



RINA SERVICES

classification, certification, inspection & testing

Edition 2016

Organisation, Management and Control Model

(pursuant to D.Lgs.231/2001)

I am pleased to introduce the RINA SERVICES S.p.A.'s Model of Organisation, Management and Control updated during the second half of 2015 and adopted by the Board of Directors on 12th May 2016.

Key new features covering in particular the Special Section are:

- Law n. 186 15th December 2014, "Provisions of emergence and return of funds held abroad as well as for the strengthening of the fight against tax evasion. Provisions on self-laundering", which added to the Italian Penal Code the new art. 648 ter1 "self-laundering".
- Crimes against the environment shown in art. 25 of the Italian Legislative Decree no. 231/2001 such as:
 - Environmental pollution (art. 452 bis Penal Code);
 - Environmental disaster (art. 452 quater Penal Code);
 - Unintentional offenses against the environment (art. 452 quinquies. pen., ie unintentional environmental pollution and environmental disaster intentional);
 - Criminal association (common and mafia one) (art. 452 g Penal Code);
 - Traffic and abandonment of high-level radioactive material (art. 452 sexies Penal Code).
- Law no. 69 of 27 May 2015 "Provisions on crimes against the public administration" which introduces:
 - The bribery committed by the public service employee;
 - The crime of false accounting with the relevant restriction to false material facts not corresponding to the truth, with the result that any material "falsehoods" will lead to criminal liability and, therefore, to the administrative one for the entity.

Sure of the interest that the matter will raise in all of us, I thank you in advance for the attention you will devote to the Model, contributing to its spread to every level of the company.

Michele Francioni
CEO RINA SERVICES S.p.A.

Approved by RINA INDUSTRY S.p.A.'s Board of Directors during the meeting held on 24th October 2007

Approved by RINA SERVICES S.p.A.'s Board of Directors during the meeting held on 21st December 2009

Following updates:

- 25th July 2013
- 12th May 2016

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General Part

1 - ITALIAN LEGISLATIVE DECREE No. 231/2001

1.1 INTRODUCTION

Italian Legislative Decree No. 231/2001 (hereinafter Italian Legislative Decree No. 231/2001 or the Decree), containing the “**Discipline of the administrative liability of legal entities, companies and associations also lacking legal status, as per art. 11 of Italian Law No. 300 dated 29 September**” (Note: Decree published in the Italian Official Gazette n. 140 on 19 June 2001), made it possible to adapt Italian legislation concerning the liability of legal

entities to international agreements (Note: Brussels Convention 26 July 1995 protecting financial interests of EC; Brussels Convention 26 May 1997 on combating the corruption of EU and member states’ officials, OECD Convention dated 17 December 1997 on combating corruption of foreign public officials

in economical and international business), which were already adopted by Italy, **and introduced corporate criminal liability into the Italian legal system for the first time** thereby joining that ascribable to the individual who has physically entered into unlawful conduct.

The above-mentioned Decree represents a distinctive feature, because it establishes the crossing of the antique Latin principle whereby “**societas delinquere non potest**”, concept

indirectly proclaimed in Article 27 of the Italian Constitution. (Note: “Criminal responsibility is personal. The defendant is not considered guilty until the definitive sentence. Punishment can not consist in treatment contrary to human dignity and must aim at rehabilitating the offender. It is not permitted the death penalty”).

The innovative purport of Italian Legislative Decree No. 231/2001 is the **administrative liability of the legal entity** as a consequence of committing an offense.

Due to the enforcement of this Decree, companies were required to be held responsible for offenses committed by individuals in the interests or to the advantage of the said company.

It is a responsibility that, even if it is defined as “administrative” by the legislator and it involves these sanctions, presents typical criminal liability features.

Specifically, *Italian Legislative Decree No. 231/2001*:

- introduces general principles and criteria for assigning administrative liability
- identifies the offenses in relation to which the liability of the body arises
- identifies the fulfillments necessary for exemption from liability
- describes the sanctions in the event an offense is committed.

The liability provided by the Decree emerges also in relation to offenses committed abroad, except to the State where the offense was committed had sued against the Company, in accordance with art. 4 of the Decree.

1.2 GENERAL PRINCIPLES AND CRITERIA FOR ASSIGNING ADMINISTRATIVE LIABILITY

The **Art. 5 of Italian Legislative Decree No. 231/2001** envisages the liability of the entity for offenses committed in its interests or to its advantage “by:

- a. individuals who cover representative, administrative or management roles within an entity or one of its organizational units, endowed with financial and functional autonomy, as well as by individuals who carry out the operations and control of the same, even de facto
- b. individuals subject to the management or supervision of one of the parties indicated in point a).

The entity shall not be held liable if the individuals indicated in paragraph 1 have acted in their own exclusive interests or those of third parties”.

Therefore, as regards to the **notion of “interest”**, it is realized whenever the unlawful behavior is committed with the unique purpose to achieve a benefit to the Company, furthermore the administrative responsibility looms over the latter whenever the offender, despite he had not acted in order to benefit the Company, has entailed an indirect benefit to the legal person, whether economic or not.

The applicability conditions of liability are based on objective criteria which are:

- the commission of one of the offenses expressly envisaged by Italian Legislative Decree No. 231/2001, or whose discipline is expressly referred to
- the commission of one of the afore-mentioned offenses by a party who covers a senior role within the company, or someone under their supervision
- the existence of an interest or an advantage of the entity deriving from the offense being committed.

Moreover, the art. 26, paragraph 1 of the Decree provides that, when the crimes indicated will be fulfilled in the **attempted manner**, financial penalties and disqualifications are reduced from a third to a half, whereas any sanction will be not applicable to the Company, under the above mentioned article which “voluntarily prevents the fulfillment of the action or the realization of the event.”

1.3 THE OFFENSES IN RELATION TO WHICH THE LIABILITY OF THE BODY ARISES

In the original framework, the originally liable offenses envisaged by Italian Legislative Decree No. 231/2001 were the following:

- *art 24*: undue receipt of funds, fraud against the State or public bodies or for obtaining public funds and IT fraud against the state or public bodies
- *art 25*: bribery, undue inducement to give or to promise benefits and corruption (title of the article changed by the art. 1, paragraph 77, letter a), law no. 190 2012, modified by L. n. 69/2015).

These **additional cases** were subsequently included in the underlying category of offenses:

- *art. 24 bis*: IT crimes and illegal data processing (introduced by art. 7 of It. Law No. 48/2008) *art. 24 ter*: organized crime (introduced by art. 29 of It. Law No. 94/2009, modified by L. n. 69/2015) *art. 25 bis*: counterfeiting of currency, legal tender and revenue stamps (introduced by art. 6 of It. Decree Law No. 350/2001 converted into It. Law No. 409/2001)
- *art. 25 bis 1*: crimes against industry and commerce (introduced by art. 7 of It. Law No. 99/2009)
- *art. 25 ter*: corporate offenses (introduced by art. 3 of Italian Legislative Decree No. 61/2002, modified by L. 69/2015)
- *art. 25 quater*: offenses for the purpose of terrorism or subversion of democratic order (introduced by art. 3 of It. Law No. 7/2004)
- *art. 25 quater 1*: female genital mutilation practices (introduced by art. 3 of It. Law No. 7/2004)
- *art. 25 quinquies*: crimes against the individual (introduced by art. 5 of It. Law No. 228/2003 and amended by art. 10 of It. Law No. 38/2006)
- *art. 25 sexies*: market abuse (introduced by art. 9 of It. Law No. 62/2005)
- *art. 25 septies*: manslaughter or serious or very serious injury committed in violation of the norms concerning the protection of health and safety in the workplace (introduced by art. 9 of It. Law No. 123/2007 and amended by art. 30 of Italian Legislative Decree No. 81/2008)
- *art. 25 octies*: handling stolen goods, money laundering, use of money, goods or assets of illicit or origin and self-laundering (introduced by art. 63 of Italian Legislative Decree No. 231/2007, modified by L. 186/2014)
- *art. 25 novies*: offenses regarding the violation of copyrights (introduced by art. 7 of It. Law No. 99/2009)
- *art. 25 decies*: incitement not to make declarations or make misleading declarations to the legal authorities (introduced by art. 4 of It. Law No. 116/2009)
- *art. 25 undecies*: environmental crimes (art. introduced by Italian Legislative Decree No. 121/2011, , modified by L. 68/2015)
- *art. 25 duodecies*: employment of third-country citizens whose stay is illegal (art. introduced by Italian Legislative Decree No. 109/2012 – implementation of the Directive 2009/52/EC)
- transnational crimes (art. 10 of It. Law No. 146 dated 16 March 2006).

