending and adding to the other Annexes to this Model, with the exception, as indicated, of the Code of Ethics and the Supervisory Board's Statutes, Ansaldo Nucleare's Board of Directors grants the Supervisory Board direct powers / duties to ensure autonomous and timely updates.

All the amendments and additions referred to above, shall be communicated in a timely manner to the various subsidiaries of Ansaldo Nucleare, for inclusion, as necessary, in to their respecting management and control organisational models.

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4. Supervisory Board

4.1 IDENTIFICATION OF THE SUPERVISORY BOARD

In accordance with indications in the Confindustria Guidelines, the characteristics of the S.B. – to allow it to carry out its duties according to the indications contained in Art. 6 and 7 of the Decree - must be:

- a) Autonomy and independence. The independence and independence requirements are basic, so that the S.B. is not directly involved in managerial activities that constitute the subject of their checking activity.
These requirements can be met by excluding any hierarchical answerability of the S.B. within the Company, and seeing to reporting to Top operating management in the Company, i.e. the Board of Directors.
- b) Professionalism. The S.B. must include technical / professional skills that are adequate for the tasks it is called upon to carry out. These characteristics, along with independence, guarantee objective judgement.
- c) Continuity of action. The S.B. must:
 - Constantly work on monitoring the Model with the necessary investigative powers.
 - Therefore be an internal structure, in order to guarantee continuous monitoring.
 - See to implementation of the Model and ensure it is constantly updated.
 - Not engage in operational tasks that may affect its overall view of the company activities asked of them.

We also wish to point out that the characteristics indicated above must be part of the S.B. in overall terms and not only in relation to each individual component.

In terms of Art. 6, letter b of the Decree, the Supervisory Board is a multi-purpose body that, in accordance with Art. 2, par. 2.1 of the Company's S.B. Statute, is made up of two outside members one of whom is the Board's President, and the *pro-tempore* Manager of the Central Compliance and Internal Auditing Function of the Parent.

In carrying out its tasks, that Board may call on Ansaldo Energia's Central Compliance and Internal Auditing Function and other Company Central Functions or external consultants that, on each occasion, are deemed useful for carrying out the tasks indicated.

The S.B.'s tasks, activities and functioning are disciplined by specific Statute, approved by Ansaldo Nucleare's Board of Directors at its meeting of 22 October 2015.

Also, the S.B. has a specific Regulation for the purposes of disciplining especially the rules for calling meetings and functioning, relations with the Organisational Units and Third Parties, the manner and timing of programming its activities, reporting procedures and handling of related details.

Pursuant to Art. 6 of the Decree, Ansaldo Nucleare's S.B. is equipped with "autonomous powers of initiative and control". The S.B. is also guaranteed the necessary independence, independence, professionalism and continuity of action.

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In particular:

- The autonomy and independence which the Board must have, necessarily, are ensured by the Board's organisational role and the inclusion of two independent members, one in the role of President of the Board, with no operational duties and interests that may be in conflict with their position, affecting their free judgement and evaluation, as well as the fact that the S.B. acts within a context of no hierarchical links in the company's corporate governance, reporting directly to the Board of Directors and the Chairperson. Also, the S.B.'s actions cannot be controlled by any company body or structure, obviously excluding the body's managerial duty/ power to monitor the adequacy of the action taken by the S.B. in order to ensure that the Model is updated and implemented.
- Its professionalism is ensured:
 - by the specific expertise in the field of the Head of the Central Compliance and Internal Audit Function of the Parent Company;
 - By the power granted to the Board to make use, in carrying out its mandate and with absolute budget independence, of specific professional skills of both Heads of the various Organisational Units, especially Ansaldo Energia's Central Compliance and Internal Audit Function, and outside consultants.
- Its continuity of action is guaranteed by the fact that the Board operates permanently at the Company to carry out the duties assigned to it, and with actual, in-depth knowledge of the company's processes, as it is able to be immediately aware of any criticality.

The term of office, termination and replacement of members of the S.B. are regulated by the Board's Statutes. In particular, the S.B.'s term of office is three years. The President may be re-elected only once and, in any case, remains in office until his successor is named. In addition to the President, the other outside member also has a 3 years term of office, can be re-elected only once and remains in office until his successor is named, in any case.

The Supervisory Board reports directly to the Chairman and to the Board of Directors of Ansaldo Nucleare, and informs the Board of auditors of its activities.

As has been stated, appointment of the S.B. is subject to the requirements laid down in the S.B.'s Statute, as well as an absence of incompatibility with such nomination, such as - by way of example - family relationships with members of the company's bodies, and conflicts of interest with the role and duties to be carried out. In this context, the following are reasons for ineligibility as an S.B.:

- being the spouse, relative by blood or marriage to the fourth degree with Directors or members of the Board of statutory auditors or with other members of the S.B. of Ansaldo Nucleare;
- With the exception of the permanent employment of the Manager of the Holding Company's Central Compliance and Internal Auditing Function, having economic and/or contractual ties, against payment or free of charge, with Ansaldo Nucleare, its Subsidiaries and/or the respective Directors, of a significance that affects one's independence when it comes to judgement.
- Being a direct or indirect shareholder in Ansaldo Nucleare, its Parent Companies, Subsidiaries, or Associate Companies, to the extent of having control or significant influence over the Company, or such that it compromises one's independence.
- Holding delegations that may affect independence in judgement.

