



COURTESY TRANSLATION

***ORGANIZATIONAL MANAGEMENT
AND CONTROL MODEL
PURSUANT TO LEGISLATIVE DECREE 231/2001

ROCKWELL AUTOMATION S.R.L***

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1. Crimes listed in D. Lgs. 231/2001;
2. Map of the areas "at risk of crime";
3. Risk Management Plan;
4. Preventing protocols;
5. Bibliography and references.

1. FOREWORD

1.1. Definitions

In this document and in the respective exhibits the following terms have the meaning indicated below:

- ***“Activity at risk of crime”***: the process, operation, act or set of operations and acts which may expose the Company to the risk of committing a Crime.
- ***“CCNL”***: the Collective Bargaining Employment Agreement applicable to employees of the Service sector.
- ***“Code of Conduct”*** (or Ethical Code): the document, officially required and approved by the Company’s top management as an explanation of corporate policies, which includes the general principles of conduct – or recommendations, obligations and/or prohibitions – which must be complied with by the Addressees and the breach of which is sanctioned.
- ***“D. Lgs. 231/2001”*** or ***“Decree”***: Legislative Decree 8 June 2001, no. 231, relevant to the *“Regulation of the administrative liability of individuals, companies and associations even without legal status, according to Section 11 of the law 29 September 2000, no. 300”*, published in the Official Gazette no. 140 of 19 June 2001, and further amendments and integrations.
- ***“Addressees”***: Corporate bodies (Directors and Auditors), Employees, Suppliers all those who operate in the Company’s interest or to the Company’s advantage, with or without representation and regardless of the nature and the type of relationship with the Company which put them in charge. The Addressees are under the obligation to comply with the Procedures, the Ethical Code and the pre-emptive Protocols.
- ***“Employees”***: all the individuals who have an employment relationship with Rockwell Automation S.r.l.
- ***“Group”*** or ***“Rockwell Group”***: the group of corporate undertakings formally autonomous and independent from each other, but subject to ROCKWELL AUTOMATION INTERNATIONAL HOLDINGS LLC’s direction.
- ***“Guidelines”***: the Guidelines for the construction of organizational, management and control procedures under Legislative Decree no. 231/2001,

published by professional associations, which have been taken into consideration for the purpose of drafting and adoption of the Procedures.

- *“Organizational, management and control procedures according to D. Lgs. 231/2001” or “Model”*: the organizational, management and control procedures which are deemed appropriate by the Corporate Bodies to prevent Crimes and that, therefore, were adopted by the Company, according to Section 6 and 7 of the Legislative Decree, to prevent the committing of Crimes by top-level or low-level Personnel, as described in this document and the respective exhibits.
- *“Corporate Bodies”*: the Board of Directors and/or the Company’s Independent Auditors, depending on the relevant sentence.
- *“Supervisory Body”*: the Body provided for under Section 6 of the Legislative Decree, being in charge of supervising the operation of and compliance with the organizational, management and control procedures, as well as their updating.
- *“Personnel”*: all individuals who have an employment relationship with the Company, including employees, temporary workers, collaborators, interns or trainees and freelancers who have been instructed by the Company.
- *“Top-Level Personnel”*: the individuals listed in Section 5, paragraph 1, letter a) of the Decree, or the individuals who are in charge of representative, management or direction functions of the Company; More in detail, members of the Board of Directors, the Chairman and legal representatives of the Company.
- *“Personnel subject to somebody else’s direction”*: the individuals listed in Section 5, paragraph 1, letter b) of the Decree or Personnel which operate under the direction or supervision of the Top-Level Personnel.
- *“Protocol”*: an organizational, physical and/or logical measure provided for in the Procedures in order to prevent the risk of committing Crimes.
- *“Crimes” or “Crime”*: the collective crimes, or a single crime, listed in D. Lgs. 231/2001 (as possibly amended and integrated in the future).
- *“Disciplinary Procedure”*: the disciplinary measures applicable in the case of breach of the procedural rules and rules of conduct set out in the Procedures;
- *“Company”*: Rockwell Automation S.r.l.

1.2. Legislative decree no. 231 of 8 June 2001

Further to a process commenced by the European Union¹, an entity's administrative liability for committing crimes was also introduced in Italy with the approval of the legislative Decree no. 231 of 8 June 2001.

The Decree came into force on 4 July 2001, introducing for the first time in Italy a particular form of liability for entities for certain crimes committed in their interest or to their advantage by their own personnel (top-level personnel, employees, etc.). Such liability does not replace the liability of the individual who committed the crime, but is in addition to it.

Under the new liability regime, the punishment for certain crimes involves the assets of the entities which have benefited from committing those crimes. In fact, in the case of unlawful conduct, the application of a monetary sanction it is always provided for and, in the most serious cases, also other serious disqualifying measures, such as suspension or revocation of concessions and licences, disqualification from exercising the activity, prohibition from contracting with the Public Administration, exclusion or revocation of financing and contributions, prohibition from advertising goods and services, up to compulsory administration of the entity.

In other words, the crimes listed in the Decree, if committed, would result in the entities' administrative liability, are – still today – those committed in connection with relations with the public administration, crimes relevant to counterfeiting money, public credit cards and revenue stamps, corporate crimes, crimes with the purpose of terrorism or subverting democratic order, crimes against the individual. More in detail, the crimes in relation to the commission of which an entity may be penalised with an administrative sanction² are listed below:

- Undue collection of contributions, financing or other disbursements by the

¹ OCSE (Organization for Economic Co-operation and Development) Convention of 17 December 1997 on corruption of foreign public officials in international economic operations. OCSE and European Union convention against corruption in international trade and against fraud to the damage of the European Community. Section 11 of the delegated law (law 29 September 2000 no. 300), in particular, authorised the Government to legislate on this kind of responsibility.

² The possibility of broadening the list of crimes falling within the application of this law in the near future is very concrete.

- State or another public entity;
- Defrauding the State or another public entity;
 - Aggravated fraud for obtaining public disbursements;
 - IT fraud against the State or another public entity;
 - Corruption;
 - Corruption between private persons³;
 - Corruption in relation to public activity;
 - Corruption in judicial activity;
 - Incitement to corrupt;
 - Extortion;
 - Embezzlement of the State or of another public entity;
 - Counterfeiting money, public credit cards and revenue stamps ⁴;
 - False corporate communications;
 - False corporate communications to the detriment of shareholders or creditors;
 - False statement;
 - False reports or communications of audit companies;
 - Obstruction of control;
 - Fictitious formation of capital;
 - Undue reimbursement of capital contributions;
 - Unlawful distribution of profits and reserves;
 - Unlawful operations involving shares or quotas of the controlling company;
 - Operations to the creditors' detriment;
 - Undue distribution of corporate assets by the liquidators;
 - Unlawful influence in the shareholders' meeting;
 - Stock manipulation;
 - Obstacle to the exercise of the functions of public surveillance authorities;
 - Crimes with the purpose of terrorism or subverting democratic order;
 - Crimes against the individual;
 - Market Abuse crimes;
 - Receiving and laundering money;
 - Crimes concerning migrant trafficking;
 - Environmental crimes⁵;
 - Employment of illegal immigrants;
 - Solicitation of children⁶;

³ Offense introduced by Legislative Decree no. 109/2012. **In 2017 the articles were updated and private bribery instigation was introduced.**

⁴ **Updated on 2016.**

⁵ Introduced by Legislative Decree no. 7 July 2011 n. 121 "Implementation of Directive 2008/99/EC on criminal law protection of the environment and Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements" came into force on 16 August 2011. Recently, Law Decree no. 136/2013, converted with amendments into Law no.6/2014, introduced in the Environment Code the crimes of "illegal burning of waste" (see Summary list of offenses of administrative liability of entities pursuant to Legislative Decree 231/01 in Annex 1)

- Obstructing the course of justice;
- Crimes related to safety in the workplace;
- IT and cyber crimes;
- Copyright infringement;
- Breach of distinctive sign rights;
- Breach of patents and industrial rights;
- Trade frauds;
- Food crimes;
- Association crimes, mafia crimes and crimes related to weapons⁷;
- Illegal hiring⁸.

As referred to above, according to Section 5 of the Decree “*the entity is responsible for the crimes committed in its interest or to its advantage*”; in other words, the entity is liable if its business has benefited from the unlawful activity. On the contrary, the entity shall not be liable if those who committed the Crime acted in their own interest or in that of third parties. Moreover, again under Section 5 of the decree, the relevant actions must be carried out by:

- Individuals who have the representative, administrative or directive functions of the entity or of an organizational unit with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same;
- Individuals subject to the direction or supervision of one of the individuals indicated in the previous letter a)”.

However, the entity is not necessarily always and in any event liable for the committing of the Crime. It was deemed appropriate to allow the entity to preemptively prove its lack of involvement with the Crime⁹. For this purpose, the adoption of codes of conduct specifically tailored to crime-risk (i.e. aimed at preventing, through setting up certain rules of conduct, the commission of certain Crimes) is required.

An indispensable requirement in order for adopting the procedures to exempt the entity from liability is that such procedures are efficiently implemented.

In other words, the entity’s specific awareness shall be made out when the crime committed by one of its bodies or subordinates falls within an entrepreneurial

⁶ Legislative Decree 39/2014, which entered into force on 7 April 2014, it is thus spoke on the Legislative Decree 231/2001: 1. At paragraph 1, letter c) of Article 25-d of the decree of 8 June 2001, no. 231, after the words “600-quater.1” shall be inserted the following: «and for the offense referred to in Article 609»

⁷ On April 18, 2014 the wording of Article 416-ter of the Criminal Code (exchange-electoral political mafia) was amended. The amendment was introduced by Article 1 of Law April 17, 2014 n. 62.

