



## **GME'S MODEL OF ORGANISATION AND MANAGEMENT (\*)**

*under Legislative Decree no. 231 of 8 June 2001,  
as subsequently amended and supplemented*

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updated by article 7, Law no. 48 of 18 March 2008  
updated by article 2, para. 29, Law no. 94 of 15 July 2009  
updated by art. 15, para. 7, Law no. 99 of 23 July 2009  
updated by art. 4, Law no. 116 of 3 August 2009  
updated by Legislative Decree no. 121 of 7 July 2011  
updated by art. 2, para. 1, Legislative Decree no. 109 of 16 July 2012  
updated by art. 1, para. 77, Law no. 190 of 6 November 2012  
updated by art. 3, para. 1, Legislative Decree no. 39 of 4 March 2014  
updated by art. 3, para. 5, Law no. 186 of 15 December 2014  
updated by art. 1, para. 8, Law no. 68 of 22 May 2015 updated by art.  
12, para. 1, Law no. 69 of 27 May 2015  
updated by art. 6, para. 1, Law no. 199 of 29 October 2016  
updated by art. 6, para. 1, Legislative Decree no. 38 of 15 March 2017  
updated by art. 7, para. 1, subpara. s), Legislative Decree no. 21 of 1 March 2018  
updated by art. 9 para. 1, Legislative Decree no. 107 of 10 August 2018  
updated by art. 1, Law no. 3 of 9 January 2019  
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Updated by art. 1, paragraph 11-bis, of the Legislative Decree n. 105 of 21 September  
2019, converted, with amendments, by Law n. 133 of 18 November 2019  
updated by art. 39, paragraph 2, of the legislative decree no. 124 of 26 October 2019,  
converted, with amendments, by the Law no. 157 of 19 December 2019.  
Updated by art. 5, paragraph 1, of the Legislative Decree n. 75 of 14 July 2020

## **GUIDING PRINCIPLES**

approved by the Board of Directors of Gestore dei Mercati Energetici S.p.A. (GME) -  
Resolution of 30 September 2021

(\*) Reference will always be made to the Italian text. In case of discrepancies, the Italian text will prevail.

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## **List of revisions of the Model**

**Original version approved on 21 February 2006**

**First revision approved on 28 March 2008**

**Second revision approved on 24 March 2010**

**Third revision approved on 29 February 2012**

**Fourth revision approved on 6 February 2013**

**Fifth revision approved on 1 October 2013**

**Sixth revision approved on 19 March 2015**

**Seventh revision approved on 28 June 2016**

**Eighth revision approved on 14 December 2017**

**Ninth revision approved on 21 March 2019**

**Tenth revision approved on 26 May 2020**

## 1 DEFINITIONS

- ARERA: “Autorità di Regolazione per Energia Reti e Ambiente” (Italian electricity, gas and water regulator);
- Assonime: “Associazione fra le Società Italiane per Azioni” (association of Italian joint stock companies);
- Code of Ethics: code of ethics adopted by GME;
- Confindustria: the main association representing manufacturing and service companies in Italy;
- Consultants: parties acting in the name and/or on behalf of GME;
- Crimes: crimes covered by Legislative Decree 231/2001, as subsequently amended and supplemented;
- Directorate: one of the six Directorates in which the GME's corporate organization chart is articulated;
- Employees: all of GME's salaried workers (including managers);
- GME (or “Company”): Gestore dei Mercati Energetici S.p.A.;
- GME's Statutory Bodies: members of GME's Board of Directors and Board of Auditors;
- Group: GSE and its subsidiaries under art. 2359 of the Italian Civil Code;
- GSE: Gestore dei Servizi Energetici - GSE S.p.A.;
- Guidelines: Guidelines for building models of organisation, management and control under Legislative Decree 231/2001 (as subsequently amended and supplemented), approved by Confindustria;
- Model: general guiding principles for adopting a model of organisation, management and control under Legislative Decree 231/2001 (as subsequently amended and supplemented);
- “Partners”: GME's contractual counterparties (whether individuals or organisations) or parties with which/whom GME establishes any form of contractual co-operation;

- Public Administration: the Public Administration, including public officials or officers in charge of a public-interest service;
  - Sensitive processes: GME's activities exposed to the risk of commission of the crimes;
  - Supervisory Body: supervisory body under Legislative Decree 231/2001 (as subsequently amended and supplemented).
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- Units: indicates any organizational sub-articulation of the GME directorate.

## 2 INTRODUCTION

This document lays down the general principles underlying the organisational model that Gestore dei Mercati Energetici S.p.A. (GME) decided to adopt in accordance with Legislative Decree 231/2001, as subsequently amended and supplemented. The Decree governs *the administrative liability of organisations, companies and associations, including those without legal personality, under art. 11 of Law no. 300 of 29 September 2000*. The Model consists of multiple co-ordinated documents, as described in paragraph 5 below.

GME developed the Model on the basis of the Guidelines issued by Confindustria (see below, para. 4), as recently updated<sup>1</sup>, and of the general criteria set out in GSE's Guidelines.

## 3 LEGISLATIVE DECREE 231/2001

Legislative Decree no. 231 of 8 June 2001 (hereinafter also referred to as the "Decree") entered into force on 4 July 2001 and was subsequently amended and supplemented. The Decree was enacted under a law ("legge delega") that delegated ample powers to the Government to produce legislation in connection with Italy's obligations under EU Directives on corruption of public officials.

The Decree introduces the concept of and lays down provisions on the so-called "administrative" liability of companies for crimes that have been committed or attempted to be committed in their interest or to their advantage by the persons listed in art. 5 of the Decree<sup>2</sup>. This liability adds to the one of the individual that has materially perpetrated the fact. The Decree thus introduces an autonomous companies' sanctioning system, considering that, when companies commit offences, the individual is hardly ever the sole perpetrator of the offence; in fact, the crime may at times be an expression of the

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<sup>1</sup> Guidelines for the construction of organization, management and control models pursuant to Legislative Decree n. 231 - June 2021.

<sup>2</sup> Art. 5. *Liability of companies or entities*

1. A company or entity shall be liable for crimes that have been committed in its interest or to its advantage:

a) by persons holding positions of representation, administration or management within the company or entity or within one of its organisational units having financial and functional autonomy, as well as by persons exercising the management and control of the same company or entity, even on a *de facto* basis;

b) by persons managed or supervised by one of the persons referred to in subpara. a) above).

~~2. The company or entity shall not be liable for such crimes, if the persons specified in para. 1 above have acted in their sole interest or in the interest of third parties~~

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company's policy or arise from a "fault" or deficiency of the organisation.

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As to the types of crimes involving the administrative liability of companies, the original text of the Decree (articles 24 and 25) refers to **offences committed in the course of relations with the Public Administration**.

Other articles covering the administrative liability of companies have been subsequently enacted. On the date of approval of this document, there are:

- **Art. 24** "Undue receipt of funds, fraud against the State, a public office or the European Union or to obtain public funds, IT fraud against the State or a public office and fraud related to public supplies";
- **art. 24-bis**<sup>2</sup>: computer crime and illegal data processing;
- **art. 24-ter**<sup>3</sup>: organised crime;
- **art. 25**<sup>4</sup>: embezzlement, extortion, undue inducement to give or promise benefits, and corruption and bribery";
- **art. 25-bis**<sup>5</sup>: forgery of money, public credit cards, revenue stamps, identification signs or means;
- **art. 25-bis 1**<sup>6</sup>: crimes against industry and trade;
- **art. 25-ter**<sup>7</sup>: false corporate communications set forth in Art. 2621. 2621-bis and 2622 of the Civil Code; obstruction to the performance of audits;; unlawful transactions on the company's or parent company's shares; transactions prejudicial to creditors; fictitious capital formation; undue allocation of corporate assets by liquidators; unlawful influence on shareholders' or members' meetings; market rigging (agiotage); obstruction to the performance of public supervisory authorities' duties, private bribery, incitement to private corruption

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<sup>2</sup> Introduced by art. 7, Law no. 48 of 18 March 2008, and subsequently amended and supplemented.

