

**MIP POLITECNICO DI MILANO**  
**GRADUATE SCHOOL OF**  
**BUSINESS CONSORTIUM COMPANY**  
**WITH SHARE CAPITAL**  
**Organisation, Management and Control Model**

*pursuant to Legislative Decree no 231 of 8 June 2001, Article 6, paragraph 3*

*“Regulation of the administrative responsibilities of legal persons, companies and associations, even those without legal personality, according to Article 11 of Law no. 300 of 29 September 2000.”*

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## **A Introduction – MIP operations**

MIP Politecnico di Milano Graduate School of Business Consortium company with Share Capital (hereafter “MIP” and/or the “Company”) was established in 1986 initially in the judicial form of an association under private law, pursuant Articles 60 and 61 of Royal Decree no. 1592 of 31 August 1933<sup>1</sup>.

During 2014, we completed our transformation of MIP, which assumed the judicial form of a consortium company with share capital.

The corporate objective of MIP is to:

- train human capital and form management competencies with the purpose of developing companies, public administration entities and the economic system in general;
- design, promote and deliver post-degree and post-work experience education in the field of management, economics and industrial engineering;
- carry out research that is functionally applied to education and training;

The recipients of the initiatives that form MIP’s corporate objective are individual persons, companies and, in general, institutions belonging to all industrial sectors and service sectors, local and centralised public authorities, the healthcare sector, the world of research and education (including training university and school staff) and, as a whole, the non-profit sector.

To achieve its corporate purposes, MIP:

- a) acts jointly with the Department of Management Engineering (DIG) of Politecnico di Milano;
- b) develops activities pertaining to education and research, with the close involvement of companies and public and private institutions of an economic and/or social nature;
- c) integrates its academically-based intellectual aspects and teaching methods with practical experience gained from the economic-productive world, in both the private and the public sectors;
- d) is able to stipulate contracts and agreements with third parties, including the bodies participating in the Company itself, for the purposes of training, professional consultancy and research.

MIP’s main activities are:

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<sup>1</sup> Royal Decree no. 1592 of 31 August 1933 “Consolidated Act on Higher Education”

Article 60 “Deans, Rectors and Directors must encourage all forms of interest and financial contributions from authorities and private companies to the benefit of their respective universities and institutes. In particular, they have the obligation of promoting the establishment of consortia having the scope of co-ordinating initiatives in the most useful and efficient way to support the maintenance and operations of universities and institutes”

Article 61 “University consortia are recognised as public corporations. Every consortium is constituted under a convention that determines the relationships between the authorities and private companies participating in the consortium itself, and it has a statute that regulates its structure and functioning. The convention and statute are approved with a Royal Decree issued on the proposal of the Minister of National Education, having heard the Council of State, and are published in the Official Gazette of the Realm”.

- continuous postgraduate and post work experience education, aimed at individuals, companies and public and private institutions;
- applied research and consultancy in the areas of education, educational requirements and professional skills.

These activities have the purpose of providing support to innovation and the development of the global business system, through the creation of an international network with the end goal of becoming a point of reference for management-level education internationally.

MIP's head office is in Milan, in Via Lambruschini 4/C.

## 1. The Legislative Decree of reference

### 1.1 The administrative liability of Entities

Legislative Decree no. 231 of 8 June 2001, setting out the “*Regulation of the administrative liability of legal persons, companies and associations, including those with no legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*” (“**Decree**”) and enacted on the subsequent 4 July, introduced into Italian law the criminal liability of the Entities (legal persons, companies and associations including those with no legal personalities), as well as that of the physical persons who represent them and who have materially committed the crime.

According to the above regulation, an Entity can be considered responsible, and therefore, punished, in connection to some crimes committed or attempted in the interest or to the benefit of the Entity, by its Board Directors or employees.

#### 1.1.1 Fundamental principles of the Decree and relative legislation

With the Decree, the intention was to align Italian legislation governing the liability of legal persons with the international conventions previously signed by Italy, including:

- the *Convention of Brussels signed on 26 July 1995* on the protection of the European Communities’ financial interests;
- the *Convention of 26 May 1997*, also signed in Brussels, on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union;
- the *OECD Convention signed on 17 December 1997* on combating bribery of foreign public officials in international business transactions.

The Decree introduced administrative responsibility into Italian law (referable in substance to criminal liability) for organisations (defined as companies, associations, consortia, etc., hereinafter “**Entities**”) for several crimes committed in the interest or to their benefit, by:

- physical persons who have representative, administrative or managerial functions in the Entity or in an organisational unit with financial and operational autonomy;
- physical persons who, for all intents and purposes, manage and control the above Entities;
- physical persons under the direction or supervision of one of the parties above.

This liability is in addition to the criminal liability of the physical person who committed the crime.

#### 1.1.2 Penalties

The contemplated sanctions<sup>2</sup> that the Entity is subject to as a consequence of having committed or having tried to commit one of the crimes listed above are:

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<sup>2</sup> Article 9 et seq., “Overview of penalties” Chapter I, Section II of the Decree.



- fines (up to 1.5 million euros);
- interdictory measures, such as the ban on exercising business activities, the suspension or revocation of licences and concessions, the ban from contracting with public administration entities, the exclusion or revocation of loans and grants, the ban on advertising goods and services;
- confiscation (and preventive seizure as a precautionary measure) of proceeds derived by the Entity from the crime, including by way of equivalent measures<sup>3</sup>;
- publication of the judgement (in the case of an interdictory measure<sup>4</sup>).

### **1.1.3 Types of offence**

The crimes relevant to the purposes of the Decree, and subsequent amendments and integrations, are included in the following categories:

- crimes against public administration entities<sup>5</sup>;
- corporate crimes<sup>6</sup>;
- market abuse<sup>7</sup>;
- manslaughter and grievous or severely grievous bodily harm, committed in breach of the regulations governing accident prevention and health and safety in the workplace<sup>8</sup>;
- receiving stolen goods/money, money laundering and utilisation of money, goods or benefits having an illegal provenance; the crime of “self-laundering”<sup>9</sup>;
- crimes against public trust involving forgery of coins, legal tender and duty stamps<sup>10</sup>;
- crimes involving terrorism and the subversion of democracy, including the financing for such purposes<sup>11</sup>;
- crimes against the individual personality, such as the exploitation of under-age prostitution, child pornography, also through the internet, enslavement or keeping persons in slavery<sup>12</sup>,

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<sup>3</sup> Article 6, paragraph 5.

<sup>4</sup> Article 18, Section II mentioned

<sup>5</sup> Articles 24 and 25, Chapter I, Section II “Administrative liability for crimes covered in the Civil Code” of the Decree.

<sup>6</sup> Article 25-ter, Section III mentioned.

<sup>7</sup> Article 25-sexies, Section III mentioned.

<sup>8</sup> Article 25-septies, Section III mentioned.

<sup>9</sup> Article 25-octies, Section III mentioned.

<sup>10</sup> Article 25-bis, Section III mentioned.

<sup>11</sup> Article 25-quater, Section III mentioned.

<sup>12</sup> Article 25-quinquies, Section III mentioned.

- solicitation of children<sup>13</sup> and, among the crimes against the person, the banning of female genital mutilation<sup>14</sup>;
- transnational crimes<sup>15</sup>;
  - computer crimes and illegal data processing<sup>16</sup>;
  - crimes committed by organised crime<sup>17</sup>;
  - crimes against industry and trade<sup>18</sup>;
  - offences involving copyright infringement<sup>19</sup>;
  - offences involving the inducement of refusing to make statements or to render false statements to judicial authorities<sup>20</sup>;
  - environmental offences<sup>21</sup>;
  - the crime of employing third-country nationals whose residence in Italy is irregular, if this constitutes a crime<sup>22</sup>;
  - the crimes of granting illegal access into the country and aiding and abetting illegal immigration<sup>23</sup>;
  - racism and xenophobia<sup>24</sup>;
  - crimes of fraud in sporting competitions and the abusive exercise of gaming or betting activities<sup>25</sup>;
  - tax offences<sup>26</sup>;
  - smuggling offences<sup>27</sup>.

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<sup>13</sup> Crime included in Article 25-*quiquies*, paragraph 1, letter c) of Legislative Decree no. 231 of 8 June 2001 by Article 3 of Legislative Decree no. 39 of 4 March 2014.

<sup>14</sup> Article 25-*quarter1*.

<sup>15</sup> Law no. 146 dated 16 March 2006.

<sup>16</sup> Article 24-*bis*, Section III mentioned.

<sup>17</sup> Article 24-*ter*, Section III mentioned.

<sup>18</sup> Article 25-*bis1*, Section III mentioned.

<sup>19</sup> Article 25-*novies*, Section III mentioned.

<sup>20</sup> Article 25-*decies*, Section III mentioned.

<sup>21</sup> Article 25-*undecies*, Section III mentioned.

<sup>22</sup> Article 25-*duodecies*, Section III mentioned.

<sup>23</sup> Article 25-*duodecies*, Section III mentioned.

<sup>24</sup> Article 25-*terdecies*, Section III mentioned.

<sup>25</sup> Article 25-*quaterdecies*, Section III mentioned.

<sup>26</sup> Article 25-*quiquiesdecies*, Section III mentioned.

<sup>27</sup> Article 25-*sexiesdecies*, Section III mentioned.

#### **1.1.4 Public authority/public administration entity, public officer and person in charge of a public service**

##### **Public authority/public administration entity**

For the purposes of the Decree, the terms public authority and public administration entity mean all private persons and public law persons who engage in a “public function” or a “public service”.

##### **Public function and public officer**

The term public function involves all the activities regulated under public law covering:

- *legislative* functions (the State, regional, provincial and local administration, such as Regions, Provinces governed by a special act, etc.);
- *administrative* functions (members of State and territorial administration, police forces, members of transnational administration - for example, the EU -, members of public authorities, anti-trust authorities, chambers of commerce, planning committees, public works inspectors, technicians in the Italian Navy Register, etc.); and
- *judiciary* functions (judges, clerks of the court, ancillary organs for judicial administration such as bankruptcy liquidators and receivers, etc.).

Public officers exercise their functions through authoritative and certifying powers, where:

- an authoritative power is the power allowing the public authority to achieve its purposes through real orders, with regards to which the private individual is subject. This is the activity through which the power known as public power is manifested, which includes powers both of coercion (arrest, search, etc.) and of charging breaches of law (verification of infractions, etc.) and hierarchical supremacy powers within public offices;
- a certification power grants to the certifier the power to certify the truth of a fact until legally proven otherwise.

In Article 357 of the Criminal Code, a “public officer” is defined “as a person who exercises a legislative, judicial or administrative public function”.

##### **Public service and person in charge of a public service**

The term public service means:

- the operations to produce goods and services of general interest and subjected to the control of a public authority; and
- activities with the purposes of guaranteeing the rights of the person to life, health, freedom, social security and assistance, education, freedom of communication, etc., under the statutory health and insurance schemes (for example, hospitals, ASL - local health authorities, INPS - the national institute of social welfare, INAIL - the national institute for insurance against

industrial accidents, town council members, banks, post offices, customs offices, railways, motorways, municipal energy companies, airlines, etc.).

Public service is regulated in the same way as public functions, but does not have the powers that typically belong to the latter (authoritative and auditing powers) and with the exclusion of the execution of simple tasks relating to order and the supply of material labour alone.

In Article 358 of the Criminal Code, a “*person responsible for a public service*” is defined as the individual who “*provides a public service in any capacity*”.

### 1.1.5 Crimes against Public Authorities

The Decree peremptorily lists the crimes against public authorities that involve responsibility on behalf of the Entities. These are:

- **embezzlement to the detriment of the State or another public body or European Community entity**<sup>28</sup>: the failure of loans, grants or similar to reach the scope for which they were intended;
- **misappropriation of grants, loans or other disbursements** from the State, a public entity or the European Community<sup>29</sup>, by means of false documents or statements alleging untruths, or by omitting required information;
- **aggravated fraud for the misappropriation of State grants**<sup>30</sup>: misappropriation of grants, loans or other disbursements from the State, a public entity or the European Community, by means of scams or deceit different to the use of false documents, statements alleging untruths, or the omission of required information;
- **aggravated fraud to the detriment of the State or another public body**<sup>31</sup>: the use of scams and deceit to obtain an illicit profit to the detriment of the State or another public body;
- **computer fraud to the detriment of the State or another public body**<sup>32</sup>: corruption to the operations of a computer or electronic system or the unauthorised tampering with data, information or programs contained on a computer system, with the scope of obtaining an illicit profit to the detriment of the State or another public body;
- **extortion**<sup>33</sup>, that is, when a public officer or person in charge of a public service abuses his/her position or power to force or induce a private party to give or promise money or other benefits;
- **bribery for an official function**<sup>34</sup>, that is, when a public officer or person in charge of a public service acting as a public officer receives (or agrees to receive) money or other benefits for him/herself or for others in order to perform an act of his/her office;

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<sup>28</sup> Article 316-*bis* of the Criminal Code.

<sup>29</sup> Article 316-*ter* of the Criminal Code.

<sup>30</sup> Article 640-*bis* of the Criminal Code.

<sup>31</sup> Article 640, paragraph 2, point 1 of the Criminal Code.

<sup>32</sup> Article 640-*ter* of the Criminal Code.

<sup>33</sup> Article 317 of the Criminal Code.

<sup>34</sup> Article 318 of the Criminal Code.

- **bribery for an act contrary to duties**<sup>35</sup>, that is, when a public officer or person in charge of a public service acting as a public officer receives (or agrees to receive) money or other benefits for him/herself or for others to delay an act of his/her office or perform one contrary to his/her duties;
- **bribery for a legal act**<sup>36</sup>: both of the bribery cases above cover the case where a person receives (or agrees to receive) money or other benefits for him/herself or for others with the scope of benefiting or damaging part of a civil, administrative or criminal procedure;
- **undue inducement to give or promise benefits**<sup>37</sup>: that is, when a public officer or person in charge of a public service abuses his/her position or power to unduly induce somebody to give or promise money or other benefits for him/herself or for third parties; criminal liability also extends to the person who gives or promises money or benefits;
- **incitement to bribery**<sup>38</sup>: in both of the bribery cases above, the alleged criminal offence exists when the public officer does not agree to receive or the private party refuses to give money or benefits;
- **embezzlement**<sup>39</sup>: that is, when referring to misappropriation or diversion of funds or moveable assets committed by a public officer in whose possession the funds or assets are by virtue of his/her office, for the benefit of him/herself or others, when the crime is against the financial interests of the European Union;
- **embezzlement by profiting from others' mistakes**<sup>40</sup>: that is, the case where a public officer or an individual in charge of a public service, in the course of his/her functions or services, benefits from another's mistakes, and wrongfully receives or retains, for him/herself or others, money or other benefits, committing an offence against the financial interests of the European Union;
- **embezzlement, extortion, undue inducement to give or promise benefits, bribery and instigation to bribery of members of the international criminal court or the organs of the European Community and of functionaries of the European communities and foreign States**<sup>41</sup>: the case provided for by the lawmaker is where the crimes contemplated in the rubric are committed against foreign functionaries;
- **trafficking of unlawful influences**<sup>42</sup>: which punishes anyone who, out of the cases of participation in the offences pursuant to Articles 318, 319, 319-ter and in the crimes of bribery pursuant Article 322-bis, by exploiting or vaunting existing or alleged relations with a public

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<sup>35</sup> Article 319 of the Criminal Code.

<sup>36</sup> Article 319-ter of the Criminal Code.

<sup>37</sup> Article 319-quater of the Criminal Code.

<sup>38</sup> Article 322 of the Criminal Code.

<sup>39</sup> Article 314 of the Criminal Code.

<sup>40</sup> Article 316 of the Criminal Code.

<sup>41</sup> Article 322-bis of the Criminal Code.

<sup>42</sup> Article 346-bis of the Criminal Code.

officer or an individual in charge of a public service or any other individual as set out under Article 322-*bis*, unduly makes someone giving or promising to him/her or others, money or other benefits, as the price of his/her unlawful intermediation towards a public officer or an individual in charge of a public service or any other individual as set out under Article 322-*bis*, or as consideration for the carrying-out of an act conflicting with the officer's duties or powers;

- **abuse of office**<sup>43</sup>: the case provided for by the lawmaker is where a public officer or an individual in charge of a public service, in the course of his/her functions or services, infringes the norms set out in law or in other regulations and thereby omits to abstain from acting where there is a benefit to him/herself or to a close relative or in other prohibited cases, and intentionally secures for him/herself or others an unjust financial advantage, against the financial interests of the European Union.

#### **1.1.6 Manslaughter and grievous or severely grievous bodily harm, committed in breach of the regulations governing accident prevention and health and safety in the workplace**

Law no. 123 of 3 August 2007, published in the Official Gazette no. 185 of 10 August 2007 and enacted on 25 August 2007, introduced Article 25-*septies* into Legislative Decree no. 231/01, subsequently amended by the Consolidated Act on safety. Pursuant to this legislative provision, the company is also responsible for the following criminal offences:

- manslaughter (Article 589 of the Criminal Code) and
- grievous or severely grievous bodily harm (Article 590 of the Criminal Code),

where the crime of manslaughter is committed in breach of Article 55, paragraph 2 of the Consolidated Act on Safety, that is, when the crimes under examination are committed in breach of the regulations governing accident prevention and health and safety in the workplace.

The regulations can be referred to in the Consolidated Act on Safety.

Furthermore, any infraction to the obligation on the part of the employer to guarantee safety in the workplace (Article 2087 of the Civil Code) - which results in a less serious injury - will automatically instigate proceedings against the company.

The law has, in fact, stipulated that any breach of the regulations governing safety in the workplace exacerbates the crime of manslaughter and grievous or severely grievous bodily harm and therefore are to be handled under Article 25-*septies* of Legislative Decree no. 231/2001.

To come under the definition of grievous or severely grievous bodily harm (Article 583 of the Criminal Code), an injury must cause:

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<sup>43</sup> Article 323 of the Criminal Code.

- an illness whereby the injured person is in danger of death, or an illness or incapacity whereby the person is not able to perform normal daily activities for a period of above 40 (forty) days;
- the permanent weakening of a sense or an organ; a certainly or probably incurable illness; the loss of a sense; the loss of a limb or a mutilation resulting in a useless limb, the loss of the use of an organ or the capability of procreating, or the permanent and serious difficulty of speech; deformity or permanent facial disfigurement.

It must be underlined that, in these cases, the crime is punished as mere negligence: this is contrary to the other predicate crimes, which require the knowledge and willingness for the crime to be committed.

It is therefore compulsory to adopt an Organisational Model, which extends the risk analysis process to cover those connected to the regulations governing health and safety in the workplace.

#### **1.1.7 Receiving stolen goods/money, money laundering and utilisation of money, goods or benefits having an illegal provenance;**

The Legislative Decree of 16 November 2007, enforcing EU Directives 2005/60/EC of 26 October 2005 and 2006/70/EC of 1 August 2006, introduced, within the application scope of Legislative Decree no. 231/01, the criminal offences provided for under Articles 648 (receipt of stolen goods), 648-*bis* (money laundering) and 648-*ter* (use of money, goods or benefits having an illicit provenance).

As a point of note, while Articles 648-*bis* and 648-*ter* already constituted predicate offences of criminal liability for the company within the scope of transnational crimes (Law no. 146/2006), the crime of receipt of stolen goods (Article 648 of the Criminal Code) was introduced for the first time among the predicate offences.

These are crimes with a **common matrix and several different elements**.

The aim of the lawmaker, when a crime (a crime or predicate offence) occurs, is to prevent people who are not those who committed the crime (“unless they have participated in the crime...”) from taking an interest in things that result from the crime itself. The core of the three alleged criminal offences, therefore, can be found in **activities subsequent** to the committed crime. These activities consist in offences against legal assets (as these regulations have the aim of preventing any financial gain from goods of criminal provenance) and the legal administration of justice (because, in any case, goods of illicit provenance risk being dispersed through the above criminal means, creating obstacles for the authorities in verifying and suppressing predicate offences).

The difference between Articles 648, 648-*bis* and 648-*ter* of the Criminal Code, by contrast, lies essentially in aspect of conduct (material element) and the subjective element (generic or specific intent offence)<sup>44</sup>.

Regarding the material element:

- **Receiving stolen goods/money:** it is a punishable offence to buy, receive, hide or interfere to buy, receive or hide money or things having a criminal origin.
- **Money laundering:** it is a punishable offence to substitute, transfer and commit other operations in order to hinder the identification of the criminal provenance of money, goods or other benefits having a criminal origin.
- **Use of money, goods or benefits having an illegal origin:** it is a punishable offence to use money, goods or benefits having an illegal provenance for economic or financial activities.

As regards the subjective element:

- **Receiving stolen goods/money:** it is a punishable offence to assume a conduct whose sole purpose is to procure a profit for oneself or for others (specific intent offence).
- **Money laundering:** the case in point is a generic intent offence.
- **Use of money, goods or benefits having an illegal provenance:** the case in point is a generic intent offence.

Among the three criminal offences belonging to the field of corporate criminal law, money laundering is certainly the most significant and, therefore, contemplates the greatest risk: in Italy, money laundering legislation was introduced with Decree Law no. 59 of 21 March 1978 and converted into Law no. 191 of 18 May 1978, which introduced Article 648-*bis* of the Criminal Code, then headed “Recycling of money or valuables deriving from aggravated robbery, aggravated extortion or kidnapping”.

It therefore involved **qualified receiving**, defined by the origin of the money coming from one or more crimes.

With the 1990 reform (Article 23, Law no. 55 of 19 March 1990), the purposes of the profit were removed (subjective element) and the element of conduct concentrated **on obstructing the identification of the criminal origin** of the goods, a major feature of the legislation currently in force.

Article 648-*ter* of the Criminal Code was also added. This punished subsequent conduct independent of the receiving, that is, the utilisation of money having an origin in the above crimes

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<sup>44</sup>“The crime of money laundering is undistinguishable from the crime of receiving stolen goods/money pursuant Article 648 of the Criminal Code on the basis of predicate offences, but the difference must be sought with reference to structural differences, such as the **subjective element**, which refers to the specific intent offence of seeking to profit by receiving stolen goods/money and the generic intent offence in the crime of money laundering, and the **material element** and, in particular, in its purpose of hindering the provenance of the goods from being identified, which is an element distinguishing the conduct contemplated under Article 648-*bis* of the Criminal Code”. (Court of Cassation, 12 April 2005, case of De Luca).



for economic or financial activities. This criminal offence, therefore, concerned and concerns an activity taking place after the perpetration of both the predicate crime and the laundering of the money or other valuables having a criminal origin.

The subsequent reform, which was introduced with Law no. 328/1993 ratifying the Convention of Strasbourg dated 8 November 1990, maintained the structure of the 1990 reform, removing, however, the **peremptory listing** of predicate offences in favour of the generic criminal origin of the money.

This regulation, in constant evolution, contemplates restrictions to the use and transfer of cash, the obligation to identify clients, for intermediaries to register transactions, and to report any which are suspect, alongside operating rules to prevent criminal activity (*know your customer rule* and the quantitative analysis of operations) and also capable of guiding the contents of the *compliance* model.

### **Crime of “self-laundering”**

Article 3 of Law no. 186 of 15 December 2014 “*Provisions concerning the detection and re-entry of capital kept overseas, and also to strengthen the fight against fiscal evasion*”. Provisions concerning self-laundering”, has introduced, among other matters, within the Italian regulatory framework, the crime of self-laundering, pursuant the provisions of the new Article 648-ter.1 of the Criminal Code. In detail, the new law punishes “*any person who, having committed or being accessory to an offence committed with criminal intent, employs, substitutes or transfers to economic or financial activities, money, goods or other benefits from the crime, so as to concretely hinder the identification of their criminal origin*”. Paragraph 5 of Article 3 of the above law expressly provided for the inclusion of the crime of self-laundering among the predicate crimes contemplated by Legislative Decree no. 231/2001, pursuant to Article 25-octies.

The crime of self-laundering is an incidence of multiple crimes, capable of consolidating injury to the patrimony of the victim of the predicate crime<sup>45</sup> and to injure the entire system for the administration of justice and the public economy. Anybody who self-laundered by making investments and acquisitions of various kind, prevents or makes it more difficult to carry out operations to compensate the victim, contaminates credit and the trend of prices and, in definitive, all the relationships within the economic system.

Self-laundering is “a crime that cannot be committed by anyone, but someone who holds a particular position/has particular qualifications” inasmuch as the author must necessarily be the person who participated in the offence committed with criminal intent, from which the proceeds subject of reinvestment were derived.

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<sup>45</sup> With this expression, in this specific event, we are referring to an offence committed with criminal intent, which is the presumption for the charge of self-laundering, and not to the list of crimes contemplated in Legislative Decree no. 231/2001.

With regards to the material element, the typical behaviour in the offence can follow one of three factual models: substitution, transfer or use, in economic or financial activities, of money, goods or other benefits deriving from an offence committed with criminal intent.

The determination of punishable behaviour is limited to behaviour that, while not necessarily contrived in itself (that is, by integrating the contrived or fraudulent acts typical of fraud) makes the identification of the illegal provenance of an asset objectively difficult.

In particular, the concept of substituting money, goods or other benefits of criminal provenance includes all the activities directed towards what is known as “laundering” the criminal proceeds to remove any possible connection with the crime (the substitution, therefore, can be carried out in many different ways, for example, by replacing cash with other banknotes, or paying funds into a bank account and then withdrawing them).

Transferring money is a particular type of substitution and refers to behaviour that implies a transfer of valuables with an illegal provenance from one subject to another or from one place to another, in order to make the authorities lose track of the ownership, provenance and effective destination.

The transfer or substitution of the proceeds of crime must concern financial, economic or speculative business operations as set out under Article 648-ter.1, paragraph 4 of the Criminal Code.

The objective element of the crime is not, therefore, integrated in the event that the destination of the money, goods or other benefits of criminal provenance is personal use or enjoyment.

With regards to the subjective element, the crime is punishable under generic wilful misconduct. This consists in the knowledge and willingness to perform the substitution, transfer or other operations concerning money, goods or other benefits, together with the knowledge that such behaviour is likely to create an obstacle to identifying such provenance.

The main categories of predicate offences within the crime of self-laundering are:

- Tax offences;
- Crimes against property (for example, usury, blackmail, theft, embezzlement, extortion);
- Crimes against public authorities;
- Crimes against the administration of justice;
- Crimes committed by organised crime.

Therefore, by effect of the offence under examination, the predicate offence can be a crime that does not enter the field of application of Legislative Decree no. 231/2001.