⁸ **Crime introduced in 2016.**

⁹ A. FILIPPINI, *Adempimenti conseguenti all’entrata in vigore del Decreto Legislativo 231/2001*.

decision or when it is a consequence of the fact that the entity did not adopt an organizational procedure which is appropriate to prevent crimes such as the one which occurred or even, in this respect, that there was a lack of or insufficient surveillance by the bodies with power of control¹⁰.

In this context, Section 6 of the Decree provides that the entity is not liable for the unlawful conduct if it proves that it has adopted and efficiently implemented, before the commission of the fact, *“organizational and management procedures which are appropriate to prevent crimes of the same type as the one which occurred”*.

The same provision also provides for the establishment of a *“Supervisory body internal to the entity”* with the purpose of supervising the operation and effectiveness of and the compliance with the above-mentioned procedures, as well as to look after its updating.

Therefore, the organizational procedures must meet the following requirements:

- Identify the Activity at risk of crime;
- Include specific protocols for the prevention of Crimes;
- For the purpose of preventing Crimes, identify the formalities of managing financial resources;
- Include obligations to inform the body responsible for the supervision of the operation of and compliance with the procedures;
- Include an internal disciplinary procedure appropriate to sanction non-compliance of the measures indicated in the procedures.

In conclusion, in the case of Crimes committed by Top-Level Personnel, the entity shall not be liable if it can prove that:

- (i) The management body has adopted and efficiently implemented, prior to the fact being committed, organizational and management procedures appropriate to prevent Crimes of the same type as the one which has taken place;
- (ii) The task of supervising the operation of and compliance with the procedures and to look after their updating was assigned to a body of the entity with autonomous powers of initiative and control (Supervisory Body), which, in small entities, may overlap with the same management body;
- (iii) There was not a lack of or insufficient surveillance of the procedures by the control body;
- (iv) The individuals committed the Crime by fraudulently evading the procedures.

¹⁰ G. FIANDACA, E. MUSCO, *Diritto Penale Parte Generale*, Zanichelli Editore, fourth edition.

On the contrary, in the case where the Crime has been committed by individuals subject to the Top-Level Personnel's direction or supervision, the entity shall be responsible for the Crime only if there was negligence in performing the directive and supervisory obligations and such negligence will be ruled out if the entity has adopted, prior to the Crime being committed, organizational, management and control procedures appropriate in order to prevent Crimes of the same type as the one which occurred¹¹.

1.3. Guidelines issued by Trade Associations

Section 6 of the Decree establishes that organizational and management models may be adopted on the basis of codes of conduct drawn up by the Associations and notified to the Ministry of Justice¹².

In light of the above, the Company, in drafting this document, has taken into consideration the Guidelines drawn up by Confindustria, attached to this documents as **Annex 2**.

It is understood that possible differences between the Procedures adopted by the Company and certain specifications included in the Guidelines (More in detail, the Confindustria guidelines because certain provisions have only been agreed upon by minority doctrine and have not been acknowledged by the case law) does not compromise their overall correctness and validity.

However, any differences between the Model adopted by the Company and certain recommendations contained in the Guidelines do not nullify its basic correctness and validity. In fact, Confindustria Guidelines by their very nature have a general character, whereas models need to be drawn up with reference to the Company's concrete Company's real structure ¹³.

¹¹ The inversion of the burden of proof provided for the Top-Level Personnel does not therefore subsist: in the case in question, the public prosecution body will have to prove that the entity had not promptly adopted the required organisational procedures.

¹² Ministry of Justice, together with the competent ministers, may file observations within thirty days on the appropriateness of the procedures to prevent crimes.

¹³ The principle is stated in the Guidelines which on page 11 read as follows: "*the Guidelines therefore play an important inspirational role in the construction of the procedures and the audit body with the relevant tasks on the part of the single entity which, however, in order to better pursue the goal of preventing crimes, may diverge from them, should any specific corporate needs require it, and this shall not mean that the necessary requirements for the drafting of valid organisational, management and control procedures may be regarded as not having been met*".

1.4. Rockwell Automation S.r.l.

Rockwell Automation S.r.l. is a leading company of automation components in Italy and in the world and possesses powerful infrastructure to meet the needs of companies operating in Italy.

The Group has its headquarters in Milwaukee (WI) in the United States and has approximately 21,000 employees worldwide.

Rockwell Automation is a leading supplier of automation components globally and preferred supplier for a number of “*blue chip companies*” all over the world.

Rockwell Automation offers solutions for saving energy, maximizing plant availability, compliance with regulatory requirements and minimizing risk in the production phase. These products are essential for customers who carry out industrial and require strong integration and support to meet their production requirements, meet the requirements of international quality and contain costs.

The Company, with registered office in Milan, is the Italian subsidiary of the Group acting as an intermediary in the sales of Rockwell.

The Company is present on the national territory with 9 technical-commercial offices (Milan, Peschiera Borromeo, Turin, Genoa, Brescia, Padua, Bologna, Florence, Rome and Caserta). In addition, Rockwell Automation S.r.l. is responsible of marketing, sales and service, as well as in Italy, Greece, Israel, Cyprus, Malta, Albania, Egypt and Libya.

The branch network is complemented by distributors, integrators and solution providers authorized to guarantee availability of the product and qualified technical support.

Rockwell Automation S.r.l. is composed of more than 230 people, including technical and commercial vendors, product specialists for technical and commercial support, marketing personnel, technical specialists in automation and drive systems, and, finally, skilled technicians for maintenance and administrative functions and customer care services.

With the utmost attention to customer satisfaction, in January 1999 the Company has successfully completed the project Quality Management System resulting in the certification UNI EN ISO 9001:94 and subsequent re-certification according to ISO

9001:2000, issued by DNV and certified in the Certificate of Conformity No. 08205-2003-AQ-ROT -RvA.

The Company can satisfy the high demands of international customers which carry out its production activities in Italy and it can provide a wide range of high quality automation solutions compliant with international quality requirements helping to reduce costs in the business life cycle and providing adequate support.

The Company can offer the following services:

- Sales and support of the brands: *Allen-Bradley* and *Rockwell Software*.
- Engineering and project management of automation systems and drive.
- Support for start-up works.
- Technical Support.
- Spare parts service and repair center.
- Customer training: program of courses at the premises and the possibility of personalized courses.
- Maintenance contracts and extended warranties.
- Support for the identification of partner / distributor / manufacturer.
- Strategic collaborations, co-marketing initiatives and product support through its structures.
- Introduction to its network of integrators and OEMs.
- Experience in specific fields such as Food, Packaging, Plastic, Auto, Pharmaceutical, Rubber & Tyres, Metal Handling, Mining, Water Treatment, Marine, Power Generation, Printing, Paper, Energy.

Rockwell Automation's solutions are compliant with global quality standards, including the European Directives and the provisions concerning the CE marking.

1.5. Rockwell Automation Group Governance

The governance model of the Rockwell Automation Group, in addition to the internal control functions, is composed of a “Business Standards Compliance Committee (BSCC)” and an “Audit Committee” who reports directly to the Board of Directors of Rockwell Automation Inc. (controlling company listed on the New York Stock Exchange-NYSE).

The main control functions are the following:

➤ **CFO & General Counsel (GC)**

He is responsible for the implementation and application of the Code of Conduct and policies as well as the standards of compliance with legal requirements.

➤ **Business Standards Compliance Committee (BSCC)**

He appoints an Ombudsman and provides advices dealing with compliance standards according to the requirements of the applicable law, on the basis of:

- Reports on risk assessment;
- Reports on violations of standards of business.

➤ **Ombudsman**

He is responsible for investigating about Code of Conduct breaches and ensure that all violations are investigated and properly resolved.

Receives reports of potential violations of the Code of Conduct.

Examines the alleged violations of the Code of Conduct Compliance with the Business Standards Committee.

Prepares reports of its activities to the Audit Committee (Audit Committee).

➤ **Global Compliance Office**

The Office ensures the observance of laws by carrying out Rockwell Automation Ethics Program through communication, training, monitoring and evaluating of the program effectiveness.

If necessary the Office could report to the Audit Committee and to the Board of Directors.

➤ **Business Units**

They are responsible for compliance with the requirements of business standard and law. They report the alleged violations of the Code of Conduct.

They provide to employees opinions compliant with both the Code of Conduct and the requirements of the law.

They are responsible for performing periodic local risk assessments.

➤ **All Employees of the Group**

They are responsible for carrying out their work in accordance with company regulations and policies as well as applicable laws. They cooperate with supervisors or other appointed individuals in any investigation about Code of Conduct breaches and they are responsible for reporting violations or alleged violations. They attend training sessions about Code of Conduct Ethics training and got the certificate.

1.5.1. Internal control system

Rockwell Internal Audit is responsible for the revision of business, financial and administrative Group processes, in order to assess:

- adequacy and effectiveness of internal controls to be applied to financial transactions, assets and operations;
- validity, accuracy, reliability and effectiveness of the compliance programs dealing with financial control and reporting;
- how the Company assets are accounted for and protected from any kind of losses;
- Code of conduct and policies communication plans;
- Supervision activity relating to safety and security within the Group.

The Group promotes a strong ethical culture that includes an Ombudsman Program which allows every employee, customer, supplier or partner to report, even anonymously, any suspicious behavior clashing with this model and Rockwell Code of Conduct.

The Ombudsman Program collects and manages in an appropriate manner all notifications. The Program is also advertised to all employees and partners.

1.5.2. Organizational Structure

The Group is organized to ensure that the activities are carried out effectively according to goals fixed by management.

The internal organizational system allocates responsibilities according to powers and roles, following the principle of functions separation to ensure the effectiveness of control at each level.