<sup>3</sup> Introduced by art. 2, para. 29, Law no. 94 of 15 July 2009.

<sup>4</sup> As amended by art. 1, para. 77 a), no. 1, Law no. 190 of 6 November 2012, as well as by Law 9 no.3 of January 2019, by which the list of predicate crimes has been extended to the crime referred to in art. 346 bis of the Criminal Code, and, subsequently, by art. 5, paragraph 1, letter b), n. 1) of Legislative Decree n. 75 of 14 July 2020.

<sup>5</sup> Introduced by art. 6, para. 1, Law-Decree of 25 September 2001, amended and converted into Law no. 409 of 23 November 2001 concerning urgent provisions in view of the introduction of the euro and subsequently amended by Law no. 99 of 23 July 2009.

<sup>6</sup> Introduced by Law no. 99 of 23 July 2009.

<sup>7</sup> Introduced by art. 3, para. 2, Legislative Decree no. 61 of 11 April 2002, entered into force on 16 April 2002 as part of the reform of company law, as amended by art. 31, Law no. 262 of 28 December 2005 and by art. 1, para. 77 b), Law no. 190 of 6 November 2012 and art. 12, para. 1, subpara. a) of Law no. 69 of 27 May 2015 and by art. 6, para. 1, of Legislative Decree no. 38 of 15 March 2017.

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and for the offense of false statement, for the offense of illegal distribution of profits and reserves;

- **art. 25-quater<sup>8</sup>**: terrorism or subversion of the democratic order (under the Italian Criminal Code and special laws);
- **art. 25-quater.1<sup>9</sup>**: mutilation of female genitals;
- **art. 25-quinques<sup>10</sup>**: crimes against personality under Book II, Title XII, Section III, Subsection I of the Criminal Code: enslavement or continued enslavement - article 600, Criminal Code; prostitution of minors - art. 600-bis, Criminal Code; child pornography - art. 600-ter, Criminal Code; possession of pornographic material - art. 600-quater; virtual pornography – art. 600-quarter.1, sex tourism - art. 600-quinquies, Criminal Code; trafficking in human beings - art. 601, Criminal Code; purchase and transfer of slaves - art. 602, Criminal Code; enticement of minors - illicit brokering and exploitation of labor - art. 603, bis Criminal Code - art. 609 undecies, Criminal Code; also committed abroad, as per art. 604, Criminal Code;
- **art. 25-sexies<sup>11</sup>**: market abuse;
  - **art. 25-septies<sup>12</sup>**: unintentional manslaughter and serious or very serious unintentional injuries in breach of laws and regulations on prevention of injuries and health & safety in workplaces;**art. 25-octies<sup>13</sup>**: acquiring, receiving, laundering and using money, goods or assets of unlawful origin and self laundering;;
- **art. 25-novies<sup>14</sup>**: breach of copyright;
- **art. 25-decies<sup>15</sup>**: inducement not to render declarations or to render untruthful declarations to judicial authorities;

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<sup>8</sup> Introduced by art. 3, para. 3, Law no. 7 of 14 January 2003.

<sup>9</sup> Introduced by art. 8, Law no. 7 of 9 January 2006.

<sup>10</sup> Introduced by art. 5, para.1, Law no. 228 of 11 August 2003, as amended by art. 10, Law no. 38 of 6 February 2006 and as supplemented by art. 3, paragraph 1, of Legislative Decree no. 39 of 4 March 2014 and by art. 6, paragraph 1, Law no. 199 of 29 October 2016.<sup>11</sup> Introduced by art. 9, para. 3, Law no. 62 of 18 April 2005.<sup>12</sup> Introduced by art. 9, Law no. 123 of 3 August 2007 and then so superseded by art. 300 of Legislative Decree no. 81 of 9 April 2008.<sup>13</sup> Introduced by art. 63, Legislative Decree no. 231 of 21 November 2007 as amended by art. 3, para. 5 b) of Law no. 186 of 15 December 2014,<sup>14</sup> Introduced by art. 15, para. 7 c), Law no. 99 of 23 July 2009.<sup>15</sup> Introduced by art. 4, para. 1, Law no. 116 of 3 August 2009, as superseded by art. 2, para. 1, Legislative Decree no. 121 of 7 July 2011.

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- **art. 25-undecies<sup>16</sup>**: environmental crime
  - *environmental pollution (art. 452-bis, Criminal Code), also in an enhanced form (art. 452-gs, Criminal Code);*
  - *environmental disaster (art. 452 quaters, Criminal Code.), also in an enhanced form (art. 452-gs, Criminal Code);*
  - *intentional crimes against the environment (art. 452-quinquies, Criminal Code), also in an enhanced form (art. 452-gs, Criminal Code);*
  - *traffic and abandonment of high-level radioactive material (Art. 452-sexies, Criminal Code);*
  - *killing, destruction, possession or taking of specimens of protected wild fauna or flora species (art. 727-bis, Criminal Code);*
  - *destruction or deterioration of habitats within protected sites (art. 733-bis, Criminal Code);*
  - *discharge of industrial waste waters (art. 137, Legislative Decree 152/06);*
  - *unauthorised waste management activities (art. 256, Legislative Decree 152/06);*
  - *soil, subsoil, surface water or groundwater pollution (art. 257, Legislative Decree 152/06);*
  - *violation of obligations to provide notifications, keep records and complete forms (art. 258, Legislative Decree 152/06);*
  - *illegal trafficking of waste (art. 259, Legislative Decree 152/06);*
  - *organised activities for illegal trafficking of waste (art. 452 – quaterdecies of the Criminal Code);*
  - *false declarations concerning the nature, composition and physico-chemical characteristics of waste in waste analysis certificates; entry of false waste analysis certificates into SISTRI (national waste traceability control system); omission or fraudulent alteration of the hard copy of the SISTRI datasheet - waste handling area in waste transport (art. 260-bis, Legislative Decree 152/06);*
  - *import, export, transport, possession and use for profit-making purposes, purchase, sale, exhibition or keeping for sale or commercial purposes of protected species (art. 1 and art. 2, Law 150/92);*
  - *offenses relating to the implementation in Italy of the Convention on international*

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<sup>16</sup> Introduced by art. 2, para. 2, Legislative Decree no. 121 of 7 July 2011, as amended and supplemented by art. 1, para. 8, lsubparas. a) and b) of Law no. 68 of 22 May 2015

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*trade in animal and plant species in danger of extinction, signed in Washington on 3 March 1973, pursuant to Law no. 874 of 19 December 1975, and (EEC) Regulation No. 3626/82, as amended, and rules for the marketing and possession of live specimens of mammals and reptiles that pose a hazard to health and public safety (Law 150/92, art. 3-.bis);*

- *offenses relating to breach of the cessation and reduction of the use of harmful substances in art. 3 of Law 549/1993;*
- *intentional pollution caused by ships (art. 8, Legislative Decree 202/07);*
- *unintentional pollution caused by ships (art. 9, Legislative Decree 202/07).*
- **art. 25-duodecies**<sup>17</sup>: employment of third-country nationals residing unlawfully in Italy.
- **art. 25-terdecies**<sup>18</sup>: offenses relating to "racism and xenophobia".
- **art. 25-quaterdecies**<sup>19</sup> offenses of "fraud in sports competitions, abusive gambling or betting and gambling carried out through prohibited devices";
- **art. 25-quinquiesdecies**<sup>20</sup> "tax offenses".
- **art. 25-sexiesdecies**<sup>22</sup> concerning the crime of smuggling in accordance with the provisions of the Presidential Decree n. 43 of 23 January 1973.