1.4 ORGANIZATIONAL FAULT

In July 2010, the Supreme Court defined, in judgment no. 27755, the **organizational fault**, “not having provided for a series of suitable preventive measures to avoid the committing of offenses concerning the supposed one.”

Therefore, the fault must be understood as omitted or insufficient regulation and/or supervision of processes, which could be considered the foundation to realize the offenses expected in the Legislative Decree 231/2001.

To determine the Company’s responsibility we use the term “ORGANIZATION” because the company is seen as an aggregate of individuals “organized” capable to face “complicated” situations.

The **organizational structure** relates to:

- authorities among which the assigned functions are divided into (system of procedures, directives, powers of attorney, assignment of responsibilities)
- relationships between different authorities (hierarchy).

The organizational structure represents a variable of significant impact for the environmental control and it must be sufficiently formalized, especially for:

- assignment of responsibility
- evidence of hierarchical dependence and of the limits of competences and decision-making responsibilities
- the description of the functions which they must be result separated and in a real contest of rules
- evidence of the business process concerning the formation and the implementation of decisions.

The adoption of this Model is a necessary condition, even though it is not sufficient, in order to the company could assert the presumption to not have facilitated the commission of the offense.

Everything is in harmony with the art. 2428, paragraph 1st, of the Italian Civil Code which provides for the duty to describe risks and uncertainties to which the company is exposed, in addition to the already operating obligation to give information on the outlook for the company.

1.5 EXEMPTION FROM ADMINISTRATIVE LIABILITY

The article 6 of the Decree, introducing the above-mentioned administrative responsibility regime, however, provides a specific form of **exemption from such liability** if the Company demonstrates that:

- a. the executive body has adopted and efficiently implemented - before the offense was committed - **Organization, Management and Control Model** suitable for preventing offenses of the kind which have occurred
- b. the task of overseeing the functioning and the observance of the models and observance to their review has been entrusted to a **Body of the Entity** (known as the Organismo di Vigilanza or Control Body) endowed with powers of initiative and control
- c. the individuals who have committed the offense **fraudulently by-passing** the Organization, Management and Control Model the body indicated in point b) has not omitted to oversee or insufficiently overseen the situation.

In accordance with Art. 7 of the Decree, if the offense has been committed by individuals managed or supervised by the senior parties, the “body is responsible if the commission of the offense was made possible by inobservance and supervision obligations by the executive bodies”.

Moreover, if the body - before the offense was committed - has adopted and efficiently implemented an **Organization, Management and Control Model** suitable for preventing offenses of the kind which have occurred, and the Control Body has diligently performed its functions, the inobservance of the management and supervision obligations and, therefore, the company’s administrative liability are presumed as excluded. **Substantially, art. 6 and 7 of Italian Legislative Decree No.**

231/2001 envisage the presumption of guilt if the offense is committed by senior parties; presumption which ceases if the offense is committed by parties managed and supervised by the senior parties.

The organization and control models must (art. 6.2):

- identify **activities (so called Sensitive Activities)** within the sphere of which the offenses may be committed (risk analysis)
- envisage specific **protocols (so called istrucionoes/procedures)** aimed at programming the formation and implementation of the decisions of the body in relation to the offenses to be prevented
- identify the methods for handling the **financial resources** suitable for preventing the offenses from being committed
- envisage obligations for **informing the Body** tasked with overseeing the functioning and observance of the models (information flows)
- introduce a **disciplinary system** suitable for sanctioning failure to observe the measures indicated in the Model.
- In the provision of a correct Model, the Company has to inspire itself to the guidelines declared suitable by the Justice Ministry (Confindustria, etc.).
- For this aim the management has to define the guidelines for the internal control system in order to achieve the purposes fixed in art. 6, paragraph 3rd, of the Decree and to identify and manage main risks.

The guidelines expected:

- the identification of **sensitive areas and methods of committing** the offenses
- **protocols, procedures and instructions** (manual and IT) for an early control system
- an **Ethical Code** referring to the offenses considered
- a formalized organizational system for the assignment of the responsibilities within the company (**delegation of duties and signing powers**)
- a **management control system**
- a specific **training** and communication program regarding these matters.
- a internal disciplinary/penalty system
- an internal Control Body

1.6 SANCTIONS IN THE EVENT AN OFFENSE IS COMMITTED

Italian Legislative Decree No. 231/2001 envisages different types of sanctions for the administrative liabilities depending on the type of offense.

In detail, the sanctions are as follows:

- a. pecuniary fines
- b. disqualification sanctions
- c. seizure
- d. publication of the sentence.

The **disqualification sanctions**, identified in the art. 9, paragraph 2nd, of the Decree, could be enforced just in the cases expected by the Decree for some kinds of offenses, are:

- debarment from trading or exercising business activities
- suspension or revocation of authorization, licenses or concessions useful for the commission of the offense
- ban on contracting with Public Administration Agencies, unless this is so as to obtain the provision of a public service
- exclusion from concessions, loans, grants and subsidies, as well as the withdrawal of those which may have already been granted
- ban on advertising goods or services.
- In addition, **fin**es are regulated by articles. 10, 11 and 12 of the Decree and they shall apply to all cases in which Company's liability is recognized.
- The Legislative Decree 231/2001 has introduced a commensurate system by quotes: therefore, in the case of offense, the court will first determine the amount of number of quotes (based on indices of severity of the offense) and then the monetary value of a single quote considering the economic conditions of the company.
- **The publication of the judgment** is regulated at the art. 18 of the Decree, it is a potential sanction and it presupposes the enforcement of a disqualification sanction.
- Whereas the **seizure of the price or the profit** is regulated at the art. 19, it is an obligatory

In addition, **fin**es are regulated by articles. 10, 11 and 12 of the Decree and they shall apply to all cases in which Company's liability is recognized.

The Legislative Decree 231/2001 has introduced a commensurate system by quotes: therefore, in the case of offense, the court will first determine the amount of number of quotes (based on indices of severity of the offense) and then the monetary value of a single quote considering the economic conditions of the company.

The publication of the judgment is regulated at the art. 18 of the Decree, it is a potential sanction and it presupposes the enforcement of a disqualification sanction.

Whereas the **seizure of the price or the profit** is regulated at the art. 19, it is an obligatory consequent sanction to the conviction.

General Part

2 - MODEL ADOPTED BY RINA SERVICES S.P.A.

2.1 THE MAIN AREAS OF CORPORATE OPERATIONS AND RINA SERVICES S.p.A.'s ORGANIZATIONAL STRUCTURE

RINA Services S.p.A. is a company of RINA Group, entirely owned by the sole shareholder RINA S.p.A. (Parent company).

RINA S.p.A. carries out over RINA Services S.p.A. (Hereafter RINA Services) the unique activities of management and coordination in administrative and financial matters, excluding, therefore, the direction and technical coordination.

In this context RINA S.p.A., RINA Services provides services related to:

- Administration, Finance and Control
- Human Resources
- IT
- Quality Management Services
- Health and Safety
- Internal Audit
- Legal Affairs
- Communication
- Marketing.

RINA Services is the operative company of the Group whereby the "brand RINA" services shall be granted to economic and institutional operators in Italy and abroad, ie the testing, inspection, certification (TIC - Testing, Inspection, Certification) also in compliance with the national, European and international of both voluntary and compulsory.

Moreover the Company may carry out:

- a. classification of ships and craft of any flag
- b. assessment, monitoring and certification connected with the seaworthiness conditions, the allocation of Load Lines, the tonnage measurement of ships, safety of ships and human life and, in general, the technical inspection on shipbuilding and related auxiliary equipment and its navigation
- c. assessment activities, direct inspection and certification to the preservation of human life, health, safety, environment and prevention of pollution
- d. activities of assessment, monitoring, supervision, inspection, certification in the various stages of design, testing, manufacture, assembly, installation and testing in the maritime field, industrial, plant, civil, and other productive sectors
- e. monitoring, inspection and surveillance of agricultural and food products in general activities at national and international level
- f. inspection of material product, components and services for construction, execution of tests, controls and organizational support checks to buildings and the industrial and maritime plant also in order to verify and certify the correspondence to contractual specifications or to regulatory standards or otherwise regulatory

- g. certification activities of business management systems, materials, projects, processes, technologies, products and installations and infrastructure, according to regulations and recognized standards or developed by the company itself, either directly or through partnerships
- h. product certification activities on the basis of the Community source, also comunitary source, as a Notified Body (CE marking), according to different models provided including those in railway field
- i. activity as an independent verifier of safety in the railway sector in accordance with Legislative Decree no. 163/07
- j. Scientific research, assistance, staff training and qualification in the fields of activity.