The Group applies the principles established by the Sarbanes-Oxley Act, and therefore Rockwell Automation S.r.l. has adopted a computerized systems and procedures to ensure the fulfillment of these principles.

The Company has also adopted a powers system based on proxies and authorizations dealing with indicated expense thresholds.

During the process of recruitment all employees and partners are made aware about this organizational structure and they can refer to internal procedures and policies at any time by accessing to the Company's intranet site.

1.6. Rockwell Automation S.r.l.'s governance

The Company has adopted in its articles of association a so-called “*traditional*” system of management (governance).

Rockwell Automation S.r.l.'s corporate governance is able to ensure an organizational and management structure appropriate to promote and conform to Rockwell's system of values when carrying out its entrepreneurial activity¹⁴.

The Company's By-Laws provide for the following Corporate Bodies:

- the Shareholders' Meeting (a body with exclusively deliberative functions, whose responsibilities are by law restricted to the main decisions in corporate life, with the exclusion of management responsibilities);
- the Board of Directors (which is responsible for the strategic supervision and for the management of crimes' risks prevention);
- the Independent Auditor (with functions of control over the Company's management), has chosen: Deloitte.

This decision was made by the Board of Shareholders in light of the new legislation in art. 2477 of the Italian Code of Civil Procedure, through verification/modification of the Company Charter.

The strategic supervision function consists of determining the directions and strategic objectives as well as verifying their execution.

On the other hand, the management function consists of carrying out the entrepreneurial operability aimed at executing such strategies.

The strategic supervision and management functions, as they unitarily relate to the management of the undertaking, are assigned to the Board of Directors and its delegated bodies.

The auditing function is expressed as the verification of the regularity in the Administration and in the adequacy of the organizational and accounting assets of Rockwell Automation S.r.l, and is attributed, in its administrative and accounting aspects, to the auditing firm, while its felony prevention aspect is handled by the Company's Supervisory Board.

¹⁴ In other words, such a solution was adopted as it provides for a greater organisation of internal audits compared with alternative solutions – such as the s.r.l. – which would have also allowed savings from an administrative and tax standpoint.

The Company's Board of Directors, composed of 3 (three) members, is the body with the function of strategic supervision, in which are concentrated the functions of direction and/or supervision of corporate management (for example, through examination and resolution with regard to industrial or financial plans or to the Company's strategic operations)¹⁵.

The Board of Directors is responsible for managing the corporate enterprise and the Directors are responsible for all operations required for achieving the corporate objective¹⁶.

In this context, the Directors resolve, in a non-exclusive manner, upon:

- establishing or closing down secondary offices;
- indicating which of the Directors are given the representation of the company;
- adjustments to the Articles of Association prescribed by legal provisions;
- transfer of the registered offices in the national territory
- reducing the share capital in the case of withdrawal of a shareholder;
- resolutions relevant to mergers in the cases described in Sections 2505, 2505-bis and 2506-ter of the Italian civil code;

Chairman of the Board of Directors

The Chairman of the Board of Directors carries out an important function aimed at facilitating the dialogue both within the Board and between the corporate bodies to ensure the balance of powers, coherently with the tasks of organizing the Board of Director's schedule and circulating information which were assigned to them by the Articles of Association and by the Civil Code.

According to Section 2381 of the Civil Code, the Chairman organizes the Board of Directors activities. More in detail, the Chairman is responsible for organizing the deliberations of the Board (from convening, to the agenda as the perimeter of possible resolutions, to governing the meeting), which are fundamental to ensure the joint functioning of the corporate Body and to eliminate or mitigate informational asymmetries within the Board.

The Chairman is responsible for safeguarding the assets and the corporate name, defining corporate strategies, determining the corporate size and creating availability for acquiring resources, issuing proxies in relation to corporate functions, signing

¹⁵ Section 2381 of the Civil Code.

¹⁶ Section 2380 *bis* of the Civil Code.

agreements, proposing corrective actions and supervising their execution.

The Chairman of the Board of Directors acts for the Company before third parties.

Directors

The appointed Directors (two) are responsible for conducting all transactions with banks and lenders.

Auditing firm

The auditing firm monitors compliance to the regulatory and statutory laws regarding account management and financial statements, and checks the organizational and accounting assets of Rockwell Automation S.r.l..

The task is carried out in accordance with:

- legislation;
- auditing standards;
- accounting standards.

In particular, concerning accounts auditing, the auditor verifies, during the financial year, the regular bookkeeping and the proper collection accounting records.

The auditing firm also verifies the fulfilment of all civil, fiscal and welfare duties.

Supervisory Body

Internal Supervisory Body is provided for under Section 6 of D. Lgs. 231/2001. It is responsible for supervising:

- the effectiveness and adequacy of the Procedures in relation to the corporate structure and to the actual capacity to prevent the commission of Crimes;
- compliance with the Procedures by the Corporate Bodies, Employees and other Addressees, in relation to the latter also through the competent corporate functions;
- the advisability of updating the Procedures, if this is deemed necessary as a consequence of corporate or legislative changes.

Supervisory Body's members are appointed by the Board of Directors and stay in office for a three-year period in accordance with the applicable regulations.

For more details and information about this Body regulations, please refer to the last Section of this document.

1.7. Other organizational features

In the development of this Model all the rules, procedures and control systems already existing within the Group has been taken into account because they can also be used to reduce risks of crimes and illegal behaviors including those provided for by Legislative Decree 231/2001.

The Board of Directors takes the utmost care in the definition and updating of organizational structures and procedures, and in order to ensure efficiency, effectiveness and transparency in the management of assets, in order to minimize failures, malfunctions and irregularities (including unlawful behavior not in accordance with what is indicated by the Group).

The Company has identified specific tools¹⁷ to schedule some training and to implement the business decisions, to carry out checks on business activity also to prevent crimes and offenses pursuant to Decree:

- the corporate governance rules issued by the Group;
- the quality management system (ISO 9001:2008);
- the system of powers and proxies;
- the principles established by the Sarbanes-Oxley Act;
- Rockwell Automation's Code of Conduct;
- The Group policies.

One of the main Group goals is to deliver a quality service respecting the environment and the safety of its employees.

The instruments listed above have the purpose of:

- To demonstrate the ability to provide services that comply with the requirements and customers' needs, as well as to the applicable legal requirements;
- To implement a management tool oriented to quality through process control and continuous customer satisfaction;
- To improve the internal organization;
- To improve performance by increasing effectiveness and efficiency obtained by spending review and processes optimization;
- To allow new services to access;
- To demonstrate compliance with the requirements and environmental

¹⁷ All documents listed are also pointed out in the Risk Management Plan as preventive tools designed to reduce the level of exposure to the risk of crime.

regulations to reduce the risk of environmental crimes;

The rules, principles and policies set out in the above instruments are mentioned in the Risk Management Plan, in **Annex 3**, as part of the broader system of organization management and control of the Model which all the Addressees are required to comply, regardless of the kind of relationship with the Company.

2. RESPONSIBILITY FOR THE APPROVAL, ADOPTION, INTEGRATION AND IMPLEMENTATION OF THE MODEL.

According to Section 6, paragraph 1, letter a) of the Decree, the adoption and effective implementation of the Procedures are acts which are the responsibility of and carried out by the corporate executive management¹⁸.

Therefore the Board of Directors has the responsibility and the power to approve, integrate and amend, by way of an appropriate resolution, the principles and provisions set out in this document and in its respective exhibits, which form an integral and substantial part of the Procedures adopted by the Company.

Decisions relevant to subsequent amendments and integrations of the Model shall therefore also be the responsibility of the Company's Board of Directors, albeit upon initiative of the Supervisory Body as described below. The amends shall be approved by the Legal Representative of Company according to the on proxies powers system.

The Board of Directors is responsible for drafting and carrying out the Model by evaluating and approving the actions to implement their fundamental elements. In order to identify those actions, the Board will rely on Supervisory Board support and reports.

The Board of Directors shall also ensure the implementation and actual compliance with the Protocols in the corporate areas "at risk of crime", also requiring for future adjustments.

To realize this, the Board of Directors shall use:

- the Company's organizational structures to manage the risk of crime carried out by each area "at risk of crime";

¹⁸ In this context, "management body" was intended to mean the Board of Directors (cf. for all doctrine, FABRIZIO BAVA, *La responsabilità amministrativa della società e l'individuazione dell'organismo di Vigilanza*, in *Impresa c.i.*, no. 12/2002, page 1903; ALESSANDRA MOLINARI, *La responsabilità amministrativa delle persone giuridiche*, in *il Fisco* no. 38/2003, page 15518); AIGI (AUTORI VARI), *I modelli organizzativi ex D. Lgs. 231/2001*, Giuffrè, 2005, page 276.

- Supervisory Body with powers of initiative and control regarding the activities “at risk of crime”.

3. ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

3.1. Main Model's purposes and features

The Company has deemed it appropriate to adopt a specific organization, management and control Model, pursuant to the Decree, in the belief that this also represents an effective means of prevention against the risk of committing crimes and the administrative offences envisaged by the relevant regulations, in addition to being a valid instrument to foster the awareness of all the persons that operate in the interests of or for the benefit of the Company so that the conduct adopted by them is correct.

More in detail, the Company aims to achieve the following results by adopting and constantly updating the Model:

- to create awareness in all the persons working on behalf of the Company in “sensitive activities” (namely, those activities for which, by their very nature, the crimes referred to in the Decree may be committed), of incurring disciplinary and/or contractual consequences, in the event of breaching the provisions established in this regard, in addition to attracting criminal and administrative sanctions which may be imposed on them;
- to reconfirm that these forms of unlawful conduct, in addition to being contrary to the provisions of law, are, however, also contrary to the ethical principles which the Company intends to comply with when engaging in its business activity, and as such, they are strongly condemned (also in the circumstance where the Company is apparently in a position to obtain a benefit);
- to intervene promptly in order to prevent or obstruct crimes being committed and to punish the forms of conduct which are contrary to its Model and, above all, the foregoing is achieved thanks to a monitoring activity of the areas prone to risk.