Companies are also administratively liable for the transnational crimes referred to in articles 3 and 10 of Law no. 146 of 16 March 2006, as amended by article 64 of Legislative Decree no. 231 of 21 November 2007, i.e.:

- criminal association (art. 416, Criminal Code);
  - mafia associations, also foreign ones (art. 416-bis, Criminal Code);
  - criminal association for smuggling foreign tobacco products (art. 291-quater, Consolidated Text of Law, referred to in Decree of the President of the Republic no. 43 of 23 January 1973);
  - criminal association for trafficking in narcotic drugs or psychotropic substances (art. 74, Consolidated Text of Law, referred to in Decree of the President of the Republic no. 309 of 9 October 1990);
  - violation of provisions against illegal immigration (art. 12, paras. 3, 3-bis, 3-ter and 5, Consolidated Text of Law, referred to in Legislative Decree no. 286 of 25 July 1998);
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- inducement not to render declarations or to render untruthful declarations to judicial authorities (art. 377-bis, Criminal Code);
- personal aiding and abetting (art. 378, Criminal Code).

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<sup>17</sup> Introduced by art. 2, para. 1, Legislative Decree no. 109 of 16 July 2012.

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<sup>18</sup> Introduced by art. 5 para. 2, Law 167/2017 and subsequently amended by Legislative Decree no.21 of 2018

<sup>19</sup> Introduced by art. 5, para. 1, Law no.39 of 3 May 2019,

<sup>20</sup> Introduced by art. 39, paragraph 2, of the legislative decree no.124 of 26 October 2019, converted, with amendments, by the Law no. 157 of 19 December 2019, as subsequently supplemented by art. 5, paragraph 1, letter c), n. 1) to 3), of the Legislative Decree n. 75 of 14 July 2020.

<sup>22</sup> Introduced by art. 5, paragraph 1, letter d), of the Legislative Decree n. 75 of 14 July 2020.

Pursuant to art. 5, para. 1 of the Decree, a company is liable for the crimes committed in its interest or to its advantage by **persons in senior positions** and **persons subject to their management or supervision**.

In this connection,

- **persons in senior positions** are persons holding positions of representation, administration or management within the company or one of its organisational units having financial and functional autonomy, as well as persons performing activities of management and control of the same company, even on a *de facto* basis;
- **persons subject to their management or supervision** are persons managed or supervised by one of the above persons in senior positions.

Assonime issued a circular letter (no. 68/02) about the interpretation of the definition of “persons subject to their management or supervision”. The letter indicates that the definition does not apply to all those who work for the company, whatever their duties, but only to those who may - within the scope of their duties - commit one of the crimes listed in the Decree. In other words, the definition extends to persons over whom the Top Management has a duty of oversight or persons acting in the name of the company, such as suppliers, consultants, contractors, quasi-dependent workers (“parasubordinati”) and joint venture partners.

Conversely, the definition of corporate crimes only refers to criminal offences committed by: “board members/directors, general managers, liquidators or persons subject to their supervision”, as well as by “*de facto* board members/directors”.

With regard to the corporate crimes referred to in articles 2621, 2621 bis and 2622<sup>18</sup> 2622 of the Civil Code (false corporate communications), the amendment introduced by art. 30 of Law no. 262 of 28 December 2005 provides that the perpetrators of these crimes include not only the above-mentioned persons, but also managers in charge of preparing corporate accounting records.

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<sup>18</sup> At present, this article does not apply to GME as it relates to false corporate reporting of listed companies.

Hence, GME adopted guidelines on the role of the manager in charge of preparing the corporate accounting records (internal circular letter 1/2008), with a view to strengthening compliance with the rules on correct corporate communications.

The company is liable<sup>19</sup> only if the crime has been perpetrated in its interest or to its advantage. This means that the company is not liable if the individual has acted in his/her sole interest or in the interest of third parties (provided that the third party is not the Company or the Group to which it belongs).

No administrative liability arises if an individual having a qualified relationship with the company has not only acted beyond the scope of his/her powers or duties, but has also committed an arbitrary action unrelated to any interest, policy or other aim of the company.

The Decree identifies a “quasi-criminal” liability, although it explicitly refers to an “administrative” liability (this choice was made to safeguard, at least formally, the general principle enshrined in art. 27 of the Constitution, under which criminal liability is a personal liability). Signs of the quasi-criminal nature of this liability are found in the parts of the legislation that refer to the ascertainment of the liability by the criminal judge and to the autonomous liability of the company with respect to the ascertainment of the liability of the individual that has perpetrated the crime.

Indeed, the Decree introduced a “hybrid” concept of administrative liability of organisations, which is assessed by the criminal judge in a proceeding against another person (individual, e.g. board member/director, manager or employee) charged with one of the crimes specified in the Decree. Hence, this administrative liability is ascertained by the criminal judge under the rules governing criminal proceedings, in which the company is equated with the accused.

The company's liability is practically connected with the criminal prosecution of the accused. For purposes of cost-effectiveness, efficiency and fairness, the company's liability is procedurally correlated with the criminal liability of the accused. However, the company's liability remains autonomous, i.e. the company is liable even when (see art. 8 of the Decree):

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<sup>19</sup> The liability of the company does not replace but adds to the liability of the individual that has perpetrated the crime.

- the perpetrator of the crime has not been identified or is not chargeable;
- the crime is extinguished for causes other than amnesty (“amnistia”).

Unless otherwise mandated by law, the company is not prosecuted if an amnesty has been granted for the crime for which it is liable and the accused has waived its application. The company may waive the amnesty.

The sanctions imposed on companies are:

- **pecuniary sanctions**, which are commensurate with the severity of the fact and the operating and financial conditions of the company;
- **prohibitive sanctions**, such as: suspension or revocation of licences and “concessions” instrumental in committing the offence; prohibition on contracting with the Public Administration, except for obtaining the provision of a public-interest service; disqualification from exercising activities; denial or revocation of benefits, funds, contributions or subsidies; prohibition on advertising goods and services. It is worth stressing that the judge may replace the prohibitive sanction with the appointment of a commissioner for the same period of time as the sanction, if the company meets the requirements for being disqualified from exercising activities, but it provides a public-interest or a vital service whose interruption may have a severe impact on the public at large. The same criterion is adopted when, considering the size of the company and the economic conditions of the geographic area where it is based, the interruption of its activities may have major repercussions on employment. However, the proceeds from continuation of the company’s activities may be confiscated. Continuation of the company’s activities under the administration of a commissioner is not possible when the interruption of the company’s activities results from the application of a final judgement imposing a prohibitive sanction (considerable proceeds from and recurrence of the offence). Prohibitive sanctions involve the publication of the judgement of conviction;
- **confiscation of the proceeds from the offence** or of equivalent assets.



