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ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF ALMA PETROLI S.p.A. PURSUANT TO ITALIAN LEG. DECREE 231/2001

GENERAL SECTION

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CHAPTER I - ITALIAN LEGISLATIVE DECREE No 231/2001

1. Regime of administrative liability of entities

Italian Legislative Decree No 231 of 8 June 2001 introduced in Italy the administrative liability of legal entities, and companies and associations, including those without legal personality, for acts connected with the committing of offences.

The relevant offences - according to Legislative Decree No 231/2001 as amended - for the purposes of establishing the administrative liability of the entity, are solely those specifically listed by the Legislator and are listed below:

- offences committed in relations with Public Administration (articles 24 and 25);
- computer crime and unlawful processing of data (article 24-bis);
- organised crime offences (article 24-ter);
- forgery of money, public credit cards, revenue stamps and identification instruments or marks (article 25-bis);
- offences against industry and trade (article 25-bis 1);
- corporate crimes (article 25-ter),
- crimes whose purpose is terrorism or subversion of the democratic order, provided for by the criminal code and special laws (article 25-quater);
- practices of female genital mutilation (article 25-quater 1);
- crimes against individuals (article 25-quinquies);
- market abuse (article 25-sexies);
- culpable homicide and grievous or highly grievous bodily harm as a consequence of the violation of the rules for the protection of health and safety in the workplace (article 25-septies);
- receiving stolen goods, laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering (article 25-opties);
- transnational crimes (Law No 146 of 16 March 2006, article 10);
- offences relating to violations of copyright (article 25-novies);
- inducement not to make statements or to make false statements to the Court (article 25-decies);
- environmental crimes (article 25-undecies);
- employment of citizens of other countries without a valid residence permit (article 25-duodecies);
- racism and xenophobia (article 25-terdecies);
- offences of fraud in sport (article 25 quaterdecies);
- Italian Law Decree No 105/2019: "Urgent provisions on the national cyber security perimeter";
- tax offences: article 25 quinquiesdecies;
- smuggling offences (article 25 sexesdecies)

This regulation, Article 5, provides for entities to be held directly responsible and for the imposition of sanctions following the verification of certain offences committed in the interest or to the advantage of the Company by persons in so-called top positions or by persons under the direction of others.

The judge having jurisdiction over crimes committed by individuals also establishes violations attributable to companies. This element, together with the fact that the same legislation expressly provides for

all the guarantees laid down for the defendant to be extended also to an entity, means that we can essentially speak of the criminal liability of the entity.

Monetary sanctions and, if the conditions are met, sanctions of disqualification, as well as confiscation and publishing of the sentence are laid down for the Company.

Monetary sanctions are always applied through a system of quotas, the number of which is established by the judge in relation to certain parameters, including the seriousness of the deed and the degree of responsibility of the Company. The amount of the quota instead, is set on the basis of the economic and financial position of the company.

The disqualifying sanctions are:

- prohibition of continuing in business;
- suspension or revocation of the permits, licences or concessions necessary for the offence to be committed;
- prohibition on contracting with Public Administration, other than to obtain the performance of a public service;
- exclusion from grants, loans, financing or subsidies and possible revocation of those already granted;
- ban on advertising goods or services.

If there are serious indications that the Company is liable and that there exists a real danger of a repetition of the offence, for those cases that provide for them, and if all the requirements laid down are met, at the request of the Public Prosecutor these sanctions can be applied by the judge, even as a precautionary measure. Equally applicable by the judge are the precautionary seizure of confiscatable goods or property and account preservation should there be a danger of the dissipation of the guarantees for any amounts payable to the State (court costs, monetary sanctions).

Italian Legislative Decree 231/2001, as mentioned, applies in relation to offences committed by:

- persons in top positions, i.e. directors, general managers, heads of secondary offices, directors of divisions with financial and functional autonomy, as well as those who even only de facto exercise management and control of the Company;
- persons subject to the direction or supervision of the above-mentioned persons, including those who work in a position, even if not formally classified as an employee, which is however subordinate, as mentioned, to the supervision of the company for which they are acting.