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- Being in a legal position of being interdicted, incapacitated, bankrupt or condemned to a sentence that results in even temporary disqualification for public office or the incapacity to exercise managerial roles.
- Being subject to preventive measures imposed by the judicial authority, unless rehabilitation has been effected.
- Be subject to criminal procedures, condemned or sentenced in terms of Art. 444 *et seqq.* of the Italian Criminal Procedural Code, unless rehabilitation has been effected, in relation to one of the offences covered by Italian Legislative Decree 231/01 or offences of the same type (in particular, offences against assets, against the Public Administration, against public goodwill, against public order, tax offences, bankruptcy offences, financial offences; etc.);
- Be the subject of a provision applying a sanction for one of the offences indicated in Articles 185 and 187-*bis* of the TUF [Financial Consolidation Act].
- The subsistence, as regards the President, of reasons for ineligibility in terms of Art. 2399, lett. c and 2409-*septiesdecies* of the Italian Civil Code.

For the nomination methods, causes for ineligibility, revocation, termination and suspension, see the S.B. Statutes.

In order to guarantee the necessary stability of the S.B., and to safeguard the legitimate exercising of its functions and the position filled against unjustified removal, revocation of the S.B.'s powers and attribution of those powers to someone else, may only occur for just cause, by means of a decision of the Board of Directors in consultation with the Board of auditors and other members of the Board.

In this regard, "just cause" for revoking the powers connected with appointment to the S.B. may, for example, be taken as meaning:

- Serious non-fulfilment of the duties as defined in the Model and the Statutes.
- A sentence condemning the Company, in terms of the Decree, or a sentence of plea bargain sentence passed into judgement that relates to "omitted or insufficient vigilance" by the Board, in terms of the provisions of Art. 6, paragraph 1, lett. d) of the Decree.
- A sentence of condemnation or a plea bargain issued against one of the members of the Board for having committed one of the offences covered by the Decree or offences of the same type.
- A ruling condemning the Company for one of the offences covered by the Decree, indicating "omitted or insufficient vigilance" by the Board, in terms of the provisions of Art. 6, paragraph 1, lett. d) of the Decree.
- A ruling condemning one of the members of the Board or the Company for one of the offences covered by Articles 185 and 187-*bis* of the TUF.
- Violation of the confidentiality obligations, as detailed in the S.B.'s Statutes.

Should the S.B. be revoked, Ansaldo Nucleare's Board of Directors, in consultation with the Board of auditors, is to see to nominating a new Board.

Where there are serious reasons of convenience (e.g. application of precautionary measures), the Board of Directors may order suspension from their duties of one or all members of the Supervisory Board, seeing to nominating in a timely manner a new member or the entire Board *ad interim*.

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See the S.B.'s Statutes for any items not specified more fully.

4.2 FUNCTIONS AND POWERS OF THE SUPERVISORY BOARD

The mission of Ansaldo Nucleare's S.B. consists in checking, monitoring and updating the Model, in training and information activities regarding the Model and in the management of information flows.

More specifically, the S.B.'s task is to:

- Constantly see to surveying the Company's activities, by means of a specific programme of actions. with a view to identifying areas at risk of offence being committed in terms of Legislative Decree 231/01 and propose updates and additions to the same, where the need is found.
- Check, by means of a specific programme of actions, the efficacy of the Model in terms of Italian Legislative Decree 231/01 in relation to the company's structure and its actual capacity to prevent the commission of the offences indicated in the Decree, proposing - where deemed necessary - any updates of the Model, with particular reference to the evolution and changes in the company's organisational structure and/or operations, and/or in the current norm and/or in the relevant case law. Based on this analysis, the S.B. decides on each occasion if and which changes to the Model are to be submitted to Ansaldo Nucleare's Board of Directors for approval;
- Monitor the validity of the Model over time, based on an approved activity Plan, promoting all the actions necessary to ensure its efficacy, also in collaboration with the other company structures involved. This task includes formulating proposed upgrades to be sent to the competent Organisational Units and the Chairperson, and subsequently checking implementation and functionality of the solutions proposed.
- assess, based on the approved Activity Plan, that the Model continues to comply with the soundness and functionality requirements over time, by setting up a system of periodic declarations by the recipients of the Model, or through other checks, designed to confirm that no actions have been taken that are not in line with the Organisational Model. In particular that:
 - due evidence is given of transactions carried out with the Public Administrations in areas at risk of offence, by having the internal Managers fill in and sign evidence schedules (see paragraph 4.4.2.3);
 - Due information is provided concerning any incidents of relevance in relation to offences related to safety, as well as prevention and control activities carried out and any improvement plans implemented.
 - Controls are in place in relation to Corporate Governance.
 - Adequate checks have been carried out and suitable improvement actions have been implemented in terms of ICT Governance.
 - The indications and contents of this Model have been respected.
 - Delegation powers and signing limits have been respected, and no actions have been taken that are not in line with the Model, nor any infringements of the Model itself.
- Carry out, by specific programming of actions and by specific checks, ensuring correct work methods in the Organisational Units deemed to be at risk of offence, in conformity to the Model adopted, also coordinating the competent structures in the company, to that end.
- Check implementation and effective functionality of the solutions proposed, by follow-up action.