Consequently, the Board of Directors deems that the Model's adoption and effective implementation must not only enable the Company to benefit from the exemption envisaged by Legislative Decree No. 231/2001, but will tend to improve the corporate Governance.

The Board of Directors is also convinced that the adopted Model is part of the corporate identity, More in detail, by adapting its system of internal controls, envisaging the specific purposes of ensuring compliance with company practices in relation to ethical standards and the sound and lawful performance of the business activities, without prejudice to the Model's particular purpose (preventing the risk of a crime being committed) and the necessary compliance with the legal requirements.

In this context, first of all, during the preparation of this Model due account was taken of the control regulations, practices, procedures and systems existing and already operational within Rockwell.

Therefore, the corporate governance and control system represent a valuable instrument to support the prevention of unlawful conduct in general, including the forms of conduct envisaged by the specific laws and regulations which establish the administrative liability of entities.

The Company has identified the specific instruments which already exist and are designed to program the formation and implementation of business decisions and to perform controls on the Company's activities.

As regards organizational aspects, Rockwell has already formalized its Organization Charts, internal approval process, system of powers: all these documents are posted on the Company intranet.

The Company carries on its activity in compliance with both trade associations Guidelines and By-Laws where Shareholders' Meeting, Board of Directors and the Independent Auditors duties and responsibilities are described.

As regards management the Company has identified its procedures and formalized policies dealing with typical roles, highlighting responsibilities, the opposition among corporate departments.

As regards control aspects, over and above the Supervisory Body, the Company ensures an internal audit system which has already started its activity, valuing past experiences.

The adopted Model doesn't change roles and tasks of corporate audit system, but it aims at ensuring the compliance of corporate activity with both the provisions of the Code of Business Conduct and the provisions of the pre-emptive Protocols, ensuring the ultimate goal of preventing the risk of Crime.

Again in relation to audits, the Procedures set out the obligation to document the carrying out of inspections, checks and audits, as is provided for under the reference procedures.

Finally, communication and training will allow:

- Addressees, as potential perpetrators of crimes, to be fully aware both of the circumstances that are at risk of committing unlawful conducts and of the Company's complete and absolute disapproval of such illegal behaviours, which is deemed contrary to corporate interests even when apparently it could be beneficial to the Company;
- the Company to promptly react to prevent or impede the committing of the crime thanks to the continuous supervision of the activity.

The adopted Model involves all aspects of Company's activity, through research into the distinction of operational tasks from audit tasks (where possible), in order to manage possible risk and/or conflict of interests correctly.

More in detail, audits involve, with different roles and levels, the Board of Directors, the Supervisory Body, the auditing firm, the entire Personnel and, where it is deemed possible and effective, the systems, in this way representing an indispensable component of the Company's daily activity.

The adopted Model is an organic system of processes, policies and audit activities (pre-emptive and *ex post*), which has the objective of allowing the conscious management of the risk of committing Crimes through the identification of the Activity at risk of crimes and its subsequent regulation through procedures.

3.2. Activities which aim to assess the existing Model and the Model's possible upgrade.

The Board of Directors has deemed it appropriate to set up a risk assessment and risk management process with regard to assessing the Model and the processes to upgrade and improve the Model concerned, in compliance with the Decree and the Guidelines of the cited trade associations, by adopting the actions which are listed below:

- identification and mapping the business areas and activities;
- correlation of the business areas and activities compared to the type of Crime with a consequent detailed mapping of the Areas and Activities prone to a crime risk to be submitted to analysis and monitoring;

- analysis of the procedures in place with reference to the Activities prone to a crime risk and definition of possible implementations aimed at ensuring an upgrade to the provisions set out in the Decree. In this context, special attention was and will be paid to the following aspects:
 - definition of ethical principles in relation to the forms of conduct which can integrate the Crimes;
 - definition of the “Activities at risk of crime”;
 - definition of a plan to implement the Procedures;
 - definition of a specific training plan for the Staff with reference to the Decree, its provisions and the penalty system;
 - definition of procedures for third parties (consultants, suppliers and outsourcers);
 - definition and application of a specific penalty and disciplinary system, complete with appropriate deterrence;
- identification of the Supervisory Board in a body established ad hoc by the Company and the allocation of specific supervisory duties to the Supervisory Board concerning the Model's effectiveness and actual existence;
- definition of the information flows in relation to the Supervisory Board and from the latter to the Company Bodies / Supervisory Authority.

3.3. Organization, management and control Model to prevent the risk of crimes being committed in relation to health and safety in the workplace.

The principal preventive measures adopted by the Company with reference to the risks produced by crimes of murder and serious and very serious injuries due to insufficient protections concerning health and safety in the workplace are represented by the Company complying with the obligations pursuant to Legislative Decree No. 81/2008.

Therefore, the Company has established an organizational structure and has formalized the appointments of the employer, the Designated Officer, the Prevention and Protection Service Manager, the Company Medical Officer, the emergency services personnel, and the Workers' Health and Safety Representatives.

The Company has also established a company management system to ensure that the obligations concerning the following aspects are complied with:

- risk assessment activities and preparation of the consequent prevention and protection measures (by formalizing the Risk Assessment Document and the Interference Risks Assessment Documents);
- compliance with the legal technical and structural standards relating to equipment, systems/plants, workplaces, chemical, physical and biological agents;
- organizational type activities, for example: emergencies, first respondent service, procurement management, periodic safety and security meetings, consultations with the workers' health and safety representatives (the cited appointments, the organization of periodic meetings envisaged by law, etc.);
- health surveillance activities (performed by the medical officer in charge);
- information and training activities for the workers;
- supervisory activities with reference to compliance by workers with the safe working procedures and instructions;
- the acquisition of mandatory documentation and certificates required by law;
- periodic audits concerning the implementation and effectiveness of the procedures adopted.

The compliance management system concerning health and safety in the workplace foresees that the Prevention and Protection Service Manager is required to record that the above-mentioned activities have been performed.

The current management system collects proxies and functional powers. The current system foresees a structure for the functions that assures the technical expertise and powers necessary to perform risk assessment, management and audits, by allocating suitable powers to the appointed individuals.

Non-compliance with the measures designed to ensure health and safety in the workplace is punishable pursuant to the disciplinary system referred to adopted Model.

Lastly, the compliance management system concerning health and safety in the workplace provides a specific control system regarding the implementation of the system concerned and maintaining, over time, the suitability conditions of the measures adopted, to be performed by the Prevention and Protection Service and a third level inspection by the Supervisory Board that schedules the inspection activities annually, reporting the respective findings annually to the Company's Board of Directors and to the auditing firm..

The system then foresees a review and possible change of the solutions adopted when significant breaches of the regulations concerning accident prevention and health at work are identified, or at the time of changes in the organization and in the business in relation to scientific and technological progress (activity performed by Prevention and Protection Service Manager according to the Article 28 of Legislative Decree No. 81/2008 and at the time of the periodic meeting referred to in Article 35 of Legislative Decree No. 81/2008).

Rockwell Automation Group achieved the certification pursuant to the British Standard OHASAS 18001:2007.

3.4. Environment Management System.

With reference to the environment risks of crimes, the Company has defined a suitable organizational structure and appropriate rules compliant with applicable national laws and inspired by the standard ISO 14001:2004.

4. RISK ASSESSMENT AND ANALYSIS OF IDENTIFIED RISKS MANAGEMENT.

Analyzing the risk of crime is an activity that firstly aims to identify and contextualize the risk of illegal behaviors in relation to the company's governance, organizational structure and business activity.

Secondly, useful information can be obtained, based on this activity, to support the decisions made by the Supervisory Board and by the Board of Directors (for their respective areas of responsibility) with regard to the actions to adapt and improve the entity's organization, management and control model in relation to the preventive purposes indicated by Legislative Decree No. 231/2001 (for example: the levels of exposure to the single risks of crime).

The Company's risk analysis was performed by assessing the following factors:

- Identification of the risks of crime (by identifying the areas and the activities prone to a risk of crime);
- the actual probability that an unlawful event occurs (by assessing the probability of the threats which produce or may produce the unlawful event);
- the possible damage deriving from a crime being committed (by assessing the Impacts);
- the company's organizational weaknesses which can be exploited to commit crimes (level of vulnerability).

The risk assessment performed can be summarized in the following formula:

Risk of Crime = F(Probability of Threat * Vulnerability * Impact)

In relation to this formula:

- the Probability of Threat: is the frequency of a Threat occurring, namely, an action, an activity, a process or a potential event that represents a possible way of committing the Crime, depending on the specific type of Crime concerned;
- the Level of Vulnerability: is the level of the company's organizational weakness; the vulnerabilities can be exploited to commit Crimes and entail the lack of preventive measures which make it possible for a threat to occur and the consequent Crime being committed;

- the Impact: is the damage consequent to a crime being committed in terms of sanctions, economic consequences, reputation damage, as determined by the legislator or imaginable;
- the Risk of Crime: is the probability that the entity suffers damage caused by a Crime being committed via the implementation methods which exploit the vulnerabilities represented by the lack of preventive measures or by the negative ethical and organizational climate.

In order to identify “areas” and “activities” prone to a risk of crime the persons whose unlawful conduct can give rise to an extension of administrative liability attributable to the Company have been identified.