### 1.1.8 Corporate crimes

In the field of corporate law, Legislative Decree no. 61 dated 11 April 2002<sup>46</sup>, in force from 16 April 2002, introduced the new Article 25-ter of the Decree, extending the scope of administrative liability of Entities to include what are known as “corporate crimes”.

Corporate crimes are offences specific to certain classes of offender and, as such, can be **committed directly** by:

- the Board of Directors,
- the Board members,
- the Managing Directors,
- the Auditors,
- the Liquidators,

as well as, on the grounds of participation, by the officials responsible for administrative-financial management or the implementation of computer systems.

The cases of corporate crimes under consideration are:

- **false corporate statements** (Article 2621 and 2621-bis of the Civil Code): exhibit any material facts that are untrue or omit information required by law concerning the economic or financial situation of the company or group to which the company belongs, in the company’s financial statements, reports or any other legally necessary corporate communications directed at partners, shareholders or the public, in a way that is materially capable of inducing others into error, with the purpose of obtaining an unjust profit for one’s self or for others. In the regards, it should be noted that Law no. 69, dated 27 May 2015 and published on the Official Gazette no. 124 of 30 May 2015, introduced significant amendments to the criminal provisions on the subject of false corporate communications, contained in the Civil Code. In detail, the main amendments concern (i) the automatic prosecution of the offence, (ii) the psychological element represented by the specific fraud whereby the end is “to obtain an unjust profit for one’s self or for others”, but no longer contains the aspect of the intention of deceiving, (iii) the partial review of what constitutes typical behaviour, (iv) the removal of quantitative thresholds of criminal significance of this behaviour.
- **undue return of contributions** (Article 2626 of the Civil Code): unduly return contributions to members or free them from the obligation of making them;
- **unlawful allocation of profits and reserves** (Article 2627 of the Civil Code): divide profits or reserves that cannot in law be apportioned;

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<sup>46</sup> Article 3.

- **illegal transactions involving the company's shares or quotas or those of its parent company** (Article 2628 of the Civil Code): buy or subscribe for shares, including those of the parent company, damaging the share capital;
- **transactions damaging the creditors** (Article 2629 of the Civil Code): reduce share capital, carry out mergers or demergers that cause damage to the creditors;
- **non-communication of conflicts of interest** (Article 2629-bis of the Civil Code): the breach of the obligation to communicate a situation where there is a conflict of interest, harming the company or third parties;
- **fictitiously paid-up capital** (Article 2632 of the Civil Code): fictitiously increase the capital, reciprocally subscribe to shares and overvalue contributions or assets when undergoing a transformation;
- **wrongful distribution of company assets by the liquidators** (Article 2633 of the Civil Code): distribute corporate assets before paying creditors or before reserving the sums necessary to satisfy them;
- **the offence of impeding control** (Article 2625, paragraph 2 of the Civil Code): hide documents in order to prevent members, other corporate organs or the auditors from carrying out control operations;
- **unlawful influence over the General Meeting of Shareholders** (Article 2636 of the Civil Code): commit simulated or fraudulent acts with the intention of producing an illegal majority of shareholders;
- **bribery within the private sector** (Article 2635, paragraph 3 of the Civil Code) and **instigation to bribery within the private sector** (Article 2635-bis of the Civil Code): give, including through solicitation, or promise money or other undue benefits (in the role of the briber) in favour of the Board Directors, general managers, executive directors, executives responsible for preparing corporate accounting documentation, statutory auditors and liquidators, or in favour of any persons who hold management positions other than those previously stated, who, following the giving or promise of money or other benefits, carry out or refrain from carrying out any act in breach of the duties of their office or duty of loyalty (in the role of subjects who are bribed); the liability under Legislative Decree no. 231/2001 concerns the briber and is applied even when the offer or promise of money or other undue benefit is not accepted;
- **market abuse** (Article 2637 of the Civil Code): spread false information or create simulated operations in order to provoke an alteration to the price of unquoted financial instruments;
- **obstructing the public supervisory authorities in their duties** (Article 2638, paragraphs 1 and 2 of the Civil Code): with the purpose of obstructing the supervisory authorities in their duties, present material facts that are not true, even if subject to valuation, on the economic and

financial situation of the subjects under supervisory control or, with the same purpose, hide by other fraudulent means, facts that should be communicated.

#### **1.1.9 Market abuse**

Among corporate crimes in general is the offence of market abuse, regulated by Law no. 62 in date 18 April 2005 and involving, specifically:

- **the abuse of confidential/inside information** (Article 184 of Legislative Decree no. 58/1998), a crime that concerns those who, because of their “privileged” position (as members of the administration, direction or controlling organs of the company, or participant in the issuer’s share capital) exploit this information on the financial markets;
- **market abuse** (Article 185 of Legislative Decree no. 58/1998), a crime that concerns people who spreads false information or creates artificial acts to provoke a noticeable alteration to the price of financial instruments.

#### **1.1.10 Counterfeiting of coins, legal tender and duty stamps**

Law no. 409 of 23 November 2001, headed “Urgent provisions regarding the introduction of the euro”, has introduced, within the scope of the Decree, Article 25-*bis* which has the aim of punishing the crime of “forgery in coins, legal tender and duty stamps”, other types of crimes involving the company’s criminal liability:

- **forgery of coins, and the spending and introduction into the State, acting in concert, of counterfeit coins** (Article 453 of the Criminal Code);
- **counterfeiting of coins** (Article 454 of the Criminal Code);
- **counterfeiting of watermarked paper used to produce public tender and duty stamps** (Article 460 of the Criminal Code);
- **production or retention of watermarks or instruments used for the forgery of coins, duty stamps or watermarked paper** (Article 461 of the Criminal Code);
- **the spending and introduction into the State, acting in concert, of counterfeit coins** (Article 455 of the Criminal Code);
- **the spending of counterfeit coins, received in good faith** (Article 457 of the Criminal Code);
- **use of counterfeit or altered duty stamps, received in good faith** (Article 464, paragraph 2 of the Criminal Code);
- **forgery of duty stamps, introduction into the State, purchase, retention or put into circulation of duty stamps** (Article 459 of the Criminal Code);
- **use of counterfeit or altered duty stamps** (Article 464, paragraph 1 of the Criminal Code);

#### 1.1.11 Crimes with the aim of terrorism or the subversion of democracy

Law no. 7 of 14 January 2003 ratified the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999.

Differently to the other charges of criminal liability for the company, there is no absolute list of relevant crimes; every crime committed with the aim of terrorism or the subversion of democracy triggers the liability of the company.

#### 1.1.12 Crimes against individual personality and crimes against the person

Several significant criminal offences:

- **enslavement or keeping people in slavery or servitude** (Article 600 of the Criminal Code): reducing or keeping a person in a state of continuous subjection, which implicates imposing working duties that exploit that person;
- **people trafficking** (Article 601 of the Criminal Code): trade of slaves or people in conditions analogous to slavery;
- **buying and selling slaves** (Article 602 of the Criminal Code): any act that involves the transfer of slaves or people in conditions analogous to slavery;
- **child prostitution** (Article 600-*bis*, paragraphs 1 and 2 of the Criminal Code): inducement, abetment or exploitation of child prostitution, or carrying out sexual acts with children for money or other economic benefits;
- **child pornography** (Article 600-*ter*, paragraphs 1, 2, 3 and 4 of the Criminal Code): exploitation of children in order to realise pornographic exhibitions or pornographic material; trade in pornographic material produced through the exploitation of children; distribution, circulation, publication of pornographic material realised through the exploitation of children, or information and news produced to groom or exploit children;
- **tourist initiatives aimed at child prostitution** (Article 600-*quinqüies* of the Criminal Code): organisation or marketing journeys with the purpose of exploiting child prostitution;
- **possession of pornographic material** (Article 600-*quater* of the Criminal Code): obtaining or the mere possession of pornographic material realised by exploiting children;
- **virtual pornography** (Article 600-*quater*.1 of the Criminal Code): when, in the alleged criminal offences of child pornography and the possession of child pornography material, such pornographic material consists of virtual images;
- **crime of female genital mutilation** (Article 583-*bis* of the Criminal Code), in the absence of medical needs.
- **child “grooming”** (Article 609-*undecies* of the Criminal Code);
- **illegal intermediation and exploitation of work** (Article 603-*bis* of the Criminal Code).

### 1.1.13 Transnational crimes

Transnational crimes, introduced with Law no. 146 of 16 March 2006, to ratify and enact the United Nations' Convention and Protocols against organised crime, are those committed by criminal associations operating in various States and concern the following criminal offences:

- **criminal conspiracy**: association of at least three people with the purpose of committing an indeterminate series of crimes;
- **Mafia-type associations**: criminal conspiracy that makes use of the intimidating power of their associations, as well as the condition of subjugation and the conspiracy of silence that derives from it;
- **criminal association for the purpose of smuggling foreign tobacco**: criminal conspiracy to commit the crimes of the introduction, selling, transport, purchase or possession within the Italian State territory of tobacco processed abroad;
- **criminal association for the smuggling of narcotic drugs**: criminal conspiracy to commit narcotic drug dealing crimes;
- **trafficking of immigrants and measures to prevent clandestine immigration**: to promote the immigration and permanence of clandestine immigrants in Italy;
- **money laundering**: recycling or transferring money, goods or other benefits having an illegal origin, as well as committing operations with the purpose of obstructing the identification of their criminal provenance;
- **use of money, goods or benefits having an illegal provenance**;
- **inducement to refuse to make statements**: induce person called to make a statement in front of judicial authorities to make a false statement or to refrain from making a statement, through threats, violence or offers of money;
- **aiding and abetting**: offer of help to a person who has committed a crime in order to evade inquiries or avoid the judicial authorities' investigations.

### 1.1.14 Crimes committed abroad

The liability contemplated under this Decree comes into effect even for crimes committed abroad for the criminal offences provided for by the Criminal Code in Articles 7, 8, 9 and 10, as long as proceedings against these charges are not undertaken by the authorities in the country where the crime was committed.

### 1.1.15 Computer crimes and illegal data processing

Legislative Decree no. 48 of 4 April 2008, ratifying and implementing the Budapest Convention on Cybercrime drawn up by the Council of Europe, introduced within the scope of Legislative Decree no. 231/01 the following crimes:

- **falsification in computerised documents** (Article 491-*bis* of the Criminal Code);
- **unlawful access to a computer or electronic system otherwise known as hacking** (Article 615-*ter* of the Criminal Code);
- **illegal possession and disclosure of access codes to computer or electronic systems** (Article 615-*quater* of the Criminal Code);
- **circulation of equipment, devices or computer programs aimed at damaging or interrupting a computer or electronic system** (Article 615-*quinquies* of the Criminal Code);
- **unlawful interception, prevention or interruption of computer or electronic communications** (Article 617-*quater* of the Criminal Code);
- **installation of equipment to intercept, prevent or interrupt computer or electronic communications** (Article 617-*quinquies* of the Criminal Code);
- **damage to computer information, data or programs** (Article 635-*bis* of the Criminal Code);
- **damage to computer information, data or programs used by the State or other public bodies or, generically, of public use** (Article 635-*ter* of the Criminal Code);
- **damage to computer or electronic systems** (Article 635-*quater* of the Criminal Code);
- **damage to computer or electronic systems of public use** (Article 635-*quinquies* of the Criminal Code);
- **computer fraud by the party who provides electronic signature certification services** (Article 640-*quinquies* of the Criminal Code).

#### **1.1.16 Tax offences**

Law no. 157 of 19 December 2019, amending and implementing Legislative Decree no. 124 of 26 October 2019, concerning “Urgent tax measures and for unavoidable needs” introduced within the body of the Decree, at Article 25-*quinquiesdecies*, the following types of crime:

- **fraudulent misrepresentation through the use of invoices or other documents relating to non-existent transactions** (Article 2, Legislative Decree no. 74/2000): a crime is committed by whoever, in view of evading income tax or value added tax, having recourse to invoices or other documents for non-existent transactions, indicates non-existent allowable deductions in one of their tax statements relevant to these taxes. This act shall be considered as committed through the use of invoices or other documents for non-existent transactions when these invoices or documents are entered in the obligatory accounting records or are kept to be used as evidence vis-à-vis financial administration.
- **fraudulent misrepresentation through other means** (Article 3, Legislative Decree 74/2000): a criminal offence occurs when whoever, in view of evading income tax or value added tax, by carrying out objectively or subjectively simulated transactions and thereby by making use of false documents or other fraudulent means that can hinder detection and/or mislead the



financial administration, in one of the tax statements relating to these taxes, declares lower income than the actual amounts or fictitious allowable deductions or fictitious tax credits and withholdings, where both of these conditions are met: a) the tax evaded is above € 30,000.00 for each tax; b) the total amount of unreported/understated income, including through falsely claimed allowable deductions, is greater than five percent of the total income declared in the tax statement or, in any case, is greater than € 1,500,000.00, or when the total sum of fictitious tax credits and withholdings in deduction from the taxes is greater than five percent of the amount of the tax itself or in any case greater than € 30,000.00. This act shall be considered as committed through the use of fictitious documents when these invoices or documents are entered in the obligatory accounting records or are kept to be used as evidence vis-à-vis financial administration.

- **inaccurate tax declaration concerning serious cases of cross-border VAT fraud** (Article 4, Legislative Decree 74/2000): a criminal offence occurs when whoever, within the context of fraudulent cross-border systems, in view of evading value added tax for a total amount of at least 10 million euros, by carrying out objectively or subjectively simulated transactions, thereby by using false documents or other fraudulent means that can hinder detection and/or mislead the financial administration, in their VAT statement, declares a lower income than the actual amounts or fictitious allowable deductions or fictitious tax credits and withholdings.
- **omitted declaration concerning serious cases of cross-border VAT fraud** (Article 5, Legislative Decree 74/2000): a criminal offence occurs when whoever, within the context of fraudulent cross-border systems, in view of evading value added tax for a total sum of at least 10 million euros, omits to present their annual VAT statement.
- **issue of invoices or other documents for non-existent transactions** (Article 8, Legislative Decree 74/2000): a criminal offense occurs when whoever issues or delivers invoices or other documents for non-existent transactions, in view of allowing third persons to evade income tax or value added tax.
- **dissimulation or destruction of accounting records** (Article 10, Legislative Decree 74/2000): a criminal offence occurs when whoever, in view of evading income tax or value added tax, or to allow third parties to evade taxes, dissimulates or destroys in part or in full the accounting records or documents which are required to be kept under law, thereby not allowing the income or turnover to be reconstructed.
- **unlawful compensation for serious cases of cross-border VAT fraud** (Article 10-*quater* Legislative Decree 74/2000): a criminal offence occurs when whoever, within the context of fraudulent cross-border systems, in view of evading value added tax for a total sum of at least 10 million euros, does not pay the sums due by offsetting them against unentitled or non-existent tax credits.

- **fraudulent tax evasion** (Article 11 Legislative Decree 74/2000): a crime occurs when whoever:  
(i) in view of not paying income tax or value added taxes, or the interest and administrative penalties relating to these taxes for a total amount of over € 50,000.00, disposes under false pretences of his/her assets or those belonging to a third party, or commits other fraudulent acts involving these assets, such that enforced tax collection is fully or in part ineffective; (ii) in view of him/her or others paying taxes and relative accessory levies only in part, states in the documentation presented for the purposes of fiscal recording, an income below the actual income, or fictitious allowable deductions for a total sum above € 50,000.00.

### 1.1.17 Other crimes

#### **Crimes committed by organised crime**

Law no. 94 of 15 July 2009 “Regulations concerning public safety” which came into force on 8 August 2009, introduced within Legislative Decree no. 231/2001 Article 24-*ter* **Offences committed by organised crime** extending the administrative liability of Entities for the following criminal offences:

- criminal conspiracy (Article 416 of the Criminal Code).
- Mafia-type associations (Article 416-*bis* of the Criminal Code);
- swapping votes for favours with the Mafia (Article 416-*ter* of the Criminal Code);
- abduction for robbery or ransom (Article 630 of the Criminal Code);
- crimes committed exploiting the conditions provided for in the previous Article 416-*bis*, that is with the purpose of facilitating the activity of the associations contemplated in the Article;
- association having the purpose of trafficking narcotic drugs or psychotropic substances (Article 74 of the Consolidated Act as per Presidential Decree no. 309 of 9 October 1990);
- crimes of the unlawful production, introduction into the Italian State, placing on sale, disposal, possession and carrying in a public place or a place open to the public of weapons of war or war-type weapons or parts of them, explosives, clandestine weapons, or several common firearms with the exception of those excluded under Article 2, paragraph 3 of Law no. 110 of 18 April 1975.

#### **Crimes against industry and trade; Offences involving copyright infringement:**

Law no. 99 of 23 July 2009 “Provisions for the development and internationalisation of companies, with particular reference to energy”, which came into force on 15 August 2009, introduced within Legislative Decree no. 231/01 the following crimes: **Crimes against industry and trade; Offences involving copyright infringement:**

- counterfeiting, alteration or use of brands or identification marks or patents, models and designs (Article 473 of the Criminal Code);
- introduction into the State and trade of products with false signs (Article 474 of the Criminal Code);
- disruption of the freedom of industry or trade (Article 513 of the Criminal Code);

- unfair competitive practices involving threats or violence (Article 513-*bis* of the Criminal Code);
- fraud against home industries (Article 514 of the Criminal Code);
- fraud in the exercise of trade (Article 515 of the Criminal Code);
- sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code);
- sale of industrial products under false brands (Article 517 of the Criminal Code);
- manufacture and sale of goods made by usurping industrial property rights (Article 517-*ter* of the Criminal Code);
- counterfeiting geographic indications or designations of origin of food products (Article 517-*quater* of the Criminal Code);
- crimes related to the infringement of copyright (Articles 171, paragraph 1, letter a-*bis*, and paragraph 3, 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies* of Law no. 633 of 22 April 1941).

**Offences involving the inducement of refusing to make statements or to render false statements to judicial authorities**

Law no. 116 of 3 August 2009 “Ratification and execution of the Convention of the organisation of the United Nations against corruption, adopted by the General Assembly of the UN on 31 October 2003 with resolution no. 58/4, signed by the Italian State on 9 December 2003, and internal legislation to comply with the above, and amendments to the Criminal Code and the Code of Criminal Procedure”, introduced into the set of crimes included within the scope of Legislative Decree no. 231/01 the **offence concerning the inducement of refusing to make statements or to render false statements to judicial authorities** (Article 377-*bis* of the Criminal Code).

**Environmental offences**

Legislative Decree no. 121 of 7 July 2011 headed: “Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, and Directive 2009/123/EC amending Directive 2005/35/EC regarding ship-source pollution and the introduction of sanctions for infringements”, introduced “**Environmental offences**” among the crimes covered under Legislative Decree no. 231/01, including:

- the killing, destruction, capture, removal or possession of protected species of wild animals and plants (Article 727-*bis* of the Criminal Code);
- destruction or damage to habitat inside a protected site (Article 733-*bis* of the Criminal Code);
- trade of specimens of species defined in Annex A, Appendix I and Annex C, part 1 of (EC) Regulation no. 338/97 (Article 1 of Law no. 150 of 7 February 1992);
- trade of specimens of species defined in Annex A, Appendices I and III, and Annex C, part 2 of (EC) Regulation no. 338/97 (Article 2 of Law no. 150 of 7 February 1992);
- ban on the possession of specimens that constitute danger to health and public safety (Article 6 of Law no. 150 of 7 February 1992);
- wastewater discharge (Article 137, paragraph 2, 3, 5, 11 and 13 of Legislative Decree no. 152 of 3 April 2006);

- discharging directly into the soil (Article 103 of Legislative Decree no. 152 of 3 April 2006);
- discharging directing in the subsoil and underground water (Article 104 of Legislative Decree no. 152 of 3 April 2006);
- discharging into the sewer system (Article 107 of Legislative Decree no. 152 of 3 April 2006);
- discharging of hazardous substances (Article 108 of Legislative Decree no. 152 of 3 April 2006);
- unauthorised waste management (Article 256 paragraph 1, 3, 4, 5 and 6 and Articles 208, 209, 210, 211, 212, 214, 215 and 216 of Legislative Decree no. 152 of 3 April 2006);
- ban on mixing hazardous waste (Article 187 of Legislative Decree no. 152 of 3 April 2006);
- breach of the obligations concerning electrical and electronic waste, sanitary waste, vehicles non longer in use and products containing asbestos (Article 227 of Legislative Decree no. 152 of 3 April 2006);
- offences in the context of site reclamation (Article 257, paragraphs 1 and 2 of Legislative Decree no. 152 of 3 April 2006);
- breach of the obligations of communication and of keeping obligatory registers and forms (Article 258, paragraph 4, period II of Legislative Decree no. 152 of 3 April 2006);
- ideological falsehood committed by a private individual in a private contract (Article 483 of the Criminal Code);
- illicit traffic of wastes (Article 259, paragraph 1 of Legislative Decree no. 152 of 3 April 2006);
- organised activities for the illicit traffic of wastes (Article 452-*quatercesies* of the Criminal Code);
- false information in the context of waste traceability systems (Article 260-*bis* of Legislative Decree no. 152 of 3 April 2006);
- breach of emission limits (Article 279, paragraph 5 of Legislative Decree no. 152/2006);
- material falsehood committed by the public officer in certificates or administrative authorisations (Article 477 of the Criminal Code);
- material falsehood committed by a private subject (Article 482 of the Criminal Code);
- failure to cease or reduce the use of substances harmful to the ozone layer (Article 3 of Law no. 549 of 28 December 1993);
- intentional pollution coming from ships (Article 8 of Legislative Decree no. 202 of 6 November 2007);
- unintentional pollution coming from ships (Article 9 of Legislative Decree no. 202 of 6 November 2007);

Law no. 68 of 22 May 2015 containing provisions on the subject of crimes against the environment, which came into force on 29 May 2015, introduced within the field of application of Legislative Decree no. 231/2001 the following furthers cases of environmental crimes;

- Environmental pollution (Article 452-*bis* of the Criminal Code);

- Environmental disaster (Article 452-*quater* of the Criminal Code);
- Unintentional crimes against the environment (Article 452-*quinqüiens* of the Criminal Code);
- Aggravated crimes of association (Article 452-*octies* of the Criminal Code);
- Traffic and abandonment of highly radioactive material (Article 452-*sexies* of the Criminal Code);

**Employing third-country nationals whose residence in Italy is irregular**

Legislative Decree no. 109/2012, headed: “Implementation of Directive 2009/52/EC, introducing minimum standards on sanctions and measures against employers of illegally residing third-country nationals” invokes Article 25-*duodecies* of Legislative Decree 231/01 for the crime pursuant to Article 22, paragraph 12-*bis* of Legislative Decree no. 286/1998 (**employing third-country nationals who are residing in Italy irregularly**).

**The crimes of granting illegal access into the country and aiding and abetting illegal immigration**

Article 30, paragraph 4 of Law no. 161 of 17 October 2017, on the matter of “Amending the Code of Anti-mafia legislation and protection measures under Legislative Decree no. 159 of 6 September 2011, the Criminal Code and the implementation, coordination and transitional rules of the Criminal Procedure Code, plus other provisions. Delegating power to the Government for the protection of labour at sequestered and confiscated companies” included among the predicate crimes under Legislative Decree no. 231/2001 the **crimes of granting illegal access**, under Article 12, paragraphs 3, 3-*bis*, 3-*ter* of Legislative Decree no. 286 of 25 July 1998, and of **aiding and abetting illegal immigration**, under Article 12, paragraph 5 of Legislative Decree no. 286 of 25 July 1998, concerning illegal immigration.

**Racism and xenophobia**

Article 5 of Chapter II of Law no. 167 of 20 November 2017, concerning “Measures for the implementation of obligations arising from Italy’s membership to the European Communities - European Law 2017” inserted Article 25-*terdecies* within the scope of application of Legislative Decree no. 231/2001 regarding the crimes of **racism and xenophobia**.

**Criminal offenses relating to fraud in sporting competitions, the unlawful practice of gaming or betting, and gambling operated through illegal devices**

Article 5, paragraph 1 of Law no. 39 dated 3 May 2019, implementing the Convention of the Council of Europe on the manipulation of sporting competitions, held at Magglingen on 18 September 2014, introduced Article 25-*quaterdecies* within the scope of Legislative Decree no. 231/2001 concerning the following crimes:

- Fraud in sporting events (Article 1 of Law no. 401 dated 13 December 1989);
- Illicit operation of betting and gambling activities (Article 4 of Law no. 401 of 13 December 1989);

**Smuggling offences**

Article 5, paragraph 1, letter d) of Legislative Decree no. 75 of 14 July 2020, implements EU Directive 2017/1371 on the fight against fraud to the European Union's financial interests by means of criminal law, and introduced, within the application scope of Legislative Decree no. 231/2001, Article 25-*sexiesdecies* regarding smuggling offences as set out in Presidential Decree no. 43 of 23 January 1973.

## **1.2 The Anti-Bribery Law and legislation on Transparency**

Law no. 190 of 6 November 2012 entitled *"Rules for the prevention and the repression of corruption and lawlessness in the public sector"*, better known as the Anti-Bribery Law, came into force on 28 November 2012. This law introduced within the scope of the Italian judicial system an organic system to prevent and repress bribery, by means of raising the statutory penalties, reformulating some specific cases of existing criminal offences, the requirement of rigid rules of behaviour for state-sector employees and the criteria of transparency within the administration of the public sector.

In this framework, the Anti-Bribery Law also presents important interactions with the subject of administrative responsibility set out in Law no. 231/2001 for companies and public-private bodies. In particular, these types of bodies are required to strengthen their procedures concerning anti-bribery measures already implemented pursuant to Legislative Decree no. 231/2001, in a penal-preventative perspective that differs and is additional to that contemplated in the Decree.

Indeed, while for the ends of the latter are concerned with acts of active corruption, which are committed in the interest or to the benefit of the body or entity, the Anti-Bribery Law requires preventive measures against passive acts of bribery to be implemented, these being acts committed to the benefit of individuals and to the damage of the body or entity. On this point, the National Anti-Corruption Plan ("P.N.A."), set out in Article 1, paragraph 4, letter c) of the Anti-Bribery Law drafted by the Public Function Department, states clearly that the concept of bribery *"includes all the various situations where, during the course of administrative duties, it is found that an individual has abused of the power entrusted to him/her with the purpose of gaining a personal benefit"*.