As stated in the Ethical Code, the mission is "to guide the development of the qualitative level of the market," promoting the awareness that attention to quality is a behavior that increases the value of organizations that pursue it.

The Group's main goal, in all its extension, consisting in operating in order to improve the safety and quality of products, processes and customer services.

The foreign network consists primarily of subsidiaries controlled indirectly by RINA Services and, residually, by foreign offices, without an independent legal entity (branch).

To date, the foreign network is headed by a single foreign companies - wholly owned by RINA Services - which holds the investments in the other operating companies in the world.

2.1.1 THE MATRIX ORGANIZATION

RINA Services, as a result of the organizational review begun in 2012, has been divided into a matrix organization, divided into three areas (Business Solutions, Network Operational, Regulatory Affairs), which interact with each other through reporting lines, which is hierarchical functional with the aim of creating synergies:

- Business Solutions its goal consisting in new activities, services and new market in synergy with the Operational Network
- Operational Network has the mission of offering RINA Services S.p.A.'s consolidated services in world markets, divided in the following six areas:
 - America
 - Asia
 - Central and Eastern Europe
 - Italy
 - Northern and Western Europe
 - Greece, Middle East and Africa
 promoting at the same time, commercial and marketing initiatives
- Regulatory Affairs focuses its activities on the development, maintenance and constant updating of regulations, rules, procedures and instructions used by RINA Services S.p.A. in the exercise of its functions.
Moreover also handles relations with accreditation bodies to keep in place the awards and get new ones, if necessary.

2.2 PURPOSE OF THE MODEL AND OBJECTIVES PURSUED

RINA SERVICES is heedful of the expectations of its stakeholders since it is aware of the value which the same acquire from an internal control system capable of preventing the offenses by its directors, employees, contractors, representatives, and business partners, contemplated by Italian Legislative Decree No. 231/2001 from being committed.

Within the limits of the activities carried out in the Company and Group's interests, all those individuals which the Model is intended for - current and potential - are requested to adopt conduct which does not involve the risk of committing offenses.

These behaviors must necessarily be based on professionalism and integrity values provided in Code of Ethics.

The principles of ethics, independence and honesty are the basis of voluntary choice for the adoption of this Model, under which the Ethical Code is an essential part.

By means of adopting, updating and effectively implementing the Model, RINA SERVICES S.p.A. proposes to:

- reduce the risk of committing the offenses envisaged by Italian Legislative Decree No. 231/2001 associated with corporate activities
- improve the Corporate Governance system
- inform all the possible recipients of the Model of the need for strict observance of the same, since violation of the said Model in fact leads to severe disciplinary sanctions
- provide information with regard to the consequences which might derive - for the Company and indirectly all the stakeholders - from application of the pecuniary fines and disqualification sanctions envisaged by the Decree
- obtain constant control of the corporate activities so as to be able to intervene promptly should risk profiles emerge and possibly apply the disciplinary measures envisaged by the said Model.

2.3 ADOPTION OF THE MODEL WITHIN RINA SERVICES S.p.A.

RINA INDUSTRY S.p.A.'s Board of Directors (now RINA Services S.p.A.) resolved to endow the voluntary adoption, on 24 October 2007, itself with an Organization, Management and Control Model with the aim of preventing any offenses and to establish a collective Control Body tasked with overseeing the observance and functioning of the said Model.

On 21 December 2009, the model has been updated al fine di assicurare l'allineamento con una nuova struttura organizzativa aziendale.

Thanks to the expansion of the number of offenses provided by the Legislative Decree no. 231/2001 and the company's organizational matrix form, adopted since March 2012, the Board of Directors decided on 20 December 2012 to update the Organization, Management and Control Model.

Under resolution dated 25 July 2013 the Organization, Management and Control Model, as updated, was approved by RINA Services S.p.A.'s Board of Directors.

By resolution of the Board on 12th May 2016 the Organization, Management and Control was approved, it has been updated as a result of a thorough analysis which have affected the recent regulatory changes regarding "Handling stolen goods and money laundering and use of money, goods or assets from illicit origin and self-money laundering", "Crimes against Environment", "Offences against the Public Administration by Criminal Mafia Association and False accounting".

2.4 THE ELEMENTS OF THE RINA SERVICES S.p.A. MODEL

The Model drawn up by RINA SERVICES S.p.A. is based on a structured and systematic prevention and control system aimed at reducing the risk that the offenses contemplated by the Decree are committed.

The Model is divided into two parts:

1. General Section of the Model: this documental section, which represents the summary of the Model broken down into the following subjects:

- the Italian Legislative Decree No. 231/2001 and the reference legislation
- the Model adopted by RINA Services S.p.A.
- the Foreign law concerning corporate criminal liability
- the Risk Analysis Method
- the Control Body
- training and dissemination of the model
- the Sanction System
- general regulations for updating the Model.

2. Special Sections of the Model these relate to the various types of offenses contemplated by the Decree, abstractly hypothesized within the corporate context of RINA SERVICES S.p.A. in relation to the sensitive activities identified. Each section contains rules and bans, which the Model's recipients are obliged to take due note of.

The additional elements which the Model is made up of are:

1. The Ethical Code: this is the document which expresses the commitments and ethical responsibilities when carrying out business affairs and corporate activities and has the main function of making the fundamental values and principles which guide the company's activities known within the organization and to all the external stakeholders.

2. The Powers and Proxies System (so-called authorizing system) which clearly defines the level of autonomy, the power of representation and the spending limits assigned to the various holders of the powers and proxies within the Company.

In detail, the system is centred on the assignment of:

- proxies which grant a party the legal power to represent the Company in relation to the accomplishment of the corporate activities
- special proxies relating to individual business affairs, granted by means of notary deed which define the forms of representation in relation to individual acts to be stipulated.

All the parties who act in the name and on behalf of RINA SERVICES S.p.A. in dealings with third parties must possess specific power and/or formal proxy, especially when dealing with Public Administration Agencies.

3. **The Organizational system**, clear and formalized by means of documentation and instructions pertaining to the Company's hierarchical-functional and organizational structure. This system has been defined by means of the ultimate Parent Company's Managing Director issuing Organizational Instructions, which define the activities carried out, the functions, the responsibilities, the authority assigned, for each Organizational Unit, the interrelationships and the positioning in the staff organization chart. In addition, Assignments of Responsibility are issued which provide information regarding the assignment of functions and appointments for the resources of the Company. Formalization and dissemination to all the employees is ensured by RINA S.p.A.'s Human Resources Department. The Disciplinary code contains all the disciplinary measures and sanctions which can be imposed regarding employees as envisaged by the National Labour Agreement for employees of Registro Italiano Navale and RINA S.p.A.
4. The **Company's disciplinary code** is the set of conduct rules which the employee is obliged to observe at the workplace, standardizing (not exclusive) the offenses with details of the relevant sanctions and challenge procedures. The disciplinary code supplements the sanction system envisaged for the purpose of the Decree, as indicated in paragraph 6 of this document.
5. **Company policies**, understood as the expression of the Company in relation to the objectives and general guidelines that the Group, in its entirety, must undertake to pursue.
6. **Guidelines**, set of recommendations drawn up in order to make appropriate, with a high standard of quality, a desired behavior. They are the starting point for setting the procedures / instructions.
7. **Internal Control System**, or rather all Manuals, Procedures, operating Instructions and other rules aimed at regulating the activities in the company areas at risk, also in relation to the pre-existing Management System.

In the corporate context, it is possible to identify two principal categories of control aids already existing, i.e.:

- the **Management System**: the Management System which is based on compliance with the Ethical and Behaviour Code and the QHSE Handbook. The management system is organized on the basis of the elements of ISO 9001:2015,

which constitutes an international standard, while as far as concern the fields of Environment and Health and Safety in the workplace it complies to ISO 14001 e OHSAS 18001 requirements.

- **the specific procedures** (“protocols”), (Corporate Procedures), included in each Special Part, regarding sensitive activities with respect to Italian Legislative Decree No. 231/2001 and subsequent additions which are published in a specific database available to each employee.