More in detail (as provided for in Article 5 of Legislative Decree No. 231/2001):

- a) by persons who have representation, administration or management functions of the entity or of one of its organizational units with financial and functional autonomy, as well as by persons who perform the management and control thereof, both as to fact and law;
- b) by persons subject to management or supervision by one of the persons referred to in sub-section a).

The results of mapping the company’s areas and business activities which are prone to a risk of crime are detailed in **Annexes 2** entitled “*Map of areas prone to a risk of crime*” and the “*Findings of Risk Assessment and Risk Management Plan*” document, available at the Supervisory Body secretary.

More in detail, the following documents are indicated in the *Findings of Risk Assessment and Risk Management Plan* document:

- map of Areas prone to a risk of Crime that highlights the Functional Areas (Corporate Bodies and Functions) which are potentially exposed to the risk of the Crimes mentioned by the Decree;
- map of Activities prone to the risk of Crime that highlights the sensitive processes and/or activities, or those activities or processes which are under the responsibility of the bodies and the corporate areas or functions in which, in abstract terms, there may be forms of conduct which constitute the presumed crimes;
- the risk assessment matrixes which highlight the levels of risk per groups of crimes for each corporate Function;

- the risk management plan that identifies the protocols (refer to procedures) which already exist or are to be prepared to reduce the risk of crime to an acceptable level (to be understood as included in the residual “possibility of committing an offence only by fraudulently infringing a preventive protocol”).

4.1 Risk assessment activities designed to identify the risks of crime and to assess the risk and the preventive effectiveness of the existing model.

The risk of crime was analyzed by performing the operational phases described below:

1. Identification of the specific type of crime and consequent identification of the threats which enable the crime to be committed (in terms of conduct or operating activities);
2. Contextualizing the threats which enable the crime to be committed in relation to the entity by means of self-assessment techniques (interviewing senior management and subordinate staff);
3. Assessing the Probability of Threats:
 - Assigning a probabilistic value of occurrence to each threat, based on the following parameters:
 - a. Corporate history or statistics or context;
 - b. Importance of the activity for the entity or the reference function;
 - c. Analysis of any prior events;
4. Assessment of the Level of Vulnerability in relation to each threat:
 - by identifying the preventive measures implemented;
 - by the analysis of the ethical climate and organizational performed through the evaluation of the following parameters related to the perceived business:
 - ethical climate;
 - organizational clarity;
 - remuneration policies;
 - staff integrity and competence;
 - company's economic and financial conditions;
 - competitiveness of the market;
 - adequacy of prevention and control activities;
 - reactions to change.
5. Assessment of the possible Impact:

- Assessment of the possible damage suffered by the entity if Crimes are committed in terms of financial and/or interdiction penalties and reputation, business and turnover losses.

The analysis was performed based on documentary analyses and self-assessment techniques.

The study of corporate governance has revealed important information in order to identify risks of crimes, however, this documental investigation isn't enough for a complete risk assessment (covering also non-formal and non-regulated business from Company's policies).

4.2 Map of corporate areas and map of risk of crime business activities" ***(Article 6, paragraph 2, sub-section a) of the Decree).***

Main information concerning the identification of the risks of crime are detailed in the map of areas and in the map of activities prone to a risk of crime.

The "Map of areas prone to a risk of crime" highlights the Corporate Functions and Bodies exposed to the risk of unlawful forms of conduct occurring, based on the powers and duties assigned.

The Map of areas prone to a risk of crime is represented by a double entry table, in an MS Excel format (illustrated in **Annex 2** of the Model) where the corporate body or the business function surveyed is shown on the y- axis and the Crimes currently referred to in the Decree are shown on the x-axis. The subsequent lines highlight the crime that each corporate body and each function is exposed to, in a YES/NO format (for further details and information the reader is referred to the document that illustrates the Findings of the Risk Assessment and the Risk Management Plan).

The "Map of activities prone to a risk of crime" highlights the sensitive processes and/or activities, namely, those activities or processes which are under the responsibility of the bodies or the business areas or functions where, in abstract terms, forms of conduct constituting the assumed crimes may be perpetrated.

The map is illustrated in the following document: "Findings of risk assessment and risk management plan" and includes specific paragraphs entitled and dedicated to the individual corporate bodies and the Company Departments analyzed.

Each section contains a table divided into four columns: the first outlines the offense to which is potentially exposed the function or corporate body (as emerged from both the documental and self-assessment analysis), the second outlines the activity that exposes the considered function to a risk of crime, the third shows the probability of the threat, the fourth outlines the preventive protocol required according to the offense.

4.3 Risk Management Plan.

The “Risk Management Plan” (**Annex 3**) was prepared on the basis of the results of the activities performed to identify and assess the risks of crime. As has been said, it identifies the preventive protocols / procedures already existing or to be prepared to reduce the risk of a crime being committed to an acceptable level (to be understood as representing the residual “*possibility of committing an offence only by fraudulently infringing a preventive protocol*”).

The Plan is summarized in a table that indicates the following information:

- the risks of a crime to be prevented (namely, the single Crimes to be prevented);
- the preventive protocols / procedures to reduce the risk of crime to a level deemed acceptable by the Company;
- the implementation status of the protocols / procedures (Implemented/To be implemented);
- the intervention priority for the implementation of the following protocols / procedures (high/medium/low);
- the reference to the Company’s protocols / procedures (if implemented).

The Protocols which already exist, for example the operating procedures already formally defined by the Company, were assessed in relation to Model, in order to verify their effectiveness as preventive protocols in relation to the correlated Crimes provided for under the Decree.

Risk Management Plan and the preventive protocols / procedures envisaged therein are in line with the following general principles:

- clear and formalized assignment of powers and responsibilities, with express details of the limits of operation and consistent with the duties assigned and the positions covered in the context of the organizational structure;
- separation of duties based on a sound distribution of responsibilities and the provision of adequate authorization levels in order to avoid overlapping functions or operational assignments which concentrate critical activities on a single person;

- the need for appropriate rules of conduct to ensure that the business activities are performed in compliance with the laws and regulations and integrity of corporate assets;
- the existence and documentation of control and supervision activities, performed on corporate transactions;
- the existence of safety mechanisms which ensure an adequate physical and logical protection of / access to the company's data and assets;
- the existence of instruments to manage the financial resources.

The procedures were assessed in relation to Model 231 and represent an integral and substantive part of the Model, namely, they are deemed to be "*Preventive protocols of the risk of Crime*". The list of procedures considered for the purpose of the Risk Management Plan is illustrated in **Annex 4** of the Model: "*Preventive Protocols*".

5. CODE OF CONDUCT

Rockwell reputation for integrity is the hallmark of Company, it is a shared value which is the basis of Company's business activities.

Customers, suppliers, shareholders, employees and institutions relationships, as well as the future success depend on the ability to ensure that integrity in all business activities.

Furthermore, the Code of Conduct represents a reference point to guide the conduct of the Recipients and of the parties that operate in the interest of or for the benefit of the Company, in the absence of specific preventive procedures.

Rockwell occupies a success position by adhering to the highest legal and ethical standards of conduct. The Company aims to be the most valued global provider thanks to an ongoing commitment to moral integrity. This is a personal challenge that the Company management is committed to ensure towards shareholders, customers, communities and colleagues.

The Code of Ethics substantiates the Company's Model.

Periodic updates of the Code of Conduct should always be diligently communicated to the Company's employees. Furthermore, a number of business regulations have been implemented:

- Rockwell Automation Global Code of Conduct;
- Rockwell Automation Global Anti-corruption Policy;
- Rockwell Automation Global Decision Authority;
- Rockwell Automation Global Internal Control Policy;
- Rockwell Automation Global Product Quality, Safety & Compliance Policy;
- Rockwell Automation Global Safeguarding Confidential Information Policy;
- Rockwell Automation Global Intellectual Property Policy;
- Rockwell Automation Global Communication and Social Media Policy;
- Rockwell Automation Global People Policy;
- Rockwell Automation Global Trade Policy;
- Rockwell Automation Global Business Travel and Entertainment Policy;
- Rockwell Automation Global Social Responsibility Policy;
- Rockwell Automation Finance Policies and procedures.

These documents are available on the Group's intranet site.

6. REGULATION OF SENSITIVE PROCESSES BY MEANS OF ORGANIZATIONAL PROCEDURES

The mapping of areas and activities prone to a risk of crime, as referred to in Annexes 2, has enabled the sensitive processes to be defined, during the phases, sub-phases or activities of which, in principle, the conditions, circumstances or means to commit Crimes could occur, also in an instrumental form with the effective perpetration of the particular type of Crime.

The Board of Directors deems that it is absolutely necessary and an overriding priority for the Procedures indicated in **Annex 4** entitled “Preventive Protocols” to be complied with in relation to these processes, when the operational activities are performed, since these procedures are deemed to be able to prevent the Crimes by:

- the separation of duties based on a correct distribution of responsibilities and by foreseeing several authorization and control levels in order to avoid overlapped functions or operational assignments which concentrate the critical activities on a single person (in any event, the final signature of the legal representative is foreseen for any formal definition of a corporate intent or expenditure commitment);
- the clear and formalized allocation of responsibilities and powers with the express indication of the limits of operation and consistent with the duties attributed and the positions held in the organizational structure;
- the formal definition of ethical rules and rules of conduct able to assure that the business activities are performed in compliance with the laws and regulations and integrity of corporate assets and of the persons protected by criminal laws in relation to the Crimes provided for under the Decree;
- the “proceduralization” of Activities prone to a risk of crime, in order:
 - to define and regulate the procedures and timing to perform the activities concerned;
 - to ensure the traceability of the acts, operations and transactions by means of adequate supporting documents which attest the characteristics and motivations of the transaction and identify the persons involved in the transaction for various reasons (authorization, execution, registration, verifying the transaction);
 - to ensure the “objectivation” of the decision-making processes, where necessary, and to limit corporate decisions based on subjective choices which are not linked to predefined objective criteria;
- establishing, executing and documenting control and supervisory activities on the Activities prone to a risk of crime;

- the existence of safety mechanisms which ensure adequate information protection against physical or logical access to the data and to the assets of the corporate information system, in particular, with reference to the management and accounting systems.