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- Check existing authorisation and signing powers, based on an approved activity Plan, in order to check that they are coherent with the organisational and managerial responsibilities defined, and to propose updating and/or amendment of the same where necessary. Check the actions taken by people with signing powers, by specifically programming the activities, as well as periodic reports by them sent to the delegating body, in order to check coherence with the mission and powers attributed.
- Propose, based on the results obtained, the usefulness of preparing, adding to and revising operating and control procedures to the competent Organisational units, and to check that they adequately regulate carrying out of the activities, in order to implement a suitable Model.
- Define and oversee, in implementation of the Model, the flow of information that allows the S.B. to be periodically updated by the company structures involved on the activities deemed to be at risk of offence, in order to acquire information in any violation of the Model.
- Implement an effective flow of information, in conformity to the Model, in relation to the competent company bodies to allow the Board to report to them on the efficacy and observance of the Model.
- Promote, in collaboration with the Human Resources and Systems Organisational Model, an adequate training process for personnel in the competent company structures, that is suitable for disseminating knowledge and comprehension of the Model.
- Promote and coordinate initiatives to facilitate knowledge of the Model and related procedures, among all those that work on the Company's behalf.

In order to carry out the duties listed above, the Board is granted the powers listed below:

- Access to any company document and/or information that is relevant for carrying out the functions assigned to the Board in terms of the Decree.
- Use outside consultants of proven professionalism in cases in which this is necessary for carrying out their duties, in accordance with the provisions for appointing consultants.
- Make sure that the Heads of the Organisational Units provide the information data and/or news requested of them in a timely manner.
- Proceed, when necessary, with direct listening to employees, directors and members of the Company's Board of auditors.
- ask the Board of Statutory Auditors, external consultants, business partners and auditors for information.

To achieve better, more effective execution of the duties and tasks assigned to it, the Board may make use of resources located at the Holding Company, Ansaldo Energia, in carrying out its operational activities, based on a predefined contractual relationship with it, as provided for in the Confindustria Guidelines and the other Organisational Units in Ansaldo Nucleare S.p.A. that may be useful for carrying out the activities indicated, on each occasion.

In relation specifically to questions of health and safety in the workplace, the S.B. may make use of all the resources in place for managing related aspects (RSPP - Prevention and Protection Department Manager, RLS – Workers' Safety Representative, MC - Company Doctor, first air team members, emergency team members in case of fire).

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The Board may also decide to delegate one or more specific tasks to its individual members, based on their respective skills, with the obligation to reporting back to the Board. In any case, even in relation to functions delegated by the Board to individual members or actually carried out by other Company and Holding Company Organisational Units, the collegial responsibility of the Board remains unchanged.

4.3 NOTIFICATION BY THE SUPERVISORY BOARD TO OTHER COMPANY BODIES

With regard to the reporting activity, Ansaldo Nucleare S.B. sends to the Board of Directors and the Board of Statutory Auditors:

- half-yearly written disclosures regarding:
 - All activity engaged in over the period, especially with reference to checks.
 - Criticalities that emerged in terms of conduct or events within the Company and in relation to the efficacy of the Model.
 - the reports received over the half-year period and the actions taken by the S.B. itself and by other interested parties;
 - Activities that could not be carried out for justified reasons of time and/or resources.
 - the implementation status of the Model at Ansaldo Nucleare, indicating the necessary and/or useful corrective and improvement actions in relation to the Model and their implementation status;
- The activity plan for the next year.

The Board is to report in a timely manner to the Chairman of the Board of Directors in relation to:

- Any violation of the Model deemed to be founded, of which it becomes aware due to reports by employees or that the Board itself found.
- Organisational or procedural shortcomings found that may determine a real danger of commission of significant offences in terms of the Decree.
- Amendments to norms that are particularly relevant for the purposes of implementation and efficacy of the Model.
- Lack of collaboration on the part of Organisational Units (in particular, refusal to provide the Board with documentation or data requested, or obstruction of its activity, also brought about by negation of due conduct in terms of the Model).
- Existence of criminal proceedings against individuals that act on the Company's behalf, or proceedings against the Company in relation to significant offences in terms of the Decree.
- Outcome of checks carried out following the launching of an investigation by the judicial authority, in relation to significant offences in terms of the Decree.
- Any other information deemed useful for the purpose of taking urgent decisions on the part of the Chairperson.

The S.B. must also report:

- Any violations of the Model by the Chairperson, other Company managers, or by individual Directors or individual members of the Board of Auditors or by the

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Board of Auditors, or by the Accounts Auditing Company, to the Board of Directors.

- Any violations of the Model by the Auditing Company or the Board of Directors, to the Board of Statutory Auditors.

4.4 INFORMATION FLOWS IN RELATION TO THE SUPERVISORY BOARD

Art 6, paragraph 2, lett d) of the Decree calls for indication of information obligations in the Organisation Model in relation to the Board tasked with watching over the functioning and observance of the Model itself.

The obligation of a structured flow of information is designed to be a tool to guarantee supervisory activities in relation to the efficacy and effectiveness of the Model, and for any checks at a later date of the causes that made it possible for the offences covered by the Decree to occur, as well as to give greater authority to requests for documentation that the Board may have to make in the course of its checks.

The supervisory body maybe contacted by addressing the communication to "Organismo di Vigilanza Ansaldo Nucleare S.p.A.", c/o Ansaldo Nucleare, Corso Perrone 25 16162 Genoa. In order to facilitate the flow of reports and information to the S.B., a mailbox has been set up (odvann.dlgs231-01@ann.ansaldoenergia.com).

4.4.1 REPORTS BY PEOPLE WITHIN THE COMPANY OR THIRD PARTIES

All recipients of the Model are required to report any information of any kind to the S.B., including from third parties, of which they become aware, alleging any infringements of the Model in the business areas at risk or any other irregularities. Markedly:

- The commission of offences or engaging in acts suitable for committing the same.
- Behaviour not in line with the rules of conduct provided for in this Model.
- Operations of particular significance or that present risk profiles that lead one to foresee a reasonable danger of the commission of offences.