The Organization, Management and Control Model and the System Quality Management have clearly different law sources (a national criminal legislation and a package of international ones), including the aims and some areas of application, but the link is very strong, it is impossible having an adequate system of prevention of offenses without a management model which is conformed to international standards applicable to the supplied services.

2.5 THE RECIPIENTS OF THE MODEL

The recipients of the Model include all those who operate so as to achieve RINA SERVICES S.p.A.’s purpose and objectives, i.e.:

- Directors and Statutory Auditors
- the Independent Auditing Firm
- parties involved in the Control Body
- business partners
- employees or equivalent parties
- professionals, technicians in charge of production activities
- consultants
- customers
- suppliers
- intermediaries and canvassers

In consideration of the different position and the differing obligations each one adopts vis-à-vis the company.

Within the limits of the activities carried out in RINA SERVICES S.p.A.’s interests, all the recipients and their staff are hereby requested to adopt conduct which does not involve the risk of committing the offenses as per the provisions laid down by the Model.

General Part

3 - FOREIGN LAW RELATING TO COMPANY'S LIABILITY

3.1 A GLOBAL NEED

The expansion of **RINA Group** all around the world requires that the company complies with the international standards.

The 1997 **OECD** Convention (*Note: Organization for Economic Co-operation and Development*), which joined 34 **OECD** member countries and 4 not-member ones (Argentina, Brazil, Bulgaria and South Africa), about the fight against bribery of foreign public officials in international business transactions, has extended corporate criminal liabilities in all signatory countries.

States' legislations, where the subsidiaries of the Group are present, concerning the criminal liability of legal persons must be known by managers and employees in foreign offices.

3.2 COMPARATIVE LEGISLATION

Below similar national legislations of some countries where the Company works:

- **Albania:** the corporate criminal liability was already expected in the Article 45 of the Criminal Code 1995, which is later integrated by **Law nr. 9754**, which provides corporate criminal liability for offenses carried out in the name of or for the benefit's company.
- **Argentina:** the Argentine legal order expected an anti-corruption legislation in section 258 (b) of the Penal Code.
- **Australia:** the Australian legislator predisposed measures as the **Bribery of Foreign Public Officials Act**, thanks to the latter the Penal Code was amended.
- **Austria:** The Austrian legislator issued in January 1st, 2006 a legislation which extends criminal liability to legal persons, it is called **Bundesgesetz uber die Verantwortlichkeit von Verbänden für Straftaten**. The general criteria of responsibility are: committing a fact which causes benefit to the company and a breach of the organization duties.
- **Azerbaijan:** In 2012 the National Criminal Code has been integrated with a defined law "quasi-criminal", stating that the lack of vigilance by the management may result in liability for the company.
- **Belgium:** The Belgian legal order since 1999 provides, within the Belgian Penal Code, both pecuniary and interdicted sanctions.
- **Brazil:** The Brazilian legislator has adopted a similar legislation to the Italian Legislative Decree 231/2001, this is **Law no. 10.467/2013**, entered into force on 24th January 2014, which imposes civil and administrative liability on the companies which committing acts of corruption.
- **Bulgaria:** rules on corporate criminal liability are contained in "3AKOH 3A ARMI4HI4CTPATI4BHI4TE HAPYIIIIEHI451 I4 HAKA3AHI451", amended in October 2013. (*Note: Law on Administrative Offenses and Sanctions*)
- **Canada:** the Canadian legal order provides for the **Corruption of Foreign Public Officials Act** concerning anti-corruption subject. Moreover the Penal Code, since

2004, In addition, the Penal Code, since 2004, includes a number of offenses for which a company may be punished, including bribery, corruption of officials, fraud to the government and the "municipal corruption".

- **Cile:** 7 May 2010 Chile issued the Ley 20,393. As the Legislative Decree no. 231/2001, this legislation follows the principle of specialty of the liability of entities offense, applicable for crimes expressly provided by the law. The responsibility extends not only to all legal persons of private law, even to companies established by the state and companies controlled by it. A special feature is the possibility to certify the model of organization, management and control of the companies extends herself not just to all legal persons of private law but even at empresas del Estado, category covering both companies founded by the state and companies controlled by it. A special feature provided for the Chilean one is the possibility to certify the organization, management and control model of companies
- **China:** the Chinese legislator issued a law about the unfair competition and regulations concerning corruption in business, these new regulations have been incorporated into the Penal Code.
- **Colombia:** in 2011, thanks to the Anti-Corruption Statute, an administrative liability for the legal entities has been introduced.
- **Denmark:** in 1996 the Danish legislator revised the Criminal Code (section 26) thanks to special laws declaring that legal persons are punishable under criminal liability.
- **Egypt:** The Egyptian legal order provides for an anti-corruption legislation in its penal code.
- **United Arab Emirates:** the legislature issued **Law no. 3/1987** and so he revised the Penal Code relating to anti-corruption subject.
- **Estonia, Latvia and Lithuania:** Also these Countries provide for the corporate criminal liability in their Penal Code.
- **Finland:** By means of **Law 743/1995** in the Finnish Criminal Code was introduced Chapter 9 regulating the Corporate Criminal Liability, which was amended by **Law no. 61/2003**. There is a prerequisite for liability, that one of the following conditions be alternatively respected: a person, operating for the company's interest, who is part of a statutory organ or who exercises actual decision-making authority therein has been accomplice in the offense allowed the commission of the offense or where the care and diligence necessary for the prevention of the offense have not been observed in the operations of the corporation.
- **France:** The liability of legal persons was added, in 1994, by art. 121 of the **Penal Code**. The type of offense provides for that one or more offenses have been committed, that must be susceptible to determine the corporate criminal liability by the law. In addition, the law requires that this fact has taken place on behalf of the company, by organes and delegated of the company.
- **Germany:** German law is **Ordnungswidrigkeitengesetz**, this is about Administrative Violations which regulates the corporate criminal liability. The administrative offense is ascribed to the company by a dual model of charge. On one hand it is necessary the commission of an offense by "qualified" people, in violation of the obligations imposed by the *societas* and from which it is made (or could be made) profit, on the other hand it is required an omission, fraudulent or negligent, by other people related to the company.
- **Japan:** the legal entities could be criminally imputable only for foreign bribery,

- pursuant to the *“Unfair Competition Prevention Law”*.
- **Greece:** the legislature in April 2014 introduced the administrative liability through the Anti Money-Laundering Act, providing pecuniary and interdiction penalties.
 - **Hong Kong:** the legislator has provided the ***Independent Commission against Corruption*** in the anti-corruption area.
 - **Korea:** the legal entities could be criminally imputable only for foreign bribery, pursuant to the ***“Foreign Bribery Prevention Act”***.
 - **India:** The Indian legislator has enacted the ***Prevention of Corruption Act and the Foreign Contribution (Regulation) Act***.
 - **Ireland:** In 2001, the ***Prevention of Corruption (Amendment) Act*** was issued and it was amended in 2010, with regard to the subjective elements constitutive criminal offense and, in 2002, the ***Competition Act***.
 - **Luxembourg:** the legislator has enacted the ***Law March 3rd, 2010*** which has amended the Penal Code.
 - **Norway:** the corporate criminal liability was introduced in 1997 amended the national Penal Code.
 - **Netherlands:** the legislator, in 1976, issued a reform of the Criminal Code, which reformulates the art. 51, establishing a corporate criminal liability. Furthermore, this liability shall implement to any kind of offense.
 - **Poland:** the liability of companies was introduced in 2002 with the *“Law on Liability of Collective Entities for Acts Prohibited under Penalty”*, calling it, though, “quasi-criminal”.
 - **Portugal:** the legislator in 1984 introduced in the country the corporate criminal liability, in particular only in the private sector, with D.L. 28/84. Moreover in 2008, the national Penal Code was amended.
 - **United Kingdom:** In April 2010 was approved the ***Bribery Act***, which came into force in July 2011, it provides that legal persons are liable for acts committed by their corrupt employees and partners. If the company is able to prove that it has adopted adequate procedures to prevent the risk of commission of crimes related to corruption this is an exemption from liability. On March 26th, 2015, the English legislator enacted *“the Modern Slavery Act”*, applicable to companies in the British territory with more than 36 million pounds turnover, which aims to tackle the exploitation of illegal labor force.
 - **Czech Republic:** the legislator has been introduced, in 2012, the corporate criminal liability by the Act on Criminal Liability of Legal Persons and Proceedings against Them”.
 - **Romania:** ***Law 278/2006*** introduced criminal liability in the Penal Code. Art. 19. provides that legal persons can be held criminally liable for crimes committed pursuing the business purpose or interests or in the name of the company, if the offense is committed with subjective elements required by the criminal law.
 - **Russia:** the Russian legal order provides for ***Federal Law 273-FZ, adopted on 25th December 2008***, about countermeasures to the corruption and art. 19.28 of the Administrative offenses Code. To consider a legal person liable it is necessary that corruption offenses or crimes, which create typical conditions of corruptive crimes, are organized, prepared or committed in the name or on behalf of a legal entity. Furthermore there are offenses relating to job security in administrative offenses code. The above-mentioned law was amended by the ***Federal Law of 3 December 2012 n. 231-FZ***, which improved features similar to European regulations.