The implementation of specific preventive measures can differ according to whether the companies concerned are under public or public-private companies, as explained by the National Anti-Corruption Authority ("ANAC") in Determination no. 8 of 17 June 2015, and the subsequent Determination no. 1134 of 8 November 2017, entitled *"New Guidelines for the implementation of legislation on the subject of prevention of corruption and transparency on the part of private companies and bodies under the control of public authorities or economic public bodies, or under joint public-private control"* ("ANAC Guidelines"); In detail, companies under public control are completely subject to the Anti-Bribery Law, and have to adopt a three-year plan for the prevention of corruption to be integrated with the Organisational Model as per Legislative Decree no. 231/2001 (if adopted) and name an officer responsible for the prevention of bribery. Private-public companies not under public control do not have the same obligations - listed above- as those under public control. They must, however, adopt the Organisational Model, preferably integrating it with organisational and management measures to prevent, within the operations carried out, actions of corruption that damage the company and the public authority, in the respect of the principles contemplated in the legislation on the subject of the prevention of corruption.

These measures were adopted on the basis of suitable legality protocols stipulated with the public bodies partners in the companies. In this regard, it is expected, as will be explained later, that MIP has been recognised as a public-private company but not controlled by the public element.

Legislative Decree no. 33 of 14 March 2013, entitled “Reorganisation of the regulations concerning the duties of publicity, transparency and dissemination of information by public authorities”, better known as the “Transparency Law”, introduced specific obligations regarding publicity, which, for companies in which the public authorities have a non-controlling holding, are applied, as set out in the ANAC Guidelines, *“insofar as they apply to activities in the public interest regulated by Italian or European Law”*.

### **1.3 Adoption of the Organisation, Management and Control Model**

The Decree<sup>47</sup> introduces a special form of exemption from the liability in question if the Entity can prove that:

- a) it adopted and effectively implemented through its managing body, before the fact, Models of Organisation, Management and Control suitable to prevent crimes of the kind that was committed;
- b) it entrusted to an internal body, with independent powers of initiative and control, the task of supervising the function and observance of the Models, and of ensuring that they are regularly updated;
- c) the people who committed the crime fraudulently eluded the said Models of Organisation and Management;
- d) there was no omitted or insufficient supervision on the part of the body referred to in letter b) above;

On the basis of the Anti-Bribery Law and, particularly, the ANAC guidelines defined above, the Model of Organisation, Management and Control is a valid tool for the prevention of passive acts of corruption.

#### **1.3.1 The Model as an exonerating factor in the case of a crime**

The Decree also states that the Models of Organisation, Management and Control must meet the following requirements, in relation to the powers delegated to each subject and the risk of the crimes being committed<sup>48</sup>:

- 1. identify the areas particularly at risk where crimes contemplated by the Decree could be committed;
- 2. establish specific protocols aimed at scheduling the development and implementation of the company’s decisions regarding the crimes to be prevented;
- 3. define the methods to identify and manage the financial resources that can prevent the said crimes from being committed;

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<sup>47</sup> Article 6, paragraph 1.

<sup>48</sup> Article 6, paragraph 2.

4. establish the obligation of informing the body responsible for supervising the functioning and observance of the Model;
5. introduce a disciplinary system that sanctions any failure to comply with the measures indicated in the Model.

The Decree establishes that Models of Organisation, Management and Control can be adopted, ensuring compliance with the requirements above, based upon codes of conduct (for example, Guidelines) drawn up by leading associations in their category. These are then communicated to the Ministry of Justice, which, working closely with the competent Ministries, can set out its observations (within 30 days) on the suitability of the Models in preventing crime<sup>49</sup>.

According to the ANAC Guidelines, set out in Resolution no. 8 of 17 June 2015, the Organisational Model must contain a special section listing the organisational and management measures suitable to prevent, in the operations being carried out, corrupt behaviour that can damage the company and the public sector, in the respect of the principles envisaged in the legislation concerning the prevention of bribery and corruption.

### **1.3.2 MIP and the adoption of the Model: introduction**

MIP, in order to ensure that conditions of correctness and transparency are increasingly and efficiently met when carrying out its business, has decided to adopt an “Organisational, Management and Control Model”, in line with the provisions of the Decree (the “**Model**”), illustrated more clearly in the following Chapter 2.

MIP believes that the adoption of this Model, together with its Ethic Code, constitutes, over and beyond what is prescribed in law, a further effective way of raising the awareness of all its employees and all the individuals working with MIP regarding this issue, with the aim of ensuring that everyone behaves in a correct and transparent manner when carrying out their duties, in line with the socio-ethical values to which MIP aspires in pursuing its corporate objective. These are, in particular, such as to reduce the risk of the crimes identified in the Decree from being committed, or also, in compliance with the Anti-Bribery Law, acts of public bribery committed for a private interest and for a private interest and harmful to the company.

In order to prepare this Model, MIP analysed the areas at risk within its organisation, taking into account, while drafting the document, the provisions of the Decree, case-law rulings and the guidelines set out by the association of industrial businesses, Confindustria. In an Anti-Bribery perspective, MIP has been recognised by the public authority participating in its structure, the University Politecnico di Milano, that it is a company with non-controlling public participation. Because of this qualifying factor, in compliance with the ANAC Guidelines and the provisions set out in the Protocol of legality undersigned by Politecnico di Milano and MIP on March 16 2016, MIP has carried out an analysis on its risk profile for passive corruption, including a specific section in the Model that contains preventative measures for corruptive behaviour that damages the company.

In order to comply with the Decree, MIP’s Board of Directors, with its resolution of 16 September 2015, has appointed Luca Arnaboldi, lawyer, Prof. Oreste Dominioni, lawyer, Dr Fabio Fusco, Graziano Dragoni and Francesco Sbisà, lawyer, to its “*Internal Supervisory and Control Board*” (the

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<sup>49</sup> Article 6, paragraph 3.



“**Supervisory Board**”), with the task of supervising the functioning, efficiency and observance of the Model, as well as ensuring that it is kept updated.

## 2. Adoption of the Model

### 2.1 Organisational structure

MIP is a consortium company with share capital.

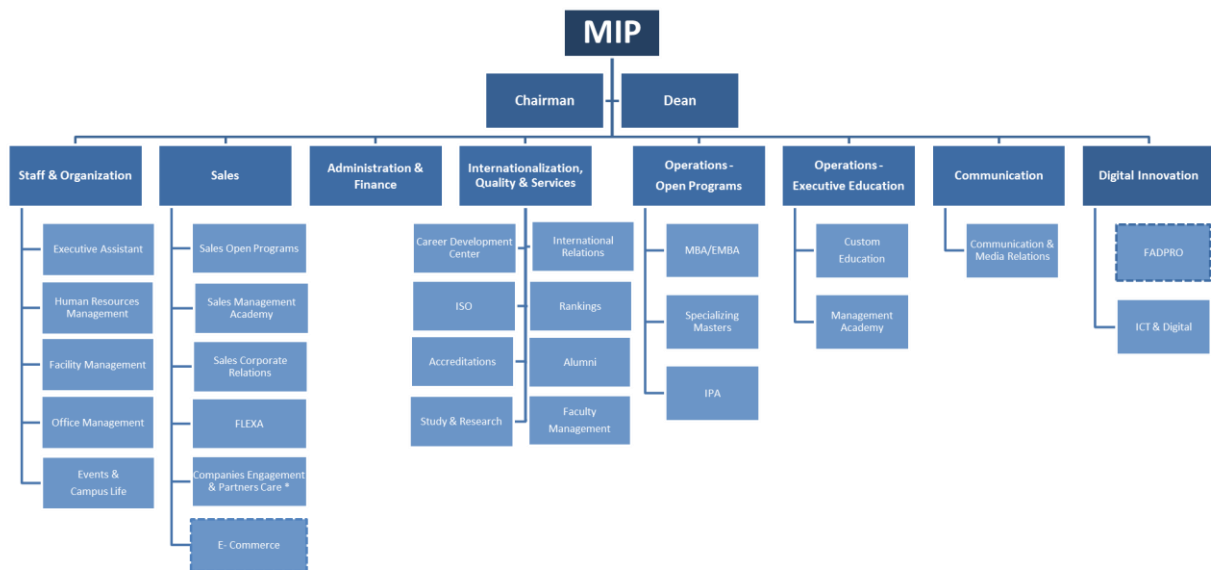
MIP has a functional type of organisational structure, which is shown below for the sake of clarity.

The *principle sensitive processes* that MIP has identified within its organisation are linked in principle to all the operational functions through which it conducts its business.

The organisational chart contains the officials, functions and operational processes in which the crimes identified can originate. These officials/departments/processes are identified and labelled using the *same terminology* in use throughout MIP and in its organisational structure.

In brief, *officials/departments/processes at risk of crime* (as stated better in the following Chapter 3) are:

- CHAIRMAN (the title is applied in our case to the holder of either sex; the current holder is a man)
- DEAN
- NON-TEACHING STAFF & ORGANISATION (Executive Assistant, Human Resources Management, Facility Management, Office Management, Events & Campus Life)
- SALES (Sales Open Programs, Sales Management Academy, Sales Corporate Relations, Flexa, Company Engagement & Partner Care, E- Commerce)
- ADMINISTRATION & FINANCE
- INTERNATIONALISATION, QUALITY & SERVICES (Career Development Centre, International Relations, ISO, Rankings, Accreditations, Alumni, Study & Research, Faculty Management)
- OPERATIONS - OPEN PROGRAMS (MBAs/EMBA's, Specialising Masters, IPA)
- OPERATIONS - EXECUTIVE EDUCATION (Customised Education, Management Academy)
- COMMUNICATION (Communications & Media Relations)
- DIGITAL INNOVATION (FadPro, ICT & Digital)



## 2.2 Brief analysis of MIP's Corporate Governance

The organs of *corporate governance* of MIP are:

- Shareholders' Meeting;
- Board of Directors;
- Board of Auditors.

### 2.2.1 Board of Directors

#### 1. Powers of the Board of Directors

According to the Company's Articles, with the exception of material that is the responsibility of its partners, the Board of Directors is vested with the broadest powers for the management of the Company.

The Board of Directors also has the following responsibilities:

- a) merger and demerger resolutions, in the cases provided for by the law;
- b) establishment or suppression of secondary offices;
- c) which directors legally represent the Company;
- d) the reduction of share capital in the eventuality that a shareholder withdraws;
- e) ensure that the corporate Articles complies with the provisions of the law;

- f) transfer the head office to another municipality within Italy;
- e) reduce the capital in the eventuality of the loss of over one third of the share capital and the Company having issued shares with no nominal value;

The Board of Directors can delegate, within the limits set forth in Article 2381 of the Italian Civil Code, part of its powers to one or more of its members, determining their powers and relative remuneration.

The Chairman of the Board of Directors is the Company's legal representative. The directors with delegated powers can also represent the Company legally, within the limits of the powers conferred to them by the Board at the time of their appointment. They can be nominated as appointed officers and proxies for specific actions or types of actions, and will represent the Company within the limits of the powers bestowed upon them with their appointment.

## **2. Duties of the Board Directors**

The Board Directors bring their professional qualities to the Company. They are aware of the duties and responsibilities that go with their appointment. They reserve the correct amount of time to deal with these matters. Their deliberations are informed. Any information they acquire in the course of their office is strictly confidential. The President and the chief executives inform the Board on new legislation and regulations that concern the Company and corporate bodies.

## **3. Composition of the Board of Directors**

The Board of Directors is composed of the executive directors (by which we mean the chief executive officers, including the President when the latter acts as an authorised representative of the Company, and the directors that have executive positions within the Company).

The Board of Directors is composed of people who have special skills and can contribute towards taking informed deliberations that are examined in every detail and fully motivated.

When general directors and legal representatives are appointed, they must be given specific powers in compliance with the principle of segregation of powers.

## **4. Meetings of the Board of Directors**

The Board of Directors will meet at the main Company offices or elsewhere, as long as the location is in a European Union member state or Switzerland. The meetings and deliberations of the Board of Directors are valid, even without a formal convocation, when all current directors and statutory auditors are present.

For the deliberations taken by the Board of Directors at a Board meeting to be valid, the majority of the directors must be present (including using telecommunications means). The Board of Directors may pass resolutions with the favourable vote of the absolute majority of those present. In the case of equal votes, the Chairman holds the casting vote.

## **5. Chairman of the Board of Directors**

The Board of Directors will elect the Chairman from among the directors, if the shareholders/members have not already done so when the Board was appointed.

The Chairman of the Board of Directors, without prejudice to the provisions set out in the corporate Articles:

- a) will convoke the meetings of the Board of Directors, will determine the agenda and ensure that all directors have been sufficiently informed concerning the topics to be covered;
- b) will regulate the progress of the meeting and voting;
- c) will ensure that the Board is kept regularly informed about the most interesting facts that have taken place and on the general progress of the Company.
- d) will represent the Company.

## **6. Mandates & Proxies**

The Board of Directors can delegate all or part of its powers - with the exception of matters that cannot be delegated by law - to one or more of its members, together or separately, including assigning the role of chief executive, and will determine the length of the mandate.

The Board of Directors can appoint directors, appointed officers and proxies for the execution of specific actions and will determine their powers.

### **2.2.2 Board of Auditors**

The Company has a Board of Auditors consisting of three effective members and two substitutes appointed by the shareholders/members. The Board of Auditors oversees compliance with the law and with the articles of association, respect for the principles of proper administration and the adequacy of the organisational, administrative and accounting structure of the Company and its correct functioning.

## **2.3 Objectives pursued and adoption of the Model**

MIP has adopted the Organisation, Management and Control Model in compliance with the Decree with the aim of protecting its position and image and that of its consortium members, setting out its principles of reference. This is in line with MIP's requirement to spread and consolidate its culture of transparency and integrity, in the knowledge of the importance of ensuring, continuously and efficiently, conditions of correctness in conducting its business and within its activities.

### **2.3.1 Objectives of the Model and its key points**

While not imposed by the Decree among its requirements, in adopting the Model<sup>50</sup>, MIP proposes to raise the awareness of everyone working in the name and/or for MIP on this subject, to ensure

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<sup>50</sup> Where the Model is shown to be a voluntary rather than a mandatory feature.

a correct and proper conduct in the execution of their duties, in order to remove the risk of the crimes contemplated by the Decree.

The Model has the main objective of establishing a structured and organic system of protocols and control procedures, with the aim of preventing, as far as possible, acts being committed that constitute the crimes contemplated by the Decree.

By identifying the activities exposed to the risk of crime (“**sensitive activities**”) and then creating procedures to regulate them, MIP wishes to:

- on the one side, ensure that everyone working in the name or for MIP is fully aware of the possibility of committing a punishable offence if procedures are not observed;
- on the other side, through the constant monitoring of activity, be able to intervene in time to prevent or overturn a possible crime.

The key points of the Model, in addition to the principles stated above, are:

- mapping of the activities at risk, that is, those within whose sphere crimes contemplated by the Decree are more likely to be committed; these are the “sensitive activities”.
- appointment of the Supervisory Board to the specific task of monitoring the effectiveness and correct functioning of the Model;
- verification and documentation of any relevant operation;
- application and respect of the principle of the separation of duties, on the basis of which no single individual can manage an entire process in full autonomy;
- allocation of powers in relation to each person’s organisational responsibilities;
- verification *ex post* of conduct within the Company as well as the functioning of the Model, with associated periodical upgrading;
- diffusion and involvement throughout all the company levels of the implementation of conduct-related rules, procedures and company policies.

### **2.3.2 Approving the Model**

This Model has been approved by the Board of Directors of MIP with its resolution of 22 July 2009, with amendments approved in subsequent meetings of the Board of Directors.

### **2.3.3 Amendments and updates to the Model**

As established by the Decree, the Model is an “official document issued by the managing body”<sup>51</sup>. Consequently, subsequent amendments and substantial integrations are the competency of the Board of Directors.

However, exclusively in the case of an urgency, the President of MIP - in agreement with the Supervisory Board - has the faculty of making formal amendments and integrations to the text, such as, for example, changes to the organisational chart or to Chapter 1, in the case of a legal reform that extends the set of crimes under the Decree without, however, having an impact on MIP’s sensitive activities or the implementation of new protocols. The amendments and

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<sup>51</sup> Article 6, paragraph 1, letter a) of the Decree.

integrations must be ratified with a resolution of the Board of Directors at the first possible occasion.

## **2.4 Relationship between Model and Ethical Code**

The Model addresses the need to prevent the crimes contemplated in the Decree from being committed, by establishing rules and specific conduct.

This body of rules is completed by the Ethical Code in force at MIP. In particular, the Ethical Code is the set of principles and values on which MIP is founded and is a more general instrument aimed at promoting the “professional ethics of the entity”.

On the subject, it should be stated that MIP, by virtue of its integration with Politecnico di Milano, already has a *suitable organisational functional structure*, where various departments offer one or more services to the same client and which was the basis of this Model and relative procedures. On the subject, it should be stated that MIP, by virtue of its integration with Politecnico di Milano, already has a *suitable organisational functional structure*, where various departments offer one or more services to the same client and which was the basis of this Model and relative procedures.

Every business area is backed by a set of procedures, rules of conduct, norms of professional ethics and control criteria that already restrict, within reasonable discretion, the “modus operandi” of the bodies, and with them, relative senior management and the subjects reporting to them.

The set of these “*procedures*”, “*rules of conduct*” and “*norms of professional ethics*” (these are also issued at central level) are communicated officially to all employees (by e-mail, and a paper copy is signed for acceptance).

## **2.5 The subjects addressed by the Model - Addressees**

The rules contained in the Model are applicable to all people carrying out management, administration, executive or control functions within MIP, to MIP’s employees and to any individual who, while not belonging to MIP, works under a mandate from or has ties of collaboration, consultancy or similar with MIP.

MIP distributes this Module through suitable channels to ensure that all interested subjects are properly informed.

The subjects to whom the Model is addressed must comply with its provisions precisely, including when fulfilling the duties of loyalty, correctness and precision that originate from the judicial relationships that they have established with MIP.

MIP condemns any behaviour that, for whatever reason, is shown to infringe not only the law but also the provisions of the Model and Ethical Code.

### 3. Areas at risk

This section refers to the conduct of MIP Board Directors, directors and employees in areas involving activities at risk, and also that of external collaborators (that is, professionals with a fixed-term contract) and partners (the “Addressees”).

The objective is that all the Addressees identified above must adopt rules of conduct that conform to what is prescribed by MIP, in order to prevent the crimes contemplated in the Decree.

#### 3.1 Crimes against Public Authorities / Public Administration entities

This paragraph constitutes the specific sub-section of the Model that contains both the cases that expressly concern the Decree and the preventative measures of the Anti-Bribery Law.

##### Analysis for the purposes of Legislative Decree no. 231/2001

The crimes considered here start with the assumption of a relationship being established with the public sector.

These relationships can be direct, indirect or occasional.

A direct relationship refers to the performance of an activity that contemplates a non-mediated contract between MIP and a public function or public service.

An indirect relationship refers to possible activities complementary to and in support of a direct relationship established with the public sector: if a company or other body stipulates a contract with a public body or participates in a tender published by the European Union and, to realise it, makes use of MIP’s services, this effectively creates an indirect relationship.

An occasional relationship refers to activities of verification and control that the public body carries out within the scope of its competence (safety, work, welfare, physical, etc.) for all companies operating in the Italian territory.

On the basis of documentation and interviews, it is established that **MIP has relationships with the public sector** that fall under all three categories above (direct, indirect and occasional).

##### Analysis for the purpose of the Anti-Bribery Law

In this perspective, the corruptive behaviour of directors, managers and employees of MIP engaged in a public service whereby they act in the role of public officer under Articles 357 and 358 of the Criminal Code is of particular significance within the context of activities of public interest, consisting in the offer of Master’s degree programs, as identified in the protocol of legality stipulated with the University Politecnico di Milano.

With reference to publicly controlled companies and publicly controlled bodies governed by private law, the table below summarises the main areas of risk identified as per the indications set out in the National Anti-Corruption Plan or “P.N.A.” (Anti-Corruption Plan 2019, Anti-Corruption Plan 2015, Attachment 2 of Anti-Corruption Plan 2013), with the sensitive processes described for each area:



<b>Administrations and bodies concerned</b>	<b>Areas at risk</b>	<b>Sensitive processes</b>
Publicly controlled companies and publicly controlled bodies governed by private law	A) Measures that expand the judiciary sphere of recipients with no direct or immediate economic effect for the recipient	Authorisations and licences
	B) Measures that expand the judiciary sphere of recipients with direct and immediate economic effect for the recipient.	Awarding and bestowing grants, subsidies, financial aid, support, conferring economic benefits of any kind to individuals and public or private bodies
	C) Public contracts	Stages of the procurement process: a) programming; b) planning; c) selecting the contractor; d) verifying, awarding and entering into the contract; e) execution of the contract; f) reporting on the contract.
	D) Personnel recruitment and management	Recruitment, career progression, awarding of collaboration agreements
	E) Managing of income, expenses and finances	Managing cash flows, managing finances and assets
	F) Controls, checks, inspections and sanctions	Managing verification procedures
	G) Appointments and nominations	Process to award professional assignments and consultancies
	H) Legal and litigation matters	Managing judicial and extrajudicial disputes

On the basis of the documentation gathered and meetings held, it has been ascertained that MIP does not have profiles at risk pursuant to the areas above at letters A), B) and C) (the Company is

not subject to Public Procurement Code regulations), while the other areas of risk contemplated in the special legislation on the subject of Anti-bribery are common to the sensitive processes identified under the Decree.

All the main sensitive processes identified by MIP within its organisation are listed below, grouped according to the above classification (direct, indirect and occasional employment relationships), highlighting the processes of significance, including in an anti-bribery perspective.

DIRECT RELATIONSHIPS		
Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Preparation</b> of the necessary documentation to participate in <b>tenders or direct negotiation procedures published by the public entities</b>, with particular reference to: <ul style="list-style-type: none"> <li>- research projects financed by the European Union, also in the event of forming or participating in temporary associations of companies/consortia.</li> <li>- educational and consultancy courses for research centres and schools</li> </ul> </li> <li>• <b>Preparation</b> of the necessary documentation <b>to obtain funding, grants and loans awarded by the public sector</b>, with particular reference to: <ul style="list-style-type: none"> <li>- educational courses financed by the Italian regional government and other public bodies;</li> <li>- single company courses financed through tenders and by private companies</li> </ul> </li> <li>• <b>Management of relationships with public subjects</b> after winning a tender bid, stipulating a contract or obtaining a grant, with particular reference to the following activities at risk: <ul style="list-style-type: none"> <li>- compliance with the objectives set out in the tender bid or in the procedure negotiated;</li> <li>- preparation of financial reporting documentation to record the use of the received funds;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CHAIRMAN</li> <li>• DEAN</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• OPERATIONS - OPEN PROGRAMS</li> <li>• OPERATIONS - EXECUTIVE EDUCATION</li> <li>• INTERNATIONALISATION, QUALITY &amp; SERVICES (ISO, Accreditations, Study &amp; Research, International Relations, Rankings)</li> </ul>	<p>Embezzlement to the detriment of the State or another public body or European Community entity (<b>Article 316-bis of the Criminal Code</b>):</p> <p>Misappropriation of grants, loans or other funding from the State or other public body or European Community entity (<b>Article 316-ter of the Criminal Code</b>)</p> <p>Aggravated fraud for the misappropriation of State funding (<b>Article 640-bis of the Criminal Code</b>)</p> <p>Aggravated fraud to the detriment of the State or other public body (<b>Article 640, paragraph 2, point 1 of the Criminal Code</b>):</p> <p>Computer fraud to the detriment of the State or other public body (<b>Article 640-ter of the Criminal Code</b>)</p> <p>Bribery in the performance of an act of duty (<b>Article 318 of the Criminal Code</b>)</p> <p>Bribery for an act in breach of duty (<b>Article 319 of the Criminal Code</b>)</p>

		<p>Undue inducement to give or promise benefits (<b>Article 319-<i>quater</i> of the Criminal Code</b>)</p> <p>Incitement to corruption (<b>Article 322 of the Criminal Code</b>)</p> <p>Judicial corruption (<b>Article 319-<i>ter</i> of the Criminal Code</b>)</p> <p>Illicit trafficking of influence (<b>Article 346-<i>bis</i> of the Criminal Code</b>)</p>
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INDIRECT RELATIONSHIPS		
Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• Allocation/management of external assignments and consultancies, with particular reference to consultants specialised in managing tender bids of a public nature (ANTI-BRIBERY)</li> <li>• Management of legal affairs and judicial and out-of-court proceedings (ANTI-BRIBERY)</li> <li>• Selection and management of collaborators (ANTI-BRIBERY)</li> <li>• Management of cash and accounts</li> <li>• Management of cash flow, management of finances and assets (ANTI-BRIBERY)</li> <li>• Management of financial administration relationships</li> <li>• Management of complimentary products and gifts</li> </ul>	<ul style="list-style-type: none"> <li>• CHAIRMAN</li> <li>• DEAN</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• NON-TEACHING STAFF &amp; ORGANISATION (Executive Assistant, Human Resources Management, Facility Management, Office Management, Events &amp; Campus Life)</li> <li>• SALES (Sales Open Programs, Sales Management Academy, Sales Corporate Relations, Flexa, Company Engagement &amp; Partner Care, E- Commerce)</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• QUALITY &amp; SERVICES (Career Development Centre, ISO, Accreditations, Study &amp; Research, International Relations, Rankings, Alumni, Faculty Management)</li> </ul>	<p>Embezzlement to the detriment of the State or another public body or European Community entity (<b>Article 316-<i>bis</i> of the Criminal Code</b>):</p> <p>Misappropriation of grants, loans or other funding from the State or other public body or European Community entity (<b>Article 316-<i>ter</i> of the Criminal Code</b>)</p> <p>Aggravated fraud for the misappropriation of State funding (<b>Article 640-<i>bis</i> of the Criminal Code</b>)</p> <p>Aggravated fraud to the detriment of the State or other public body (<b>Article 640, paragraph 2, point 1 of the Criminal Code</b>):</p> <p>Computer fraud to the detriment of the State or other public body (<b>Article 640-<i>ter</i> of the Criminal Code</b>)</p> <p>Bribery in the performance of an act of duty (<b>Article 318 of the Criminal Code</b>)</p>