An essential condition for the Company to be held liable for the offence is that the act was committed in the interest or to the advantage of the Company itself.

The Company, therefore, is liable whether the perpetrator committed the offence with the intention of pursuing an interest of the Company, either exclusive or shared, or whether the offence is in any case advantageous to the Company. In the latter case, however, despite the advantage gained, the Company's liability is excluded if it turns out that the perpetrator acted in order to pursue an interest that was exclusively his own or in any case different from that of the Company.

2. Adoption of the Organisational, Management and Control Model to secure exemption from administrative liability

Italian Legislative Decree 231/2001, in the event of an offence committed by a senior person, excludes liability if the Company proves that:

- › before the offence was committed, the managing body had adopted and effectively implemented, an organisational, management and control model intended to prevent crimes of the kind that occurred;
- › the task of overseeing the functioning of and compliance with the Model and of ensuring its updating had been entrusted to a body within the Company having independent powers of initiative and control;
- › the persons committed the offence by fraudulently by-passing the Organisational, Management and Control Model;
- › the oversight provided by the inspection body was neither non-existent nor inadequate.

In the event of an offence committed by a person subject to the direction or supervision of others, the Company is liable if the commission of the offence was made possible by its failure to fulfil its obligation to provide direction or supervision.

In any case, non-compliance with the obligations to provide direction or supervision is excluded if the Company, before the commission of the offence, had adopted and effectively implemented a Model suitable for preventing crimes such as the one that occurred.

The Model will have to meet several requirements:

- identify the "areas at risk", i.e. the activities within which offences might be committed;
- define specific protocols for planning the formulation and execution of the Company's decisions, in relation to the offences to be prevented;
- identify ways to manage financial resources, in order to prevent offences;
- specify obligations to provide information to the body responsible for overseeing the functioning of and compliance with the Model;
- introduce a disciplinary system to penalise non-compliance with the measures set out in the Model.

The Model must provide for measures appropriate to the nature and size of the organisation, as well as the type of activity carried out, that can ensure that the activity is carried out in compliance with the law and that situations of risk are discovered and eliminated promptly.

The effective operation of the Model requires periodic inspection, and modification of the Model when significant violations of its prescriptions are discovered or when changes occur in the organisation or activity of the company.

3. Guidelines established by Trade Associations

The design and execution of the risk assessment and gap analysis in question is inspired by the Guidelines issued by Confindustria and Ancpl and approved by the Ministry of Justice. The references are as follows:

- CONFINDUSTRIA - "Guidelines": the Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/2001 approved by Confindustria on 7 March 2002, updated in March 2014, and approved by the Ministry of Justice on 21/07/2014.

In outline, the Guidelines proposed by CONFINDUSTRIA provide for:

- the identification of areas at risk, aimed at verifying in which company areas/sectors it is possible to commit the offences laid down in the Decree;
- the preparation of a control system capable of preventing the risks of the afore-mentioned offences being committed through the adoption of specific protocols.

The most important components of the control system proposed by CONFINDUSTRIA are:

- a code of ethics;
- an organisational system;
- powers of authorisation and signature;
- control and management systems;
- communicating to and training of personnel.

The components of the control system must conform to the following principles:

- each transaction must be verifiable, documentable, consistent and appropriate;
- the principle of separation of duties (no one can manage an entire process independently) must be applied;
- controls must be documented;
- an adequate system of sanctions for violations of the rules and procedures laid down in the model must be provided for;
- the requirements of the supervisory body must be specified. They can be summarised as follows:
 - autonomy and independence;
 - professionalism;
 - continuity of action.

CHAPTER II - ADOPTION OF THE "ALMA PETROLI S.P.A." MODEL

1. The Company

The Company (henceforth also ALMA PETROLI), has been operating since 1960 in the refining of heavy crude oil and its corporate purpose consists of the following activities:

- the construction and operation of plants for the processing and refining of mineral oils, bitumen and their derivatives, the wholesale and retail trade in petroleum products in the Community and abroad, as well as the construction and operation of plants for energy recovery through the production of electricity and heat.