- **Spagna:** The Spanish Criminal Code has been renewed by *Ley Orgànica* of 25th November 2003, n. 15. The innovations are the prediction upon conviction to a fine for the manager, of fact or de jure, of the company, joint liability in the payment of the penalty.
- **Sud Africa:** the South African legislator enacted the ***Prevention and Combating of Corrupt Activities Act*** to contrast corruption.
- **Sweden:** the national Criminal Code provides penalties for institutions, responsibility, however, it can be called "quasi-criminal." The penalties can be both of pecuniary and disqualification nature.
- **Switzerland:** the Swiss legislator has amended its Penal Code relating to anti-corruption subject.
- **Turkey:** Since 2009 legal persons may be punished with fines for offenses committed for the benefit of such persons.
- **Ukraine:** il legislatore ucraino ha introdotto nel 2014, all'interno del codice penale nazionale, la responsabilità penale degli enti, prevedendo sia sanzioni di carattere pecuniario che interdittivo. the Ukrainian legislature introduced in 2014, within the national penal code, the criminal liability of entities, providing both financial and disqualification penalties.
- **Ungheria:** in 2001 the Hungarian legislator issued Act CIV 2001 containing measures about corporate criminal liability. It entered into force on May 1st, 2004, when Hungary joined the European Union 2004.
- **Stati Uniti d'America:** In 1991, they issued ***Federal Sentencing Guidelines***. Currently the model of corporate criminal liability in force is based on, as regards the objective profile, the commission of any kind of offense, from which the company got a benefit, by an individual member of the company staff who had committed it within his role. As to the subjective point of view, this model requires an organizational fault to get in the liability admission, in the complaint of illegal activities, in the post factum arrangement and updating of the management and control program. In particular, in 1977, as regards to corruption, the U.S. have enacted the ***Foreign Corrupt Practices Act***, also known as the FCPA, it is about the repression of the corruption typical of foreign public officials.

General Part

4 – RISK ANALISYS METHOD

4.1 PRELIMINARY ACTIVITIES

The updating and review of the RINA SERVICES S.p.A. Model start off with specific and preparatory activities which involve identifying the liable offenses contemplated by the Decree in relation to the activities effectively carried out by RINA SERVICES S.p.A.

Internal Audit Section cares, in collaboration with the Legal Affairs Sector (Organization Unit of the Parent Company) the updating of a database of the liable offenses on the basis of changes in legislation carrying out the same analysis which may lead to:

- **exclusion** of individual types or entire categories of offenses, since they are not entirely accomplishable in abstract or because they are effectively believed to be rather improbable to achieve. In fact, it should be recalled that a necessary requirement for how much the liability can be shaped is represented by the interest or advantage obtained by the company
- **inclusion** of individual types or entire categories since the achievement of the offense is also deemed possible in abstract (also in the interests of the company).

4.2 IDENTIFICATION OF THE RISKS AND DRAWING UP OF THE SPECIAL SECTIONS OF THE MODEL

The preparation of the Model was entrusted to RINA S.p.A.'s Administrative Internal Audit Section which, according to the document issued by the Committee of Sponsoring Organization (CoSO), entitled "Internal Control-Integrated Framework", (*Note: The system of internal control could be defined as a set of rules, procedures and tools provided by management to reach the goals about efficiency of business operations, reliability of financial information, compliance with laws and regulations, and protection of corporate assets.*), in collaboration with other company Departments and Organizational Units, launched the study and achievement of the following stages:

- 1) risk analysis
- 2) *Gap analysis*
- 3) drawing up of the Special Sections.

Risk analysis (also "*as is analysis*") involves analyzing the company context from a structural and organizational point of view, it was carried out with the help of interviews with people holding key functions within the corporate structure, called "*Key officers*" and the study of the company's documentation.

The following was identified:

- **Business processes**, set of **Subprocesses**, consisting of activities carried out in relation to each other within the company.
- classes of homogeneous offenses constituent different **Special Sections**
- the business within which it may be theoretically conceivable committing the offenses provided by the decree, called **Sensitive Activities**, and then every single **Way**, with which the offense could have committed

This allowed for each Special Section, Sensitive Activity and Business Area:

- defining the inherent risk's degree on the basis of the computation of the probability and impact
- carrying out a survey of the legal system and of preventive controls, called principals, already existing within the company in relation to the activities / processes at risk, to evaluate its suitability for the purposes of crime prevention. The presence of efficient and effective checks in fact makes it possible to mitigate the risk of committing 231 offenses
- determining the residual risk's degree in relation to the evaluation of defenses.

Finally the **Gap Analysis** was carried out, that represents the comparative analysis between the current organizational structure (*"as is"*) and the abstract model (*"to be"*) on the basis of the risks identified and the control safeguards already operative.

The acceptability of the residual risk is delegated to the Company's Managing Director, especially when the risk is high or medium controlled.

The content of the above mentioned activities lies in the **"Risk Assessment"** document (document for internal use).

General Part

5 - THE CONTROL BODY

5.1 GENERAL INFORMATION

As laid down in art. 6.1, letter b) of Italian Legislative Decree No. 231/2001, *“the task of overseeing the functioning and the observance of the models and to see to their updating has been entrusted to a **Control Body** endowed with powers of initiative and control”*.

Complying with this section, RINA SERVICES S.p.A.’s Control Body possesses the following requirements:

- it is autonomous and independent from the Company’s Board of Directors
- it is appointed by the Board of Directors to whom it reports
- it possesses adequate professional status and expertise
- it is endowed with independent powers of initiative and control
- its activities are on-going
- it furthers any amendments to the Internal Control System for the purpose of maintaining it adequately updated
- it carries out internal checking activities encouraging, when necessary, the envisaged sanction procedures.

In addition, the Control Body regulates its internal operation by special regulations.

5.1.1 COLLEGIALLY AND APPOINTMENT

RINA SERVICES S.p.A.’s Control Body is a collective body made up from three to five members and it is established by means of a resolution of the Board of Directors. The members remain in office for three years and their term is aligned to the mandate of the Board of Directors; members can be re-appointed. Internally, the members of the Control Body appoint a Chairman and Secretary; the Chairman represents the Control Body before the Board of Directors and has extensive and express faculty to delegate his powers to one of the members of the said Body.

In the collegial composition internal and external components could be nominated to become Control Body’s members.

Without prejudice to the events of **forfeiture** expressly envisaged below, the members of the Control Body cannot be **removed** by the Board of Directors unless this is for a justified reason and without prejudice to the following hypotheses, i.e.:

- assignment of duties, roles and/or responsibilities within the RINA Group which are not compatible with the requirements of “autonomy and independence” and/or “on-going activities” typical of the Control Body
- the inflicting of one of the sanctions indicated in the section “Sanction System” on a member of the Control Body
- the unjustified failure to take part in more than two consecutive meetings.

The **ineligibility and/or forfeiture** of the members of the Control Body is motivated by:

- family, spouse or kin-related relationships up to 5th removed with members of the Board of Directors, parties who cover representative, administrative or management functions in the Company or one of its organizational structures endowed with financial and functional autonomy, as well as individuals who are involved in - also de facto - the management and control of the Company, Company auditors and the independent auditing firm as well as the other parties indicated by law
- conflicts of interest, potential or otherwise, with the company or with subsidiary companies, which compromise independence
- ownership, direct or indirect, of shareholdings of a size which makes it possible to exercise significant influence over the Company or a subsidiary company
- roles as executive director covered, in the three years prior to appointment, as member of the Control Body, in companies subject to bankruptcy proceedings, compulsory administrative liquidation or equivalent procedures
- public sector employment relationship with central or local authorities with whom RINA SERVICES S.p.A. has had contact in the three years prior to appointment as member of the Control Body
- sentencing, even if not yet res judicata, or or a sanction which involves disqualification, temporary or otherwise, from holding public office, or temporary disqualification from management offices of legal entities and companies, or decree imposing the sanction requested by the parties (so-called “plea bargain”), in Italy or abroad, for significant violations for the purpose of the administrative liability of the bodies as per Italian Legislative Decree No. 231/2001 sentencing, even if not yet res judicata.