	<ul style="list-style-type: none"> <li>• <b>OPERATIONS - OPEN PROGRAMS</b> (MBAs/EMBA's, Specialising Masters, IPA)</li> <li>• <b>OPERATIONS - EXECUTIVE EDUCATION</b> (Customised Education, Management Academy)</li> <li>• <b>COMMUNICATION</b> (Communications &amp; Media Relations)</li> <li>• <b>DIGITAL INNOVATION</b> (FadPro, ICT &amp; Digital)</li> </ul>	<p>Bribery for an act in breach of duty (<b>Article 319 of the Criminal Code</b>)</p> <p>Undue inducement to give or promise benefits (<b>Article 319-<i>quater</i> of the Criminal Code</b>)</p> <p>Incitement to corruption (<b>Article 322 of the Criminal Code</b>).</p> <p>Judicial corruption (<b>Article 319-<i>ter</i> of the Criminal Code</b>)</p> <p>Illicit trafficking of influence (<b>Article 346-<i>bis</i> of the Criminal Code</b>)</p>
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OCCASIONAL RELATIONSHIPS		
Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Management of inspections</b>, administrative, fiscal and concerning social security and safety in the workplace (ANTI-BRIBERY)</li> <li>• <b>Obtaining permits, licences and authorisations</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>ADMINISTRATION &amp; FINANCE</b></li> </ul>	<p>Bribery in the performance of an act of duty (<b>Article 318 of the Criminal Code</b>)</p> <p>Bribery for an act in breach of duty (<b>Article 319 of the Criminal Code</b>)</p> <p>Incitement to corruption (<b>Article 322 of the Criminal Code</b>).</p> <p>Judicial corruption (<b>Article 319-<i>ter</i> of the Criminal Code</b>)</p> <p>Undue inducement to give or promise benefits (<b>Article 319-<i>quater</i> of the Criminal Code</b>)</p> <p>Aggravated fraud to the detriment of the State or other public body (<b>Article 640, paragraph 2, point 1 of the Criminal Code</b>):</p>

		<p>Computer fraud to the detriment of the State or other public body (<b>Article 640-ter of the Criminal Code</b>)</p> <p>Illicit trafficking of influence (<b>Article 346-bis of the Criminal Code</b>)</p>
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### 3.2 Crimes of market abuse and the abuse of confidential/inside information

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Management of information for public consumption</b> that can have an effect over the price of financial instruments, with particular reference to “<i>price sensitive</i>” information obtained by means of: <ul style="list-style-type: none"> <li>- consultancy and training for companies;</li> <li>- placing students in companies quoted on the stock market (project work and placements)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• OPERATIONS __ OPEN PROGRAMS (MBAs/EMBAAs, Specialising Masters, IPA)</li> <li>• OPERATIONS - EXECUTIVE EDUCATION (Customised Education, Management Academy)</li> <li>• COMMUNICATION (Communications &amp; Media Relations)</li> <li>• DIGITAL INNOVATION (FadPro, ICT &amp; Digital)</li> </ul>	Market abuse ( <b>Articles 185 and 187-ter of the Consolidated Act on Finance</b> )
<ul style="list-style-type: none"> <li>• <b>Management of confidential information concerning financial instruments</b>, with particular reference to information obtained by means of: <ul style="list-style-type: none"> <li>- consultancy and training for companies;</li> <li>- placing students in companies quoted on the stock market (project work and placements)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• OPERATIONS - OPEN PROGRAMS (MBAs/EMBAAs, Specialising Masters, IPA)</li> <li>• OPERATIONS - EXECUTIVE EDUCATION (Customised Education, Management Academy)</li> <li>• COMMUNICATION (Communications &amp; Media Relations)</li> <li>• DIGITAL INNOVATION (FadPro, ICT &amp; Digital)</li> </ul>	Abuse of confidential/inside information ( <b>Articles 184 and 187-bis of the Consolidated Act on Finance</b> )

### 3.3 Bribery within the private sector

The areas of activity considered most at risk in relation to corporate crime are the following:

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• Preparation of financial statements, reports and other corporate communications required by law (presenting, elaborating and approving data)</li> <li>• Management of corporate operations</li> <li>• Management of relationship with Board of Auditors</li> </ul>	<ul style="list-style-type: none"> <li>• CHAIRMAN</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• NON-TEACHING STAFF &amp; ORGANISATION (Executive Assistant, Human Resources Management)</li> </ul>	<ul style="list-style-type: none"> <li>• False corporate statements (<b>Article 2621 of the Civil Code</b>):</li> <li>• Undue return of contributions (<b>Article 2626 of the Civil Code</b>)</li> <li>• Unlawful allocation of profits and reserves (<b>Article 2627 of the Civil Code</b>)</li> <li>• Illegal transactions involving the company's shares or quotas or those of its parent company (<b>Article 2628 of the Civil Code</b>)</li> <li>• Fictitiously paid-up capital (<b>Article 2632 of the Civil Code</b>)</li> <li>• Transactions damaging the creditors (<b>Article 2629 of the Civil Code</b>)</li> <li>• Non-communication of conflicts of interest (<b>Article 2629-bis of the Civil Code</b>):</li> <li>• Wrongful distribution of company assets by the liquidators (<b>Article 2633 of the Civil Code</b>)</li> <li>• Obstructing the public supervisory authorities in their duties (<b>Article 2638 of the Civil Code</b>)</li> </ul>

On 28 November 2012, Law no. 190 of 6 November 2012 came into force, headed "Provisions for the prevention and repression of bribery and corruption within the public administration sector", better known as the Anti-Bribery Law. On the one hand, this law brought important amendments to the Criminal Code in terms of raising statutory penalties, reformulating some existing provisions in criminal law, among which the crime of bribery, and, on the other hand, it had the merit of introducing within Italian law the criminal law provision of bribery in the public sector, an offence known for some time and in force in other legal systems, such as those of the United States and the UK.

In particular, Article 1, paragraph 76 of the Anti-Bribery Law reformulated Article 2635 of the Civil Code, included in Chapter IV, Heading XI, “Criminal provisions concerning companies and consortia”, Volume V of the Civil Code, headed “Breach of Trust”.

Subsequently, Legislative Decree no. 38 of 15 March 2017, issued under the title “Implementation of the Council Framework Decision 2003/568/JHA of 22 July 2003, on combatting corruption in the private sector” added further amendments to the crime of bribery in the public sector under Article 2635 of the Civil Code, introducing the incitement of bribery in the private sector, a crime under Article 2635-*bis* of the Civil Code.

In detail, Article 2635 of the Civil Code, “Bribery within the private sector” punishes Board Directors, general managers, executive directors, executives responsible for preparing corporate financial documentation, statutory auditors and liquidators of private companies or bodies, who, including through an intermediary, further to the receipt or promise of money or other undue benefits, for themselves or others, carry out or refrain from carrying out acts in breach of their official duties and duty of loyalty, thereby causing harm to the company. As expressly provided for in paragraphs 2 and 3, criminal liability extends to those who commit the act, under the direction or supervision of the subjects indicated above, and also to any individual who gives, offers or promises money or other undue benefits to the persons indicated above.

This offence is prosecutable on complaint of the offended person, except when the act distorts competition with reference to acquiring goods and services.

Article 2635-*bis* of the Civil Code, “Instigation to bribery in the private sector”, punishes anyone who offers or promises any undue money or other benefits to directors, general managers, executives responsible for drafting corporate accounting documents, statutory auditors and liquidators, whether of public companies or private entities, as well as anyone holding an executive position therein, with the intention that such person should carry out or refrain from carrying out an act in breach of the duties of their office or duty of loyalty, should the offer or the promise not be accepted. As explicitly set out in paragraph 2, the penalty also applies to Board Directors, general managers, executive directors, executives responsible for preparing corporate accounting documentation, statutory auditors and liquidators, whether of public companies or private entities, as well as anyone holding an executive position therein, who solicit for themselves or for others, including through an interlocutor, the promise, payment or provision of money or benefits of any kind, in order to carry out or refrain from carrying out an act which would be in breach of the duties of their office or duty of loyalty, should said solicitation not be accepted. This criminal offence is a further case where prosecutions are instigated upon a complaint by the injured party.

This new legal system is not limited in scope to physical people only; indeed, Article 1, paragraph 77, letter b) of the Anti-Bribery Law, has added letter *s-bis*) to Article 25-*ter* of Legislative Decree no. 231/2001, as amended by Legislative Decree no. 38 of 15 March 2017, including among the corporate crimes, the crimes of bribery within the private sector under Article 2635 of the Civil Code and of instigation to bribery in the private sector under Article 2635-*bis* of the Criminal Code, which, if committed, can result in applying criminal liability to companies and entities.

In particular, Article 25-*ter*, paragraph 1, letter *s-bis*) of Legislative Decree no. 231/2001 states clearly that:



- The crime of bribery within the private sector under Article 2635 of the Civil Code, originates in administrative responsibility, referring exclusively to the subject who is bribing, that is, the entity where a subject occupying a senior or a subordinate position, offers, promises or gives money or other benefits to Board Directors, general managers, executive directors, executives responsible for preparing corporate accounting documentation, statutory auditors, liquidators, persons holding an executive position, persons reporting to senior management or under their supervision, of the company being bribed, to carry out or refrain from carrying out any act in breach of the duties of their office or duty of loyalty, should the offer or promise not be accepted.
- The crime of instigation to bribery in the private sector under Article 2635-bis of the Civil Code, is the source of administrative responsibility, referring exclusively to the subject who is bribing, that is, the entity where a subject occupying a senior or a subordinate position offers or promises money or other undue benefits to Board Directors, general managers, executive directors, executives responsible for preparing corporate accounting documentation, statutory auditors and liquidators of the company being bribed, as well persons holding an executive position therein, with the intention that such person will carry out or refrain from carrying out an act in breach of the duties of their office or duty of loyalty, should the offer or promise not be accepted.

These clarifications became necessary because only the entity who is bribing pursues its own interest or advantage in committing or instigating the bribery, while the company who is being bribed generally suffers damage or, in the case of instigation, would suffer damage.

BRIBERY WITHIN THE PRIVATE SECTOR		
Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>New customer acquisition and customer management processes</b>, involving educational and consultancy activity in reference to the realisation of projects</li> <li>• <b>Participation in tender bids published by private subjects to organise training courses and Master programs</b></li> <li>• <b>Search for sponsors for training courses, conventions and Master programs</b></li> <li>• <b>Selection of agents/consultancy, internal and external lecturers for promotional initiatives</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>CHAIRMAN</b></li> <li>• <b>DEAN</b></li> <li>• <b>NON-TEACHING STAFF &amp; ORGANISATION</b> (Executive Assistant, Human Resources Management, Facility Management, Office Management, Events &amp; Campus Life)</li> <li>• <b>SALES</b> (Sales Open Programs, Sales Management Academy, Sales Corporate Relations, Flexa, Company Engagement &amp; Partner Care, E- Commerce)</li> <li>• <b>ADMINISTRATION &amp; FINANCE</b></li> <li>• <b>INTERNATIONALISATION, QUALITY &amp; SERVICES</b> (Career Development Centre, ISO, Accreditations, Study &amp; Research, International Relations, Rankings, Alumni, Faculty Management)</li> </ul>	<p>Bribery in the public sector (<b>Article 2635 of the Civil Code</b>) and Instigation to bribery in the public sector (<b>Article 2635-bis of the Civil Code</b>)</p>

<ul style="list-style-type: none"> <li>• <b>Selection of external supervisors</b> for training courses</li> <li>• <b>Selection of participants to Master courses</b></li> <li>• <b>Awarding of scholarships and bursaries</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>OPERATIONS - OPEN PROGRAMS</b> (MBAs/EMBA's, SPECIALISING MASTERS, IPA)</li> <li>• <b>OPERATIONS - EXECUTIVE EDUCATION</b> (Customised Education, Management Academy)</li> <li>• <b>COMMUNICATION</b> (Communications &amp; Media Relations)</li> <li>• <b>DIGITAL INNOVATION</b> (FadPro, ICT &amp; Digital)</li> </ul>	
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### 3.4 Computer crime

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Management of computer systems, banks and computer networks</b>, with particular reference to the following activities at risk: <ul style="list-style-type: none"> <li>- use and management of mailing lists</li> <li>- protection of data from the risk of unauthorised access or interception (keylogger, backdoor)</li> <li>- verification of the presence of access codes to software with intellectual property protection and of programs liable to creating damage (malicious software)</li> </ul> </li> <li>• <b>Creation and transmission of documentation electronically</b> to public administration entities and private subjects</li> </ul>	<ul style="list-style-type: none"> <li>• <b>All the subjects occupying senior or subordinate positions</b></li> <li>• <b>ADMINISTRATION &amp; FINANCE</b></li> <li>• <b>DIGITAL INNOVATION (ICT &amp; Digital)</b></li> </ul>	<p>Illegal access to computer systems (<b>Article 615-ter of the Criminal Code</b>)</p> <p>Unlawful interception, prevention or interruption of computer or electronic communications (<b>Article 617-<i>quater</i> of the Criminal Code</b>)</p> <p>Installation of equipment to intercept, prevent or interrupt computer or electronic communications (<b>Article 617-<i>quinquies</i> of the Criminal Code</b>)</p> <p>Illegal possession and disclosure of access codes to computer or electronic systems (<b>Article 615-<i>quater</i> of the Criminal Code</b>)</p> <p>Criminal offence of fraud through the use of computer documents (<b>Article 491-<i>bis</i> of the Criminal Code</b>)</p>

### 3.5 Crimes of manslaughter and grievous or severely grievous bodily harm, committed in breach of the regulations governing accident prevention and health and safety in the workplace

Sensitive Activities	Area	Crime
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<ul style="list-style-type: none"> <li>• <b>Management of risks concerning health and safety in the workplace</b>, with particular reference to the following activities: <ul style="list-style-type: none"> <li>- update to the "Risk Assessment Document" by the (internal and external) persons responsible for ensuring that it conforms to the provisions set out under Legislative Decree no. 81/2008.</li> <li>- obligation of training and information pursuant to Articles 36 and 37 of Legislative Decree no. 81/2008.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Subjects occupying senior positions (CHAIRMAN)</b></li> </ul>	<p>Manslaughter (<b>Article 589 of the Criminal Code</b>)</p> <p>Personal injury through negligence (<b>Article 590 of the Criminal Code</b>)</p>
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### 3.6 Crimes with the aim of terrorism or the subversion of democracy, crimes of granting illegal access and of aiding and abetting illegal permanence

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Selection of foreign students</b> to admit onto Master courses (Full-time MBAs, Corporate Master courses, Master's in Strategic Project Management and Master's in Supply Chain Management) or to place within companies, with particular reference to the Middle East and South East Asia</li> </ul>	<ul style="list-style-type: none"> <li>• <b>INTERNATIONALISATION, QUALITY &amp; SERVICES (Career Development Centre, ISO, Accreditations, Study &amp; Research, International Relations, Rankings, Alumni, Faculty Management)</b></li> <li>• <b>OPERATIONS - OPEN PROGRAMS (MBA/EMBA, Specialising Masters, IPA)</b></li> <li>• <b>OPERATIONS - EXECUTIVE EDUCATION (Customised Education, Management Academy)</b></li> </ul>	<p>Crimes with the aim of terrorism or the subversion of democracy (<b>Articles 270-bis of the Criminal Code; 270-ter of the Criminal Code, 307 of the Criminal Code, 418 of the Criminal Code</b>, International Convention for the Suppression of the Financing of Terrorism - December 1999</p> <p>Crime of granting illegal access, pursuant to <b>Article 12, paragraphs 3, 3-bis, 3-ter of Legislative Decree no. 286 of 25 July 1998</b></p> <p>Crime of aiding and abetting illegal permanence, pursuant to <b>Article 12, paragraph 5 of Legislative Decree no. 286 of 25 July 1998</b></p>

### 3.7 Transnational crimes

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• <b>Selection of foreign students</b> to admit onto Master courses (Full-time MBAs, Corporate Master courses, Master's in Strategic Project Management and Master's in Supply Chain Management) or to place within companies, with particular reference to the Middle East and South East Asia</li> </ul>	<ul style="list-style-type: none"> <li>• <b>INTERNATIONALISATION, QUALITY &amp; SERVICES</b> (Career Development Centre, ISO, Accreditations, Study &amp; Research, International Relations, Rankings, Alumni, Faculty Management)</li> <li>• <b>OPERATIONS - OPEN PROGRAMS</b> (MBA/EMBA, Specialising Masters, IPA)</li> <li>• <b>OPERATIONS - EXECUTIVE EDUCATION</b> (Customised Education, Management Academy)</li> </ul>	<p>Transnational crimes, introduced with Law no. 146 of 16 March 2006, to ratify and enact the United Nations' Convention and Protocols against organised crime, are those committed by criminal associations operating in various States. In the specific case of MIP, it was shown that there was a possible risk of the following criminal offences</p> <ul style="list-style-type: none"> <li>- trafficking of immigrants and measures to prevent clandestine immigration: to promote the immigration and permanence of clandestine immigrants in the territory of the State;</li> <li>- aiding and abetting: offer of help to a person who has committed a crime in order to evade inquiries or avoid the judicial authorities' investigations.</li> </ul>

### 3.8 Receiving stolen goods/money, money laundering and utilisation of money, goods or benefits having an illegal provenance; self-laundering

As highlighted in paragraph 1.1.7, the core of the four hypotheses of crime, including therefore self-laundering, is observed in activities subsequent to a crime being committed, activities that entail, in any case, damage to the legal asset of patrimony (these being norms designed to prevent economic gain resulting from goods having criminal provenance).

It is, therefore, necessary to evaluate carefully the provenance of sums that are transferred into the company's patrimony, with the proviso that, if this revenue is from a foreign source, and the relative presumptions subsist, the matter in question fulfils the criteria for the crimes of receiving stolen goods, recycling and use of money, goods or benefits having an illegal provenance; if, instead, the source is internal, the matter falls under the particular case of self-laundering.

As a consequence, the areas of activity that hypothetically are most exposed to the risk of crimes referred to in that paragraph being potentially committed are those that concern:

- the use of cash in any type of transaction;
- carrying out investments;
- planning, concluding and executing inter-group operations, including the conclusion and execution of contracts between MIP and other subsidiaries;
- corporate operations, especially when implemented and/or financed through earnings and/or financial resources from previous operations carried out by MIP or by its shareholders (as an immediate example, increases to capital or shareholder loan operations).
- all other operations where the outcome is the creation of funds or the movement of financial resources to or from other countries.

Alongside these processes, others that must necessarily be included are tax management as a specific area concerning the committing of tax crimes, these being predicate crimes for the crime of self-laundering.

It follows that the areas of activity considered most at risk in relation to the crime of self-laundering, use of money, goods or benefits having an illegal provenance and self-laundering are the following:

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• Cash management and book-keeping (customer and supplier records)</li> <li>• Investment management</li> <li>• Management of relationships and transactions within the group</li> <li>• Management of tax matters and relative fulfilment</li> <li>• Management of corporate operations</li> </ul>	<ul style="list-style-type: none"> <li>• CHAIRMAN</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• STAFF &amp; ORGANIZATION (Executive Assistant, Human Resources Management)</li> </ul>	<ul style="list-style-type: none"> <li>• Money laundering (<b>Article 648-bis of the Criminal Code</b>)</li> <li>• Use of money, goods or benefits having an illegal provenance (<b>Article 648-ter of the Criminal Code.</b>)</li> <li>• Self-laundering (<b>Article 648-ter.1 of the Criminal Code</b>)</li> </ul>

### 3.9 Tax offences

As a result of the analysis run within MIP, the risk that tax offenses can be committed is associated to the operations preparatory to and in execution of tax obligations. The detail of the main sensitive areas is as below:

Sensitive Activities	Area	Crime
<ul style="list-style-type: none"> <li>• Preparation of tax returns and relative payments</li> <li>• Detection, accounting and recording of transactions relating to allowable deductions (passive transactions)</li> <li>• Detection, accounting and recording of transactions relating to income (active transactions)</li> <li>• Procedure for the management and archiving of accounting documentation</li> <li>• Management of corporate operations</li> </ul>	<ul style="list-style-type: none"> <li>• CHAIRMAN</li> <li>• ADMINISTRATION &amp; FINANCE</li> <li>• NON-TEACHING STAFF &amp; ORGANISATION (Executive Assistant, Human Resources Management)</li> <li>• ALL ROLES INVOLVED IN ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE</li> </ul>	<ul style="list-style-type: none"> <li>• Fraudulent tax return making use of invoices or other documents for non-existent transactions (<b>Article 2, Legislative Decree 74/2000</b>)</li> <li>• Fraudulent tax return through other means (<b>Article 3, Legislative Decree 74/2000</b>)</li> <li>• Issue of invoices or other documents for non-existent transactions (<b>Article 8, Legislative Decree 74/2000</b>)</li> <li>• Fraudulent <del>unreported/understated income for tax purposes</del> tax evasion (<b>Article 11 Legislative Decree 74/2000</b>)</li> <li>• Dissimulation or destruction of accounting records (<b>Article 10, Legislative Decree 74/2000</b>)</li> </ul>

### Other types of crime

Concerning the other alleged criminal offences provided for by the Decree, specifically, counterfeiting currency, crimes against the individual (slavery, child pornography and the illegal recruitment of agricultural workers for very low wages and/or against a percentage of pay), crimes of association, crimes committed by organised crime, crimes against industry and trade, crimes involving breach of copyright<sup>52</sup>, the crime of inducement of refusing to make statements or to render false statements to judicial authorities, environmental offences, the crime of

<sup>52</sup> Regarding the above, it should be underlined that MIP has implemented the following procedures:

- a procedure to prevent any application from being downloaded from the internet using MIP's ICT system, either by company employees or external subjects;
- procedures in place to avoid breaching Law no. 633/1941 in relation to the use of protected intellectual works or parts thereof, slides, scientific cases conceived by others and reprography rights.

employing third-country nationals whose residence in Italy is irregular, if this constitutes a crime, the crimes of racism and xenophobia, crimes of fraud in sporting competitions and the abusive exercise of gaming or betting activities [and smuggling offences](#), the risk of committing these crimes is considered to be negligible and therefore no specific rules and/or procedures have been put in place in these cases, subject, however, to the general conditions of conduct to comply with the legislation on the subject, as well as the general rules of behaviour covered in this Model.

### **3.10 Additions to the areas at risk**

The areas at risk or “sensitive areas” can be expanded or supplemented by MIP’s Board of Directors, acting in agreement with the Supervisory Board, which will be appointed to define the appropriate operative measures.



## **4. Control procedures and principles**

The aim of this section is to identify, for each class of crimes relevant for MIP, the general and specific protocols, which must be observed by Board Directors, directors and employees (MIP “Exponents”), and also by collaborators, consultants and partners.

MIP’s processes and relative activities, currently considered as sensitive in reference to the types of existing crimes and for which MIP’s internal control system has been suitably strengthened, are summarised in the table show in the previous Chapter 3.

### **Addressees**

This chapter addresses the following: MIP’s Exponents, collaborators, consultants and partners. All Addressees, in the measure in which they are involved in activities in areas classed as areas at risk and in consideration of their different positions and different duties in relation to MIP, must abide to congruent *rules of conduct*, in order to avert and prevent the crimes under consideration from being committed.

In particular, this section has the function of:

- a) providing a list of general principles and specific procedural principles that the Addressees, depending on the type of relationship they have with MIP, must comply with to ensure the correct application of the Model.
- b) providing the Supervisory Board and the managers in charge of other departments or functions that act in co-operation with the Supervisory Board with the operational instruments they need to exercise the operations of control, monitoring and verification incumbent on them.

In executing their respective activities/duties, as well as by observing the rules covered in this Model, the Exponents must comply with all the rules and principles contained in the following documents:

- Ethical Code;
- the operational procedures that ensure transparency within the various general procedures, with reference to the “Procedure Manual”.
- any other document concerning the current internal control system.

All collaborators, consultants and partners must be informed that MIP has adopted the Model and the Code.

## **4.1 Protocols - Crimes against Public Authorities / Public Administration entities**

### **4.1.1 General protocols: general principles of conduct and implementation**

#### **Introduction**

With the present section, MIP intends to adopt a specific part of its Model that has the purpose of preventing crimes within its relationship with public bodies, by establishing a system of internal controls, in which the principles and protocols typical of an Organisational Model according to Legislative Decree no. 231/2001 are integrated with efficient mechanisms for preventing and

opposing corruption and illegal actions, by exploiting the opportunities deriving from the Anti-Bribery Law.

Therefore, in said section, the principles and protocols of control have a double finality of preventing crimes of active corruption committed to the benefit and/or in MIP's interest, and crimes of passive corruption, that damage MIP, in the perspective of "Fraud Prevention" to safeguard the image and patrimony of MIP.

In accordance with what is set out in the ANAC Guidelines, the specific measures concerning anti-bribery and corruption are expressly highlighted.

For the purposes of the legislation set out in Legislative Decree no. 33 of 14 March 2013, MIP fulfils its obligations concerning disclosure and freedom of information, insofar as they relate to matters of public interest, identified as the management of Master's degree program, by publishing an appropriate section entitled "Transparency", available on MIP's website homepage (<https://www.mip.polimi.it/it/trasparenza>).

### **Prohibitions**

This section states that, the Exponents, directly, and the collaborators, consultants and partners, through special contractual clauses, are *expressly prohibited* to:

- adopt behaviour that could constitute the types of offence considered above;
- adopt behaviour that, while not in itself an offence among those mentioned above, could potentially become so;
- bring about any situation of conflict of interest towards the public sector in relation to what is set forth in the previously mentioned criminal offence cases.

Among these types of conduct, it is, in particular, *forbidden* to:

- carry out, in general, services in favour of consultants and partners that cannot be adequately justified in the context of a contractual relationship stipulated with them or in relation to the type of assignment to be carried out and the regulations in force locally;
- make gifts of money or agree to benefits of any nature (for example, the promise of employment) to Italian or foreign public officials (or their families);
- distribute gifts or favours outside corporate customary behaviour and that of MIP, that is, any form of gift that exceeds normal commercial practice or of courtesy (the monetary value of the gift or favour must not deviate from the common practice), or, in any case, having the aim of acquiring favourable treatment in the execution of any activity. In particular, there is a ban on any form of gift to Italian or foreign public officials and their families that could influence their discernment or independent judgement or induce an advantage to MIP. Permitted favours must always have a low value in monetary terms or the objective of promoting MIP's "brand image". In all cases, gifts and favours, or courtesy expenses, must be documented adequately, to allow the Supervisory Board to carry out its controls;
- award other benefits of any kind (purely as an example, promises of employment, directly or for close relatives) that benefit public sector representatives, which can determine the same consequences contemplated at the previous point;

- receive benefits of any kind (purely as an example, promises of employment, directly or for close relatives) that can influence the discretion or impartiality of the exponents, in order to assure a benefit of any kind or cause damage to MIP;
- obtain services and make payments to consultants and partners where there is no sufficient justification within the context of the contractual relationship established with them;
- present untrue statements to Italian, international and European Community public bodies in order to receive public funds, grants or subsidised loans;
- allocate any sums received from Italian, international or European Community public bodies as funds, grants or loans to different purposes than those for which they were intended.