The conviction of the company is recorded in the national register of administrative sanctions and notified to the regulatory authority or to the authority overseeing the company, if any.

However, it should be emphasised that the aim of the Decree is not so much to set up an effective system for punishing the crimes, as to introduce systems for monitoring the company's activities and preventing the commission of the crimes. Therefore, in introducing the administrative liability regime, the Decree lists specific causes of exemption from liability.

In particular, if the crimes are committed by **persons in senior positions** and if all the requirements for administrative liability are met, the company is not liable if it can demonstrate that:

- a) prior the commission of the crime, its governing body has adopted and effectively implemented models of organisation and management suitable for preventing crimes of the same type as the one that has occurred;
- b) a body of the company with autonomous powers of initiative and control (in small companies, this body may coincide with the governing body) has been vested with the task of monitoring the implementation of and compliance with the models, as well as of updating them;
- c) the persons who have committed the crime have fraudulently avoided compliance with the above models of organisation and management. Hence, thanks to the Model, the company will:
  - exclude that any person working within it may justify his/her misconduct by invoking ignorance of the company's guidelines;
  - avoid that, in the generality of cases, the crime may be caused by human errors (including those due to negligence or inexperience) in assessing the company's guidelines;
- d) the body referred to in para. b) above has not omitted to exercise oversight or has not exercised inadequate oversight.

In connection with the extensive use of delegated powers and with the risk of commission of the crimes, the Decree also stipulates that the models referred to in para. a) above shall meet the following requirements:

1. identifying the areas of activity that are exposed to the commission of the crimes specified therein;
2. including specific protocols for planning the processes of decision-making and for implementing the decisions of the company about the crimes to be prevented;
3. including procedures for managing the financial resources needed to prevent the commission of the crimes;
4. introducing duties of reporting towards the body in charge of monitoring the implementation of and compliance with the Model;
5. introducing an internal disciplinary system suitable for punishing non-compliance with the measures indicated in the Model.

The same Decree provides that, in order to adopt models of organisation and management responding to the above requirements, companies may rely on the codes of conduct prepared by representative trade associations and submitted to the Ministry of Justice. After receiving the codes, the Ministry of Justice may - jointly with the competent Ministries and within 30 days - formulate comments on the adequacy of the models to prevent the crimes. These pre-defined models, which are scrutinised by the Ministry of Justice, provide companies with more assurances that their models are compliant with the Decree. Nevertheless, when ascertaining the administrative liability of a company, the criminal judge will assess whether the model that has been put in place is adequate and has been effectively implemented.

Conversely, if the crimes are committed by **persons subject to the management or supervision of persons in senior positions**, the company is liable only if the prosecution (Public Prosecutor) demonstrates that the commission of the crime by the above persons has been caused by non-fulfilment of their duties of management or supervision. Nevertheless, the Public Prosecutor's investigation finds a limit in the explicit provision of the Decree that excludes non-fulfilment of duties of management or supervision when,

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prior to the commission of the crime, the company has adopted and effectively implemented an adequate model to prevent a crime of the same type as the one that has occurred.

Hence, in this case too, it is crucial to adopt and effectively implement an adequate preventive organisational model.

Effective implementation of the Model requires:

- periodical monitoring of and possible changes to the Model, when significant breaches or changes in the company's organisation or activities occur;
- internal disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

The party in charge of adopting the model is "the governing body" (i.e. the Board of Directors and the Chief Executive Officer), which is responsible for taking the company's strategic decisions, in accordance with the related authorities of these subjects.

The adoption of an organisational model is an option and not an obligation for a company. Therefore, the lack of such a model does not - *per se* - expose the company to sanctions or to a liability, although the model is a necessary but not sufficient instrument for benefiting from exemption of liability.

#### **4 CONFINDUSTRIA'S GUIDELINES**

Pursuant to art. 6, para. 3 of the Decree, Confindustria defined its own Guidelines for building models of organisation, management and control. The Guidelines provide member companies with a methodological approach to identifying areas at risk and shaping the model of organisation, management and control on the basis of risk assessment/management processes. The building of the Model consists of the following stages:

1. identification of risks;
2. setting-up and/or implementation of a control system suitable for preventing the above risk through the adoption of specific protocols. The most significant components of the control system outlined by Confindustria are:
  - a) code of ethics;

- b) organisational system;
- c) manual and electronic processes;
- d) powers of authorisation and signature;
- e) control and management systems;
- f) communication to, awareness and training of the personnel. These components should be based on the following principles:
  - verifiability, documentability, consistency and adequacy of each action;
  - application of the principle of separation of functions;
  - documentation of controls;
  - adequate system for sanctioning breaches of the Code of Ethics and of the procedures indicated in the Model;
  - autonomy, independence, professionalism and continuity of action of the supervisory body;

3. definition of criteria for setting up the supervisory body and planning specific information flows from and to the supervisory body.

It is worth recalling that, in June 2021, Confindustria updated its “Guidelines for building models of organisation, management and control”, complied with by this Model.

## **5 GME'S ORGANISATIONAL MODEL**

### **5.1 Components of the Model**

The Model adopted by GME consists of this document, called "Guiding Principles" or Guidelines, and of "Special Parts" concerning the different types of crimes listed in the Decree.

The organisational Model is supported by the set of corporate processes and the Code of Ethics.

The Guiding Principles describe the rationale and the purposes of GME's Model, as well as its basic components, management and updating procedures.

The Special Part called "Crimes against the Public Administration and Other Crimes" concerns the crimes referred to in articles 24, 24-bis, 24-ter, 25, 25-bis, 25-bis 1, 25- quater, 25-quater.1, 25-quinquies, 25-sexies, 25-septies, 25-octies, 25-novies, 25-decies, 25 undecies, 25-duodecies, 25-terdecies, 25-quaterdecies, 25-quinquiesdecies and 25-sexiesdecies of the Decree and in the Criminal Code. The second Special Part, called "Corporate Crimes", refers to article 25-ter and, namely, to the sanctions set out in the Civil and Criminal Codes.

The Model may be supplemented with additional special parts concerning other types of crimes, as may be required by subsequently enacted law provisions enlarging the scope of the administrative liability of companies.

### **5.2 Goals pursued by GME with the adoption of the Model**

In line with its mission (defined in Legislative Decree 79/1999 and subsequent legislative/regulatory provisions), GME deems it essential to ensure correctness and transparency in the conduct of its operations, so as safeguard its role as an institution and as a subsidiary of a company providing a public-interest service under "concession". Therefore, GME decided to adopt a model of organisation and management (in compliance with the Decree) whose general principles are consistent with those adopted by GSE.

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GME feels that the Decree further strengthens the importance of abiding to the ethical principles that GME is already pursuing. In this regard, GME amended its Code of Ethics to make it consistent with the Group's ethics and to incorporate the general principles that are required for putting in place a viable organisational Model. The Board of Directors adopted the original text of the Model with its resolution of 21 Feb. 2006 and then amended and supplemented it with its resolutions of 28 March 2008, 24 March 2010, 29 February 2012, 6 February 2013, 1 October, 2013, 3 July 2014 and 21 January 2016, the latter in the implementation of the principles laid down in legislation on anti-corruption and transparency.

GME's Model takes into account the prescriptions of the Decree and Confindustria's Guidelines and is based on the general criteria set out in GSE's Guidelines and on the best practices of crime prevention developed at international level.