In the event of **renunciation, supervening incapacity and/or ineligibility of a member** of the Control Body, a formal communication will have to be sent immediately to the Board of Directors which will resolve with regard to the replacement of the same.

The Control Body is assigned appropriate resources, as established under resolution by the Board of Directors, upon the proposal of the Chairman of the said Control Body.

5.2 PRINCIPLES OF CONDUCT OF THE CONTROL

When performing its duties, the members of the Control Body comply with the observation of five fundamental rules, the observance of which ensures efficiency and reliability for the purpose of preventing/ identifying unlawful conduct within the Company:

- **honorability**: referring to characteristics such as integrity and respectability of the party, as well as good standing, confidentiality, discretion and honesty in dealings with individuals
- **impartiality**: referring to the obligation to behave objectively and to transfer the information gathered objectively without distorting it (results, conclusions, etc. must faithfully represent the actual situation and correctly indicate the elements verified)
- **adequate professionalism**: referring to the need to be professionally prepared
- **independence**: referring to the autonomy of whomever carries out checks with

respect to the function being checked (compatibly with the matters laid down by art. 6 section 4 of the It. Leg. Decree) and the relationships between the Control Body and the Board of Directors, thus so as to guarantee and ensure the objectivity and impartiality of the said checks

- **approach based on evidence:** referring to the obligation to avail oneself of only the information gathered which can be verified, during the checks, so as to form an opinion which is objective and based on real factual data.

5.3 COMPETENCE AND ASSESSMENT OF THE STAFF FORMING PART OF THE CONTROL BODY

The members of the Control Body possess specific requirements detectable on the basis of the following elements:

Personal characteristics

These are all the various personal characteristics, which make it possible to act in observance of the five rules indicated above, which are mainly character - related and which identify an individual capable of relating with others and therefore predisposed to professionally perform the assigned tasks (e.g. professional ethics, ability to work in groups, diplomacy, independence of judgement, ability to analyze/ summarize, etc.).

Knowledge and expertise

Distinction is made between:

- general expertise: by way of example, this is understood to be knowledge of the principles and norms indicated by Italian Legislative Decree No. 231/2001, the audit techniques and the related procedures, as well as the management system and reference documents
- specific expertise. Reference is made here to knowledge of RINA SERVICES S.p.A.'s services and processes or specific legal expertise regarding criminal codes.

Experience and training

A fundamental requirement for the internal members of the Control Body involves having accrued significant working experience over a ten-year period within the said Group. The external members of the Control Body are obliged to provide specific documentation regarding ten year experience gained with regard to legal/administrative matters.

The existence of all the requirements indicated above is submitted for the decision of RINA SERVICES S.p.A.'s Board of Directors, both at the time of appointment and subsequent to the establishment of the Control Body.

5.4 MAINTENANCE AND IMPROVEMENT OF THE SKILLS

In order to be able to fulfill its duties, the Control Body undertakes a process of on-going and systematic refresher training, attending training courses and/or getting involved in self-learning activities, so as to maintain the level of expertise required constant.

The choice of the above-mentioned courses and conferences takes place within nationwide and worldwide recognized associations (IIA, AIIA, AODV231).

5.5 ROLES AND POWERS

The following tasks are committed to the Control Body:

- **surveillance on the effectiveness of the model, which is determined by the consistency verification between the actual behaviors and principles, obligations and prohibitions expressed in the Model:**
 - a. periodically carrying out checks
 - b. reviewing company activities
 - c. gathering, processing and keeping the significant information in order with respect to the model, as well as updating the list of useful information
 - d. reviewing company activities
 - e. co-ordinating with the heads of the competent divisions so as to assess the adoption of any disciplinary sanctions
- **close examination about the Model's efficacy, namely its real ability to prevent, in principle, the unwanted behavior:**
 - a. co-ordinating with the company department tasked with defining the training programs
 - b. monitoring the initiatives for disclosing awareness and comprehension of the model
 - c. preparing and updating the relevant information on an on-going basis
 - d. analyzing findings from the control bodies
 - e. examining any reports from any Model's recipient and subsequent investigations deemed necessary
 - f. periodically providing the Managing Director with an assessment on the model's suitability
 - g. periodically presenting the Board of Directors with a specific report linked to the assessments indicated in the previous point
- **analysis about the conservation over time of the strong and functional requirements of the Model:**
 - a. analyzing the existing internal control system (procedures, instructions, computer applications, etc.)
 - b. periodically checking the implementation and effective functioning of the improvement action proposed
- **care about the dynamic updating of the Model, in the event that adjustments became essential:**
 - a. interpreting the reference legislation;
 - b. disclosing upgrading proposals of the Model able to give them concrete implementation to the corporate context.

When carrying out the tasks assigned, in observance of current legislation, the Control Body has unlimited access to corporate information for the survey, analysis and control activities; access to and any subsequent handling of the information will have to take place in observance of the law and in particular the legislation concerning the confidentiality of personal details.

Each Company Organizational Unit, employee and/or component of the corporate bodies, is obliged to provide information upon the request of the Control Body or on

occurrence of important events or circumstances, for the purpose of the performance of the activities the Control Body is responsible for.

When carrying out its tasks, the Control Body may cooperate with the Internal Audit Section of RINA S.p.A. for carrying out the following activities:

- Verify the adequacy of the internal control systems in relation to the Model
- Update the risk analysis aimed at preventing the commission of offenses referred to the Italian Legislative Decree 231/2001, the assumption according to the organizational changes and / or business as announced by the corporate OU or the enactment of new legislation, with the aim of ensuring that the adopted enabling the effective management of risk management;
- Advice for overcoming eventual weaknesses of the internal control system and in the phase of installation / revision of processes and procedures in order to ensure the compliance with the model adopted by the RINA Group Company;
- Assess the correspondence of the system of proxies and powers as provided for by specific resolutions of the Board of Directors or by the holding's guidelines and verification that the distribution of roles and responsibilities does not result in duplication, overlap or omissions of tasks;
- Control and monitor business processes through specific audits.

The Supervisory Board reserves the right to set up a special working group, in order to coordinate the entire activity or part of it, which will be composed of both internal personnel and by external specialized professionals in the field of Legislative Decree 231/2001

The Control Body is also assigned:

- the faculty to enter into, amend and/or terminate professional appointments with third parties who possess the specific skills necessary for the best execution of the appointment
- d. financial resources on the basis of an annual estimate of expenditure, approved by the Board of Directors, upon the proposal of the said Body. In any event, the Control Body may request a supplement to the assigned funds, should they be insufficient for the effective accomplishment of its tasks.

5.6 INFORMATION FLOWS

5.6.1 REPORTING ACTIVITY TO THE TOP MANAGEMENT AND RELATIONSHIP WITH THE BOARD OF AUDITORS

The Control Body reports on the implementation of the Model, the emergence of any key aspects and communicates the outcome of the activities carried out when performing the assigned tasks.

Reporting activity to the **Top Management**

- *on-going*, by the Managing Director, who informs the Board of Directors as part of the dissemination on the exercise of the powers granted
- *six-monthly* to the Board of Directors
- *immediately* to the Board of Directors when the events of particular materiality or

significance concern the Managing Director or the Board of Statutory Auditors or members of the Control Body.

Reporting activity to the **Board of Auditors:**

- *six-monthly*, to the Board of Statutory Auditors. In this connection, a six-monthly report is drawn up relating to the activities carried out with indication of the outcome of the checks and the legislative innovations regarding the administrative liability of bodies; in such circumstances, dedicated meetings are organized with the Board of Statutory Auditors; the six-monthly report is also forwarded to the Managing Director
- *immediate* to the Board of Statutory Auditors subject to dissemination to the Managing Director, when events of particular materiality or significance are ascertained.

5.6.2 INFORMATION FLOWS TO THE CONTROL BODY: MANDATORY INFORMATION

The Control Body must be informed by the parties obliged to observe the Model of any events which might bring about RINA SERVICES S.p.A.'s liability as per Italian Legislative Decree No. 231/2001.