### **Duties**

In order to prevent the aforementioned situations from occurring:

- the relationships towards public sector for the areas at risk must be managed in a more uniform way, starting by nominating a company officer in charge of each operation or several operations (in the case of operational repetitiveness)
- the assignments made to consultants and partners for whatever reason, must be set out in writing, indicating the compensation agreed, and they must be proposed, negotiated, verified or approved by at least two subjects belonging to MIP;
- no kind of payment can be made in cash or in lieu, except when relating to the use of petty cash;
- subjects who perform a control and supervisory function over duties connected to the execution of the aforementioned operations (invoice payment, allocation of funds received from the State or European Community bodies) must apply additional attention in performing their duties and promptly refer any irregularities to the Supervisory Board;
- it is advisable to monitor the procedures relating to every sensitive activity periodically, in order to update them rapidly in view of new legislative requirements.

## **4.2.2 Specific protocols: general procedural principles**

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.1.1, when performing MIP activities either in Italy or abroad, subjects must comply with the specific protocols summarised below (refer to the Procedure Manual for details):

<b>Protocol 1 – Participation to tender bids and request of contributions, grants and loans</b>	
<i><b>Definition of functions and responsibilities</b></i>	<p>The specific procedures to be observed must:</p> <ul style="list-style-type: none"> <li>▪ clearly set out the functions and tasks of the units responsible for managing the various phases involved in a public sector relationship, with checks to verify that the admission requirements for the units bidding for tenders or applying for funds, grants or loans are in order, as well checking whether contact methods and the documentation relating to the main aspects of the approved legislation are all regular.</li> <li>▪ identify the department and the physical person appointed to represent MIP in its relations with the public sector, conferring the</li> </ul>

	<p>appropriate mandate and power of attorney, and also establish forms of periodical feedback on the operations performed to the manager appointed to manage these relationships.</p> <p>To ensure that authoritative powers, mandates and powers of attorney are respected, they must be monitored appropriately by the Supervisory Board through random testing of the signed documentation.</p>
<b>Operational Management</b>	<p>The following must also be provided for:</p> <ul style="list-style-type: none"> <li>▪ ensure that the procedure to be followed when taking part in tender bids (including through temporary associations of companies) is applied correctly, both in the phase when information is received (internal and/or external sources) about the nature of a chosen tender, including when bidding in the form of an association or consortium (that is, the way in which information was received about the tender) and also with reference to the valuation of the tender bid, its approval, and the preparation and submission of documentation to the Entity (or Leader of the temporary association of companies) convening the tender in question;</li> <li>▪ verify whether there are any conflicts of interest, including with reference to the possibility of participating or otherwise in the tender;</li> <li>▪ monitor the relative powers, including checking the authorised signatures relative to awarded tenders and those in which MIP will participate.</li> </ul> <p>Prepared documentation and in general any other formalised information must only contain strictly true facts.</p>

**Protocol 2 - Management of the relationships with public subjects following the award of a tender, a grant, etc.**

<b>Operational Management</b>	<p>The modalities of participation in tenders, the presentation and approval of projects, budgets, financial statements, etc. must be carried out in a true and fair manner, in accordance with the decisions taken by the Chairman.</p> <p>There must be a distinction between the functions and responsibilities of the individuals who make requests, those who</p>
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	<p>manage and those who submit the financial reports on a subsidised load, grant or other facility.</p> <p>The subject who signs the communications to public administration entities must ensure the traceability of the relative sources and information.</p> <p>All financial reporting operations for the Italian or European Community body associated to the allocation of loans and their actual use must contain strictly true facts, and they must be coherent to the objective for which the request was made. To this purpose, all financial reporting operations produced by MIP must be archived in a special dossier indicating the person responsible for this function.</p> <p>The subject who maintains relationships or carries out negotiations with public administration entities is not able to stipulate the negotiations for which he or she is responsible freely and independently.</p>
<b><i>Evidence Form</i></b>	<p>The officer responsible for managing relationships with public administration entities must:</p> <ul style="list-style-type: none"> <li>▪ inform the Supervisory Board in writing at the start of the relationship, filling in the “Evidence Form” and transmitting it to the Supervisory Board. This should contain: <ul style="list-style-type: none"> <li>○ the name of the company officer;</li> <li>○ the names of any deputy company officer;</li> <li>○ the parties, the objective and the value of the operation;</li> <li>○ the commitment on the part of the company officer to comply with the provisions of Legislative Decree no. 231/2001.</li> </ul> </li> <li>▪ during the operation, prepare and update the Evidence Form, which contains data already registered and also: <ul style="list-style-type: none"> <li>○ the elements and circumstances pertaining to the purchasing department during the course of purchasing operations (for example movements of money, nomination of any consultants, date when the offer was presented, verifications made on partners, commitment and guarantees signed by the partners, etc.);</li> <li>○ prepare a chronology of activities carried out with the purpose of accomplishing the operation itself, including meetings held on the subject (recording the contents in minutes of these meetings);</li> </ul> </li> <li>▪ take note of when the operation is closed in the Evidence Form and send a copy completed up to the closing date to the Supervisory</li> </ul>

	<p>Board; the Supervisory Board reserves the right to access the file prepared by the Company Officer for any operation;</p> <ul style="list-style-type: none"> <li>▪ manage the documentation of the meetings during which important decisions are taken regarding the operation. The procedure of documentation consists in compiling the minutes of the meeting at the time or immediately afterwards; depending upon its importance, these can be more or less synthetic, but must always contain: <ul style="list-style-type: none"> <li>○ the names of the participants;</li> <li>○ place and time of meeting;</li> <li>○ purpose of the meeting;</li> <li>○ focus on any sensitive areas that emerged during a meeting.</li> </ul> </li> </ul> <p>These minutes must be attached to the Evidence Form and will be filled, in the absence of the company officer, by the hierarchically most senior person attending the meeting;</p> <ul style="list-style-type: none"> <li>▪ Use special check lists and compile a relative memorandum, in the case where the operation results in any form of partnership (joint ventures, association of companies, consortia, etc.) being set up for the first time. The check list and memorandum must be attached to the Evidence Form, and must contain the principal data about the third parties concerned (for example, the relationships that they have or have had with public administration entities, the geographic areas in which they operate, whether they have adopted the Model, etc.);</li> <li>▪ Prepare a computer or paper file available for the Supervisory Board, which must contain all the documentation relative to the operation and in particular the Evidence Form (attaching check lists and memoranda, if any), the minutes and copies of acts and contracts which set out the operation formally.</li> </ul>
<u><b>Information flows</b></u>	<p>The specific procedures to be observed must:</p> <ul style="list-style-type: none"> <li>▪ Provide that all in/out communications to and from the public administration entities and/or temporary associations of companies (through the Leader of the latter) must take place in writing and must report to the professional figure appointed by the functions appointed to take charge of that specific tender/loan request;</li> <li>▪ Contemplate information flows between the various departments/officials involved in the process with a view to ensuring collaboration, reciprocal vigilance and coordination.</li> </ul>

<b>Protocol 3 - Allocation/management of external assignments and consultancies</b>	
<b><i>Mandates, Powers of attorney and powers</i></b>	<p>Employees, collaborators, social bodies, consultants and partners who in effect maintain relationships with public administration entities on behalf of MIP must be given formal powers in this respect by MIP itself (with an appropriate mandate for employees and corporate bodies, and with specific clauses for the other subjects). Where necessary, a specific written power of attorney will be released to the aforementioned subjects covering all these criteria.</p>
<b><i>Contracts</i></b>	<p>The contracts between MIP and collaborators, consultants and partners must be in writing and include all relative terms and conditions; they must contain standard clauses agreed together with the Supervisory Board, with the purpose of ensuring that the parties comply with Legislative Decree no. 231/2001.</p> <p>Collaborators, consultants and partners involved in relationships with public administration entities must be chosen using transparent methods and following procedures that require a preliminary assessment by the functions involved and the final approval by the Chairman. The Supervisory Board must verify the regularity and the compliance, on the part of all corporate bodies involved, of the procedure associated with the selection and evaluation of the person appointed, the receipt and evaluation of the offer, the approval of the offer, and invoicing and relative book-keeping operations.</p> <p>Consultancy rendered as the result of conferred appointments must contain only strictly true facts. To such purpose, written evidence must be issued by MIP regarding both the correctness of the information produced, and the observance, in preparing and drafting the aforementioned documentation, of the norms of maximum professionalism, clarity, completeness and accuracy of the information presented and to be forwarded to the public administration entity.</p> <p>Contracts with collaborators, consultants and partners must contain a special clause to regulate the consequences arising from a breach by the aforementioned subjects in relation to the crimes set forth in Legislative Decree no. 231/2001 (for example express termination clauses or penalty clauses).</p> <p>In service contracts, the following must be ensured: a) definition and clarification of responsibilities, and the operational, control, supervisory etc. activities between the parties; b) definition and exchange of the methods and procedures necessary to provide the</p>

	service; c) inclusion of standard clauses to be used to prevent crimes set out in Legislative Decree no. 231/2001.
<b><i>Specific anti-bribery measures</i></b>	<p><b><i>Measures promoting transparency</i></b></p> <ul style="list-style-type: none"> <li>▪ It is obligatory to provide adequate motivation for every appointment or consultancy conferred;</li> <li>▪ It is obligatory to prepare a quarterly report containing the following information: type of appointment, person appointed, sums involved, length of the appointment;</li> </ul> <p><b><i>Measures of control and regulation</i></b></p> <ul style="list-style-type: none"> <li>▪ Adoption of a planning and budgeting system for consultancies and appointments;</li> <li>▪ Verification and regulation of any extension to contracts through an appropriate recording and monitoring system;</li> <li>▪ Verification of the effective execution of the consultancy or the appointment, including by means of specific accounting reports prepared by the consultant.</li> </ul> <p><b><i>Measures concerning training</i></b></p> <ul style="list-style-type: none"> <li>▪ All those taking part in the process of allocating/managing appointments and external consultancies must be suitably trained in the ethical principles and standards of behaviour, in view of preventing fraudulent acts that may damage MIP from being committed. Training is to be repeated on an annual basis.</li> </ul> <p><b><i>Measures concerning job rotation</i></b></p> <ul style="list-style-type: none"> <li>▪ Where possible, and where no highly technical specifications are required, the rotation of appointments and consultancies applies;</li> <li>▪ The extension to commissions and consultancies must be duly motivated, including in function of the level of trust established, the specific competencies and the know-how acquired.</li> </ul> <p><b><i>Warning and reporting measures</i></b></p> <ul style="list-style-type: none"> <li>▪ Any exponent must be able to inform the Supervisory Body about potential abnormal behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</li> </ul> <p><b><i>Measures to prevent and manage conflicts of interest</i></b></p>



	<ul style="list-style-type: none"> <li>▪ On accepting the appointment or consultancy, the consultant must sign a declaration certifying that there is no conflict of interest that can affect MIP.</li> </ul>
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<b>Protocol 4 - Selection and management of employees and collaborators</b>	
<i>Selection procedures</i>	<p>The Supervisory Board, in co-ordination with the Chairman and with the involvement of the MIP officials/departments interested by the areas at risk, will evaluate the opportunity of establishing a special system to evaluate employees and collaborators during the selection process that takes into account MIP's requirements in relation to the application of Legislative Decree no. 231/2001.</p>
<i>Employing, managing, training and providing incentives to employees and collaborators</i>	<p>The regulation of the above operations must include:</p> <ul style="list-style-type: none"> <li>▪ a clear description of the functions and duties of the subjects in charge of selecting and managing employees and collaborators;</li> <li>▪ a structured system to assess candidates, in order to guarantee the traceability of the reasons behind selecting or rejecting a candidate;</li> <li>▪ the identification of the subjects in charge of managing the operation in question and the allocation of their relative responsibilities;</li> <li>▪ incentive management for employees and collaborators;</li> <li>▪ the description of archiving methods for documents belonging to the operation in question, in order to ensure the prompt location of documents when required and the traceability of the process.</li> </ul>
<i>Specific anti-bribery measures</i>	<p><b><i>Measures promoting transparency</i></b></p> <ul style="list-style-type: none"> <li>▪ It is obligatory to provide adequate motivation for every recruitment;</li> <li>▪ It is obligatory to prepare a quarterly report containing the following information: number of employees, increase in numbers, reasons for the employment, office to which they are assigned.</li> </ul> <p><b><i>Measures of control and regulation</i></b></p> <ul style="list-style-type: none"> <li>▪ Adopt a system to plan and budget for recruitments;</li> <li>▪ Acquire affidavit self-certifications as per Presidential Decree no. 445/2000 in which employees declare to have no pending charges.</li> </ul> <p><b><i>Measures concerning training</i></b></p> <ul style="list-style-type: none"> <li>▪ All employees must be suitably trained in the ethical principles and standards of behaviour, in view of preventing fraudulent acts that</li> </ul>

	<p>may damage MIP from being committed. Training is to be repeated on an annual basis.</p> <p><b><i>Measures concerning job rotation</i></b></p> <ul style="list-style-type: none"> <li>▪ MIP evaluates the introduction of the most suitable initiatives, methods and time scales, with the purpose of rotating personnel working in the areas where the risk of bribery is highest.</li> <li>▪ In the event where it is clearly demonstrated that the measures for rotating personnel cannot be applied to senior management for motivated organisational factors, MIP will apply this measure to personnel below upper management, starting from those responsible for procedures, for positions where exposure to the risk of bribery is highest.</li> <li>▪ Such rotation is carried out by the directors responsible backed by the Human Resources department, to ensure equal professional level is achieved, if necessary, through the additional support of people and training.</li> </ul> <p><b><i>Warning and reporting measures</i></b></p> <ul style="list-style-type: none"> <li>▪ Any exponent must be able to inform the Supervisory Board about any irregular behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</li> </ul> <p><b><i>Measures to prevent and manage conflicts of interest</i></b></p> <p>On accepting a job offer, the employee or collaborator must sign a declaration certifying that there is no conflict of interest that can affect MIP.</p> <p><b><i>Measures to prevent the system known as "pantouflage", or "revolving door" between public and private sector<sup>53</sup></i></b></p> <ul style="list-style-type: none"> <li>▪ Insert suitable clauses in the acts of staff employment that specifically prohibit "pantouflage" or "revolving doors".</li> </ul>
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**Protocol 4-bis – Selection procedures for internal and external teaching staff**

**Protocol 4-ter – Selection of external lecturers**

<sup>53</sup> Article 53, paragraph 16-ter of Legislative Decree 165/2001 bans employees who, in the past three years of service, had exercised powers of authority or negotiation in the public sector, from carrying out, in the first three years after leaving this employment, work or professional undertakings for/with private subjects who were recipients of the activity provided by the public authority discharged by means of these powers (known as "pantouflage").

<p><b><i>Operational Management</i></b></p>	<p>Regarding this sensitive area, the following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ internal and external teaching staff and external lecturers whose services MIP intends to make use of to carry out training courses, conventions and Master programs must be chosen and, in any case, evaluated using transparent methods according to the specific corporate procedure; furthermore, wherever teachers and lecturers are imposed by the commissioning company, MIP must always require a specific written statement giving detailed reasons for the request, as well as contractually providing authority in terms of co-ordination and control over the performance of these external teachers and lecturers;</li> <li>▪ the relative contracts must be stipulated in compliance with authoritative powers, mandates and powers of attorney;</li> <li>▪ potential conflicts of interest must be brought to the knowledge of the relative function manager and submitted promptly to the Supervisory Board to be examined;</li> <li>▪ general and transparent criteria must be established to determine a maximum price for each single collaboration, including through the acquisition of several quotes;</li> <li>▪ general rules must be established especially for payment terms and conditions;</li> <li>▪ benchmarking initiatives must be planned to make comparisons with market economic values; any potential deviation must be justified and motivated;</li> </ul>
<p><b><i>Contracts</i></b></p>	<p>The contracts between MIP and internal and external teachers and external lecturers must be in writing and include all relative terms and conditions; they must contain standard clauses agreed together with the Supervisory Board, with the purpose of ensuring that the parties comply with Legislative Decree no. 231/2001 and also to regulate the consequences arising from a breach by the aforementioned subjects in relation to the crimes set forth in Legislative Decree no. 231/2001 (for example express termination clauses or penalty clauses).</p>

<b><i>Specific anti-bribery measures</i></b>	<p><b><i>Measures promoting transparency</i></b></p> <ul style="list-style-type: none"> <li>▪ It is obligatory to supply adequate motivation for every teaching post conferred;</li> <li>▪ It is obligatory to prepare a quarterly report containing the following information: list of teachers, Master programs/courses of reference, sums agreed, length of the appointment.</li> </ul> <p><b><i>Measures of control and regulation</i></b></p> <ul style="list-style-type: none"> <li>▪ Adopt a system for programming and budgeting the teaching appointments;</li> <li>▪ Verification and regulation of any extension to contracts through an appropriate recording and monitoring system;</li> <li>▪ Verification that teaching actually takes place, including by signing the classroom register;</li> <li>▪ Adoption of a system to assess performance of teachers through questionnaires compiled by students;</li> </ul> <p><b><i>Measures concerning training</i></b></p> <ul style="list-style-type: none"> <li>▪ All MIP teachers must be suitably trained in the ethical principles and standards of behaviour, in view of preventing fraudulent acts that may damage MIP from being committed. Training is to be repeated on an annual basis.</li> </ul> <p><b><i>Measures concerning job rotation</i></b></p> <ul style="list-style-type: none"> <li>▪ Where possible, and where no highly technical specifications are required, the rotation of appointments and consultancies applies;</li> <li>▪ The extension to commissions and consultancies must be duly motivated, including in function of the level of trust established, the specific competencies and the know-how acquired.</li> </ul> <p><b><i>Warning and reporting measures</i></b></p> <p>Any exponent must be able to inform the Supervisory Board about any irregular behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</p> <p><b><i>Measures to prevent and manage conflicts of interest</i></b></p> <ul style="list-style-type: none"> <li>▪ On accepting a job offer, the professor, lecturer or teacher must sign a declaration certifying that there is no conflict of interest that can affect MIP</li> </ul> <p><b><i>Measures to detect and manage situations where a position is incompatible with other positions or where someone cannot be appointed to a position because of specific legal reasons</i></b></p>
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	<ul style="list-style-type: none"> <li>▪ A Professor/Lecturer accepting a teaching position must sign a statement indicating whether and which positions he or she holds within Politecnico di Milano</li> </ul>
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**Protocol 5 - Management of cash and book-keeping**

**Protocol 5bis - Management of cash flows, management of finances and assets**

<i>Financial transactions</i>	<p>No payment can be made in cash.</p> <p>Transactions with public administration entities must be traceable and verifiable after the fact through suitable documentary and/or computer support, with particular reference to those made using credit cards.</p> <p>A subject who has relationships or handles negotiations with public administration entities is not able, freely and independently, to access financial resources or authorise payment orders. There must be a formal authorisation for payment orders.</p> <p>It is necessary to verify the correspondence between agreements, invoices and relative payment, including for the sums to be paid to the tax authorities and social security, carefully checking the authorisations signed by the people appointed to this matter.</p> <p>It is necessary to verify the correspondence between the payments made to collaborators and members of social bodies and the actual activity carried out, which must be accompanied by appropriate justifying documentation.</p> <p>Controls should also be put in place for management reports, financial flows and bank reconciliation statements.</p>
<i>Irregularities anomalies</i>	<p><i>or</i></p> <p>People who carry out a control and supervision function connected to the performance of the following operations:</p> <ul style="list-style-type: none"> <li>▪ payment of invoices;</li> <li>▪ payments relative to sums, including sums to be paid to tax authorities and social security;</li> <li>▪ check the correspondence between agreements, purchase orders and invoices;</li> <li>▪ allocation of loans received from European Community or Italian (national or regional) bodies;</li> </ul> <p>must pay particular attention in performing these operations and immediately refer any irregular or anomalous situation to the Supervisory Board.</p>

<b>Specific anti-bribery measures</b>	<p><b>Measures promoting transparency</b></p> <ul style="list-style-type: none"> <li>▪ It is obligatory to prepare a quarterly report that lists in income and outgoings for the quarter.</li> </ul> <p><b>Measures of control and regulation</b></p> <ul style="list-style-type: none"> <li>▪ Encourage the introduction of electronic procedures for payments and receipts</li> <li>▪ Adopt measures to ensure full traceability and transparency for accounting and financial flows which, therefore, help to verify and control that such payments and receipts are correct and, more in general, to monitor the management of accounts and assets regarding resources;</li> <li>▪ Adopt measures for transparency in managing assets.</li> </ul> <p><b>Measures concerning training</b></p> <ul style="list-style-type: none"> <li>▪ The CFO and all persons working in Administration &amp; Finance must be suitably trained on the technical modalities and procedures for managing liquidity, in function of updates to legislation.</li> </ul> <p><b>Measures concerning job rotation</b></p> <ul style="list-style-type: none"> <li>▪ Job rotation measures are to be applied when managing personnel wherever possible.</li> </ul> <p><b>Warning and reporting measures</b></p> <ul style="list-style-type: none"> <li>▪ Any exponent must be able to inform the Supervisory Body about potential abnormal behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</li> </ul>
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<b>Protocol 6 - Management of legal affairs and judicial and out-of-court proceedings</b>	
<b>Controversies/Disputes</b>	<p>Specific procedures must be observed that define the modalities and management terms of disputes with public administration entities, identifying the officials/departments responsible for receiving claims and verifying the objective issue disputed.</p> <p>All controversies, claims and other problems involving sums in the excess of 100,000 euros must be always brought to the knowledge of the Board of Directors and to attention of the Supervisory Board;</p>
<b>Specific anti-bribery measures</b>	<b>Measures promoting transparency</b>

	<ul style="list-style-type: none"> <li>▪ It is obligatory to supply adequate motivation for conferring the appointment to a lawyer in relation to the specific litigation;</li> <li>▪ It is obligatory to prepare a quarterly report containing the following information: list of litigations, potential sums involved, lawyer appointed, appointed judge, judgment level.</li> </ul> <p><b>Measures concerning job rotation</b></p> <ul style="list-style-type: none"> <li>▪ Where possible, and where no highly technical specifications are required, the rotation of appointments and consultancies applies;</li> <li>▪ The extension to commissions and consultancies must be duly motivated, including in function of the level of trust established, the specific competencies and the know-how acquired.</li> </ul> <p><b>Warning and reporting measures</b></p> <ul style="list-style-type: none"> <li>▪ Any exponent must be able to inform the Supervisory Body about potential abnormal behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</li> </ul> <p><b>Measures to prevent and manage conflicts of interest</b></p> <ul style="list-style-type: none"> <li>▪ In accepting the appointment, the lawyer must sign a declaration certifying that there are no conflicts of interests with regards to MIP, the counterparty in the litigation and the competent judicial authority.</li> </ul>
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#### Protocol 7 - Management of complimentary products and gifts to public subjects

<b>Complimentary products/gifts</b>	The principles and procedures already in place throughout MIP regarding complimentary products and gifts must always be respected. The value of the gift or complementary product, as indicated in the general part, must not deviate from the common practice).
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#### Protocol 8 - Management of inspections, administrative, fiscal and concerning social security and safety in the workplace

<b>Inspections</b>	The appointed subjects (at least two) must participate in any judicial, fiscal administrative and/or supervisory inspections and those carried out by the Supervisory Authorities, including by the bodies responsible for verifying the application of Legislative Decree no. 81/2008, as well as the tax checks and social security inspections undertaken by the Work Inspection Agency. The internal minutes of
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	<p>the entire procedure concerning the inspection must be drawn up and kept. In the case where the final report reveals critical areas, the Supervisory Board must be informed in writing by the manager in charge of the department in question.</p> <p>Specific procedures must be observed to regulate the modalities of participation, by individuals appointed by MIP either for MIP or on behalf of third parties, to the judicial, fiscal administrative and/or supervisory inspections and the modalities regarding the management of relationships with public subjects, including those involving health safety in the workplace and accident prevention regulations.</p>
<b><i>Specific anti-bribery measures</i></b>	<p><b><i>Measures promoting transparency</i></b></p> <ul style="list-style-type: none"> <li>▪ It is obligatory to prepare a quarterly report containing the following information: list of inspections, the public administration entity, reason for the inspection, MIP personnel involved.</li> </ul> <p><b><i>Measures of control and regulation</i></b></p> <ul style="list-style-type: none"> <li>▪ Ensure access to data, documents and information;</li> <li>▪ Trace the activities inspected through correct procedures of documentation and archiving;</li> <li>▪ Nomination of a person responsible, and the appropriate delegate, for every inspection, access and verification carried out by the public supervisory authority.</li> </ul> <p><b><i>Measures concerning job rotation</i></b></p> <ul style="list-style-type: none"> <li>▪ Where possible, and where no highly technical specifications are required, the rotation of persons appointed with regards to the verification operations carried out by the public supervisory authority.</li> </ul> <p><b><i>Warning and reporting measures</i></b></p> <ul style="list-style-type: none"> <li>▪ Any exponent must be able to inform the Supervisory Body about potential abnormal behaviour through MIP's "whistleblowing" procedure, without this warning leading to negative consequences for the reporting party.</li> </ul> <p><b><i>Measures to prevent and manage conflicts of interest</i></b></p> <ul style="list-style-type: none"> <li>▪ Every person appointed to be responsible in terms the verification operations carried out by the public supervisory authority must sign a declaration certifying that there is no conflict of interest that can affect MIP.</li> </ul>



**Protocol 9 – Management of relationships with public subjects to obtain authorisations and licences for MIP to exercise its business**

<i>Authorisations and Licences</i>	<p>This operation must include:</p> <ul style="list-style-type: none"> <li>▪ the separation of the official/departments responsible for making contact with the public subject to ask for information, from those responsible for preparing the requests and for managing the licences and/or authorisations, establishing special control systems (for example, the compilation of information sheets, including by external consultants, convening specific meetings, minuting the main approved rulings), in order to ensure standards of integrity, transparency and correctness throughout the process;</li> <li>▪ special protocols of control and verification of the truth and correctness of the documents necessary to obtain licences and/or authorisations;</li> </ul>
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## 4.2 Protocols - Crimes of market abuse and the abuse of confidential/inside information

### 4.2.1 General protocols: general principles of conduct and implementation

#### Prohibitions

This section defines the *express prohibition* on the part of MIP Exponents to bring about, assist or cause behaviour that, taken singularly or collectively, constitutes, directly or indirectly, crimes of market abuse and the abuse of confidential/inside information.

#### Responsibilities

This section defines the *express obligation* of the above subjects to:

- maintain a correct, transparent and collaborative conduct, in compliance with current legislation and internal MIP procedures, in all activities that have the purpose of managing and communicating externally confidential and/or inside information;
- avoid publishing or spreading false information or set up simulated operations or other conduct of a fraudulent or misleading nature concerning quoted or unquoted financial instruments that can sensibly alter their price.