The internal control system, already existing with the GSE Group upon the enactment of the Decree, plays a crucial role in the Model. Based on this system, GME has put in place specific instruments to respond to the legislative requirements and shaped its internal control system along the lines specified by the Decree.

By so doing, GME intends to give evidence, to its internal and external stakeholders, of the way in which its governing body manages and organises resources in view of effectively preventing the crimes covered by the Decree.

The Decree explicitly refers to the following topics:

- identification of activities at risk. In particular, the identification of areas where the crimes listed in the Decree may be committed supposes an internal scrutiny of all the corporate processes.

The map of activities at risk should be constantly updated, to reflect both changes to corporate processes and to the list of crimes to which the Decree applies. The

Supervisory Body will periodically submit specific reports to the Board of Directors on the results of the mapping process.

With particular regard to unintentional manslaughter and serious or very serious unintentional injuries in breach of laws and regulations on prevention of injuries and health & safety in workplaces, GME carried out a thorough analysis aimed at identifying the potential areas of activity at risk, without *a priori* excluding any area of activity. Indeed, these types of crimes may involve all the components of the company.

- Furthermore, GME analysed the process of management of financial resources to check whether it was based on specific control principles, such as:
  - separation of roles in the key stages of the process;
  - traceability of acts and authorisation levels associated with individual operations;
  - monitoring of the correct performance of the different stages of the process (specifically formalised requests for payment orders; authorisation by the competent function; checking whether the received goods match the ordered ones; verification of payments, checking invoices and entering them into the accounting records);
  - documentation of the controls carried out;
- identification of GME's body in charge of exercising oversight and defining appropriate procedures of action;
- major flows of information towards the above body;
- definition of protocols of behaviour and of implementation of decisions in the activities at risk;
- system for sanctioning employees' breaches of the prescriptions defined in the Model;
- awareness and training of personnel members, especially those in charge of managing activities at risk.

The Model is aimed at:

- making persons working in the name and on behalf of GME, in areas with sensitive activities, aware of the risk of committing individual and corporate, criminal and administrative offences, if they breach the rules laid down in the Model;

- indicating unlawful behaviours through which GME might obtain a gain and the related criminal and administrative risk incurred by GME;
- recalling the ethical-social principles underpinning GME's activities;
- putting in place the instruments indicated by the Decree in order to enable GME to effectively prevent and sanction the offences.

### **5.3 Adoption of the Model within GME**

GME's Board of Directors:

- adopted the original text of GME's "Model of Organisation and Management" with its resolution of 21 February 2006;
- defined the membership of the Supervisory Body.

The organisational guidelines of GME take into account, among others, those already in use within GSE, so as to ensure:

- A. the level of standardisation of protocols and the uniformity of approaches and judgement criteria at Group level;
- B. the co-ordination of control activities in accordance with the Group's policies and strategies;
- C. the operation of the Supervisory Body.

As previously pointed out, the Model was subsequently amended and supplemented with the Resolutions of GME's Board of Directors of 28 March 2008, 24 March 2010, 29 February 2012 and 6 February, 2013, 1 October 2013, 19 March 2015 and 28 June 2016, of 14 December 2017, of 21 March 2019 and 26 May 2020.

### **5.4 Updating of, changes and additions to the Model**

As formally established at Group level, the organisational Model will incorporate all the changes and additions introduced by GSE, as far as possibly and effectively applicable to the business reality of GME. GSE's and GME's Supervisory Bodies will co-ordinate their activities in incorporating changes into the respective models.

Changes and additions of a substantial nature fall under the sole responsibility of GME's

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Board of Directors. The word “substantial” means major changes and additions to the

structure and implementation of the Model, e.g. change of the Supervisory Body's responsibilities and of the Model approval procedures.

GME's Supervisory Body may make changes or additions that are instrumental in the effective implementation of the Model, but that do not represent substantial changes thereto. The word "instrumental" means changes and additions that are necessary for managing the Model in operational terms, e.g. updating the map of areas at risk and the implementation protocols.

GME's Supervisory Body may also make additions to the Special Parts of the Model that are instrumental in its effective implementation or issue special instructions.

## **5.5 Implementation of the Model**

GME's Supervisory Body will have the task of implementing the organisational Model. With regard to Group-level sensitive activities, GME's Supervisory Body will co-ordinate its activities with GSE's Supervisory Body.

## **6 SUPERVISORY BODY**

### **6.1 Identification of the Supervisory Body**

GME's Board of Directors will have the power of appointing the Supervisory Body and the task of monitoring its operation. GME's Board will also adopt resolutions on any proposed changes to or updates of the Model.

The term of office of the Supervisory Body will be equal to the one of the Board of Directors that has appointed it. The Supervisory Body will tender its resignation to the new Board of Directors. Except for the resignation of individual members for causes other than the natural expiration of their term of office, the Supervisory Body will exercise its functions until the Board of Directors appoints the new Supervisory Body.

The Supervisory Body identified by the Board of Directors will be endowed with dedicated resources, adequate in number and skills, for its monitoring activity. These resources,

which may be used even on a part-time basis, may be selected among those available within the Parent Company's Internal Audit Function.

Furthermore, under prior arrangements with GME's Top Management, the Supervisory Body may avail itself of the support of GME's directorate/organisational units, with a view to conducting specific actions pertaining to each directorate/organisational unit as may be required from time to time.

The Supervisory Body will fulfil its responsibilities on a continuing basis, relying on the Parent Company's Audit function or on GME's Internal Audit function and, under prior arrangements with the Top Management, on external consultants, within the same limit of expenditure and under the same rules as those of GSE.

## **6.2 Conditions of ineligibility and incompatibility**

With regard to conditions of ineligibility and incompatibility:

- the members of the Supervisory Body must not have kinship relations with the Top Management or economic interests in the company or be in a position of potential conflict of interest (excluding professional and/or working relations);
- persons who have been convicted - even without a final judgement - for one of the crimes referred to in the Decree will not be appointed as members of the Supervisory Body.

Where the Head or one of the members of the Supervisory Body finds himself/herself in one of the above-mentioned positions of incompatibility, the Board of Directors will - after conducting appropriate investigations and hearing the person concerned - establish a time limit of 30 days to remedy the incompatibility. If, after the expiration of the above time limit, the incompatibility persists, the Board of Directors will remove the person concerned from office.

## **6.3 Removal from office**

Only the Board of Directors will have the authority to remove the Supervisory Body and each member thereof from office.

Each member of the Supervisory Body may only be removed from office for just cause.

The removal from office for just cause means:

- debarment or disqualification or serious illness/disability making the member of the Supervisory Body unfit for performing his/her oversight duties or illness/disability involving his/her absence from work for over six months;
- assignment of operational functions and responsibilities to the Supervisory Body, i.e. the occurrence of events incompatible with the requirements of autonomy of initiative and control, independence and continuity of action that are typical of the Supervisory Body;
- serious misperformance of the duties that are typical of the Supervisory Body;
- final judgement of conviction of the Company pursuant to the Decree, or criminal proceeding ending with the application of the penalty at the request the parties (the so-called "plea bargaining"), where - based on records - the Supervisory Body has "omitted to exercise oversight or exercised inadequate oversight" pursuant to art. 6, para. 1 d) of the Decree;
- final judgement of conviction of the members of the Supervisory Body for having personally committed one of the crimes referred to in the Decree;
- final judgement of conviction of one of the members of the Supervisory Body to serve a penalty involving debarment, even on a temporary basis, from holding public offices or temporary debarment from holding offices within the governing bodies of organisations and companies.