The S.B. will consider all reports, provided they are not sent anonymously. The company will ensure, to the extent possible, the confidentiality of the person sending the report, to avoid any retaliation, discrimination or unjust penalties.

The S.B. is to evaluate reports received and any resulting initiatives at its reasonable discretion and responsibility, listening to the person that made the report and/or that is responsible for the presumed violation, motivating any related decision taken in writing.

4.4.2 NOTIFICATION OBLIGATIONS

In addition to the reports referred to in the preceding paragraph, other information must be sent to the S.B. of Ansaldo Nucleare on an *ad hoc* or periodic basis.

4.4.2.1 AD HOC NOTIFICATION OBLIGATIONS

The information to be provided to the S.B. upon occurrence of an event is specified below:

- Provisions and/or notifications received from the judicial authority or any other authority, from which one can ascertain investigation / checks, even in relation to parties unknown, for offences or illegal administrative acts covered by the Decree. the information has to be sent by the Corporate and Legal Affairs Unit of Ansaldo Energia;

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- the reports of verification received from the Italian Revenue Agency/Tax Police; the information has to be sent by the Central Administration, Finance and Control Function of Ansaldo Energia;
- any requests for legal assistance made by managers and/or employees and/or former managers and/or former employees if legal proceedings are started for any of the offences under the Decree (for former managers and/or former employees if the proceedings refer to acts carried out when they were directors and/or employees); the information has to be sent by the Corporate and Legal Affairs Unit of Ansaldo Energia or by the Human Resources and Systems Organisational Unit of the Company;
- Reports provided by Heads of the Company's Organisational units, in relation to their area of control, and that show elements with critical profiles in relation to observance of the norms in the Decree.
- News regarding actual implementation of the Model, at all levels of the Company, with evidence of disciplinary proceedings carried out and any sanctions handed down or provisions to close such proceedings with the relevant motivations. the information must be sent by the person who decides whether any sanctions has to be imposed in the disciplinary proceedings (in this regard, see chapter 6);
- the assessments that led to the selection of the auditing firm; the information must be sent by the Corporate and Legal Affairs Unit of Ansaldo Energia;
- Declarations for the purposes of checking non-existence of reasons for incompatibility between the accounts auditing company and Ansaldo Nucleare; the information has to be sent by the Central Administration, Finance and Control Function of Ansaldo Energia;
- notification of any appointment of the Auditing Company made, or that the company intends to make, in compliance with the applicable laws, to perform additional tasks other than the certification of the financial statements; the information has to be sent by the Corporate and Legal Affairs Unit of Ansaldo Energia;
- report on operations within the group that involve the purchase or sale of goods or services at values other than market value, with an express indication of the relevant reasons. the information has to be sent by the Administration, Finance and Control Organisational Unit of Ansaldo Energia or by the Organisational Unit that carried out the transaction;
- report concerning any financial transfers between the Company and other Companies in the Ansaldo Group that are not justified by a specific contract stipulated under market conditions. the information has to be sent by the Central Administration, Finance and Control Function of Ansaldo Energia;
- any significant anomaly encountered during checking activities, under the scope of Italian Legislative Decree no. 231/01, carried out by the Compliance and Internal Audit unit of Ansaldo Energia;
- Major changes to the organisational structure and operating procedures at Ansaldo Nucleare S.p.A.; the information has to be sent by the Human Resources and Systems Organisational Unit;
- Documentation related to the information and training activity carried out in implementation of the Model and participation in the same by personnel. the information has to be sent by the Human Resources and Systems Organisational Unit.

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4.4.2.2 PERIODIC NOTIFICATION OBLIGATIONS

The information flows to be periodically provided to the S.B. are specified below:

- structure of powers and delegation system adopted by the Company; the information has to be sent on a half-year basis by the Corporate and Legal Affairs Unit of Ansaldo Energia;
- structure of powers and delegation system adopted by the Branches; the information has to be sent on a half-year basis by the Corporate and Legal Affairs Unit of Ansaldo Energia;
- report on any financial and commercial transactions carried out in countries regulated by privileged tax legislation pursuant to Italian Ministerial Decrees of 21 November 2001 (CFC Discipline) and 23 January 2002, as amended. the information has to be sent on a half-year basis by the Central Administration, Finance and Control Function of Ansaldo Energia;
- semi-annual reports on:
 - pending criminal, civil and administrative litigation for a value exceeding 2 million euros, to be prepared by the Corporate and Legal Affairs Unit of Ansaldo Energia;
 - pending labor law litigation for a value exceeding 300 thousand euros, to be prepared by the Human Resources and Systems Organisational Unit;these reports must specify, *inter alia*, the attorney appointed to handle each litigation, as well as any settlement agreements entered into by the company;
- half-yearly report on consulting relationships started during the period, to be prepared by the Cost Control and Planning Organisational Unit;
- half-yearly report on new hires, confirming the absence of any conflicts of interest, to be prepared by the Human Resources and Systems Organisational Unit;
- half-yearly report on subsidised loans obtained by the company, to be prepared by:
 - Human Resources and Systems Organisational Unit for employee-related loans;
 - Central Administration, Finance and Control Function of Ansaldo Energia for the other loans;
- half-yearly report on health and safety at work by the Risk Prevention and Protection Department Manager (RSPP);
- half-yearly report on the environment to be prepared by the Quality and Environment Organisational Unit;
- half-yearly report on sponsorships provided and the acquired advertising space, to be prepared by the Central Communication and Events Function of Ansaldo Energia;
- half-yearly report on the exhibitions and fairs in which the company participated during the reference period, to be prepared by the Central Communication and Events Function of Ansaldo Energia;
- half-yearly report on the contracts in place with the business agents, to be prepared by the Central Agents Function of Ansaldo Energia.