7. EMPLOYEE TRAINING AND INFORMATION

For the purpose of the Model's effective implementation, the Company has the general aim of ensuring that all Recipients, have a sound knowledge and correct circulation of the rules of conduct contained therein. The Company Human Resources Function must act in close coordination with the Supervisory Board and the heads of other departments involved in the implementation of the Model training.

All the staff employed by the Company, as well as the executive managers, directors, agents, partners, suppliers, consultants and external collaborators are required to have full knowledge of the correctness and transparency objectives which are to be pursued with the Model and the procedures by which the Company intends to pursue them. After the adoption of the Model is provided:

- an initial communication to all personnel under the state about the adoption of this document;
- later, to new hires, the delivery of a an information set containing references to the Model and its Protocols in accordance with the business practices adopted by, such as privacy and information security, dealing with other decrees;
- subscription by employees of form to hold knowledge and acceptance;
- planning specific training activity with reference to the heads of the departments and business services.

In order to ensure the effective Model disclosure and the obligations arising from the Model's implementation knowledge, a specific folder on company's intranet shall be made and dedicated to the topics of the Decree (in this shared folder should be collected set of information described above, including the forms and tools for reporting to the Supervisory Board and any other documentation as may be relevant).

8. INFORMATION TO THIRD PARTIES

Additional Recipients, like suppliers and consultants should receive special contractual clauses, under the Supervisory Board supervision, concerning

Company's policies and procedures, Code of Conduct, as well as the consequences which non-comply behaviors could have according to agreement between Company and the third part.

Specific contractual clauses should be pointed out to discipline legal consequences in case of crimes, offences, Model's Protocols or Code of Conduct's breaches such as express cancellation clause or withdrawal clause.

9. GUIDELINES FOR DISCIPLINARY PROCEDURE

In order to ensure the effectiveness of the Procedures and the efficient functioning of the Supervisory Body, a system of sanctions must be defined proportional to the breaches of the Protocols and/or of any additional rules of the Procedures or of the Code of Business Conduct, as well as of the corporate operating procedures that govern the Company's core processes. This disciplinary procedure represents, pursuant to art. 6, paragraph 1, letter e) of Legislative Decree 231/2001, a fundamental requirement for the exemption from liability for the Company.

The disciplinary procedure – see for more details the Protocol “Disciplinary and Sanction Procedure” under **Annex 4** – must provide sanctions for each Addressee, on account of the different types of relationship. Like the Procedures, this procedure is also addressed to the whole Personnel and provides for appropriate disciplinary sanctions in some cases and for contractual/juristic sanctions in others.

The implementation of the disciplinary procedure and of the relevant sanctions is not linked to the existence and possible outcomes of criminal proceedings started by the Judicial Authority in the event that the conduct to be sanctioned also represents a crime pursuant to Legislative Decree 231/2001.

In order to pre-emptively state the correlation criteria between the offences committed by the workers and the adopted disciplinary measures, the Board of Directors classifies the actions of the Chairman, of the Employees and of third party subjects in:

1. conducts such as to represent a failure to execute orders given by the Company both in writing and verbally, such as for example:
 - breach of procedures, rules, internal written or verbal instructions;
 - breach of the Code of Business Conduct;
 - breach, circumvention or negligent deactivation of one or more Protocols;
2. conducts such as to represent a serious breach of discipline and/or diligence at work such as to radically reduce the Company's trust in the Chairman and/or Employee, such as conducts like the ones described at point 1 above unequivocally aimed at the commission of a Crime or the resemblance of one to the detriment of the Company, as well as repeated breaches of the company operating procedures;

3. conducts such as to cause serious moral or material damage to the Company such as not to allow the prosecution of the relationship, not even on a temporary basis, such as conducts that represent one or more Crimes or illegal events that are a requirement for Crimes, or conducts set forth at points 1. and 2. and committed wilfully.

9.1. Disciplinary Measures for Employees

In respect of non-management Employees, it is necessary to comply with the limitations to the power of sanction imposed by article 7 of law no. 300/1970 (so called "Statute of workers") and by the CCNL, both in relation to the applicable sanctions (which, in principles, are "typified" in accordance with the specific disciplinary offences) and in relation to the form in which the power is to be exercised.

The Company believes that the Disciplinary and Sanction Procedure currently implemented inside it, in accordance with the provisions of the current CCNL, satisfies the prescribed requirement of effectiveness and deterrence.

Failure to comply and/or breach of the general principles of the Procedures, of the Code of Business Conduct and of the Protocols on the part of non-management Employees of the Company represent therefore a non-compliance with the obligations originating from the employment relationship and a disciplinary offence.

With regard to the applicable sanctions, it is pointed out that these shall be adopted and implemented in full compliance with the procedures provided for by the national collective and corporate regulations applicable to the employment relationship.

9.2. Disciplinary Measures for Managers

In the event of breach, on the part of Managers, of the general principles of the Procedures, of the Code of Business Conduct and of the other Protocols, the Company shall implement against the offenders any measures it deems suitable to the significance and seriousness of the crimes committed, also in consideration of the particular bond of trust underlying the employment relationship between the Company and the worker in a managerial position.

In the event that the breaches are characterised by gross negligence, when the Protocols preventing the Crimes were disregarded, or conducts are held which

represent a serious breach of discipline and/or diligence at work, such as to destroy the trust of the Company in the manager, the Company is entitled to the early termination of the employment contract or the implementation of any other sanction which is deemed suitable in relation to the seriousness of the event.

In the event that the breaches are characterised by wilful deceit, such as for example in the event of circumvention of the Protocols, the Company will be entitled to the early termination of the employment contract without notice pursuant to article 2119 of the Italian Civil Code and of the CCNL. This on account of the fact that the event itself must be deemed to have been performed against the will of the Company in the interest or to the benefit of the manager and/or of third parties.

9.3. Disciplinary Measures for Directors and Auditing Firm

In the event that Crimes are committed or the Code of Business Conduct, the Procedures and/or relevant Protocols are not complied with by the Company Directors or Auditors, the Supervisory Body shall inform the Board of Directors, who shall implement the necessary actions.

In the event of serious breaches on the part of Directors, which are not justified and/or approved by the Board of Directors, the event shall be deemed to be cause for the revocation of the appointment. A serious non justified breach is the commission of a Crime to be understood as the conducts set forth in the Crimes.

Where required, the Company shall take action to receive damage compensation.

9.4. Disciplinary Measures for Members of the Supervisory Body

In the event of breach of the Code of Conduct, of the Model and/or Preventive Protocols by any member of the Supervisory Board, in its scope of functions, the Board of Directors will take any appropriate measure depending on the severity of the situation.

In the event of serious breaches which are not justified and/or not approved by the Board of Directors, the event may be deemed as cause for the revocation of the appointment, without prejudice to the application of the disciplinary sanctions provided for by the existing agreements (employment, supply, etc.). A serious non justified breach is the commission of a Crime to be understood as the conducts set forth in the Crimes.

9.5. Measures in relation to Suppliers and Other Third Parties

Where possible, in order to legally enter into any agreement of any kind with the Company, and particularly into supply and consultancy agreements, it is necessary that the contracting third party undertakes to comply with the Code of Business Conduct and/or with the applicable Protocols.

These agreements shall provide, where possible for termination clauses or rights of withdrawal to the benefit of the Company and without any penalty for same, in the event that Crimes are committed or conducts are held set forth in the Crimes, or in the event of breach of the rules provided for by the Code of Business Conduct, the Procedures and/or relevant Protocols.

The Company reserves in any case the right to claim compensation in the event that this conduct causes damage to the Company, for example if the court applies the measures provided for by the Decree.

10. SUPERVISORY BODY

10.1. Identification of the Supervisory Body.

Article 6, letter b) of Legislative Decree 231/2001 requires, in order to obtain the exemption from the administrative liability, that the tasks of monitoring the functioning and compliance with the Procedures as well as the updating thereof, is entrusted to an internal corporate body, provided with autonomous powers of initiative and control.

The autonomy and independence required by the law entail that the Supervisory Body, in the performance of its tasks, is at the same level of the entire Board of Directors.

In light of the specificity of the tasks assigned to the Supervisory Body, which shall be responsible for supervision and control provided for by the Procedures, the relevant appointment is granted to an ad hoc corporate body, established by the Board of Directors in accordance with the resolution of approval of the Procedures.

In the performance of the supervision and control tasks, the Supervisory Body is generally supported by all the corporate functions and may avail of other functions and of external professionals as may be required from time to time.

Though the Stability Law for 2012 has introduced the possibility of giving Board of Statutory Auditors the supervisory function referred to in Article 6 of the Decree, the Board of Directors has decided to adopt this approach and its organizational investments, as it is possible to guarantee a greater specialization of checks and skills and, ultimately, greater effectiveness and efficiency of the process of preventing the risk of crime.

10.2. Structure and Composition of the Supervisory Body

Doctrine and praxis have formulated different and mixed solutions in relation to the possible structure and composition of the Supervisory Body, also in light of the size of the entity, the relevant rules of corporate governance and the need to reach a fair balance between costs and benefits.

In this respect, the Board of Directors has reviewed the solutions prepared by the trade associations and by the legal and organizational consultants of the Company, in order to identify the strengths and any contraindications of the various solutions presented.