In the above cases, where a judgement of conviction has been rendered, the Board of Directors may - pending the finalisation of the judgement - resolve to suspend the powers of the member of the Supervisory Body.

Each member of the Supervisory Body may at any time resign from office by giving an advance notice of at least 3 months.

#### **6.4 Responsibilities and powers of the Supervisory Body**

The distinctive features of the Supervisory Body will be independence, professionalism and continuity of action. It will have autonomous powers of initiative and control and the task of monitoring the implementation of and compliance with the Model and of updating it. In particular, it will:

- monitor compliance with the prescriptions of the Model by its recipients; the recipients shall be identified in the Special Parts of the Model concerning the different types of crimes listed in the Decree;
- check whether, based on GME's structure, the Model is actually capable of effectively preventing the commission of the crimes specified in the Decree;
- update the Model as required by corporate or legislative/regulatory changes.

In more operational terms, GME's Supervisory Body will:

- on a regular basis, assess whether the organisational-procedural measures underlying GME's decision-making and -implementation processes are adequate and compatible with the Model; and propose changes or additions, if any;
- on a regular basis, assess whether GME's decision-making and -implementation processes in critical areas (in terms of risk of commission of the crimes specified in the Decree) are adequate;
- on a regular basis, assess whether the controls on the activities carried out in critical areas (in terms of risk of commission of the crimes specified in the Decree) are adequate;
- with regard to the specific control activities falling under its responsibility, issue instructions and make changes and additions that are instrumental in the effective implementation of the Model and that do not represent substantial changes thereto;
- within the scope of its responsibilities, submit proposals for additions or changes to the Model to GME's Board of Directors;
- put in place control procedures, considering that the primary responsibility for overseeing activities (even those conducted in areas at risk) rests with the operational Management of GME and that such responsibility is an integral part of the corporate process;
- on a regular basis, verify specific operations or acts conducted in areas of activities at risk, as defined in the Special Parts of the Model;
- conduct internal investigations in order to ascertain the alleged breaches of the Model;
- take appropriate initiatives to disseminate awareness and improve the understanding of the Model and of the related internal organisational documents;
- draft the internal organisational documents which are necessary for the implementation of the Model and containing instructions, clarifications or updates;

- collect, process and store significant data and update the list of data to be compulsorily reported or made available to the Supervisory Body, so as to ensure the effectiveness of the Model;
- check whether the elements specified in the Special Parts of the Model for the different types of crimes (adoption of standard clauses, performance of procedures, etc.) are adequate and whether they meet the requirements of the Decree; otherwise, update the same elements;
- prompt the initiation of disciplinary procedures by GME's bodies having responsibility for the specific cases.

To discharge its duties, the Supervisory Body will have free access to all the relevant corporate documents.

## **6.5 Reporting**

On a regular basis, the Supervisory Body will report on the status of implementation of the Model to GME's Board of Directors and Board of Auditors.

The Supervisory Body will put in place adequate information and co-ordination channels with GME's bodies in charge of controlling accounting, administration and management activities (Board of Auditors and Independent Auditors) as well as with Bodies entitled to the check of the standards on anti-corruption (Head of the Corruption Prevention Dept. and Internal Referent of the Head of the Corruption Prevention Dept.). These reporting channels will provide further assurances on the implementation of the Model and on the independence of the Supervisory Body in the accomplishment of its duties.

The Board of Directors or the Board of Auditors may at any time invite the Supervisory Body to report on the implementation of the Model or on specific matters. The Supervisory Body may in turn ask to be heard by the Board of Directors or the Board of Auditors on the above-mentioned matters.

On a yearly basis, the Supervisory Body will submit to the Board of Directors a written report on the implementation of the Model, highlighting any deficiencies to be addressed or actions to be undertaken. The document will, among others, describe the reports or

information received during the year and the actions undertaken by the Supervisory Body and by the other parties concerned.

## **7 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY**

The Supervisory Body must receive not only the documents prescribed in the Special Parts of the Model (to which the reader is referred), but also any other information, including information from third parties, about the implementation of the Model in areas of activities at risk.

The Supervisory Body must be kept constantly informed about the evolution of activities in areas at risk and have free access to all of the company's documents which may be useful for that purpose. Moreover, the Management must notify the Supervisory Body of any activity exposing GME to the risk of crime.

The system of delegation of powers adopted by GME and its updates must be notified to the Supervisory Body.

GME's Supervisory Body must receive the following data:

- measures taken by and/or notifications from judicial police bodies or any other authority about investigations (including those concerning unknown persons) on the crimes specified in the Decree that involve or may involve GME;
- requests of legal counselling made by managers and/or employees, where judicial proceedings for the crimes specified in the Decree have been instituted;
- reports issued - within the scope of their control activity - by persons in charge of corporate functions other than those of the Supervisory Body, indicating facts, acts, events or omissions of a critical nature in terms of compliance with the provisions of the Decree;
- copies of periodical reports on occupational health & safety (e.g. copy of the Risk Assessment Document prepared by the employer supported by the Head of Prevention and Protection, etc.), as well as on incidents, injuries, inspections and/or any other circumstance that may be relevant for the purposes of the application of the Model;

- copies of reports on internal or external attempts of fraudulent access to corporate information systems;
- notifications about the actual implementation of the organisational Model at all corporate levels, highlighting the disciplinary procedures undertaken, the sanctions inflicted, if any, or the dismissal of the cases and the related grounds.

Periodical reports prepared (on a quarterly basis) by the Administration, Finance & Control Structure about the non-occurrence of critical events in its activities will represent key elements of the system of control of financial flows and integrate the above reporting system.

Even informal reports must be transmitted to GME's Supervisory Body. Therefore,

- any notifications/reports about commission of the crimes specified in the Decree in connection with GME's activities, or anyway about behaviours not conforming to the rules of conduct adopted by GME and by the Group, will be collected;
- the Supervisory Body will - at its reasonable discretion and under its own responsibility - assess the notifications/reports received and the consequent measures, if any, to be taken, and possibly hear the notifying/reporting person and/or the alleged offender;
- the Supervisory Body will protect the notifying/reporting persons from any form of retaliation, discrimination or penalisation, maintaining confidentiality about their identity, unless otherwise mandated by the applicable legislation and without prejudice to the protection of the rights of GME or of the persons accused wrongfully and/or in bad faith.

To facilitate the flow of information and reports towards the Supervisory Body, "dedicated reporting channels" will be put in place.



## **7.1 Collection and storage of data**

The Supervisory Body will store any information, notification and report indicated herein in a special data base (electronic and/or paper media). Access to the data base will be restricted to the Supervisory Body.

## **8 PERSONNEL: AWARENESS, TRAINING AND ASSESSMENT**

Jointly with GME's Supervisory Body, GSE's Human Resource Dept. Head and the general GSE Service (who currently manages the activities of training and education of GME's personnel under a service contract between GME and GSE) will manage activities of personnel awareness of and training on the implementation of the Model.

The activities of personnel awareness and training in connection with the Decree are continuously evolving. They include (but are not limited to):

- A) for all personnel members: information included in the letter of employment and in subsequent courses of introduction to the GSE Group (for newly hired personnel); awareness initiatives and training courses (including those based on e-learning methods) for all employees; access to a section of GME's intranet site dedicated to the subject and updated by the Supervisory Body; e-mail updates as necessary;
- B) for personnel with functions of management and representation (in addition to the activities covered by the previous point): initial seminar upon the initial implementation of the Model and subsequent periodical update meetings.