In this connection, each manager or employee must report any conduct not in line with the Model's principles and contents, providing the Control Body with information; the consultants, staff and commercial partners, as far as their activities carried out vis-à-vis RINA SERVICES S.p.A. are concerned, directly report to the Control Body.

The Control Body evaluates the reports received and the activities to be set up.

Those making the reports are protected from any form of reprisal, discrimination or penalization and in any event confidentiality will be ensured with regard to the identity of those making reports, without prejudice to the legal obligations and the protection of the rights of the company or the individuals accused wrongly or in bad faith.

"Dedicated dissemination channels" are established so as to facilitate the flow of communications and information.

Specifically, each information flow is addressed to the e-mail address:

ODV.RSSE@rina.org

or by letter sent to:

RINA Services S.p.A. – Via Corsica 12 - 16145 Genova
Att.ne Organismo di Vigilanza

The details of the specific information to be sent to the Control Body are also assigned to a specific protocol/procedure, such details include:

- the measures and/or information originating from any legal authority, which reveals investigations carried out into offenses as per the Decree, in which the Company may be involved
- the requests for legal assistance made by employees in the event of the launch of legal proceedings for the offenses envisaged by the Decree
- the reports of the Heads of the operating units which reveal deeds or omissions contrasting with the norms envisaged by the Decree
- information relating to disciplinary proceedings and any sanctions inflicted vis-à-vis employees, or measures for the dismissal of these proceedings with the related reasons
- the decisions relating to the request, disbursement and use of public funding and essentially any other dealings with the Public Administration Agencies, which are not included among those discovered as existing at the time the risk analysis was carried out
- the type, number, recipients and reasons supporting all the donations made
- workplace accidents.

5.7 RELATIONS BETWEEN RINA SERVICES S.p.A.'s CONTROL BODY AND RINA S.p.A.'s CONTROL BODY

The Parent Company RINA S.p.A.'s Control Body has to coordinate the activities of Group's Control bodies for the fulfillment of a coherent system of control within the Group.

RINA S.p.A.'s Control Body, furthermore, encourages the dissemination to, and informing of, the subsidiary companies of the methods and instruments implementing the Model. In this connection, dedicated meetings are organized so as to examine and share the meaningful experience acquired.

RINA Services S.p.A.'s Control Body, if necessary, may resort to RINA S.p.A.'s *Administrative Internal Audit* Section for the performance of the checks. In any event, agreements will be entered into which among other things envisage the service levels, information flows and the protection of confidentiality.

Any corrective measures on RINA SERVICES S.p.A.'s organization Model, consequent to the checks carried out, are the exclusive responsibility of the said Company.

RINA SERVICES S.p.A.'s Control Body informs the Managing Director of the said company and RINA S.p.A.'s Control Body in order, with regard to the facts discovered, the disciplinary sanctions and the adaptations to the Company's model. A copy of the information is sent to RINA S.p.A.'s Managing Director.

RINA SERVICES S.p.A.'s Control Body is obliged to provide the information, possibly requested by RINA S.p.A.'s Control Body, on occurrence of events or circumstances significant for the purpose of performing the activities the same is responsible for.

5.8 COLLECTION AND CONSERVATION OF INFORMATION

Any information, report, notice provided for in the Model is kept by the Control Body in a paper and/ or computer archive. Without prejudice to legitimate orders of Authorities, any data and information contained in the archive is made available to parties outside the Control Body only with the prior authorization of the Control Body itself.

General Part

6 – TRAINING AND DISSEMINATION OF THE MODEL

6.1 INTRODUCTION

The Model's principles and content matter are disclosed both within and without the organization.

6.2 DISSEMINATION TO DIRECTORS AND STATUTORY AUDITORS

The Model is formally disclosed by the Control Body to each member of the Board of Directors who should take over from the Directors who approved it, and of the Board of Statutory Auditors.

6.3 DISSEMINATION AND TRAINING FOR EXECUTIVES AND HEADS OF THE ORGANIZATIONAL UNITS

The Model is formally disclosed by the Control Body to all the executives, the heads of the organizational unit and to *Key Officers* (when they do not correspond to the above-mentioned figures).

The principles and content matter of Italian Legislative Decree No. 231/2001 and the Model are also disclosed by means of specific training courses.

The Control Body supports the Company when defining the dissemination and training requirements relating to the Model.

The level of dissemination and training is established on the basis of a differing degree of in-depth analysis in relation to the different level of involvement of the said resources in the "sensitive activities" described in the Special Sections of this Model.

6.4 DISSEMINATION AND TRAINING FOR EMPLOYEES

The Model can be consulted in full via the Company's intranet.

The principles and content matter of Italian Legislative Decree No. 231/2001 and the Model are also disclosed by means of specific training courses.

The Control Body supports the Company when defining the dissemination and training requirements relating to the Model.

The level of dissemination and training is established on the basis of a differing degree of in-depth analysis in relation to the different level of involvement of the said resources in the "sensitive activities" described in the Special Sections of this Model.

A basic "*e-learning*" course is envisaged for the Company's executives and employees. Participation in the training program is compulsory.

6.5 INITIAL COMMUNICATION

New recruits will be delivered an information pack containing the Ethical Code and the Model in order to ensure them the knowledge considered of primary importance. The new recruits are obliged to sign a declaration that they have received the information set.

In conclusion, new recruits are obliged to attend the basic "*e-learning*" course within

three months of having been employed.

6.6 COMMUNICATION TO SUPPLIERS, CONSULTANTS, NON-EXCLUSIVE PERSONNEL AND THIRD PARTIES IN GENERAL

The principles and contents of the Ethical Code and the Model are brought to the attention of all those with whom RINA SERVICES S.p.A. has contractual dealings.

The commitment to observe the law and the reference principles of the Ethical Code and the Model by third parties who have contractual dealings with RINA SERVICES S.p.A., is envisaged by as specific clause in the related contract and is subject to acceptance by the contracting party.

6.7 EXTENSION OF THE MODEL TO SUBSIDIARY COMPANIES

In the exercise of its autonomy, every Company of RINA Group is directly and solely liable for the Model's adoption and implementation, in relation to Articles 6 and 7, Legislative Decree no. 231/2001 and to the following requirements.

The Model's adoption is approved by the respective Boards of Directors in accordance with the law provisions concerning directors' duties and bearing in mind the individual company's interest as a subsidiary of a more complex group.

In order to adopt the Model, the subsidiaries bear in mind the information contained in RINA S.p.A.'s Model.

Implementing these directions, the subsidiaries evaluate further specific risk areas in relation to the particular activity carried out by each subsidiary, as a result of the organizational structure and business operations analysis.

For the purposes of Model's adoption, Boards of Directors of each company of the Group proceed with the Control Body's designation.

With regard to the foreign companies, controlled by RINA SERVICES S.p.A., the adoption of the Model, as **guidelines** for their activities, does not involve the establishment of a Control Body. The Italian ultimate Parent Company's Control Body is responsible for overseeing the effectiveness of the Model on the basis of the matters envisaged in the section "Duties of the Control Body", in the General Section of this Model.

General Part

7 – THE SANCTION SYSTEM

7.1 ROLE OF THE SANCTION SYSTEM

The establishment of a sanction system (which fits the violation and is endowed with deterrents) applicable in the event of violation of the rules as per this Model, makes the supervisory action of the Control Body efficient and has the purpose of ensuring the effectiveness of the said Model. The establishment of this disciplinary system in fact represents an essential requirement of the said Model, pursuant to art. 6 section 1, letter e) of Italian Legislative Decree No. 231/2001, for the purpose of the justification regarding the Company's liability.

Activation of the sanction system takes place when inobservance of the following occurs:

- The law, the principles and obligations envisaged by the **Ethical Code** and by the Disciplinary Code adopted by the Company
- the provisions of the Model, with particular regard to the provisions envisaged in the **Special Sections** of the Model
- the **protocols** published on the RINA Group portal, under “Corporate Mgmt Systems” community
- the **procedures and the instructions of the Internal Quality System**; even if the said violation has not led to a significant type of offense pursuant to Italian Legislative Decree No. 231/2001, and therefore is irrespective of the execution and the outcome of criminal proceedings.

The sanction system has a differing structure depending on the parties which it addresses and above all else the tasks performed by the latter.

It essentially addresses:

- company employees
- executives
- Directors
- Statutory Auditors
- members of the Control Body
- consultants, professionals technicians in charge of production activities.