To the purpose of the selection of the Supervisory Body, it was decided to assess, with reference to each of the proposed solutions, the fulfilment of the of the following requirements:

- Autonomy and independence of the body and of its members, understood as:
 - independent functional subjectivity of the body;
 - possession of autonomous powers of initiative and control;
 - lack of powers of representation;
 - position reporting to the Board of Directors;
 - possibility of liaising directly with the auditing firm;
- professionalism, understood as wealth of knowledge, instruments and techniques, which the Body must possess through its members:
 - suitable specialist skills in inspection and consultancy services (statistical sampling, risk analysis and assessment techniques, risk containment measures, procedure flow charting, knowledge of the law and of the administration and accounting techniques etc.);
- continuity of action, to be realised through the presence in the Body of an internal individual dedicated full-time to the supervision of the Procedures.

In light of the above, the Board of Directors believes that the solution which best guarantees compliance with the requirements provided for by the Decree is the granting of the functions and powers of the Supervisory Body, pursuant to Legislative Decree 231/2001, to an ad hoc corporate body made up by a number of members decided by the Board of Directors in a number equal to or greater than 2.

In light of the specific responsibilities assigned to the Supervisory Body and the professional skills required from it in the performance of its supervisory and control tasks, the Supervisory Body is supported by all the internal corporate functions and may also avail of the assistance of external individuals, whose professional skills may be required from time to time.

The Body is, in turn, responsible for the regulation of its own functioning and does so by formalising its rules and the procedures for the management of the necessary information flows (please see the information provided below in the relevant paragraphs).

With the resolution of approval of these Procedures and of appointment of the Supervisory Body, the same is granted, irrevocably, the necessary financial provision

to perform its functions at its best. The spending power is exercised in compliance with current company processes on the subject.

10.3. Duration in Office, Termination and Replacement of Members

The Board of Directors appointed the members of the Supervisory Body through relevant resolution, which also set their duration in office to no less than 3 years (except for justified exceptions).

The appointed members of the Body remain in office for the entire duration of the appointment granted irrespective of any changes in the composition of the Board of Directors, which appointed them. This principle does not apply in the event that the renewal of the Board of Directors depends on the commission of offences which created (or may create) liability for the Company, in which case the newly appointed Board of Directors shall re-determine the composition of the Supervisory Body.

The Board of Directors is also responsible for periodically assessing the adequacy of the Supervisory Body with respect to its structure and to the powers granted to it, making the necessary changes and/or supplements through relevant resolution.

To the purposes of the assessment of the autonomy and independence requirements, the members of the Supervisory Body, from their appointment and for the entire duration of their office, shall not:

1. hold executive or delegated offices in the Board of Directors of the Company;
2. perform executive functions on behalf of the Company;
3. entertain significant business relations¹⁹ with the Company, with parent or subsidiary companies, associated companies or companies under the same management, with the exception of any pre-existing employment relations, nor entertain significant business relations with directors with powers of attorney (executive directors);
4. be part of the family of the executive directors or shareholder or one of the holding group shareholders, whereby family means the non-legally separated spouse, relatives and the like up to the fourth degree;
5. hold, directly or indirectly, stakes exceeding 5% of the capital with right to vote of the Company, nor enter into shareholders' agreements concerning or impacting on the exercise of control on the Company;
6. have been sentenced or be undergoing investigations in relation to the Crimes which the Procedures aim to prevent.

¹⁹ To the purposes of these rules, the terms "significant" applies to business relations exceeding 15% of the volume of business of the professional or of the firm he/she is an associate of.

The members of the Supervisory Body are required to sign, annually, a statement confirming that they still satisfy the requirements of autonomy and independence set out in the above point and, in any case, to notify without delay the Board and the Supervisory Body itself if any obstacles arise.

In addition to the event that they die, the appointment of the members of the Supervisory Body shall be automatically terminated if:

- they are incompatible with the appointment as set out in the points above;
- they are declared to be incapacitated, incompetent, under care or bankrupt in accordance with the law;
- they are sentenced to a punishment involving the disqualification from holding public office, also on a temporary basis, or the banishment from executive offices.

Failure to satisfy the requirements of eligibility, integrity and professionalism provided for the office of member of the Supervisory Body, shall entail the automatic termination of the appointment itself.

Without prejudice to the cases of automatic termination of the appointment, the members of the Supervisory Body may only be removed by the Board of Directors for cause. Set out below are hypothesis of cause for the termination:

- failure to participate in more than two consecutive meetings without justifiable reason;
- termination of the employment relationship, in the event that the member is also an employee of the Company or of a subsidiary or affiliate company;
- the member is subjected to banishment, disqualification or bankruptcy proceedings;
- charge in criminal proceedings for crimes which require a penalty involving the disqualification from holding a public office, also on a temporary basis, or the banishment from executive offices.

In the event of resignation or automatic termination of the appointment of a member of the Body, he/she shall notify without delay the Board of Directors, which shall timely appoint a new member.

The Chairman or the most senior member of the Supervisory Body is responsible for notifying without delay the Board of Directors about the occurrence of one of the hypotheses which require the replacement of one of the members of the Body.

The Supervisory Body is deemed to be removed as a whole, that is the appointment of all its members is terminated, in the event that the majority of its members are

missing, on account of resignations or otherwise. In this case, the Board of Directors shall appoint the new members of the Supervisory Body.

For at least two years after cessation of the appointment, the members of the Supervisory Body may not entertain significant business relations with the Company or any other subsidiary or affiliated companies, with the exception of any employment relationship already in existence when the appointment as a member of the Supervisory Body was granted.

None of the following shall be considered "Business Relations": any kind of employment, representation, membership in the Board of Directors, auditing accounts or the internal Supervisory Board, in relation to Rockwell Automation S.r.l., in the event that these roles already exist, even in different positions, prior to the undertaking of a role in the Supervisory Body

To the purposes of these rules, the term "significant" applies to business relations exceeding 15% of the volume of business of the professional or of the firm he/she is an associate of.

10.4. Convening and Working Rules

The Body is chaired by the Chairman, who sets the agenda for the meetings. In the event that the Chairman is absent or unable to attend, he/she will be replaced by the most senior member (in age).

The Body is convened by the Chairman or, failing this, when it is deemed appropriate, even by one member only. The convocation notice must indicate the agenda of the meeting or the issues upon which the Supervisory Body must resolve at the meeting.

The meeting will be valid if the majority of the members in office is in attendance, also through videoconference or other means of long distance communication. Resolutions are passed with the absolute majority of votes. In the event of draw, the vote of the Chairman shall prevail.

Unless agreed otherwise, a member of the Supervisory Body shall serve as secretary. The secretary prepares the minutes of each meeting, which he/she then signs with the Chairman (also if the meeting is taking place through video conference or other means of long distance communication, in which case the signature will be affixed at a later stage).

The secretary keeps and updates the books and archive of the Supervisory Body.

Unless otherwise agreed and recorded in the minutes, the Secretary is responsible for checking that notifications and transactions originating from any resolutions passed by the Supervisory Body are successfully completed.

Supervisory Board meetings are held in English in order to allow full understanding of the arguments by all members.

10.5. Functions and Powers of the Supervisory Body.

The ultimate responsibility for the adoption of the Procedures and for all the decisions concerning the organization, management and the internal control systems of the Company lies with the Board of Directors, which is responsible for the adequacy of the organization pursuant to article 2381 of the Italian Civil Code.

The Supervisory Body is responsible for supervising:

- the effectiveness and adequacy of the Procedures in relation to the Company structure and the actual capacity to prevent the commission of Crimes;
- compliance with the provisions of the Procedures by the Corporate Bodies, by Employees and other Addressees, in this latter case also through the competent corporate functions;
- the opportunity to update the Procedures themselves, if the need is felt to adjust same as a result of changes in the company and/or regulatory conditions.

In order to perform the aforementioned tasks, the Supervisory Body shall:

I. in respect of the assessment of the effectiveness of the Procedures:

- construe the relevant regulations;
- survey the business activities to the purpose of updating the mapping of the Activities at risk of crime and of the relevant sensitive processes, also through self-assessment techniques;
- assess, from an *ex ante* perspective and based on the findings of the analysis of the risks of crime, the suitability of the Procedures to prevent Crimes;
- coordinate with the corporate functions responsible for the communication, awareness and training activities in order to ensure that all the Addressees possess the required knowledge of Legislative Decree 231/2001 and of the Procedures and supervise their implementation;
- ensure that the information available on the Company Intranet site concerning the Decree and the Procedures is regularly updated, in cooperation with the responsible corporate functions;

II. in respect of the assessment of the efficiency of the Procedures:

- periodically perform controls on deeds, procedures or corporate processes in relation to the Activities at risk of Crime, to check compliance with the Procedures;
- coordinate with all the corporate functions in order to establish and manage a monitoring system for the Activities at risk of Crime which the Supervisory Body decides to control specifically;
- collect, process and store relevant information concerning compliance with the Procedures, as well as update the list of the pieces of information to be transmitted to or held for consultation by the Body itself;
- initiate and perform internal investigations, coordinating from time to time with the relevant corporate functions, in order to obtain additional elements of investigation;

III. with regard to the submission of proposals for the update of the Procedures and monitoring of their implementation:

- based on the findings of the inspection and control activities, periodically assessing the adequacy of the Procedures and their effectiveness;
- with regard to these assessments, periodically submit to the administrative body its proposals for the adjustment of the Procedures as required and the indication of the actions that are deemed to be necessary to the actual implementation of the required Procedures (performance of procedures, adoption of standard contract clauses etc.); particular importance shall be paid to the supplements to the financial resources management systems (both incoming and outgoing) which are required to introduce suitable measures to observe if any atypical financial flows exist and characterised by greater margins of discretion;
- periodically assess the implementation and effective functioning of the proposed solutions/corrective measures;
- coordinate with the company management to evaluate the adoption of any disciplinary sanctions, without prejudice to the competence of the latter for the imposition of the sanction and the relevant disciplinary proceeding.