### 4.2.2 Specific protocols: general procedural principles

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.2.1, when performing MIP activities either in Italy or abroad, subjects must act in compliance with the specific protocols summarised below:

<b>Protocol 1 - Management of information towards the public</b>	
<b><i>Market manipulation</i></b>	<p>Since MIP has contacts with different types of companies, including quoted companies, it is necessary that all inside information acquired during their work by employees and collaborators, whatever their function, should be treated with the maximum reserve, under the strict ruling of a sound and prudent management of confidential information.</p> <p>Concerning this matter, the company hosting a student on a placement or involved in project work, where contemplated, must have the faculty of requesting a “non-disclosure agreement”, that is, the commitment by the participants not to disclose secrets or any information that they may become aware in the course of their work.</p> <p>MIP Exponents must also avoid spreading false or deceptive market information through any means of communication, including the internet or other means, about an offeree company or a financial instrument, at any moment, either directly or through subjects to whom they are connected.</p>

<b>Protocol 2 - Use of confidential information concerning financial instruments</b>	
<b><i>Abuse of confidential/inside information</i></b>	<p>MIP Exponents can communicate the inside information that they have acquired in the course of their work, exclusively:</p> <ul style="list-style-type: none"> <li>▪ to individuals internal to MIP who need to know it for purposes connected to the normal performance of their work, highlighting the confidential nature of the information;</li> <li>▪ to third parties, external to MIP, who have the need to know it for reasons connected to the performance of their work, profession, function or office.</li> </ul> <p>Communication of confidential/inside information to external subjects must always comply with the duties of confidentiality.</p>
<b><i>Press releases and market information</i></b>	<p>The Chairman must preventively authorise all official communications, in terms of content, and any relationship with the press or other means of communication, where the end purpose is to publish documents or spread information about facts pertinent to MIP.</p>

## **4.3 Protocols – Bribery in the private sector**

### **4.3.1 General protocols: general principles of conduct and implementation**

#### **Prohibitions**

This section defines the express prohibition of the Addressees to:

- bring about, promote, assist or cause behaviour that constitutes the crimes described under Article 25-ter of the Decree;
- bring about, assist or cause behaviour that, while not in itself an offence among those mentioned above, could potentially become so.

Among such behaviour, it is, in particular, forbidden to:

- represent or transmit for processing or inclusion in financial statements, reports, schedules or other corporate communications data that are false, incomplete or otherwise not reflective of the trust with regards to the operating performance, financial position and financial performance of the company;
- omit data and information about the operating performance, financial position and financial position of the company;
- return contributions to shareholders or free them from the obligation of making such contributions, except for the cases of lawful reduction of share capital;
- allocate profits or advances on profits not effectively earned or that are intended by law to be allocated as reserves;
- reduce the share capital or carry out mergers or demergers in breach of the laws to protect creditors, causing damage to them;
- carry out capital formation or fictitious capital increases, allocating shares for a sum less than their face value when increasing the share capital;
- omit the issuance, with due completeness, accuracy and timeliness, of all the periodic communications envisaged by the law and the applicable regulations, to which the company is subject;
- include in the abovementioned communications and transmit false information, or hide facts that are significant with regards to the operating performance, financial position and financial performance of the company;
- engage in any conduct that obstructs the exercise of supervisory activities, even for inspection by public authorities (Finance Guard - GdF, Labour Inspectorate, etc.), such as: express opposition, spurious refusals, obstructive behaviour or failure to co-operate, such as delays in communication or providing documents, turning up late at meetings organized over time.

#### **Responsibilities**

This section defines the *express obligation* of the above subjects to:

- maintain at all times a correct, transparent and collaborative conduct, in compliance with current legislation, in all activity concerning accounting processing, drafting and preparing MIP's financial statements and half-year's situation, and all the other documents required under the legislation of the sector;
- rigorously respect all regulations laid down in law for protecting the integrity and effectiveness of the company's share capital;
- refrain from engaging in sham or otherwise fraudulent transactions that are capable of causing a significant distortion to the economic and financial results of the company;

In addition, the following supplementary measures should be adopted:

- arrange regular meetings between the officers appointed to audit the company's workings and the Supervisory Board, to verify compliance with legislation concerning corporate law and corporate governance (including by securing appropriate certifications);
- transmit to the officers appointed to the auditing of the company, well in advance, all the documentation relating to the items on the agenda for the meetings with corporate bodies or on which they are expected to express an opinion according to the law.

The above considerations are without prejudice to any possibly existing MIP procedures providing greater protection in the performance of activities in areas at risk. In particular, reference is made to the Rules of Conduct set out in the SOX Procedure, in so far as they apply.

#### **4.3.2 Specific protocols: general procedural principles**

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.3.1, subjects must act in compliance with the specific protocols summarised below:

<b>Protocol 1 - Preparation of financial statements, reports and other corporate communications required by law (presenting, elaborating and approving data)</b>	
<i>Definition of functions and responsibilities</i>	<p>The specific procedures to be observed must:</p> <ul style="list-style-type: none"> <li>▪ clearly define to roles and duties of the units responsible for managing accountancy and book-keeping, preparing the financial sheets, the reports and implement controls concerning the completeness and the truthfulness of the information contained in the individual final documents;</li> <li>▪ identify the functions and the person appointed by MIP to manage accountancy matters and the process of preparing accountant documents, providing a written mandate and authorisations.</li> </ul>

	To ensure that authoritative powers, mandates and powers of attorney are respected, they must be monitored appropriately by the Supervisory Board through random testing of the signed documentation.
<b>Operational Management</b>	<p>The methods for managing book-keeping and preparing accounting documents (financial statements and reports) must be performed truly and accurately, in a coherent manner and in the respect of the procedures adopted by MIP.</p> <p>Segregations of roles and responsibilities must exist with regards to the management of book-keeping procedures and the preparation of accounting documentation.</p> <p>For each document provided, the sources and elements of information must always be clearly traceable.</p> <p>All documentation must contain information that is absolutely true and must be coherent with the purposes for which it was requested. To the end, all the documentation used as a basis to prepare the accounting documents (financial statements, reports) must be archived in a special dossier indicating the person responsible for this function.</p> <p>The following must also be provided for:</p> <ul style="list-style-type: none"> <li>– a program of training and information for the staff engaged in preparing the accounting registrations;</li> <li>– the monitoring of the procedures for selecting the outsourcers that supply book-keeping and accountancy services and prepare documents for MIP.</li> </ul> <p>Prepared documentation and in general any other formalised information must only contain strictly true facts.</p>

<b>Protocol 2 - Management of corporate operations</b>	
<b>Definition of functions and responsibilities</b>	<p>The specific procedures to be observed must:</p> <ul style="list-style-type: none"> <li>▪ set out clearly the roles and responsibilities of the units responsible for managing corporate operations, establishing controls on the completeness and truthfulness of the information</li> </ul>

	<p>contained in the documentation necessary to carry out MIP's institutional and regulated activity;</p> <ul style="list-style-type: none"> <li>▪ identify the function and the person delegated to manage, on MIP's behalf, the relevant operations described above, through an appropriate written mandate.</li> </ul> <p>To ensure that authoritative powers, mandates and powers of attorney are respected, they must be monitored appropriately by the Supervisory Board through random testing of the signed documentation.</p>
<b><i>Operational Management</i></b>	<p>The methods for managing the corporate operations must be performed truly and accurately, in a coherent manner and in the respect of the principles of Corporate Governance adopted by the Board of Directors.</p> <p>There must be a distinction between the functions and responsibilities between the person who highlights the necessity for an operation, the person that executes it and the person who then controls it.</p> <p>For each document provided, the sources and elements of information must always be clearly traceable.</p> <p>All documentation must contain information that is absolutely true and must be coherent with the purposes for which it was requested. To the end, all the documentation relative to corporate operations must be archived in a special dossier indicating the person responsible for this function.</p> <p>The following must also be provided for:</p> <ul style="list-style-type: none"> <li>– a program of training and information for the staff engaged in preparing the documentation pertaining to corporate operations;</li> <li>– a monitoring of the relative powers, including with reference to the signatures on the documents pertaining to corporate operations;</li> </ul> <p>Prepared documentation and in general any other formalised information must only contain strictly true facts.</p>

**Protocol 3 - Management of relationship with the Board of Auditors**

<b><i>Identification of the persons and entities responsible</i></b>	<p>In managing the relationship with the Board of Auditors, the following arrangements must be observed:</p> <ul style="list-style-type: none"> <li>▪ identification of the staff within MIP with the responsibility of interacting with the Board of Auditors and of transmitting the relative documentation;</li> <li>▪ possibility for the Board of Auditors to make contact with the Supervisory Board to verify conjointly situations that can presents critical aspects in connection to corporate crimes.</li> </ul>
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### 4.3.3 Special procedures for sensitive areas - bribery within the private sector

In order to prevent the crimes of bribery in the public sector from being committed under Article 2635 of the Civil Code and the instigation of bribery in the public sector under Article 2635-*bis* of the Civil Code, the following protocols must be complied with:

#### Prohibitions

This section defines the express prohibition of the Addressees to:

- give or promise money or other benefits to Board Directors, general managers, executive directors and executives responsible for preparing corporate accounting documentation, statutory auditors and liquidators of companies or potential companies in the private sector;
- adopt behaviour that, while not in itself an offence among those under Article 2635 of the Civil Code and Article 2635-*bis* of the Civil Code, could potentially become so;
- bring about any situation of conflict of interest towards one's clients or potential clients in relation to what is set forth in the previously mentioned criminal offence cases.

Among such behaviour, it is, in particular, forbidden to:

- carry out, in general, services in favour of outsourcers, consultants, partners and collaborators in general that cannot be adequately justified in the context of a contractual relationship stipulated with them or in relation to the type of appointment to be carried out and the regulations in force locally;
- make gifts of money or agree to benefits of any nature (for example, the promise of employment) to subjects under Article 2635 of the Civil Code;
- distribute gifts or favours outside MIP's customary behaviour, that is, any form of gift that exceeds normal commercial practice or of courtesy or, in any case, having the aim of acquiring favourable treatment in the execution of any activity. It is, in particular, forbidden to give or promise money or other benefits to Board Directors, general managers, executive directors and executives responsible for preparing corporate accounting documentation, statutory auditors and liquidators of client companies or potential client companies in the private sector, who may influence their discernment or independent judgement or attempt to ensure a benefit for MIP.

### Responsibilities

In order to prevent the aforementioned situations from occurring:

- agreements of association with partners must be defined in writing, setting clearly out all the conditions of the agreement, in particular concerning the agreed economic conditions, and they must be proposed, verified or approved by at least two subjects belonging to MIP;
- the assignments made to consultants and partners for any reason, must also be set out in writing, indicating the compensation agreed, and they must be proposed, verified or approved by at least two subjects belonging to MIP;
- no kind of payment can be made in cash or in lieu;
- subjects who perform a control and supervisory function over duties connected to the execution of the aforementioned operations (invoice payment, allocation of funds received from the State or European Community bodies) must apply additional attention in performing their duties and promptly refer any irregularities to the Supervisory Body;

The following also strictly apply:

- maintain at all times a correct, transparent and collaborative conduct, in compliance with current legislation and internal MIP procedures;
- ensure the full compliance to current legislation and regulations as well as internal MIP procedures, in acquiring, compiling and communicating data and information, including for the purposes of the law.

#### **Protocol 4 - New customer acquisition and customer management processes**

#### **Protocol 5 - Search for sponsors for training courses, conventions and Master programs**

##### *Definition of functions and responsibilities*

The following protocols must be complied with:

- a clear separation of duties and responsibilities must exist, with regard, on the one side, to authoritative powers to define training, consultancy and to realise projects with new or existing clients and, on the other, to the power to authorise expenditure;
- there must be a clear division of tasks between the different functions in the context of the organisation of [accounts receivable](#) and, in particular, between the responsibility for relationships with clients (account manager), responsibilities for defining offer prices and conditions/payment terms (and relative penalties) and responsibilities for defining potential settlement solutions in the case of controversies;
- there must be a clear division of tasks between the different officials in the context of the organisation of purchasing operations, in particular, between the official responsible for identifying and selecting a consultant, lecturer or external



	<p>supervisor, the official responsible for approving the purchasing order, the official responsible for authorising the payment and the official responsible for management control and traceability of the transactions.</p> <p>To ensure that authoritative powers, mandates and powers of attorney are respected, they must be monitored appropriately by the Supervisory Board through random testing of the signed documentation.</p>
<i>Operational Management</i>	<p>The following must also be provided for:</p> <ul style="list-style-type: none"> <li>▪ identify general and transparent criteria to determine a maximum offer price for Master programs, training courses, consultancy, and all other MIP activities, in order that any anomaly can be easily picked up;</li> <li>▪ establish general rules, especially for payment terms and conditions;</li> <li>▪ plan for benchmarking initiatives to compare with market economic values;</li> <li>▪ prepare suitable operational protocols for: purchase of goods and services; appointment of consultancy assignments, selection of internal and external lecturers, external supervisors and other professional services;</li> <li>▪ verify if there are any conflicts of interest in the management of the above relationships with third-party private subjects. For this reason, it is necessary to verify whether there are specific statements of causes of incompatibility from the parties involved, including subsequent to the management of the relationships set out above;</li> <li>▪ to this purpose, set out formal controls to verify the effective understanding of the Organisation, Management and Control Model and the Ethical Code throughout all company departments, including by means of periodical information and training programs for Board Directors, directors and employees, in general, on bribery offences and relative penalties.</li> </ul> <p>Prepared documentation and in general any other formalised information must only contain strictly true facts.</p>

<i>Communications to the Supervisory Board</i>	<p>The Supervisory Board must be informed in writing about:</p> <ul style="list-style-type: none"> <li>▪ contracts stipulated for sums greater than a given amount, which can represent the risk threshold;</li> <li>▪ contracts stipulated for sums greater than a given percentage above the average price resulting from above general criteria;</li> <li>▪ all the payment collection operations below the standard payment terms (for example, payment on demand).</li> </ul>
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**Protocol 6 - Participation in tender bids published by private subjects to organise training courses and Master programs**

<i>Operational Management</i>	<p>Regarding this sensitive area, the following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ ensure that the procedure to be followed when taking part in tender bids is applied correctly, both in the phase when information is received about the nature of a chosen tender (that is, the way in which information was received about the tender) and also with reference to the valuation of the tender bid, its approval, and the preparation and submission of documentation to the private company convening the tender in question;</li> <li>▪ verify whether there are any conflicts of interest, including with reference to the possibility of participating or otherwise in the tender;</li> <li>▪ carry out checks to the documentation certifying the existence of the essential conditions necessary to participate in the tender bid;</li> <li>▪ proceed with ex post traceability and verification operations of the transactions carried out with third parties through specific support documentation and information;</li> <li>▪ verify the authorisation and monitoring methods carried out by senior management on the tender bids, obtaining periodical lists of these bids and those in preparation, identifying the relative procedural steps;</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ monitor the powers, including in reference to the verification of authorised signatures for awarded tenders and for those in which MIP will participate.</li> </ul>
<u>Information flows</u>	<p>The specific procedures to be observed must:</p> <ul style="list-style-type: none"> <li>▪ contemplate information flows between the various departments/officials involved in the process with a view to ensuring collaboration, reciprocal vigilance and coordination.</li> </ul>

**Protocol 7 - Selection of agents/consultancy, internal and external lecturers**

**Protocol 8 - Selection of external lecturers**

<i>Operational Management</i>	<p>Regarding this sensitive area, the following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ the agents, consultants, internal and external lecturers and external supervisors whose services MIP intends to make use of to carry out promotional initiatives and to organise training courses, conventions and Master programs must be chosen and, in any case, evaluated using transparent methods according to the specific corporate procedure; furthermore, wherever lecturers and supervisors are imposed by the commissioning company, MIP must always require a specific written statement giving the detail reasons for the request, as well as contractually contemplating the powers of co-ordination and control over the performance of these external lecturers and supervisors;</li> <li>▪ the relative contracts must be stipulated in compliance with authoritative powers, mandates and powers of attorney;</li> <li>▪ potential conflicts of interest must be brought to the knowledge of the relative function manager and submitted promptly to the Supervisory Board to be examined;</li> <li>▪ general and transparent criteria must be established to determine a maximum price for each single collaboration, including through the acquisition of several quotes;</li> <li>▪ general rules must be established especially for payment terms and conditions;</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ benchmarking initiatives must be planned to make comparisons with market economic values; any potential deviation must be justified and motivated;</li> </ul>
<b>Contracts</b>	<p>The contracts between MIP and internal and external lecturers, agents, consultants and external supervisors must be in writing and include all relative terms and conditions; they must contain standard clauses agreed together with the Supervisory Board, with the purpose of ensuring that the parties comply with Legislative Decree no. 231/2001 and also to regulate the consequences arising from a breach by the aforementioned subjects in relation to the crimes set forth in Legislative Decree no. 231/2001 (for example express termination clauses or penalty clauses).</p> <p>Consultancy rendered as the result of conferred appointments must contain only strictly true facts.</p> <p>For agency/consultancy contracts, the following must apply: a) definition and clarification of responsibilities, and the operational, control, supervisory etc. activities between the parties; b) definition and exchange of the methods and procedures necessary to provide the service; c) inclusion of standard clauses to be used to prevent crimes set out in Legislative Decree no. 231/2001.</p>

#### **Protocol 9 - Selection of participants to Master courses**

<b>Operational Management</b>	<p>The selection process of participants to Master courses must include:</p> <ul style="list-style-type: none"> <li>▪ a clear description of the functions and duties of the subjects in charge of making the selection;</li> <li>▪ a structured system to assess candidates, in order to guarantee the traceability of the reasons behind selecting or rejecting a candidate;</li> <li>▪ the identification of the subjects in charge of managing the operation in question and the allocation of their relative responsibilities;</li> <li>▪ the description of archiving methods for documents belonging to the operation in question, in order to ensure the prompt location of documents when required and the traceability of the process.</li> </ul> <p>Potential conflicts of interest must be brought to the knowledge of the Supervisory Board to be examined;</p>
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#### **Protocol 10 - Awarding of scholarships and bursaries**

<b><i>Operational Management</i></b>	<p>The process of awarding scholarships and bursaries must include:</p> <ul style="list-style-type: none"> <li>▪ a clear description of the functions and duties of the subjects in charge of the selection and award process;</li> <li>▪ a structured system to assess candidates, in order to guarantee the traceability of the reasons behind selecting or rejecting a candidate;</li> <li>▪ the identification of the subjects in charge of managing the operation in question and the allocation of their relative responsibilities;</li> <li>▪ the description of archiving methods for documents belonging to the operation in question, in order to ensure the prompt location of documents when required and the traceability of the process.</li> <li>▪ potential conflicts of interest must be brought to the knowledge of the Supervisory Board to be examined;</li> <li>▪ payment must always be made through methods that allow their traceability</li> </ul>
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## 4.4 Protocols - Computer crimes

### 4.4.1 General protocols: general principles of conduct and implementation

On the basis of international reference standards, a computer safety system means the set of technical and organisational measures to ensure the protection of the integrity, availability, confidentiality of computer data and the resources used to acquire, store, elaborate and communicate this information.

According to this approach, the main goals regarding computer safety that MIP must set are:

- Confidentiality: the guarantee that data are safeguarded from improper access and used exclusively by authorised subjects. Confidential information must be protected during the transmission and saving/storing processes, so that information can only be accessed by subjects authorised to have knowledge of it.
- Integrity: the guarantee that the data are genuinely those originally input into the computer system and that, if modified, it has to be in a legitimate manner; Information must be managed in a manner that guarantees that it cannot be tampered with or altered by unauthorised subjects.
- Availability: the guarantee of the availability of data in view of the requirements of process continuity and in compliance with legislation imposing its conservation in time.

#### **Prohibitions**

This section defines the express prohibition of the Addressees to:

- bring about, assist or cause behaviour that, taken singularly or collectively, constitutes, directly or indirectly, crimes under those covered above (Article 24-*bis* of Legislative Decree no. 231/2001);

- bring about, assist or cause behaviour that, while not in itself an offence among those mentioned above, could potentially become so.

### **Responsibilities**

This section sets out therefore the obligation of knowing and complying with:

- all the measures to ensure the reliability of the system, taking account of technological evolution, for what regards: safety of data, risk of destruction or loss, and risk of unauthorised or unallowed access.

The following also strictly apply:

- maintain at all times a correct, transparent and collaborative conduct, in compliance with current legislation and internal MIP procedures;
- ensure the full compliance to current legislation and regulations as well as internal MIP procedures, in acquiring, compiling and communicating data and information, including for the purposes of the law;
- provide the public authorities with all the correspondence required by law and regulations promptly, correctly and in good faith, with particular attention to those directed to the Italian Data Protection Authority, without posing any obstacle to the authorities exercising their supervisory functions;
- prepare effective security plans and systems monitoring MIP's internal network (intranet), in order to prevent any crimes from being committed.

#### **4.4.2 Specific protocols: general procedural principles**

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.4.1, when performing MIP activities either in Italy or abroad, subjects must act in compliance with the specific protocols summarised below:

<b>Protocol 1 - Management of computer systems, banks and computer networks</b>	
<i>Application of specific measures to guarantee computer data security and confidentiality</i>	<p>Regarding this sensitive area, the following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ prepare the following on a daily/weekly twice weekly basis the security back-ups of databases (depending on the type of database to be backed-up, for example, accounting and management and Management Committee files - emails - staff personal files), jointly with the operator/s in charge of the management and maintenance of the computer equipment, in order to protect data integrity against the risks of destruction or loss;</li> <li>▪ protect, with specific electronic methods, sensitive data against illegal access by anyone who connects to the computer or</li> </ul>

	<p>electronic system using either hardware or software tools (keylogger, backdoor, malicious software, etc.);</p> <ul style="list-style-type: none"> <li>the relative department managers must promptly notify the Supervisory Body in the case where operations have been carried out that could damage the effective protection of personal data and/or potentially result in an intrusion on the internal network (intranet).</li> </ul>
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Protocol 2 - Electronic creation and transmission of documentation to private subjects	
<i>Electronic transmission</i>	Confidential information must be protected during the transmission and saving/storing processes, so that information can only be accessed by subjects authorised to have knowledge of it and to prevent it from being corrupted.

## 4.5 Protocols - Crimes of manslaughter and grievous or severely grievous bodily harm, committed in breach of the regulations governing accident prevention and health and safety in the workplace

### 4.5.1 General protocols: general principles of conduct and implementation

#### Prohibitions

This section defines the *express prohibition* of MIP Exponents to:

- adopt behaviour liable to expose MIP to a crime contemplated under Article 25-*septies* of Legislative Decree no. 231/2001;
- adopt behaviour liable to promote a crime contemplated under Article 25-*septies* of Legislative Decree no. 231/2001;
- omit to update preventative measures, in relation to organisational and production changes that are relevant in terms of health and safety of the workplace, that is, in relation to the degree of evolution of technology, prevention and protection;
- omit to adopt sufficient measures so that only workers who have received appropriate training can access zones that can expose them to a serious or specific risk;
- issue orders to restart work despite the persistence of serious and imminent danger;
- omit to adopt sufficient measures to prevent the technical means employed from causing risks to the health of the general public and damage to the environment;
- omit to adopt sufficient measures to prevent the technical means employed from causing risks to the health of the general public and damage to the environment;
- omit to adopt fire prevention and rapid evacuation measures in the case of grave and immediate danger.

### **Responsibilities**

This section defines the *express obligation* of the above subjects to:

- observing the provisions and instructions given by MIP for collective and individual protection;
- use all equipment, transport means, work tools and safety devices correctly;
- use the safety devices at disposal appropriately;
- immediately warn the Health and Safety Officer if any of the above devices are faulty, or if there are other dangerous conditions that they may be aware of, taking action personally in an emergency;
- not remove or modify without authorisation, or in any case damage safety, warning or control devices;
- not to carry out operations or manoeuvres, on their own initiative, that are not within their capability or which may jeopardise their own safety or that of other workers;
- comply with the instructions contained in the Emergency and Evacuation Plan;
- respect the instructions given on safety signs and contained in the safety and emergency procedures issued by the Health and Safety Officer, including during classroom training sessions.

In general, all the Model Addressees must adhere to all the provisions set out by MIP to protect the safety and health of workers and promptly warn the proper structures of any risk/danger signals, accidents (whatever their severity) or breaches to MIP's rules of conduct and procedures.

#### **4.5.2 Specific protocols: general procedural principles**

MIP has implemented the prevention and control system in compliance with Legislative Decree no. 81/2008, together with the special regulations in merit, with the nominations of Health and Safety Officer and Workers' Health and Safety Representative, the appointment of the company doctor and the adoption of a Risk Assessment Document (under Article 4 of the aforementioned decree).

Managing the fulfilment of workplace health and safety requirements and their relative obligations involves every one of the Recipients, each within their competencies and responsibilities.

<b>Protocol 1 - Management of risks concerning health and safety</b>	
<b><i>Risk Assessment Document</i></b>	<p>The Risk Assessment Document must be prepared in compliance with the regulations of the sector.</p> <p>In particular, it must contain all the information needed to describe MIP's organisation and production process, in order to identify and classify precisely the risks to the health and safety of workers and users, the measures of prevention and protection currently implemented and to be implemented in the future.</p>



	<p>The Risk Assessment Document must be prepared and updated under the responsibility of the employer, in collaboration with the Health and Safety Officer and the company doctor, after consulting the Workers' Health and Safety Representative and Health and Safety staff.</p> <p>This document is formally updated and reviewed during periodic meetings in compliance with Article 35 of Legislative Decree 81/2008, which must take place at least once a year.</p> <p>A specific annual expenditure budget must be allocated to safety management, in accordance with current programs and the improvement plan agreed during the meetings pursuant to Article 35. Any increases to the budget that may become necessary due to unforeseen operations can be decided within the context of the autonomy of expenditure of the employer, in function of the general rules on expenditure powers.</p>
<b><i>Risk Assessment Document management methods</i></b>	<p>MIP, through the figure of the officer responsible for health and safety in the workplace, must:</p> <ul style="list-style-type: none"> <li>▪ adopt the prevention and protection measures set out in the Risk Assessment Document;</li> <li>▪ ensure that all collaborators act in compliance with the current legislation on working duties (work hours, rest periods, overtime etc.);</li> <li>▪ ensure that all collaborators comply with the legislation and provisions in terms of health, safety, hygiene in the workplace, with particular reference to their specific work activity.</li> </ul>
<b><i>Management methods for upkeep to rooms and offices and the movement of furniture, furnishing and equipment</i></b>	<p>MIP, through the figure of the officer responsible for health and safety in the workplace, must:</p> <ul style="list-style-type: none"> <li>▪ plan for repairs and cleaning in line with maintenance plans;</li> <li>▪ carry out all planned maintenance work and certify its completion;</li> <li>▪ update equipment and facilities, in relation to any intervening changes to the law;</li> <li>▪ ensure the periodical maintenance of safety devices;</li> <li>▪ preventively request, in the case where such activity is carried out in offices/lecture rooms at third-party institutions, the issue of certification required under Legislative Decree no. 81/2008.</li> </ul>
<b><i>Training</i></b>	<p>Training sessions must be planned for MIP Exponents and collaborators concerning the instructions given on safety signs and contained in the safety and emergency procedures issued by the Health and Safety Official.</p>

#### **4.6 Protocols - Crimes with the aim of terrorism or the subversion of democracy - Transnational crimes - Crimes of granting illegal access and aiding and abetting illegal permanence**

In relation to crimes with the aim of terrorism or the subversion of democracy, transnational crimes, crimes of granting illegal access and of aiding and abetting illegal permanence, the areas considered to be most at risk are the selection and admission procedures for foreign students and all financial and commercial operations with:

- physical and legal persons resident in at-risk countries included in the list of high-risk countries (“List of Countries”) and/or physical and legal persons associated with international terrorism and included in the list identifying such groups, entities and individuals (“List of Names”); both lists are available on the Italian Foreign Exchange Office website and published by other Italian and international recognised bodies;
- companies controlled directed or indirectly with the subjects indicated above. The “List of Countries” and “List of Names” (the “Lists”) must be made available in the Supervisory Board office and online.