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4.4.2.3 IDENTIFICATION OF INTERNAL RESPONSIBLE INDIVIDUALS, EVIDENCE SCHEDULES AND PERIODIC DECLARATION

The Evidence Schedules and the Periodic Declarations complete the periodic flows specified in the previous paragraph.

The Chairperson of the Board of Directors, Managing Director, and Managers of the Company's Organisational Units that answer directly to them, become *Internal responsible individuals* for operations at risk that they carry out themselves or are carried out by the Organisational Unit they head.

As part of the activities at risk, relationships with the Public Administration must be disclosed to the S.B. by the mentioned internal heads by completing an Evidence Schedule to be updated every six months (Annex II A).

Half-yearly Declarations are also to be sent to the S.B. by the internal Responsible Individuals, concerning the exercising of powers granted in line with the organisational provisions, operating procedures and provisions of the Model, as well as the Code of Ethics (Annex II B). This Declaration covers all the offences considered to be a potential risk for the Company and must be signed by the Internal Responsible Individuals.

The Supervisory Board is to carry out further checks on the operations in question, providing written evidence of the same.

4.4.3 GATHERING, KEEPING AND ACCESS TO THE W. B.'S RECORDS.

Any information, report, or indication called for in the Model is kept by the Supervisory Board in its Technical Secretary's office, in a specific file, access to which is allowed subject to the terms laid down in the W. B. Regulations.

5. PERSONNEL TRAINING AND DISSEMINATION OF THE MODEL INSIDE THE COMPANY AS WELL AS OUTSIDE THE COMPANY

5.1 PERSONNEL TRAINING

Ansaldo Nucleare promotes knowledge of adoption of the Model, the relevant company protocols, and updating of the same among all employees, who are therefore required to know the content of the same, observe it and contribute to its implementation.

The Human Resources and Systems Organisational Unit, in collaboration with the Supervisory Board, manages personnel training on the contents of Legislative Decree 231/01 and implementation of the Model by means of a specific plan.

In this regard, communication actions relate to:

- Putting the Model and the Code of Ethics on the Company's Intranet and Website.
- Distributing the Code of ethics to all personnel on the staff and new appointees, when appointed.
- training courses on the contents of Italian Legislative Decree 231/01, the Model and the Code of Ethics;
- Notification e-mails or communications on changes made to the Model or the Code of Ethics, resulting from normative and/or organisational changes of significance for the purposes of the Decree.

The training course includes training and information seminars in the classroom for managerial personnel and holders of powers of attorney. For the rest of the personnel,

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the training format also includes the use of e-learning modes. Attendance of training sessions is obligatory.

Traceability of attendance of classroom training seminars on the Decree's provisions is achieved by preparing a report on the training session, which indicates those attending.

Updating training sessions, as well as specific in-depth input on the question for new appointees as part of the process of introduction into the Company, are to be held if significant amendments are made to the Model, the Code of Ethics, or in relation to norms arising that are significant for the Company's activity, for which the W. B. believes that, given the complexity of the matter, simply distributing the amendment in the manner described above does not suffice.

5.2 NOTIFICATION OF OUTSIDE COLLABORATORS AND PARTNERS

Ansaldo Nucleare promotes knowledge and observance of the Model and the Code of Ethics among its partners, consultants, collaborators of various kinds, and suppliers.

For those listed before, notification is given by circulating an official communication on the existence of the Model and the Code of Ethics, inviting them to consult it on the Company's website.

Ansaldo Nucleare sees to adding clauses that provide for suitable sanctions to the point of terminating negotiated obligations, in contracts with third parties, in case of failure to observe the ethical principles laid down.

6. DISCIPLINARY SYSTEM AND MEASURES IN CASE OF FAILURE TO OBSERVE THE MODEL'S PROVISIONS

6.1 GENERAL PRINCIPLES

Laying down an adequate system of sanctions for violation of the provisions contained in the Model is an essential condition for ensuring the effectiveness of the Model itself.

In this regard, in fact, Article 6, paragraph 2, letter e) of the Decree states that organisation and management Models must "introduce a disciplinary system that is suitable for applying sanctions for failure to respect the measures indicated in the model".

For the purposes of the current disciplinary system, and in conformity to the provisions in the joint-bargaining employment contracts, where applicable, conduct covered by sanctions include actions or behaviour that violate the Model.

Application of disciplinary sanctions does not depend on whether or not a criminal proceeding is launched and/or the outcome of the same, as the rules of conduct imposed by the Model are laid down by Ansaldo Nucleare fully autonomously and irrespective of the type of illegal act that may constitute violations of the Model.

Identifying and applying sanctions must take the principles of proportionality and adequacy into account, in relation to the violation in question. In this regard, the following circumstances are significant:

- Type of illegal act in question.
- Actual circumstances in which such action was committed.

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- Manner in which the action was committed.
- Seriousness of the violation, also taking into account the agent's subjective attitude.
- Possible commission of a number of violations as part of the same action.
- Possible collaboration of a number of people in committing the violation.
- Any repeat offences by the person responsible for the action.

The disciplinary system is constantly monitored by the Supervisory Board and the safeguards of the Human Resources and Systems Organisational Unit.

6.2 SANCTIONS FOR DIRECT EMPLOYEES

6.2.1 WHITE COLLARS, BLUE COLLARS AND MIDDLE MANAGERS

Behaviour by direct employees in violation of the individual behavioural rules taken from this Model, are illegal acts subject to discipline.