Moreover, all of GME's employees will attend training courses on Legislative Decree 231/2001. These courses will include, among others, the analysis of the reference legislative/regulatory framework, of the applicable organisational model (including the analysis of the related disciplinary system, of the code of ethics and of practical cases of application within the company), and end with a test to be administered to all participants with a view to verifying the effectiveness of the course and assessing their proficiency. Additionally, each participant in the course will receive the course material, as well as copies of the code of ethics and of the company's organisational model and be made aware of the availability of the same documents and of their updates on the company's

intranet site, so as to further improve his/her understanding of the topics covered by the course whenever the need arises.

GME will notify all the parties concerned of legislative/regulatory changes or updates of the Model via e-mail or by posting them on its intranet site.

Special notices about the policies adopted by GME hereunder will be provided to third parties with which/whom GME co-operates, usually by introducing them into the contracts entered into with the same parties.

With a view to implementing the Decree, the Company together with the Human Resources Dept. Head and General Services of GSE will – jointly with the Supervisory Body – define appropriate procedures for identifying and notifying/reporting abnormal situations, if they arise upon selection and recruitment of the personnel or upon the application of assessment criteria for career development.

## **9 DISCIPLINARY SYSTEM**

### **9.1 Role of the disciplinary system**

Art. 6, para. 2 e) and art. 7, para. 4 b) of the Decree explicitly provide (with reference to both persons in senior positions and persons subject to their management or supervision) that a company shall not be administratively liable if it can demonstrate, among others, that it has put in place *a disciplinary system suitable for sanctioning non-compliance with the measures specified in the Model*. A system of sanctions (commensurate with the breach and acting as a deterrent), enforceable upon violations of the rules adopted by GME under the guiding principles indicated herein, can enhance the efficiency of the Supervisory Body's oversight action and ensure the effectiveness and seriousness of the Model. Indeed, the putting in place of such disciplinary system is an essential pre-requisite of the Model in view of the company's exemption from administrative liability. As is obvious, breaches of the provisions of GME's complex and structured Model undermine the confidence-based relationships established with GME. Consequently, they may involve disciplinary actions, whatever the criminal proceedings that may be instituted when a given conduct represents a crime.

It is worth underlining that the disciplinary sanctions will be inflicted independently of the outcome of a possible criminal proceeding, since GME adopted the rules of conduct of the Model in full autonomy, regardless of the fact that a given conduct may represent an offence.

As to the types of sanctions, it should be preliminarily stated that, in the case of salaried workers, any sanction must comply with the procedures of art. 7 of the Labour Code and/or with special legislative or contractual provisions, where applicable, and obey the principles of the typicality of the breaches and of the typicality of the sanctions.

In compliance with art. 7 of the Labour Code, the part of GME's Model which contains the code of conduct and the sanctioning system will be made known to employees by posting it in a place accessible to all of them.

## **9.2 Pre-requisites of the applicable sanctioning system**

Considering the existing system of industrial relations and the legislation already applicable to the personnel of the GSE Group, GME confirmed its adoption of the sanctioning system already reported in the national collective labour agreement (CCNL). In particular, the CCNL confirms article 35 of the collective labour agreement of 1 August 1979, as supplemented by the Minutes of the Labour Agreement of 28 July 1982 concerning criteria of correlation between workers' misconduct/misperformance and disciplinary measures.

Therefore, the conducts that represent punishable breaches of GME's Model and Code of Ethics are defined in para. 9.3 of the Model.

Some of these conducts are exemplified below by increasing order of severity:

- a) employees' breach of internal procedures implementing the principles expressed in the Model or, in performing activities connected with Sensitive Processes, conducts that do not conform to the prescriptions of the Code of Ethics or of the code of conduct;
- b) breach of internal procedures implementing the principles expressed in the Model or, in performing activities connected with Sensitive Processes, conducts that do not conform

to the rules adopted in compliance with the Model and expose GME to an objective situation of risk of commission of one of the crimes;

- c) in performing activities connected with Sensitive Processes, conducts that do not conform to the internal procedures implementing the principles expressed in the Model or to the Code of Ethics and having the sole purpose of committing one or more crimes;
- d) in performing activities connected with Sensitive Processes, conducts that are patently in breach of the internal procedures implementing the principles expressed in the Model or of the Code of Ethics and that may cause the application of the sanctions referred to in the Decree to GME.

The sanctions and any claims for damages will take into account the level of responsibility and autonomy of the employee, the prior disciplinary measures applied to the same employee, if any, and the intentional nature and severity of the breach, i.e. the level of risk to which GME may reasonably believe to be exposed - for the purposes and effects of the Decree - as a result of the employee's misconduct.

The Chief Executive Officer will be responsible for the actual application of the disciplinary measures outlined herein, possibly on the basis of notifications/reports received from the Supervisory Body, and after hearing the hierarchical superior of the person that has committed the breach.

### **9.3 Sanctions towards employees**

The following sanctions may be imposed on employees in the various cases of violation of the Model, in accordance with the provisions of both the Model and the disciplinary system referred to in the Minutes of the Labour Agreement of 28 July 1982.

The conduct of an employee breaching the rules of the Model is a **disciplinary offence**, as it violates GME's rules and regulations.

The sanctions which may be imposed on employees are among those established in GME's disciplinary code, in accordance with the procedures referred to in article 7 of the

Labour Code. The sanctions are based on a scale of increasing severity of the individual cases of misconduct.

In particular, any employee who has committed acts or omissions breaching the rules of the Model will be subject to the following disciplinary sanctions. The extent of the sanctions will depend on the severity and recurrence of the breach, as well as on the damage caused to the company or to third parties:

- a) *verbal or written reprimand;*
- b) *fine;*
- c) *suspension from service and from pay;*
- d) *dismissal with pay in lieu of notice;*
- e) *dismissal without pay in lieu of notice.*

**a) verbal or written reprimand**

Under point I.6 of GME's disciplinary code, any worker who *fails to comply with the provisions made known by GME via internal circular letters or other suitable means*, thus including all the provisions of the Model, or - under point I.12 of the above code - *does not perform his/her work with the necessary diligence* and thus, in performing activities in areas at risk, adopts a behaviour not conforming to the prescriptions of the Model **will be subject to a verbal or written reprimand.**

**b) fine**

Under point II.7 of the disciplinary code, any worker *persisting in one of the misconducts mentioned in para. I, before the misconduct has been individually ascertained and notified to him/her* or any worker who has already committed one of the breaches mentioned in para. a) hereof and persists in breaching the prescriptions of the Model or who, in performing activities in areas at risk, continues to adopt a behaviour not conforming to the prescriptions of the Model, **will be subject to a fine**, since such behaviours represent recurring non-compliance with GME's specific prescriptions.

**c) suspension from service and from pay**

Under points III.1 and III.11 of the disciplinary code, any worker who breaches the rules of the Model or, in performing activities in areas at risk, adopts a behaviour not conforming to the prescriptions of the Model and who *intentionally commits acts which may cause actual prejudice to the service, causes damage to or creates a situation which objectively jeopardises (...) the integrity of the company's assets* **will be subject to suspension from service and from pay**, since such behaviours represent a damage to or jeopardise the integrity of the company's assets.

Any worker who has already received a fine and who persists in breaching the rules of the Model or corporate procedures and, in performing activities in areas at risk, continues to adopt a behaviour not conforming to the prescriptions of the Model will be subject to the same measure.