The sanction system is constantly monitored by the Control Body and the Board of Directors. The Model and the Ethical Code are considered binding for all the recipients. Therefore, these documents and their possible subsequent updating are communicated by the Company to the Recipients by means of sending a formal communication, the publication on the company intranet site, and displayed in a location accessible to all the workers.

7.2 MEASURES VIS-à-VIS COMPANY EMPLOYEES

Behavior violating the individual rules of conduct established in this Model and in the Company's Disciplinary Code, adopted by non-executive staff, is considered to be a

“**disciplinary offense**” and, as such, is enforceable by means of a system of disciplinary measures foreseen by Labor Contract.

Following communication to the Control Body of the violation of the principles ratified in the Model and/ or by the Disciplinary Code, an assessment procedure will be launched in compliance with the matters established by the reference agreements. The assessment procedure will be carried out by the Control Body, which shall promptly notify to the RINA S.p.A.’s Human Resources Department the evidence about a behavior not in compliance with the Law, the Organizational Model, the Ethical Code or the Disciplinary Code.

The **disciplinary measures** listed below, which can be inflicted on non-executive staff, are those envisaged by the sanction system of the reference labor agreements and any amendments and renewals of these agreements, and will be adopted in accordance with the procedures envisaged by art. 7 of Italian Law No. 300 dated 20 May 1970 (Workers Statute) and any collective and/or special provisions, that is foreign, applicable to the said workers, taking into account:

- the willfulness of the conduct and the degree of negligence, imprudence or inexperience also with regard to the predictability of the event
- the overall conduct of the worker with particular regard to the existence or otherwise of previous disciplinary records of the same, within the limits permitted by the law
- the worker’s duties
- the functional position of the individuals involved in the events representing the shortcoming
- other particular circumstances which accompany the disciplinary violation.

The following remain valid and are understood to be referred to herein: all the provisions pursuant to art. 7 of Italian Law No. 300/1970 in relation to both the statements of the **Disciplinary Code**, and in particular to the obligation of prior charging of the employee with fault, also for the purpose of permitting the same to prepare a suitable defense strategy and provide any justifications, as well as for the purpose of the relevance of the habitual offender.

Therefore, *the disciplinary measures which can be inflicted vis-à-vis the said workers*, in observance of the provisions envisaged by Article 7 of the **Workers Statute** (It. Law No. 300 dated 20 May 1970) and any special provisions, that is foreign, applicable, are those envisaged by the sanction system of the reference labor agreements, specifically:

1. **Verbal reprimand:** this applies in the event of minor inobservance of the principles and rules of conduct envisaged by this Model and/or by the Ethical Code, or violation of internal procedures or norms.
2. **Written warning:** this applies in cases of repeating the infractions as per point 1 above.
3. **Suspension from service without pay, for up to a maximum of ten days:** this

applies in the event of inobservance of the principles and rules of conduct envisaged by this Model and/ or by the Ethical Code, or violation of internal procedures or norms to an extent which is considered to be of a certain seriousness.

4. **Disciplinary dismissal, as per current law:** this applies - when carrying out the activities included within the “Sensitive activities” as per the Special Sections of this Model - to conducts characterized by considerable breach of the instructions and/or the procedures and/or the protocols and/or the internal norms established by this Model and/or by the Ethical Code, even if it is only liable to represent one of the offenses or administrative torts sanctioned by the Decree or, in the event of the repeat of any disciplinary offense sanctioned by means of Suspension.

RINA S.p.A.’s Human Resources Department shall remain responsible for the effective launch, execution and outcome of the individual disciplinary proceedings, agreed with the Company’s Managing Director, in relation to all the employees on the basis of the information received and acquired and the provisions of the law and agreements on the subject.

7.3 MEASURES VIS-À-VIS EXECUTIVES

In the **event of inobservance and/or violation by the executives** of the principles and the rules of conduct envisaged by the:

- Organizational Model
- Disciplinary Code
- Instructions and/or procedures and/or protocols and/or internal norms
- Regulations envisaged within the sphere of the “Sensitive activities” as per the Special Sections of this Model

Steps will be taken to apply the most suitable disciplinary measure vis-à-vis those responsible, from amongst those envisaged by this sanction system, including termination of the employment relationship.

The failure by executive staff to oversee the correct application - by hierarchically subordinate workers - of the instructions and procedures envisaged by the Model and by the Disciplinary Code also represents an offense, as does the direct violation of the same, or more generally the adoption of conduct, when carrying out the activities associated with their duties, which does not comply with conduct reasonably expected of an executive, in relation to the role covered and the degree of autonomy acknowledged.

Following communication to the Control Body of the violation of the principles ratified in the Model and/or by the Disciplinary Code, an assessment procedure will be launched in compliance with the matters established by the reference NCLA. The assessment procedure will be carried out by the Control Body, which must promptly notify to the RINA S.p.A.’s Human Resources Department the evidence of behavior not in accordance with the Law, the Organizational Model, the Ethical Code or the Disciplinary Code.

RINA S.p.A.’s Human Resources Department shall remain responsible for the effective

launch, execution and outcome of the individual disciplinary proceedings, agreed with the Company's Managing Director.

7.4 MEASURES VIS-À-VIS DIRECTORS

In the event of violation of the Model by one or more members of the Board of Directors, the Control Body informs the Board of Statutory Auditors and the entire Board of Directors who will take the appropriate measures including, for example, the calling of the general shareholders' meeting so as to adopt the most suitable measures envisaged by the law.

7.5 MEASURES VIS-À-VIS STATUTORY AUDITORS

In the event of violation of the Model by one or more Statutory Auditors, the Control Body informs the entire Board of Statutory Auditors and the Board of Directors who will take the appropriate measures including, for example, the calling of the general shareholders' meeting so as to adopt the most suitable measures envisaged by the law.

7.6 MEASURES VIS-À-VIS MEMBERS OF THE CONTROL BODY

In the event of violation of this Model by one or more members of the Control Body, the other members of the Control Body or either the Statutory Auditors or the Directors, inform the Board of Statutory Auditors and Board of Directors who will take the appropriate measures including, for example, the removal of the members of the Control Body who have violated the Model from office and the consequent appointment of new members replacing the same or the removal from office of the entire body and the consequent appointment of a new Control Body.

7.7 MISURE NEI CONFRONTI DEI FORNITORI, CONSULENTI, FORNITORI DI SERVIZI

Any violation by the above-mentioned third subjects of the regulations pursuant to this Model applicable to the same or the committing of offenses is sanctioned as follows:

- *written warning*: this applies in the event of minor inobservance of the principles and rules of conduct envisaged by this Model and/or by the Ethical Code
- *removal due to just cause*: this applies in the event of inobservance of the principles and rules of conduct envisaged by this Model and/or by the Ethical Code.

Any request for compensation remains valid if the said conduct leads to tangible damages for the Company, as in the case of application of the measures envisaged by Italian Legislative Decree No. 231/2001 to the same by a judge.

General Part

8 - GENERAL REGULATIONS FOR UPDATING THE MODEL

8.1 PROGRAM FOR UPDATING THE MODEL

In relation to the corporate complexity and the many facets of the Model within the corporate organization, the updating of the Model involves the preparation of an **continuous updating program** as provided by Article 6 of Legislative Decree no. 231/2001.

It becomes necessary to proceed with the preparation of the document at the time of:

- a. legislative innovation with reference to the discipline of the liability of the bodies for administrative torts dependent on an offense;
- b. the periodic review of the Model also in relation to significant changes in the organizational structure and business sectors of the Company
- c. significant violations of the Model and/or the outcome of checks on the efficacy of the same or public domain experience of the sector.

The activities are useful for maintaining the efficacy of the Model over time.

The task of arranging the updating of the Model is assigned to the Board of Directors. In greater detail:

- the Control Body informs the Managing Director of any information it is aware of, which suggests the appropriateness of going ahead with measures for updating the Model
- the Managing Director approves the launch and the contents of the updating program
- the updating program is prepared and created by RINA S.p.A.'s Administrative Internal Audit Section; this document, following specific risk analysis, identifies the necessary activities and establishes the responsibilities, timescales and execution methods. RINA S.p.A.'s Administrative Internal Audit Section is supported by the competent company departments, especially for the identification of the sensitive activities and the control safeguards
- the updating of the General Section and/or the Special Sections is submitted for the approval of the Board of Directors. Formal changes or those which do not significantly affect the control system are approved by the Managing Director.

The Control Body takes steps to monitor the stage of completion and the results of the updating program as well as the implementation of the action arranged and informs the Chairman of the outcome of the activities.

Special Sections

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