In relation to sanctions that can be applied to said direct employees, these include those laid down in the Company's disciplinary regulation, in accordance with the procedures laid down by Article 7 of the Employees Statutes and any special applicable norms.

In relation to the above, the Model refers to categories of deeds that can be sanctions, as laid down in the existing sanctioning apparatus.

These categories describe the actions sanctioned, in terms of the significance of the individual cases considered, and the actual sanctions envisaged for commission of such actions, according to their seriousness.

In particular, in conformity to the "Correlation criteria between shortcomings by employees and disciplinary provisions" contained in the National Joint-Bargaining Employment Contract for the Engineering Industry, the following is provided:

- Employees that violate internal procedures laid down by this Model (e.g. not observing the prescribed procedures, failing to provide the Supervisory Board with the prescribed information, failing to do checks, etc.) or adopted, in carrying out activities in areas at risk, behaviour that does not conform to the provisions of the Model itself, shall be subject to the provisions of verbal warnings, written warnings, fines or suspension from work and remuneration, as such behaviour is a violation of the contract and constitutes prejudice to the Company's discipline and ethics.
- Employees who, in carrying out their activity in areas at risk, behave in a way that does not conform to the provisions of this manual and unequivocally aimed at committing an offence covered by the Decree, is subject to being fired with notice, as such behaviour is insubordination in relation to the provisions imposed by the Company.
- employees who behave while carrying out their activities in areas at risk, in a way that is blatantly in violation of the provisions of this Model, and that brings about actual application to the Company of the measures provided for by the Decree, are subject to firing without notice, as such behaviour is such that it causes "the company serious moral and/or material harm", as well as constituting an "offence in terms of the law".

6.2.2 MANAGERS

If Managers violate the provisions contained in this Model or that are adopted, in carrying out activities in areas at risk of behaviour that does not conform to the provisions of the Model itself, the most suitable measures will be applied against the managers, in

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conformity to the provisions in the National Joint-Bargaining Employment Contract for Industrial Managers.

In particular:

- In the case of a violation that is not serious of one or more procedural or behavioural rules contained in the Model, the manager is given a written warning to observe the Model, which is a necessary condition for maintaining their relationship of trust with the Company.
- In case of serious violation of one or more provisions of the Model, such that it constitutes significant non-fulfilment, the manager is subject to firing with notice.
- If the violation of one or more provision in the Model is so serious that it irreparably harms the relationship of trust, as their working relationship cannot continue even temporarily, the employee is fired without notice.

6.3 MEASURES IN RELATION TO DIRECTORS AND AUDITORS

In the case of violation of the Model by Directors and Auditors of Ansaldo Nucleare, as well as by the Board of Directors or the Board of Statutory Auditors, the Supervisory Board informs the Board of Directors and the Board of Auditors, who - in relation to their respective competence - proceed to take the most suitable and adequate measures in relation to the seriousness of the violation and according to the powers laid down by law and/or by the Articles of Association.

6.4 MEASURES IN RELATION TO COLLABORATORS, CONSULTANTS, PARTNERS, COUNTERPARTS, AND OTHER OUTSIDE SUBJECTS

Any conduct engaged in within contractual relations by collaborators, consultants, partners, counterparts and other outside subjects, in conflict with the lines of conduct indicated in this model and the Code of Ethics may result, by applying the relevant clause, in termination of the contractual relationship.

The Holding Company's Corporate and Legal Affairs Unit sees to preparing, updating, and adding these specific contractual clauses to letters of appointment or negotiated or partnership agreements.

6.5 PROCEDURE FOR APPLYING SANCTIONS

The Procedure for applying sanctions due to violation of the Model and the procedures differ for each category of recipient and to the phase:

- Of accusing the person involved of the violation.
- Of determining and subsequent application of the sanction.

In any case, the application procedure begins following receipt, on the part of the company bodies competent in each case and indicated below, of the notification by means of which the Supervisory Board reports violation of the Model.

More specifically, in all cases in which it receives a report (provided it comes in a non-anonymous form) or acquires the elements suitable for suspecting violation of the Model in the course of its vigilance and checking activity, the Supervisory Board is obliged to take action to carry out the investigations and checks that are part of its activity.

Having completed its investigations and checks, the Supervisory Board evaluates whether or not the conditions are in place for launching the disciplinary procedure, based on the elements in its possession.

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6.5.1 THE DISCIPLINARY PROCEDURE FOR EMPLOYEES

The procedure for applying the sanction to Employees, is carried out in accordance with the provisions of the current norms.

In particular, the S.B. sends the Manager of the Human Resources and Systems Organisational Unit a report that contains:

- The personal details of the person responsible for the violation.
- A description of the conduct objected to.
- An indication of the provisions in the Model that have been violated.
- Any documents and elements that support the contestation.

The Company, via the Manager of the Human resources and Systems Organisational Unit, sends the Employee a written memo notifying them of the contestation within ten days of receiving the report, containing:

- A specific indication of the conduct objected to.
- The provision in the Model violated.
- Notification of the right to formulate any deductions and/or justifications in writing within eight days of receiving the memo, as well as to ask for a representative of the trade union that the employee belongs to or to which they give a mandate, to be present.

Subsequent to any counterclaims by the concerned person, the Head of the Human Resources and Systems Organisational Unit decides if and to what extent a penalty has to be applied, explaining the reasons of his/her decision.