##### **4.6.1 General protocols: general principles of conduct and implementation**

###### **Prohibitions**

This section sets out, for the Addressees and in consideration of their various positions and different duties towards MIP during the performance of activities considered to be at risk, the *express prohibition* to:

- bring about, promote, assist or cause behaviour that constitutes the crimes described above;
- use MIP or one of MIP’s organisational units, occasionally or otherwise, with the purpose of allowing or promoting the crimes described above;
- supply, directly or indirectly, funds in favour of subjects who intend to bring about the crimes described above;
- carry out any commercial and/or financial operation, either directly or through a third party, with subjects - physical or legal persons - whose names are contained in the Lists or by subjects controlled by them when such relationship is known;
- carry out any operation that presents anomalies in terms of its type or objective, which could, therefore, establish or maintain relationships with subjects having an anomalous profile from the point of view of the reliability of the operations and/or the reputation of the counterparts;
- carry out services in favour of consultants, partners and suppliers where there is no sufficient justification within the context of the contractual relationship established with them;
- make payments to consultants, partners and suppliers where there is no sufficient justification in relation to the assignment.

#### 4.6.2 Specific protocols: general procedural principles

In order to implement the prohibitions listed in the preceding sub-paragraph 4.6.1 when performing MIP activities, the following procedures concerning any identified sensitive activity must be complied with:

<b>Protocol 1 - Selection of foreign students</b>	
<i>Foreign student management</i>	<p>The selection of foreign students must take place through transparent and documented procedures.</p> <p>Foreign students cannot be admitted if they fail to prepare the necessary documentation according to MIP's precise admission procedures.</p> <p>The contract stipulated by MIP with foreign students, with particular reference to the Middle East and South-East Asia, must include a specific self-certification clause to certify that they have no past convictions.</p>
<i>Transactions and operations</i>	<p>Any financial transaction presumes knowing who is the beneficiary of the relative sums.</p> <p>Operations for significant amounts must be concluded with physical or legal persons on whom pre-emptive checks and controls have been performed (for example, inclusion in the Lists, personal references, etc.).</p> <p>In the case where MIP should involve in its operations subjects whose names are included in the Lists of Names, these operations must be suspended automatically.</p> <p>In the case where MIP receives proposals regarding anomalous operations, the operation must be suspended and assessed by the Chairman as a preventive measure. In particular, the Chairman will express his/her opinion on the expedience of the operation and, in terms of the precautionary measures to take if negotiations are to continue, he/her will offer his/her suggestions to the Board of Directors, which will provide binding advice on the matter.</p>

## **4.7 Protocols – Receiving stolen goods/money, money laundering and utilisation of money, goods or benefits having an illegal provenance - the crime of “self-laundering”**

### **4.7.1 General protocols: general principles of conduct and implementation**

#### **Prohibitions**

This section defines the express prohibition of the Addressees to:

- bring about, promote, assist or cause behaviour that constitutes the crimes described under Article 25-*octies* of the Decree;
- bring about, assist or cause behaviour that, while not in itself an offence among those mentioned in Article 25-*octies* of the Decree, could potentially become so.

Among such behaviour, it is, in particular, forbidden to:

- deliver services that are not necessary; invoice services that have not been provided; invoice more than one invoice for the same service; omit to issue credit notes in the event of non-existent or non-financeable services having been invoiced, in part or in total;
- omit to keep records with documental support of company funds and the relative transactions;
- omit to pay taxes, resorting to any means of exclusion or evasion;
- agree to any commercial incentive that is not in line with the allowed limits in value and which has not been approved and registered in compliance with what is established in MIP's internal procedures;
- agree to any commission, discount, credit or reduction that has not been agreed in compliance with the legislation in force and granted officially to corporate bodies, under presentation of supporting documentation;
- carry out operations or take on orders considered anomalous by type or subject and establish or maintain relationships which present some level of anomaly.
- perform services that benefit service companies, consultancies and partners, that cannot be adequately justified in the context of a contractual relationship established with these parties;
- pay fees to administrators, service companies, consultants and partners that cannot be adequately justified in relation to the of assignment to be carried out and the normal practice in the local context;
- represent or transmit communications and false or incomplete information, or in any case, that does not reflect the truth;
- adopt behaviour that materially prevents, by hiding documents or making use of any other fraudulent means or that, in any case, hinders the execution of control activity by whosoever is appointed to that function;
- engage in any conduct that obstructs the exercise of supervisory activities, even for inspection by the public authorities (Finance Guard - GdF, Labour Inspectorate, etc.), such as: express opposition, spurious refusals, obstructive behaviour or failure to co-operate, such as delays in communication or providing documents, turning up late at meetings organized over time.

#### **Responsibilities**

This section, therefore, defines the express prohibition of the Addressees to:

- maintain at all times a correct, transparent and collaborative conduct, in compliance with current legislation and internal MIP procedures and strategies, for all activities that relate to:
  - ✓ managing the registry of suppliers/customers/commercial partners, including those overseas;
  - ✓ book-keeping and accounting;
  - ✓ managing the calculation of taxes and tax-related matters;
  - ✓ managing cash and financial flows;
- ensuring that the entire process for managing the company's accountancy affairs and its liquidity, finance, tax and tax-related matters is conducted in a transparent and fully documented manner;
- ensuring transparency and traceability in all financial transactions;
- using and make use of financial resources whose provenance has been verified and only for operations that have an express cause and which are recorded and fully documented;
- preparing formal contractual terms and conditions to regulate relationships with suppliers and commercial and financial partners, including between companies belonging to the same group;
- ensuring that, when signing agreements with commercial counterparties, there is the requirement that transactions are paid by bank transfer or non-transferable bank cheques;
- verifying the correctness of payments and receipts relating to all counterparties (including companies in the same group);
- ensuring that all process of acquiring, elaborating and communicating data and information, including for the purposes of the law, are carried out in the full compliance with the applicable rules and regulations and with internal corporate procedures;
- non entertaining commercial relationships with (physical or judicial) subjects who are known or suspected to belong to criminal organisations, or to operate outside the law, including but not limited to persons linked with cash laundering, drug peddling, usury;

In addition, the following supplementary measures should be adopted:

- set in place a program to train and inform employees about the crimes of laundering and self-laundering, held on a regular basis;
- establish clear and comprehensive formal procedures that regulate extraordinary operations (mergers, acquisitions, de-mergers, business combinations), in the light of the anti-bribery legislation under exam.

#### **4.7.2 Specific protocols: general procedural principles**

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.7.1 Subjects must act in compliance with the specific protocols summarised below:

<b>Protocol 1 - Management of cash and accounts (customer and supplier register)</b>	
<i>Operational Management</i>	The following protocols must be complied with:

	<ul style="list-style-type: none"> <li>▪ exclusive use of the bank system to carry out monetary/financial transactions as set out in the legislation to ensure flow traceability;</li> <li>▪ selection of suppliers according to the predefined criteria of transparency, quality and cost-effectiveness;</li> <li>▪ ensure that, in the case of sums above € 10,000.00, suppliers/customers and (commercial and financial) business partners enjoy high standards of reputation and reliability, by acquiring information about their legal representative, their directors and shareholders, according to the type of company, and through public information available on judicial ratings (e.g. protested bills and executive or precautionary proceedings);</li> <li>▪ periodical review of alignment between the conditions applied to (commercial or financial) suppliers and business partners and market conditions;</li> <li>▪ carry out formal and thorough checks on the incoming corporate financial flows; these checks must take account of the legal offices of the counterpart company (for example, tax havens, countries at risk of terrorism, etc.), the credit institutes utilised (main offices of the banks involved in the operations) and potential corporate screens and financial structures used for possible extraordinary operations.</li> </ul> <p>It is also specifically prohibited to:</p> <ul style="list-style-type: none"> <li>▪ transfer, for whatever reason, except by means of banks and electronic money institutes or the Italian postal company (Poste Italiane S.p.A.), cash or bankbooks or postal books to the bearer or titles to the bearer in euros or foreign currency, when the value of the transaction, even when split, is in total equal or above the threshold set by the law in force pro tempore;</li> <li>▪ issue bank or postal cheques for sums equal or above the threshold set by the law in force pro tempore, that do not indicate the name of the beneficiary (person or company) or include the clause of not being transferable;</li> <li>▪ endorse bank cheques or postal cheques issued by order of the writer or entities that are not banks or the Italian postal company;</li> <li>▪ make payments to the current accounts of banks operating in countries included in the list of tax havens and/or to the benefit of offshore companies, without the express written authority of the administrative director;</li> <li>▪ carry out payments and/or money transfers through ciphered or anonymous bank accounts, or banks that are not established physically.</li> <li>▪ carry out payments for subjects located in countries that are</li> </ul>
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	<p>“non-cooperative” countries according to the definition of the Banca d’Italia;</p> <ul style="list-style-type: none"> <li>▪ acquire goods and/or services against the payment of relative sums that are less than the market value of the goods or service;</li> </ul>
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<b>Protocol 2 - Investment Management</b>	
<i>Definition of functions and responsibilities</i>	<p>Management of the sensitive area identified must include:</p> <ul style="list-style-type: none"> <li>▪ levels of authorisation on the basis of which decisions about investments can only be taken by the bodies and office explicitly deputed for the purpose, based on the system of existing powers and delegations, with joint signature for financial powers;</li> <li>▪ segregation of the responsibilities for managing, checking and approving operations when a number of players are involved in the process;</li> <li>▪ traceability of the decision-making process through documentation and archiving procedures (electronically and/or hard copy) of every operation in the process, carried out by the department involved.</li> </ul>
<i>Operational Management</i>	<p>The Supervisory Board, with the help of the internal functions involved, must carry out checks to identify potential indices of anomalies, such as:</p> <ul style="list-style-type: none"> <li>▪ absence of plausible justifications in executing operations that are manifestly out of the common, not justified or not proportional to the normal execution of the practice;</li> <li>▪ execution of operations that make use of financial funds that seem excessive in relation to the economic and financial profile of the company;</li> <li>▪ execution of operations that do not appear to be justified economically or financially;</li> <li>▪ acquisition for whatever purpose the use of goods, including luxury goods or high value, that are not justified by the corporate turnover, especially when cash is used;</li> <li>▪ significant investments made with no justification within the company’s results as represented in the financial statements;</li> <li>▪ conclusion of contracts that benefit third parties, of contracts for persons to be nominated or to trustee companies, involving the rights to fixed assets, where there are no plausible justifications;</li> <li>▪ acquisition or selling of fixed or non-fixed assets or substantial value in the name of a figurehead or third person, with no apparent personal, professional or business links with the latter.</li> </ul>

<b>Protocol 3 - Management of relationships and inter-group transactions</b>	
<b><i>Operational Management</i></b>	<p>Regarding this sensitive area, it is necessary to:</p> <ul style="list-style-type: none"> <li>▪ always evaluate the objectives, profitability and interest of the company to carry out an inter-group transaction;</li> <li>▪ formalise the conditions and contractual terms that regulate the relationships and the transactions between companies belonging to the same group; in detail, an agreement must be drawn up for each inter-group operation, setting out, respectively: <ul style="list-style-type: none"> <li>○ the parties in the agreement;</li> <li>○ the description of the object of the agreement (services provided, purchase or selling of goods, financing provided);</li> <li>○ the payment (price, commission, royalties, interest rate) or at least the criteria for determining the relative sums;</li> <li>○ length of the agreement;</li> </ul> </li> <li>▪ to ensure that inter-group transactions are paid at market values according to the indications contained in Article 110, paragraph 7 of Presidential Decree no. 917 of 22 December 1986, and in the OSCE guidelines relating to transfer process; to this end, a national document on transfer prices is published on a yearly basis, in compliance with what is set forth in Article 1, paragraph 2-ter of Legislative Decree no. 471 of 18 December 1997, introduced by Article 26 of Legislative Decree no. 78 of 31 May 2010, converted, with amendments from Law no. 122 of 30 July 2010;</li> <li>▪ the following protocols must be complied with: <ul style="list-style-type: none"> <li>○ copy of the original agreement signed by the parties must be suitably archived and held at the company's offices;</li> <li>○ the services subject of the agreement are effectively fulfilled by the various parties involved, according to the agreed methods, terms and conditions;</li> <li>○ documents concerning the purchases, sales and services provided or acquired must be suitably retained for traceability purposes; this is the responsibility of the person involved, and the documents must be archived at the company offices;</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ payments made or received as payment must comply with: (i) sales/services effectively provide/received and (ii) the matters stipulated in the relative agreement;</li> <li>○ all payments must be made against an invoice or equivalent document, where requested under law;</li> <li>○ all payments must be regularly recorded in compliance with the applicable legislation.</li> </ul>
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#### **Protocol 4 - Management of tax matters and relative fulfilment**

<b><i>Operational Management</i></b>	<p>Management of the sensitive area identified must include:</p> <ul style="list-style-type: none"> <li>▪ segregation within the context of the process of separating the roles between the person who records economic events, the person who maintains checks and the person in charge of tax management;</li> <li>▪ traceability of the decision-making process through documentation and archiving procedures (electronically and/or hard copy) of every operation in the process, carried out by the department involved.</li> <li>▪ use of a dedicated computer system to record active and passive invoices, and any other economic occurrence;</li> <li>▪ regulating and monitoring the access to computer systems;</li> <li>▪ accounting of active and passive invoices carried out by the relative office responsible for these matters, where these invoices have been authorised for registration and payment/receipt only after asked for authorisation of the person responsible who requested the purchase/sale;</li> <li>▪ recording of all company administrative facts that have an economic or financial influence;</li> <li>▪ registering and storing accounting records that are obligatory for the purposes of taxing income and the tax on added value;</li> <li>▪ calculating the tax due with the help of a third-party consultant, signing an agreement with the latter to include standard clauses whereby the consultant unconditionally accepts the Model pursuant to Legislative Decree no. 231/2001;</li> <li>▪ regular training sessions on fiscal topics and relative compliance and fulfilment on the part of a third- party consultant;</li> <li>▪ regularly verifying that fiscal requirements are fulfilled correctly;</li> <li>▪ checking with a third-party consultant the fiscal implications of any ordinary or extraordinary transactions.</li> </ul>
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<b>Protocol 5 - Management of corporate operations</b>	
<b><i>Operational Management</i></b>	<p>Regarding this sensitive area, it is necessary to:</p> <ul style="list-style-type: none"> <li>▪ set in place the procedure to transmit data and information regarding the transactions, including extraordinary transactions (acquisitions, mergers, demergers, etc.) to the person in charge and to the Supervisory Body, through a system (digital or otherwise) that allows each step to be traced, including the handling of incoming and outgoing liquidity, with the purpose of checking, for example, that indicators are in place to highlight any anomaly. As an example, the following make up a non-exhaustive list: <ul style="list-style-type: none"> <li>○ execution of transactions financed through international telegraphic payments, especially from foreign countries known as being offshore centres or tax havens or covered by banking secrecy, that is, listed by the Financial Action Tax Force (FATF) as non-collaborative;</li> <li>○ transactions involving an unjustified use of payment techniques through off-setting, or where there are elements such as the agent being domiciled at a third party's address, the use of postal boxes or postal addresses that are not the agent's fiscal or professional address;</li> <li>○ settlement of payment through bank cheques with consecutive serial numbers or more than one cheque with the same sum and the same date or cheques where the beneficiary is not indicated;</li> <li>○ payments carried out with counterparties in unusual locations for MIP;</li> <li>○ sending and receiving money to/from numerous recurrent counterparties located abroad in localities not geographically distant from MIP;</li> <li>○ transactions that involve counterparties in foreign countries known as offshore centres or tax havens or covered by banking secrecy that is, listed by the Financial Action Tax Force (FATF) as non-collaborative, and that are not justified by the economic activity of the client or by other circumstances;</li> <li>○ transactions concerning the constitution and the transfer of property rights carried out through payment means from the aforementioned countries;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"><li>○ search for funding on the basis of guarantees, that can be in the form of titles and certificates stating that substantial sums are held at foreign banks, especially if these deposits or finances are held or dispended by entities established in these countries.</li></ul>
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## 4.8 Protocols - Tax offences

### 4.8.1 General protocols: general principles of conduct and implementation

#### Prohibitions

This section defines the express prohibition of the Addressees to:

- bring about, promote, assist or cause behaviour that constitutes the crimes described under Article 25-*quinquiesdecies* of the Decree;
- bring about, assist or cause behaviour that, while not in itself an offence among those mentioned in Article 25-*quinquiesdecies* of the Decree, could potentially become so.

Among such behaviour, ***it is forbidden***, in particular, to:

- include fictitious deductions in their tax returns;
- set up simulated transactions;
- request or prepare invoices or other documentation for non-existent transactions;
- create fraudulent documents to alter tax results and reduce their tax liability;
- conceal and/or destroy, in full or in part, the accounting records or documents which are required to be kept under law;
- dispose of assets in order for an enforced collection of taxes to be unfruitful (e.g. make payments to suppliers and/or third parties to avoid interrupting business continuity, thereby diverting resources from the correct payment of taxes due);
- present false documents, data and information as part of a tax transaction.

#### Responsibilities

This section, therefore, defines the ***express obligation*** of the Addressees to:

- respect the rules set out in the Procedure Manual - sections on Administration & Finance and HR Management;
- present their tax returns within the time limits laid down by law;
- pay taxes by the due date or through the “voluntary correction of errors” procedure;
- complete tax returns with accurate and truthful data and information;

- record invoices with supporting documentation proving that they are included in the VAT registers;
- make monthly VAT payments within the time limits laid down by law;
- organise training and information sessions on tax compliance requirements and deadlines;
- establish reconciliation mechanisms between accounting and tax data;
- cooperate as fully as possible with Italian Tax Office officials and Finance Police, in terms of visits, inspections and access;
- respond with truthful data and information to questionnaires submitted by the Tax Office;
- abide by Protocol 5 - Management of tax matters and relative compliance” – Crimes of receiving, money laundering, self-laundering.

#### **4.8.2 Specific protocols: general procedural principles**

In order to implement the duties and prohibitions listed in the preceding sub-paragraph 4.8.1, Addressees must act in compliance with the specific protocols summarised below:

<b>Protocol 1 - Preparation of tax returns and relative compliance with requirements</b>	
<i>Definition of functions and responsibilities</i>	<p>Management of the sensitive areas identified must include:</p> <ul style="list-style-type: none"> <li>▪ a clear division of roles and responsibilities between the person/s who oversee the bookkeeping of business transactions and the person/s who calculate taxes and prepare tax returns and relative payments;</li> <li>▪ traceability of the decision-making process through documentation and archiving procedures (electronically and/or hard copy) of every operation in the process, to be carried out by the department involved.</li> </ul>
<i>Operational Management</i>	<p>The following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ establish control mechanisms to ensure that each income/cost item can be connected to an invoice or any other document that confirms the existence of the transaction;</li> <li>▪ establish control mechanisms to ensure that increases or decreases in the corporate tax return (for IRES and IRAP) are supported by appropriate documentation and reasons compliant with the applicable tax legislation;</li> <li>▪ establish control mechanisms to ensure that the data and information in the VAT statements are compliant and consistent with the VAT registers and payments made;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ establish control mechanisms to ensure that the sums paid (IRES, IRAP, VAT, withholdings) are compliant and consistent with the data and information included in the tax returns;</li> <li>▪ ensure compliance with the legal requirements concerning direct and indirect taxes;</li> <li>▪ conduct period checks on the calculations for pro-rata non-deductible VAT;</li> <li>▪ hold regular training sessions on fiscal topics and relative compliance and fulfilment organised by a third-party consultant, including with the aid of newsletters and memos;</li> <li>▪ establish periodical review mechanisms to ensure that tax requirements are dealt with correctly;</li> <li>▪ respect the rules set out in the Procedure Manual - sections on Administration &amp; Finance - 4. Meeting tax and social security obligations;</li> <li>▪ when preparing and submitting tax returns with the help of a third-party consultant, sign a specific agreement containing standard clauses whereby the consultant unconditionally accepts the principles set out in Legislative Decree no. 231/2001 and the Code of Ethics.</li> </ul>
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<b>Protocol 2 - Determining, accounting and recording of passive transactions</b>	
<i>Operational Management</i>	<p>The following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ comply with the control protocols for bookkeeping registrations set out in Protocol 1 on “Preparation of financial statements, reports and other corporate communications required by law (presenting, elaborating and approving data)” – Corporate Crimes;</li> <li>▪ comply with the control protocols for bookkeeping registrations set out in Protocol 1 on “Management of cash and accounts (customer and supplier master files)” and Protocol 3 on “Management of relationships and inter-group transactions” – Crimes of receiving stolen goods/money, money laundering, self-laundering;</li> <li>▪ ensure the traceability of the decision-making process through documentation and archiving procedures (electronically and/or hard copy) for every operation in the accounts payable process; comply, in particular, with what is set forth in the Procedure Manual - Administration and Finance - 3.</li> </ul>

	<p>For accounts payable, every operation concerning the purchase of goods and/or services must be associated with a purchase order, contract, document confirming that the supplier is real and is competent to provide the goods or services, the transaction enactment (information sheet, identification for VAT purposes, delivery note, shipment documents, timesheets, relationships, etc.).</p> <ul style="list-style-type: none"> <li>▪ ensure the clear and traceable identification of the supplier's contact person (position, email address, business references, office/location), with these details being included in the standard-form contract;</li> <li>▪ verify the relationship between the party who provided the service/sold the goods and the party to whom the invoices received are made out;</li> <li>▪ set up a mechanism to control the financial validity of the operation and its basic objective and subjective effectiveness; when referring specifically to teaching services, the Consolidated Act on Faculty adopted by the Company is the applicable regulation;</li> <li>▪ set up a mechanism to verify that the value/price of the services/goods is in line with that normally applied in the reference market;</li> <li>▪ make use of a dedicated computer system to record passive invoices, and any other economic occurrence, with the capacity to track every registration/input;</li> <li>▪ implement regulation and monitoring of access to computer systems;</li> <li>▪ write in the accounting records and VAT registers, by the office responsible for these matters, only the passive invoices approved for registration subsequently to receiving approval from the head of department, to certify that the transaction has been completed;</li> <li>▪ record all passive company administrative facts that have an economic or financial influence;</li> <li>▪ carry out a periodical verification between the salaries paid to personnel and the amounts indicated in their pay statements and payslips;</li> <li>▪ carry out a detailed verification of expense notes by analysing the authorisations and relative receipts.</li> </ul>
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<b>Protocol 3 - Determining, accounting and recording of active transactions</b>	
<b><i>Operational Management</i></b>	<p>Regarding this sensitive area, the following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ comply with the control protocols for bookkeeping registrations set out in Protocol 1 on “Preparation of financial statements, reports and other corporate communications required by law (presenting, elaborating and approving data)” – Corporate Crimes;</li> <li>▪ ensure the traceability of the decision-making process through documentation and archiving procedures (electronically and/or hard copy) for every operation in the accounts receivable process; comply, in particular, with what is set forth in the Procedure Manual - Administration and Finance - 2.</li> </ul> <p>For accounts receivable, the steps are to:</p> <ul style="list-style-type: none"> <li>– approve the training project and relative budget;</li> <li>– upload the project to the system, giving it a unique alphanumeric code;</li> <li>– sign a contract for each project;</li> <li>– upload the customer master files to the system;</li> <li>– upload the sales order to the system;</li> <li>– carry out preliminary checks for issuing invoices;</li> <li>– issue the definitive invoice;</li> </ul> <ul style="list-style-type: none"> <li>▪ verify the relationship between the party who received the service/sold the goods and the heading on the invoices issued;</li> <li>▪ set up a mechanism to control the financial validity of the operation and its basic objective and subjective effectiveness;</li> <li>▪ make use of a dedicated computer system to record active invoices, and any other economic occurrence, which is capable of tracing every registration/input;</li> <li>▪ implement regulation and monitoring of access to computer systems;</li> <li>▪ write in the accounting records and VAT registers, by the office responsible for these matters, the active invoices only after the sales order has been uploaded to the IT system;</li> <li>▪ verify the correspondence between the VAT resulting from the invoices issued and the VAT effectively received;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ record all active company administrative facts that have an economic or financial influence;</li> <li>▪ check with a third-party consultant any fiscal implication resulting from an ordinary or extraordinary transaction, which entails the transfer of goods belonging to the Company, especially when there is a tax dispute.</li> </ul>
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**Protocol 4 - Procedure for the management and archiving of accounting documentation**

<i>Operational Management</i>	<p>The following protocols must be complied with:</p> <ul style="list-style-type: none"> <li>▪ keep and store accounting records that are obligatory for income and value added taxes appropriately, as set out in the Procedure Manual - Administration &amp; Finance - 6. Obligatory books and registers;</li> <li>▪ ensure compliance with the legal requirements for direct and indirect taxes concerning the terms and conditions of storing accounting and fiscal documentation;</li> <li>▪ adopt a transparent, effective and efficient filing system for accounting and fiscal documents;</li> <li>▪ include truthful and accurate information, with relative communications, about the place where accounting records are kept and stored;</li> <li>▪ set up a mechanism to control and monitor the transfer of documentation to a remote archiving system and/or destruction of the same, permitted only after the expiry of the time limits for a tax assessment.</li> </ul>
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**Protocol 5 - Management of corporate operations**

<i>Operational Management</i>	<p>With reference to this sensitive area, please refer to the protocols contemplated for Protocol 2 - Corporate crimes, and Protocol 5 - Crimes of receiving stolen goods/money, money laundering, self-laundering, with reference to the same sensitive area.</p> <p>Furthermore, in all operations, it is necessary to analyse, with the assistance of a third part consultant, any profile where there is</p>
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	potentially tax avoidance concerning the transactions to be set in place.
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## 5. Supervisory Board

In order to implement this Model effectively and efficiently, a body belonging to the Entity (with independent powers of initiative and control) must be entrusted with the supervision of the functioning and observance of the Models, and with ensuring that they are regularly updated;

### 5.1 Identification and nomination of the Supervisory Board

Members of the Supervisory Board must be distinguished by the following qualities:

- good standing;

For the purposes of certifying its good standing, the member must not be legally incapacitated or restricted, a bankrupt or not have been sentenced, including where the judgement was not made final, to a penalty that entails the ban, even temporary, from holding public office, or be unable to hold managerial positions; and must never been sentenced, including where the judgement was not made final, for any crime provided for by Legislative Decree no. 231/2001.