In the course of its activity, the Supervisory Body shall maintain utmost discretion and confidentiality and shall report the findings of its investigations to the Corporate Bodies.

In order to perform its role and function as Supervisory Body, the aforementioned Body is granted by the Board of Directors, powers of initiative and control and the necessary prerogatives to ensure that the Body is in a position to supervise the functioning of and compliance with the Procedures and update same in accordance with the provisions of the Decree.

10.6. Reporting to Corporate Bodies.

The Supervisory Body reports directly to the Board of Directors in relation to the implementation of the Procedures and the identification of any criticalities. In full compliance with the provisions of the Decree, the Supervisory Body directly reports to the Board of Directors in order to ensure its full autonomy and independence in the performance of the tasks assigned to it.

The Supervisory Body annually submits to the Board of Directors its activity planar, which may be specifically resolved upon.

The Supervisory Body on yearly basis, submits to the Board of Directors its final report on the activity performed in the previous six months, providing a justification for any deviation from the activity plan.

The reporting concerns the activity performed by the Supervisory Body and any criticalities identified in terms of conducts or events inside Company and in terms of effectiveness of the Procedures.

Based on the criticalities identified, the Supervisory Body submits to the Board of Directors proposals for corrective measures, which are deemed suitable to improve the effectiveness of the Procedures.

In case of emergency or upon request by one of its members, the Supervisory Body must immediately report to the Board of Directors in relation to any criticalities found.

The half-yearly report must concern:

- the activity performed, stating More in detail the monitoring activities performed and the findings of same, the controls carried out and the results of same, any updates in the assessment of the Activities at risk of criminal offence;
- any criticalities (and areas for improvement) which were found both in terms of internal conducts or events, and in terms of effectiveness of the Procedures;
- the corrective and improvement interventions planned and their implementation status.

Minutes must be prepared for all the meetings in which the Supervisory Body reports to the Corporate Bodies and a copy of these minutes must be kept by the Supervisory Body and by the corporate bodies involved from time to time.

If the Supervisory Body reports on an occasion for which minutes need to be entered in the book of minutes of the Board of Directors, the Supervisory Body will not be required to prepare minutes in its own book, however a copy of the minutes of the relevant Corporate Body will be filed by the Supervisory Body.

The Board of Directors and or the Chairman of the Board of Directors have the power to convene at any given time the Supervisory Body who, in turn, has the power to request, through the competent department or individual, the convocation of the aforementioned bodies for urgent reasons.

The Supervisory Body must also coordinate with the relevant functions in the Company for the various specific profiles.

10.7 Procedure for Reporting to the Supervisory Body.

The Supervisory Body must be informed, through reports submitted by Directors, Auditing Firm, Top Management and subordinate staff and third party Recipients about any event which may generate liability for the Company pursuant to Legislative Decree 231/2001.

Within the company, the Supervisory Body must receive the following information:

- periodically, information/data/pieces of news identified by the Supervisory Body and/or requested by same to the Company Personnel; this information must be transmitted in accordance with the times and procedures which shall be defined by the Body itself (hereinafter “Information Flows”);
- occasionally, any other information, of any kind, received also from third parties and concerning the implementation of the Procedures in the Areas at risk of criminal offence as well as compliance with the provisions of the Decree, which may be useful to the performance of the tasks assigned to the Supervisory Body (hereinafter “Reports”).

In any case, the following information must be reported in writing to the Supervisory Body:

- measures and/or news received from the judicial police or from any other

authority, from which it appears that investigations are being carried out for Crimes, also against persons unknown;

- reports submitted to the Company by Employees in the event that judicial proceedings are started against them for one of the Crimes;
- reports prepared by the corporate bodies in the context of their control activities, from which facts, actions, events or omissions may emerge, which are critical in respect of the provisions of the Decree or of the Procedures;
- periodically, any news concerning the actual implementation of the Procedures at all company levels, also through reports especially prepared by the Supervisory Body;
- information notice concerning the start of investigations aimed at ascertaining and possibly sanctioning any failure to comply with the rules of conduct and the Protocols provided for by the Procedures, as well as the information notice on any sanctions imposed.

More in detail , all the Addressees must report the commission or the reasonable belief of commission of Crimes or in any case of conducts which are not in line with the Protocols provided for by the Procedures.

The report must be made directly to the Supervisory Body without any intermediaries.

The Supervisory Body assesses the reports received. Any ensuing measures are applied in accordance with the provisions of the Procedures in relation to disciplinary sanctions.

The Supervisory Body is responsible for the establishment and management of a reporting system, which ensures the required confidentiality of the person making the report.

Those who make a report in good faith shall be protected against any form of retaliation, discrimination or penalisation, ensuring that their identity remains confidential, save where required by law and for the protection of the rights of Company or of the individuals mistakenly and/or maliciously charged.

10.8. Formalities of transmission and evaluation of reporting

With regard to the transmission procedure of the information/data/pieces of news the following provisions apply.

The information flows must be sent to the Supervisory Body by the company Personnel in accordance with the procedures provided for by the body, also through e-mail address odv@xxxxxxxxxxxxx.

The Reports concerning the evidence or allegation of breaches of the Procedures, of the Code of Conduct or of other Protocols must be sent in writing, also anonymously, to the ad hoc mail box of the Company Supervisory Body.

The Supervisory Body takes action so as to ensure that the individuals making the reports indicated above are protected against any form of retaliation, discrimination or penalisation or any other consequence derived from the reports themselves, ensuring that their identity remains confidential, save where required by law and for the protection of the rights of Company or of third parties.

The Body assesses the reports received and the opportunity of ensuing actions, if required, the author of the report if known and/or the person responsible for the alleged violation.

The Body assesses anonymous reports only if they contain serious, specific and concordant elements. Vice versa, anonymous reports will be archived and no investigations will be performed.

In the event of non-anonymous reports or reports that in any case contain serious, specific and concordant elements, the Supervisory Body shall carry out, also through the corporate functions, the necessary investigations upon completion of which (also in relation to the seriousness of the events found) it shall archive the case, start the sanctioning or disciplinary process and/or report to the corporate bodies.

10.9. Information Collection and Storage.

Each piece of information or report provided for in these Procedures are kept by the Supervisory Body for a period of 10 years in a special partition of the company file server accessible only to the members of the Supervisory Board, or in a specific paper archive with restricted access to the sole members of the Supervisory Body.

The keys to access the paper archive shall be distributed solely to the members of the Supervisory Body, who shall return them immediately at the end of their term of office irrespective of the reason for same.

Reading and writing access to IT documents for the Supervisory Body is allowed only to members of the Supervisory Body itself.

The Corporate Bodies and Control Functions may review the “Book of Minutes of Meetings of the Supervisory Body”, while the “Register of reports and investigations” may be consulted exclusively by the members of the Supervisory Body as it contains confidential information (personal data of the reporting individuals).

10.10. Mandatory Books of the Supervisory Body.

The Supervisory Body is required to keep and update the following Books:

1. The book of minutes of meetings of the Supervisory Body;
2. The register of reports and investigations.

The mandatory books of the Supervisory Body shall be kept by the Secretary of the Supervisory Body.

10.10.1. The book of minutes of meetings.

The book of minutes of meetings will be used to collect the minutes of the meetings of the Supervisory Body, or the copies of the minutes of the other Corporate Bodies in the cases provided for by the Procedures.

The minutes shall include start and end date and time of the meeting, people in attendance, the agenda, the discussions held, the resolutions and the reasons for the same. The book shall not contain any reports received by the Supervisory Body and relevant investigations and resolutions passed, as these shall be recorded in the “Register of Reports and Investigations”.

Any members disagreeing with the resolutions entered in the minutes, may request their disagreement and the reason therefore to be recorded.

The minutes must be signed by the Chairman of the Supervisory Body and by the Secretary.

Cases of a member of the Supervisory Body’s interest in the decision of the same Body

In the event that a member of the Supervisory Body has a direct or indirect interest in respect of a decision to be taken, the member shall notify his interest in writing, also

through recording in the minutes and abstain from the voting, without prejudice to their right to participate in the meeting and only after their interest has been notified, they are in a position to express their opinion on the matter.

In these cases, the decisions of the Supervisory Body shall be justified also in respect of the Company's interest.

Cases of reporting a member of the Supervisory Body

In the event that a non-anonymous report or a report containing serious, specific and concordant elements concerns a member of the Supervisory Body, the other members of the Supervisory Board, provided they are the majority of same, shall perform the investigations and pass resolutions.

In this case, the Board of Directors shall inform the Chairman of the Company, who may participate in the meetings of the Supervisory Body on the matter, to ensure that processes and resolutions are fair, also towards the reported member.

In the event that a non-anonymous report or a report containing serious, specific and concordant elements concerns a number of members of the Supervisory Body, the rules illustrated above still apply, provided however that the majority of the members has not been prejudiced, in which case the Supervisory Body shall pass the matter to the Board of Directors.

10.10.2. Register of reporting.

This Register contains all the reports concerning breaches of the Procedures or of a Protocol.

The register shall contain information in relation to:

- progressive number;
- report receipt date;
- reporting individual (if indicated);
- reported individual;
- object of the report;
- report processing date;
- investigations carried out;
- provisions concerning the investigations;
- any and ensuing corrective and/or disciplinary measures.

Reports are processed during the meeting of the Supervisory Body, once all the necessary investigations have been completed.