Sanctions may not be applied earlier than eight days after receipt of the contestation, and the person involved must be notified of the same by the Manager of the Human Resources and Systems Operational Unit not more than eight days after the deadline set for lodging counter-deductions, without prejudice in case of particularly complex situations. The S.B. is also informed of the relevant provision, and it also checks the effective application of any sanctions handed down.

Without prejudice to their right to appeal to the judicial authority, the Employee may, within twenty days of receiving the provision, ask for a Settlement and Arbitration College to be set up, in which case the sanction is suspended until the relevant ruling is available.

6.5.2 THE DISCIPLINARY PROCEDURE FOR MANAGERS

The procedure for investigating illegal acts in relation to Managers is carried out according to the provisions of the current norms as well as the applicable joint-bargaining contracts.

In particular, the S.B. sends the Managing Director and the Manager of the Human Resources and Systems Organisational Unit a report that contains:

- A description of the conduct encountered.
- An indication of the provisions in the Model that have been violated.
- The personal details of the person responsible for the violation.
- Any documents that prove the violation and/or any evidence found.

Within five days of receiving the report from the S.B. the Managing Director summons the Manager involved by means of a contestation memo that contains:

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- An indication of the conduct objected to and the subject of the violation in terms of the provisions of the Model.
- Notification of the date of the hearing and the interested party's right to formulate any comments on the facts, in writing or verbally, on that occasion.

Subsequently, the Managing Director, in collaboration with the Manager of the Human Resources and Systems Organisational Unit, except for cases in which the latter is involved, defines the position of the interested party and decides whether a sanction has to be applied, providing reasons for his/her decision.

If the person for whom the procedure was launched holds a senior position including delegations on the part of the Board of Directors, and if investigations prove their involvement in terms of Legislative Decree 231/01, the Managing Director is to inform the Board of Directors in a timely manner, so that it can decide whether or not to revoke such delegations in terms of the nature of the position and any sanction to be applied. The Managing Director sees to implementation of the relevant sanctionary procedure.

In general terms, the provision for applying the sanction is made known to the person involved in writing, within ten days of the contestation being sent, or within a shorter term that may be included in joint-bargaining applicable in the specific case, by the Managing Director or the Manager of the Human Resources and Systems Operational Unit, depending on whether a Senior Manager is involved, or some other Manager.

The S.B., to which the provision is sent for information purposes, monitors its application. Without prejudice to appeal to the judicial authority, anyone involved in the proceeding may, within twenty days of receiving the disciplinary provision, call for a Settlement and Arbitration College to be set up, as provided for by the joint-bargaining applicable to the specific case.

If such a College is appointed, the disciplinary sanction is suspended until that body rules.

6.5.3 THE DISCIPLINARY PROCEDURE FOR DIRECTORS AND AUDITORS

If violations of the Model are found by a person in a Director's position, who does not have a direct employment relationship with the Company, the Supervisory Board sends the Board of Directors and the Board of auditors a report that contains:

- A description of the conduct encountered.
- An indication of the provisions in the Model that have been violated.
- The personal details of the person responsible for the violation.
- Any documents that prove the violation and/or any evidence found.

Within ten days of receiving the report from the Supervisory Board, the Board of Directors summons the member indicated by the Supervisory Board to a meeting of the Board, to be held within not more than thirty days of receiving the report itself.

The summons must:

- Be in writing.
- Indicate the conduct objected to and the provisions in the Model that have been violated.
- Notify the person involved of the date of the meeting, notifying them of their right to formulate comments and/or deductions, both written and verbal. The summons must be signed by the Chairperson or at least two members of the Board of Directors.

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At the meeting of the Board of Directors that the members of the Supervisory Board are also invited to attend, hearing of the person involved occurs, as well as acquiring any deductions formulated by them, and any further investigations deemed useful are carried out.

The Board of Directors, on the basis of the evidence obtained, decides whether a penalty has to be applied and gives reasons for its decision.

The decision of the Board of Directors and/or that of the Shareholders Meeting, as the case may be, is given in writing by the Board of Directors to the person involved and the S.B. for the necessary checks.

The procedure described above is also applied if violations of the Model are found on the part of a member of the Board of auditors, within the limits allowed by the applicable legal norms.

In all cases in which violation of the Model by a Director associated with the Company in terms of an employment relationship is found, the procedure for dealing with Managers / Employees will also be carried out.

If at the end of this procedure provision is made for a sanction, the Board of Directors is to call a Shareholders Meeting without delay, to decide in the subsequent steps to be taken.

6.5.4 THE PROCEDURE FOR THIRD PARTIES COVERED BY THE MODEL

In order to allow the initiatives to be taken that are provided for in the contractual causes indicated in paragraph 6.4, the S.B. sends the Manager of the Organisational Unit that manages the contractual relationship a report, with a copy for information to the Chairperson, containing:

- The personal details of the person responsible for the violation.
- A description of the conduct objected to.
- An indication of the provisions in the Model that have been violated.
- Any documents and elements that support the contestation.

If the contract was decided on by the Board of directors or the Shareholders' Meeting of Ansaldo Nucleare, this report must also be sent to that Board and to the Board of auditors for their attention.

The Manager of the Organisational Unit that manages the contractual relationship, in collaboration with the Parent's Corporate and Legal Affairs Unit and based in any ruling made in the meantime by the Chairperson, and by the Board of Directors/Shareholders' Meeting and Board of auditors if the appointment was made by the Board of directors/Shareholders' Meeting, sends the party involved written notification of the conduct objected to, the provisions of the Model violated, as well as an indication of the specific clauses of the contract for which application is requested.