- autonomy and independence,

evaluated for the Supervisory Board and not its single members, in terms of:

- absence of conflicts of interest, even potential, with MIP;
- possession of autonomous powers of initiative, oversight and control;
- no operational functions within MIP;
- report directly to the Board of Directors;
- professionalism, understood as:
  - possession of the required specialised expertise;
  - possession of the specialised technical skills and competence necessary for the functions to be performed, including with the help of external consultants;
- continuity of action, understood as:
  - the length of the mandate is independent of that of the other corporate bodies;
  - periodic controls.

Compliance to the requirements above is verified during the nomination process by the Board of Directors, which, with its resolution of 16 September 2015, nominated as members of the Supervisory Board, the following:

Luca Arnaboldi, lawyer, Prof. Oreste Dominioni, lawyer, Dr Fabio Fusco, Graziano Dragoni and Francesco Sbisà, lawyer.

The mandate of members of the Supervisory Board has duration of three years, and can be renewed at the end of each period. (The five members were reconfirmed in 2018). The revocation of the position is of competency of the Board of Directors, and can occur:

- i) in all cases where the law accepts the termination on the initiative of the employer, of an employment relationship<sup>54</sup>;
- ii) when there is a specific intentional or negligent breach of the obligations of the appointment (for example, disloyalty, negligence, inefficiency, etc.);
- iii) in the case of supervening impossibility;
- iv) when the members no longer have the requirements set out in the preceding points;
- v) when the employment or consultancy relationship with MIP ceases on initiative of the Supervisory Board member.

When the appointment of a member of the Supervisory Board is revoked, the Board of Directors will provide for his/her replacement; the nominated member will remain in office until the end of the other members' mandate.

## **5.2 The function and powers of the Supervisory Board**

The Supervisory Board has the task of supervising over:

- the effectiveness of the Model; that is, to ensure that conduct within MIP correspond to what is established in the prepared Model;
- the efficacy of the Model; that is, to ensure that the prepared Model is adequate in preventing the occurrence of the crimes contemplated by the Decree and subsequent laws that extend its scope;
- the opportunities to update the Model, in order to align it with environmental changes and modifications to the structure of the Entity.

On a more operational level, the Supervisory Board is entrusted with the task of:

- periodically verify the map of the areas at risk of crime (or "sensitive activities"), in order to align it to any changes to MIP's activities and/or structure. To this purpose, the Supervisory Board must be advised by the President, the operational area managers, as well as the people employed in control operations within each single department about possible situations that may expose the Entity to the risk of crime. All communications must be made exclusively in writing;
- carry out periodic checks, including using external professionals, to inspect what is set out in the Model, in particular to ensure that the contemplated procedures and controls are being performed and documented in compliance with the Model and that all ethical principles are being observed;

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<sup>54</sup> Applicable when the Supervisory Board member is also an employee of MIP.

- verify the adequacy and efficacy of the Model in preventing the crimes contemplated in the Decree;
- carry out periodical checks focused on specific operations or acts that occur, above all, within the context of sensitive activities; these results must be summarised in a special report and copied into the Supervisory Board's register, which is presented and shown at a meeting with the Board of Directors and the Board of Auditors, at least once a year or whenever the need arises.
- co-ordinate with other departments (including by organising specific meetings) to exchange information and keep the areas at risk/sensitive areas up to date, in order to:
  - keep their evolution under control with the purpose of ensuring continuous monitoring;
  - verify the various aspects connected to the implementation of the Model (define standard clauses, staff training, changes to regulations and to the organisation, etc.);
  - ensure that the corrective actions necessary to keep the Model updated and effective are carried out promptly.
- gather, compile and save all important information received to comply with the Model. To this purpose, the Supervisory Board has free access to all significant company documentation and must be kept continuously informed by the President and the various operational area managers on:
  - a) the aspects of MIP's activity that could expose the Entity to the risk that one of the crimes set out in the Decree could be committed;
  - b) relationships with consultants and partners;
- promote training and communication initiatives concerning the Model and prepare the necessary documentation to this respect, co-ordinating with the manager in charge of training;
- interpret the relevant regulations and verify that the internal control system is sufficient in relation to these regulatory requirements;
- periodically report back to the President and, if the case, to the Board of Directors, as well as to the Board of Auditors, concerning the implementation of the Model.

The Supervisory Board must be able to act in compliance with the need for transposition, verification and implementation of the Models requested by Article 6 of the Decree. It must also, necessarily, observe the need to constantly monitor the state of implementation of the Models and whether they actually comply with the crime prevention requirements demanded by the law. The process of constant monitoring must provide for two possibilities:

- if it emerges that the implementation status of the required operational standards is inadequate, the Supervisory Board must set in place all the necessary corrective initiatives. Then, according to the case and circumstances, it will be necessary to:
  - press the operational area managers to comply with the Model;
  - indicate directly which corrections and alterations must be made to the normal working procedures;

- highlight the most serious cases where the Model is not implemented correctly to the managers and employees who carry out the controls within the various departments;
- if, however, it emerges from monitoring the implementation status of the Model that adjustments should be made, the Supervisory Board will have to be proactive in ensuring times and forms necessary for this adjustment<sup>55</sup>.

To this end, as stated previously, the Supervisory Board must have free access to people and all corporate documentation, and the possibility of acquiring relevant data and information matters from the people responsible. Finally, the Supervisory Board must be informed about all the information specified in Chapter 7.

The President defines the role and duties of the staff totally or partially committed to working for the Supervisory Board.

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<sup>55</sup> Times and forms are, naturally, not predetermined but the times must be understood to be the most rapid possible and the content will be that imposed by the observations that determined the need for such an adjustment.

## **6. Information Flows**

### **6.1 Reporting by the Supervisory Board to MIP bodies**

The Supervisory Board reports yearly or whenever the need arises to the Board of Directors of MIP.

To this end, the Supervisory Board must prepare a descriptive annual report for the Board of Directors containing, in particular, a synthesis of all the initiatives carried out over the year, the controls and verifications carried out and any updates eventually made to the Model, and other issues of major importance.

The report must always contain:

- the work carried out by the Supervisory Board;
- any critical aspects that arose either in terms of MIP internal conduct or events, or in terms of the Model's efficacy.

The Board of Directors has the faculty of convoking the Supervisory Board at any given moment; this, in turn, has the faculty of convoking, through the competent departments or subjects, the aforementioned bodies for urgent reasons.

The Supervisory Board can also, after assessing the individual circumstances:

- 1) communicate the results of their verifications to the managers of the departments and/or processes, if any aspect that could be improved emerges from this process. In this case, it will be necessary for the Supervisory Board to obtain from these managers an action plan and relative time scales for the activities that could be improved, as well as the specifications of the operational modifications necessary to the implementation;
- 2) indicate any behaviour/action not in line with the Model and Ethical Code, with the purpose of:
  - i) acquiring all the elements to make any necessary communication to the structures appointed to the evaluation and application of disciplinary sanctions;
  - ii) avoiding the fact from being repeated, giving indications on how to remove any deficiency.

The actions mentioned at point 2) must be communicated by the Supervisory Board to the Board of Directors in the shortest possible time, and can include the request for support from other corporate structures in joining the verification and identification process, to avoid the circumstances from being repeated.

The copies of the relative minutes will be kept by the Supervisory Board and the bodies involved at the time.

### **6.2 Reporting to the Supervisory Board about information flows, warning reports and the gathering and storing of information**

The mandatory information that must be provided to the Supervisory Board refer to:

- Information, data, news and documents that can be used by the Supervisory Board to undertake its functions in an informed manner.
- Warnings or reports about events that could constitute grounds for company liability pursuant to the Decree.

All the Addresses of the Model are required to comply with these obligations.

### **6.2.1 Information flows**

By establishing the procedure and through other means, the Supervisory Board can determine the information it requires from those managing sensitive information, as well as the periodicity of this information and the modalities by which it is to be conveyed to said Board.

The department managers who work with sensitive data must transmit to the Supervisory Board information pertinent to:

- the outcome of the periodical monitoring operations undertaken by these managers to comply with the procedures set out in the Model, including on demand (summary reports on their completed work, etc.);
- any anomalies or atypical events identified within the scope of the information available.

Information can concern, by way of example only:

- operations that fall under the area of sensitive information (for example, periodical summary reports on the agreements signed with public bodies, information concerning newly recruited personnel and the use of financial resources to purchase goods or services or other investments, etc.);
- provisions and/or information from the magistracy, judiciary police bodies, or any other Italian or foreign authority, where the inference is that an investigation is being carried out against the relevant persons for crimes pursuant to Legislative Decree no. 231/2001 and that can affect MIP;
- requests for legal assistance made by employees in the event of initiation of legal proceedings against them and in relation to the offences referred to in Legislative Decree no. 231/2001, unless expressly prohibited by the judicial authorities;
- reports prepared by the operational area managers on their control operations, which can highlight facts, acts, events or omissions that are critical in relation to the Model regulations and expectations;
- information relative to the disciplinary proceedings that have been carried out and any sanctions that have been imposed (including provisions against employees), together with the archiving procedures of these proceedings and relative motivation;
- any other information that, while not included in the preceding list, is relevant to ensure that the Model is applied correctly and thoroughly within its area of application and is updated effectively.

In every case, the Supervisory Board will define and transmit a detailed Flow of Information plan to the managers interested.

The documentation relating to flow of information must be sent to the Supervisory Board using the email address: [organismovigilanza231@mip.polimi.it](mailto:organismovigilanza231@mip.polimi.it).

### 6.2.2 “Whistleblowing” Reporting

The obligation to report about any behaviour contrary to the provisions set out in the Model falls within the broader duties of diligence and loyalty to one’s employer. Regarding external consultants and collaborators, etc., they are contractually obliged to report immediately about any instance when they may have been asked, directly or indirectly, by an employee or representative of MIP, to act in any way that is contrary to what is set forth in the Model.

Therefore, all company employees, whether in a senior management or subordinate position, as well external Addressees of this document, are required to inform the Supervisory Board directly about any event that they have become aware of during their work where a crime has been committed, any circumstance where unlawful behaviour has taken place according to the Decree and founded on precise and coherent facts, any infringement of the Model and any instance at variance with the principles of behaviour set out in the Model and Ethical Code, using various different channels of communication that ensure that the identity of the person making the report is protected by digital means, as required by Article 6, paragraph 2-*bis*, letter b) of the Decree.

#### Contents of these reports

For the above purposes, the informant must provide all the information he or she has, which can be used to verify the facts reported. In particular, the report must contain the following required information:

Subject Matter: a clear description of the facts being reported, indicating, if known, the time and place in which these actions were committed/refrained from being committed.

Event reported: the informant must give sufficient personal details or other elements (such as the person’s position or function within the company) to identify the presumed author of the unlawful behaviour.

The informant can also provide the following: (i) his/her personal details, if he/she does not wish to uphold his/her right to remain anonymous; (ii) indicate any other persons who can report on the same facts; (iii) indicate any document that can confirm the truth of such facts.

The reports, even when anonymous, must always be relevant pursuant to the Decree; Anonymity cannot ever be used as a tool to give vent to quarrels or disputes between employees. The following are likewise not allowed:

- the use of offensive language;
- reports whose purpose is exclusively defamatory or slanderous;
- reports that refer exclusively to aspects of private life with no direct or indirect connection to the company’s activity. These reports will be considered all the more serious if they refer to sexual, religious, political or philosophical behaviour or orientation.

To summarise, every report must be sent with the sole purpose to protect the integrity of the Company or to prevent and/or curb any unlawful behaviour as defined in the Model.

### Communication channels

The channels that informants can use to communicate with the Supervisory Board listed below will also ensure the informant's privacy and his/her protection against any reprisal, in compliance with "whistleblowing" legislation. Furthermore, the Company will monitor the career progression of any informants to ensure that they do not suffer from any discriminatory treatment and sets out disciplinary procedures on the basis of the severity of the facts, and in any case mindful of the principles set out in Chapter 9 of the Model, against informants who maliciously report facts that are subsequently shown to be unfounded.

The possible channels are the following:

*Communicating by telephone:* using the telephone number +39 (0)2 2399 9572, where the answering machine is always enabled and, on receiving a call, will send an email to the address below, attaching the recorded audio file of the call;

*Email address:* [whistleblowing@mip.polimi.it](mailto:whistleblowing@mip.polimi.it); on this point, the Company confirms that this email box can only be accessed by the Supervisory Board; to be precise, no other person, including the system managers, can access, verify or forward the contents of these emails; Any infringement to this prohibition entails applying the disciplinary sanctions set out in the following Chapter 8.

*Further channels identified and implemented according to the provisions of Article 6, 2-bis, letter d) of the Decree.*

### Handling of these reports

The Supervisory Board will put in place all the measures necessary to safeguard the identity of the persons sending information to the Board itself. However, any behaviour that has the only purpose of slowing down the work of the Supervisory Board will be suitably punished. The Company will make sure that informants are protected against any form of retaliation, discrimination or penalty, and in any case ensure the confidentiality of the same, without prejudice to the legal obligations and protection of the rights of the Company or of persons accused in error and/or bad faith.

For the purposes above, the Supervisory Board gathers and stores the reports it receives in a special archive (electronically and/or hard copy) to which only its own Board members have access. The Supervisory Board assesses all the reports and the situations where intervention is required, at its own discretion and under its own responsibility. The reasoning backing the outcome of this process must be set out in writing.

## **6.2.3 Gathering and storing information**

All the Information, notifications and reports contemplated in the Model are kept by the Supervisory Board in a special computer database and/or paper register.

Data and information stored in the database are made available to bodies external to the Supervisory Board under authorisation of the Supervisory Board itself, unless otherwise specified according to the "whistleblowing" procedures set out in paragraph 6.2.2.



## **7. Information and training**

MIP, in compliance with Legislative Decree no. 231/2001, and in order to implement the Model effectively, has prepared a special communication and training plan with the view of ensuring that the principles contained in the Model are widely circulated to the Addressees, together with the sensitive activities and the protocols that relate to them. This plan is managed by the President, in co-ordination with the Supervisory Board.

### **7.1 Communication**

In particular, in terms of communication, within 15 (fifteen) days of the approval of the Model by the Board of Directors, the Model will be made known to:

- the public, after being published on MIP's website;
- the consortia members, Board Directors, employees and collaborators, who will receive an information e-mail (or, in alternative, information letter) stating that the Model has been adopted and is available on MIP's intranet.

### **7.2 Staff training**

In terms of training, MIP has established a specific training program concerning, in general, the provisions of the law on the subject of the corporate responsibility of Entities (and, therefore, the consequences to MIP of any offence committed by subjects who work for it), the essential features of the offences contemplated by the Decree, and, specifically, the principles contained in the Model, MIP's sensitive activities and relative protocols, and the preventative end objectives pursued by MIP in this context.

In particular, the principal guidelines that inspired MIP in preparing its training and communication program are the following:

- pervasiveness: to involve everyone who works for the company;
- documented: at the conclusion of every training session, it must be possible to show that training has taken place, with the consequent assimilation of the concepts discussed;
- empowerment: at the conclusion of the training program, employees are educated and empowered about the necessity of maintaining a conduct compliant to the provisions of the Model.

Board Directors, employees and collaborators of MIP will take part in the session.

This informational training session will be repeated every year.

With the exception of what is stated above, the level of training also goes into greater or lesser depth, depending on the staff's level of involvement in the sensitive activities.

In particular, people who work in the above sensitive areas and identified in the previous Chapter 3, will take part in meetings aimed at illustrating the operational methods associated to the performance of daily duties in the individual areas considered at risk, with reference to the relative protocols.

In conformity to the aforementioned principles, training will be documented appropriately and participation to the informational training sessions is formally recorded by signing the attendance register.

The following complete the set of information and training programs:

- e-mail updates every three months;
- the specific information and guidelines are included in the employment letters to new employees.

### **7.3. Information for External Collaborators and Partners**

Third parties external to MIP (such as consultants and partners) are given a letter stating that MIP has adopted the Model and setting out the consequences if the Model is not complied with, with the invitation to read the copy published on MIP's internet site.

Whenever possible, specific clauses aimed at regulating the consequences of a breach are included in the respective contracts, along the following lines: "MIP - in carrying out its business and managing its relationships takes inspiration from the Organisation Model set up in accordance with Legislative Decree no. 231/2001, and the accompanying Ethical Code. The counterpart declares to have taken act of the provisions contained in the Model and Ethical Code adopted by MIP, to agree with its contents and to do his/her best to respect it in the course of the activity covered by this appointment. Breach of the provisions contained in the Model and Ethical Code by the contracted counterpart can entail, depending on the severity of the breach, the termination for damages of this contract under and for effect of Article 1456 of the Civil Code, subject to the payment of damages caused to MIP".

## **8. Disciplinary system**

### **8.1 General principles**

Pursuant to Articles 6, paragraph 2, letter e) and 7, paragraph 4, letter b) of the Decree, the Model is implemented only if it provides for a disciplinary system to sanction the non-compliance of the measures contained within.

This disciplinary system is addressed to employees and directors, providing appropriate disciplinary sanctions.

Breach of the rules of conduct for the measures contemplated by the Model, by MIP employees or MIP directors constitutes a non-fulfilment of obligations deriving from the employment relationship, under Article 2104 of the Civil Code and Article 2106 of the Civil Code.

The application of disciplinary sanctions is irrespective of the outcome of a possible prosecution, because the rules of conduct and internal procedures are binding for the Addressees, independently of whether a crime effectively took place as the consequence of a given behaviour.

### **8.2 Infringement to the Model**

In order to comply with Legislative Decree no. 231/2001, as an illustration, a breach of the Model is any action or behaviour that does not conform to the provisions of the Model and/or the principles of the Ethical Code, including the omission of actions or behaviour prescribed by the Model, in the performance of activities where there is the risk that the crimes contemplated by Legislative Decree no. 231/2001 can be committed.

### **8.3 Measures regarding Employees**

Conduct held by employees in breach of the individual rules of conduct set out in this Model constitutes a disciplinary offence. Committing disciplinary offences entails the application of disciplinary sanctions.

Article 2104 of the Civil Code, identifying the duty of “obedience” on the part of the employee, determines that the employee must observe, in performing his/or her work, both legal provisions and those of a contractual nature imposed by his/her employer. If these provisions are not observed, the employer can apply disciplinary sanctions, proportional to the severity of the infringement, in compliance with the Italian national collective employment agreement of reference.

The disciplinary system must, in any case, respect the limitations laid down under Law no. 300 of 1970 (known as the Workers’ Statute), regarding the power to impose penalties, where applicable, both in terms of the penalties that can be applied and the means by which the power to impose sanctions can be exercised.

In particular, the disciplinary system must comply with the following principles:

a) the system must be duly publicised by posting it in a place accessible to employees, and specific courses covering new and updated information can be held on the subject;

b) the penalties must conform to the principle of proportionality in relation to the infraction, and, under Article 2106 of the Civil Code, will be specified according to the collective employment contract of the sector; in any case, the penalty must be chosen on the basis of the intentionality of the conduct or degree of negligence, rashness or inexperience reflected, the employee's previous behaviour, with particular regard to the existence or otherwise of previous disciplinary measures, the position and work carried out by the person responsible and other significant circumstances, such as which joint responsibility including of omission, in regards to the conduct subject of the sanction;

c) a fine must not be above four hours' pay, calculated on the employee's basic retribution;

d) suspension from work and pay must not be above ten days;

e) the worker who has been served with a notice of violation retains the right of defence (Article 7 Law no. 300/1970 and Article 2106 of the Civil Code): the charges must be expeditious and the worker can send written observations to the Supervisory Board within five working days from the notification, and, if the employee requests it, he/she has the right to be heard by the Supervisory Board; in any case, disciplinary measures more severe than a verbal or written warning cannot be applied until five working days have elapsed from the written notification of the fact that caused the disciplinary measure.

The penalty must be commensurate to ensure that the Model is effective.

Penalties are:

1) a verbal or written warning, to be applied when the worker breaches one of the internal procedures contemplated in the Model (for example, not complying with the prescribed procedures, omitting to inform the Supervisory Board of prescribed information, omitting to carry out controls, etc.) or, while performing work within a sensitive activity area, does not behave in compliance with the Model;

2) a written warning, applicable when the worker repeatedly breaches one of the internal procedures contemplated in the Model or, while performing work within a sensitive activity area, repeatedly does not behave in compliance with the Model;

3) suspension from service and from pay (not above ten days), applicable when the worker, in breaching an internal procedure contemplated by the Model or, while performing work within a sensitive activity area and not behaving in compliance with the Model, causes damage or creates a situation of potential danger to MIP, and when the worker repeatedly re-offends regarding the above point 2).

4) the termination of the employment relationship for justified reason, applicable when the worker, while performing work within a sensitive activity area, does not behave in compliance with the Model and causes a significant non-performance, unequivocally directed towards committing a crime sanctioned by Legislative Decree no. 231/2001 or one that causes the provisions pursuant to Legislative Decree no. 231/2001 to explicitly apply to MIP;

5) the termination of the employment relationship for justified reason, applicable when the worker, while performing work within a sensitive activity area, does not behave in compliance with the Model, and causes a very serious non-performance, unequivocally directed towards committing a crime sanctioned by Legislative Decree no. 231/2001 or one that causes the

provisions pursuant to Legislative Decree no. 231/2001 to explicitly apply to MIP, and when the worker repeatedly re-offends regarding the above point 3).

It is understood that all the provisions and the guarantees contemplated by law and the employment contract on the subject of disciplinary procedure will be observed. In particular, the following will be complied with:

- the obligation - in relation to the application of any disciplinary procedure - of the prior notification of the charges to the employee and to have heard him/her in relation to his/her defence;
- the obligation, with the sole exception of the verbal warning, of providing a written notification, and that the measures should not be issued unless the specified days indicated for each sanction in employment contracts have passed from the notification of the violation.

Concerning the verification of the infringement, disciplinary measures and the pronouncement of the sanctions, the powers conferred to the competent bodies of MIP remain valid, within the limits of their relative mandates and competence.

In applying the type and entity of each sanction mentioned above, account will be taken of:

- whether the behaviour was intentional, the degree of negligence, rashness or inexperience, and also whether the event could have been predicted;
- the overall conduct of the worker, with particular regard to whether the worker had received previous disciplinary measures, within the limits allowed by the law;
- the duties of the worker;
- the operational position and the level of responsibility and autonomy of the people involved in facts causing the non-performance;
- other particular circumstances in conjunction with the disciplinary offence.

#### **8.4 Measures concerning Executive Directors and Board Directors**

In the case where the conduct that can be sanctioned under and through effects of this Model has been committed by one of the Board Directors, the Supervisory Board will inform the entire Board of Directors and the Board of Auditors, which, with the exception of the interested Board Director, will assume the appropriate initiatives provided for under the legislation in force.

In the case where the conduct that can be sanctioned under and through effects of this Model has been committed by the majority of the Board Directors, the Supervisory Board will inform the entire Board of Directors and the Board of Auditors. The Board of Directors will convoke the Assembly of Consortium members to apply the appropriate measures.

Board Director/s and non-Board members of the Management Committee, who receive notification about a breach to the provisions of the Model, have the right to present their defence without delay, before the measures stated above are put into action.

## **8.5 Measures regarding Directors**

In the case where a director/s is in breach of the legislation in force, or does not comply with the internal procedures provided for in the Model or Ethical Code, the most appropriate measures will be applied to the directors responsible, in compliance with what is set out in the legislation in force and the competent Italian national collective employment contract for directors.

## **8.6 Measures regarding Collaborators, Consultants and other third parties**

Any conduct employed by collaborators, consultants, suppliers, partners or other third parties connected to MIP by a contractual relationship that is not one of employment, in breach of the provisions set out in the Model and/or Ethical Code, can determine, according to what is set out in the specific contractual clauses included in their letters of appointment or even when these are missing, the termination of the contractual relationships, subject to an eventual request of damages if the behaviour caused damage to MIP, including independently from the termination of the contractual relationship.

## **8.7 Measures concerning the application of the “whistleblowing” procedures**

In compliance with Art 2-bis, paragraph 1, letter d) of the Decree, the penalties referred to in the previous paragraphs, in accordance with the principles and criteria set out therein, are applied against any person who contravenes the measures set in place to protect the informant, as well as against any person who maliciously makes reports that are then proven unfounded.

In detail, committing acts of retaliation against the person who reported in good faith is a serious disciplinary offence and the applicable sanctions will be applied according to the procedures set out in the previous paragraphs. Both the informant and the trade union indicated by the informant can denounce any discriminatory measures against persons making such reports to the Italian national labour inspection office, for the aspects that fall under its responsibility. The retaliatory or discriminatory dismissal of the informant is null and void. Equally void are changes to employment duties under Article 2103 of the Civil Code, or any other retaliatory or discriminatory measure taken against the informant.

In the case of any dispute connected to the imposition of disciplinary sanctions, or a demotion, dismissal, transfer or any other organisational measure imposed on the informant that has any direct or indirect negative effects on the informants working conditions, after the report was presented, it is the duty of the employer to demonstrate that these measures were funded on reasons other than the report presented by the informant.

The unauthorised use of the reporting channels is also prohibited, and equally nobody, including the system administrators, is allowed to access the contents of the emails sent to [whistleblowing@mip.polimi.it](mailto:whistleblowing@mip.polimi.it). Any infringement to this prohibition entails applying the disciplinary sanctions.

The protection of the identity of the informant ceases in the case of reports that are shown to be clearly unfounded or deliberately presented with the purpose of damaging the person informed against or the company. In this case, also, this behaviour is a serious disciplinary offence and is punishable according to the procedures set out above.

## **ANNEX 1: Ethical Code**