**d) dismissal with pay in lieu of notice**

Under points IV.1 and IV.7 of the disciplinary code, any worker who - in performing activities in areas at risk - adopts a behaviour which patently breaches the prescriptions of the Model, causing *considerable damage (...) to the integrity of the company's assets or commits - with gross negligence or wilful misconduct - acts which may cause considerable damage to the company* and which may lead to the application of the measures referred to in the Decree to the company, **will be subject to dismissal with pay in lieu of notice**, without prejudice to his/her autonomous criminal liability, if any.

Any worker who has already been suspended from service and from pay and who persists in breaching the rules of the Model or, in performing activities in areas at risk, continues to adopt a behaviour not conforming to the prescriptions of the Model will be subject to the same measure.

**c) dismissal without pay in lieu of notice**

Under point V.6 of the disciplinary code, any worker who - in performing activities in areas at risk - commits acts which cause serious prejudice to the Company *so that the Company no longer trusts him/her* and is exposed to the application of the measures referred to in the Decree, **will be subject to dismissal without pay in lieu of notice**.

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#### **9.4 Measures towards managers**

Any manager who breaches the provisions of the Model or, in performing activities in areas at risk, adopts a behaviour not conforming to the prescriptions of the Model will be subject to the same procedure of notification of the offence as the one used for the generality of employees. However, GME reserves the right to assess the most appropriate disciplinary measures to be taken in accordance with the provisions of the applicable legislation and of the national collective labour agreement (CCNL) concerning managers of companies producing goods and services,

In compliance with the applicable legislation and the collective labour agreement, GME reserves the right to file claims for damages against the manager as a consequence of his/her breach of the rules of conduct and procedures referred to in the Decree.

### **10 OTHER SAFEGUARDING MEASURES**

#### **10.1 Measures towards members of the Board of Directors**

Where a breach is committed by one or more members of GME's Board of Directors, the Supervisory Body will report the breach to the Board of Directors and to the Board of Auditors, so that they may adopt appropriate initiatives under the applicable legislation.

GME's Supervisory Body will timely report the breach to GSE's Supervisory Body, which will in turn report the matter to GSE's statutory bodies, so that they may adopt appropriate initiatives within the Group.

#### **10.2 Measures towards independent contractors**

Any conduct by independent contractors that is contrary to the rules of conduct indicated herein and that entails the risk of committing a crime punishable under the Decree may - in accordance with specific contractual clauses introduced into the letters of assignment - result into termination of the contract, without prejudice to any claims for damages, where

such conduct causes actual damage to GME, like in the case of application of the measures specified in the Decree by a judge.

### **10.3 Protection of whistleblowers**

With reference to the protection of whistleblowers, the Company has implemented a computer system for performing illegal alert available on the corporate intranet, and that, through the encryption of personal data, will ensure the anonymity of the reporting and confidentiality of the alleged perpetrator of the offense, also in line with the provisions concerning the applicable legislation (see. Sec. 6.7 of the Three-Year Plan for the Prevention of Corruption approved by GME).



## **11 CODE OF ETHICS**

GME updated its Code of Ethics with a view to meeting the requirements of the Decree. The rules of conduct provided in this Model integrate with those of the Code of Ethics of GME and GSE, without prejudice to the different aims pursued by the Code of Ethics and by the Guidelines to the organisational Model. From this standpoint, the Code of Ethics will be autonomously and generally applicable by GME. The Code of Ethics expresses the principles of behaviour that those acting in the name and on behalf of GME are held to abide by - under the applicable civil and criminal legislation, especially as regards general duties of correctness, diligence and good faith in the performance of the contract, as set out in articles 1175, 1176 and 1375 of the Civil Code - in order to comply with the principles of impartiality, independence, confidentiality and transparency that are typical of the ethics of a public-interest service.

Additionally, compliance with the Code will be an integral part of employees' contractual obligations towards their employer, for the purposes and effects of art. 2104 of the Civil Code of the national collective labour agreement (CCNL)..

The Model, instead, responds to the requirements of the Decree and describes GME's instruments for preventing the commission of particular types of crimes, i.e. crimes that give rise to the administrative liability of GME as an organisation, if they are committed in its interest or to its advantage.

## **12 CORPORATE RULES AND PROCEDURES**

The set of the corporate rules and procedures, in their present version and subsequent updates, will be an integral part of GME's Model.

GME will put in place systems for centralised collection of the procedures developed by its competent units, so as to facilitate their dissemination and updating. The Supervisory Body will be responsible for monitoring compliance with the corporate rules and procedures, to the extent applicable under the Decree and subsequent related legislation.

## **13 PROGRAMME OF INITIAL APPLICATION OF AND CRITERIA FOR UPDATING THE MODEL**

### **13.1 Application of the Model**

Given its impact on GME's complex organisational structure, the organisational Model has required a special operational programme, capable of accommodating innovations. The programme has identified the methodological approach to be taken, the activities to be carried out and the timescales within which the Model will become operational. This has implied that all the parties engaged in the implementation of the Model have contributed to applying all the planned measures, in accordance with the provisions and aims of the Decree.

The programme has also involved the setting-up of an operational work group, consisting of the Head of GSE's Internal Audit unit and the heads of each of GME's functions. The latter, in particular, have had and now have the task of developing specific procedures and/or of changing/updating existing ones, so as to implement the principles laid down herein in connection with the Sensitive Processes falling under their responsibility. Said procedures will be developed and/or updated on the basis of the weaknesses detected in GME's current Model.

The "drafts" of the procedures to be adopted and/or their additions will be submitted to the Supervisory Body for a compulsory but not binding opinion. The Supervisory Body will express its opinion, providing suggestions also in view of ensuring their co-ordination and consistency with the guiding principles expressed herein.

If the Supervisory Body expresses a favourable opinion, the procedures will be submitted to GME's Chief Executive Officer for final scrutiny. If the Supervisory Body expresses an unfavourable opinion, the procedures, together with an explanatory report, will be submitted to the Board of Directors.

### **13.2 Updating and revision of the Model**

The activities of updating and/or revision of the Model are explicitly covered by art. 6, para. 1 b) of the Decree. These activities will be carried out mainly as a result of:

- changes to the legislation and to the Guidelines of Confindustria underlying the Model;
- breaches of the Model or outcomes of verifications of its effectiveness (including public-domain experiences concerning other companies of the sector) indicating previously undetected weaknesses;
- changes to GME's organisational structure deriving from operations of extraordinary finance or from strategic changes opening up new fields of activity for GME.

This is a particularly significant activity, which ensures an effective implementation of the Model over time, taking into account changes in the legislative/regulatory framework or in GME's structure, as well as weaknesses of the Model, especially those detected on the occasion of breaches thereof.

The Decree under review (art. 6, para. 1 a)) explicitly assigns the responsibility for adopting the organisational Model to the governing body. Thus, the responsibility for resolving about the updating and revision of the Model and of this document will be vested in the body in charge of its initial adoption and thus in the Board of Directors.

In line with its role arising from art. 6, para. 1 b) of the Decree, the Supervisory Body will report to the Chairman of the Board of Directors or the Chief Executive Officer any information of which it may become aware and which may justify the need for updating and revising the Model.

However, the Model will be revised on a regular basis to ensure its viability and consistency with the evolution of GME's requirements.

Proposals for updating/revising the Model will be formulated through the involvement of GME's competent functions and/or by relying on external experts, where necessary. The Supervisory Body will submit the proposals to the Chief Executive Officer, who will in turn submit them to the Board of Directors for final approval.