Ansaldo Energia's Corporate and Legal Affairs Unit sees to preparing, updating, and adding these specific contractual clauses to letters of appointment or negotiated or partnership agreements, in collaboration with the S.B.

7. GENERAL BEHAVIOURAL PRINCIPLES FOR CRIMES NOT DEALT WITH IN THE Special Sections

This paragraph covers the types of offence covered by the Decree:

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- Not deemed to be potential risks and so not dealt with in the Special Sections that follow (see paragraph 3.4.2).
- Considered to be potential risks, but for which providing a Special Section was not deemed necessary, specifically:
 - Offences to subvert democracy connected to terrorism or subversion of democracy.
 - some of the offences against individual personality (reducing to or keeping in slavery or servitude, human trafficking, buying and selling slaves).
 - Offence of employing foreign nationals whose residence is irregular.

With reference to the types of offences indicated, we wish to point out that the related risks appear to be well covered by the company procedures envisaged in the Special Sections of this Model, and in the behavioural rules contained in the Code of Ethics. Nevertheless, it was deemed useful to specify the following behavioural rules, in order to further reinforce the control system already in place.

In this regard, this Model expressly forbids the recipients to engage in behaviour:

- That includes the types of offence considered (even only in an attempted form).
- That, despite not constituting a type of offence among those considered, may potentially become so.
- That does not conform to company procedures or, in any case, not in line with the principles laid down in this Model and the Code of Ethics.

Therefore, the recipients are obliged to:

- Maintain correct, transparent, collaborative behaviour in accordance with the Law, the Code of Ethics, the principles contained in this Model, and the company procedures.
- That avoids engaging in actions - or cause behaviour - that directly or indirectly include(s) types of offence included in those illustrated above.
- Carry out the company's activities in full conformity to the law and current national and international norms.
- Behave in a way that ensures regular operation of Ansaldo Nucleare, ensuring and facilitating any form of management control on the part of the Control Bodies and the S.B.
- Constantly apply the rules contained in this Model, the Code of Ethics, and the in-house company norms, keeping up to date with the evolution of such norms.
- See to it that no ties are formed with people or bodies that do not intend to comply with the Company's Ethical Principles.
- Make sure of the identity of business counterparts, whether they be people or legal entities, and the entities on whose behalf they may act.

In addition to the principles indicated above, in order to prevent risks of offences being committed to further terrorism and against individual personality, all recipients are required to conform to the prevention instruments and behavioural rules to prevent the commission of significant conduct. Notably the Company:

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- Equips itself with computer tools that prevent access and/or the receiving of materials related to child pornography.
- Establishes clear, unequivocal rules for correct use of the computer tools in the possession of its employees.
- Pays particular attention to evaluating possible partnerships or investments in companies that operate in sectors that have any type of contact with the types of offence covered by Art. 25-*quater* and 25-*quinquies*.
- Ensures the veracity, completeness and correctness of information communicated to supervisory or control authorities, as provided for in the anti money-laundering norm.
- Diligently carries out all the checks on its clients / suppliers:
 - In relation to checking the counter-party's actual shareholders.
 - In relation to ties, whatever their nature and even that of assistance, that these may have with terrorist organisations or those seeking to subvert democracy.
 - As regards relations with Clients, in relation to checking the end recipient of the supply and the client's reliability (e.g. in terms of respecting anti money-laundering, international terrorism, and other norms) based on documents, data or information obtained from a reliable, independent source.
 - Payment by the Client must always be made via the Client's bank, where it is always possible to identify who arranged the operation with Ansaldo Nucleare's bank, thereby ensuring that it is possible to trace the person who arranged the operation.
 - Payments must be made by bank transfer using current accounts in the name of the same entity as the one granted the order / appointment (open with banks in the country of residence / registered office of the entity granted the appointment).
 - Payments sent to coded accounts or accounts for which it is not possible to precisely identify the details of the account holder, are forbidden.
 - Procurement of goods and services is to be done in line with company procedures, which provide for traceability of the reasons for choosing the supplier / professional.

In addition, in order to avoid offences being committed against individual personality, by illegal recruiting of the workforce, by trafficking migrants and slave trading, Ansaldo Nucleare must:

- Require and check that its suppliers / contractors fulfil their legal obligations in relation to:
 - Safeguarding child labour and women
 - Hygiene-health and safety conditions
 - Trade union or association and representation rights
- Providing adequate contractual sanctions in relation to suppliers / contractors that violate the norms indicated in the previous point.

Finally, in addition to the principles indicated above, in order to prevent offences being committed by employing foreign nationals whose residence is irregular, the Company makes sure:

- If foreign nationals are employed, that it asks for and checks the existence and validity of their residence permit.

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- In the case of foreign suppliers / contractors, partners and/or consultants / professionals, and/or foreign nationals employed by them, to get them to issue a specific declaration of their regularity in this regard.

Recipients that, in carrying out their activities, have to manage activities connected with risks of commission of the offences indicated above, are to notify the S.B. of any criticality and significant event that arises.

With the help of the other competent Organisational Units, the S.B. is tasked with periodically checking:

- Compliance with company procedures to safeguard areas of activity at risk.
- The delegation system in force, recommending changes if the managerial power and/or position does not correspond to the representation powers granted to an in-house manager or their subordinates.
- The adoption of suitable standard clauses, aimed at observance of the content of the Model and the Code of Ethics by suppliers, consultants and collaborators of various kinds.
- The implementation of sanctionary mechanisms if violations of the provisions are encountered.

Special Section "A"

Available only for Ansaldo Nucleare S.p.A.