In order to improve the performance of its activities, the Company may, in scrupulous compliance with the rules governing their operation:

- participate in public and private tenders and contracts;
- accept and grant agencies, commissions, representational arrangements and mandates;
- obtain loans and financing in general as a taxable person;
- acquire and hold interests and stakes of any kind in entities, companies and enterprises, for the purpose of stable investments and not for placement;
- issue collateral and other guarantees also in the interest of third parties;
- carry out commercial, industrial and financial transactions as well as those relating to real estate and goods that the Board of Directors deems necessary, useful or appropriate for carrying out the corporate purposes.

2. Objectives pursued by ALMA PETROLI S.P.A. with the adoption of the Model

In order to ensure fairness in the way it conducts its business activities and with a view to spreading and promoting integrity and transparency, ALMA PETROLI S.P.A. considers it appropriate to implement the provisions of Italian Legislative Decree No 231/2001 and to set up a Model capable of preempting the risk of committing the offences set out in the said Decree.

The Model is prepared in accordance with the dictates of the Legislative Decree and on the basis of guidelines drawn up by Confindustria.

The decision to adopt the Model was taken with the intention of protecting the Company's image, the interests and expectations of its shareholder and customers as well as the public, and of making all partners and all those who work in the name and on behalf of ALMA PETROLI S.P.A. aware of the need to adopt correct behaviour in order to avoid committing offences.

On 2 August 2018, in anticipation of the adoption of the Model, "ALMA PETROLI S.P.A." assigned the Supervisory Body the task of ensuring the effectiveness of the Model, verifying compliance and being responsible for updating it.

On 10 May 2019 the Board of Directors of ALMA PETROLI S.P.A. approved this "Organisational, Management and Control Model pursuant to Italian Legislative Decree No 231/2001".

The Organisational Model and the Code of Ethics adopted by ALMA PETROLI S.P.A. will be supplemented by the reference procedures in force.

3. Purpose and basic principles of the Model

The Model responds to the need to refine the system of internal controls and to avoid the risk of offences being committed.

This objective is achieved through the identification of "sensitive" activities, the preparation of an organic and structured system of procedures and the adoption of a suitable risk monitoring system.

The basic principles of the Model are therefore aimed at:

- making the potential perpetrator aware that he is committing an offence contrary to the principles

and interests of ALMA PETROLI S.P.A. (as referred to in the Code of Ethics) even when it would appear that the offence itself would be advantageous to the Company;

- ›
- › making it possible to monitor sensitive activities and take steps to prevent the committing of the offence and, if necessary, to reinforce the internal monitoring system by amending procedures, authorisation levels or supporting systems.

This Model has been created bearing in mind, not only the prescriptions of Italian Legislative Decree No 231/2001 but also the guidelines of Confindustria. This general section describes the contents and impacts of Leg. Decree No 231/2001, the basic principles and objectives of the Model, the tasks of the Supervisory Body, the sensitive activities, the protocols for the adoption of adequate internal control systems, the procedures for the adoption, dissemination, updating and application of the contents of the Model, and also the provisions of the disciplinary system. There is also a special section that, with reference to the different types of offence pursuant to Leg. Decree No 231/2001, highlights in detail:

- ↓ the offences in question (classes or individual cases);
- ↓ areas/activities at risk;
- ↓ the procedures/protocols adopted.

The Company has identified the areas at risk of offences being committed pursuant to Legislative Decree No 231/2001, in connection with the carrying out of the specific activities for which the Company is responsible. For each area of risk, appropriate internal monitoring systems have been set up to prevent offences being committed and suitable organisational procedures have been drawn up and adopted. In particular, given the nature of the Company and of the legal cases in which it has been involved, particular attention has been paid to the class of Offences against Public Administration.

A Supervisory Body has been identified and assigned the task of overseeing the correct application of the Model by monitoring activities and defining information flows from sensitive areas.

Tasks and powers have been attributed to this Body and to top management in order to guarantee that the application and adequacy of the Model are effectively supervised, and also for the purposes of setting up the exemption.

Provision is made for the adoption of disciplinary sanctions in the event of violation of the Model, in compliance with existing legislation on the matter.

4. Structure of the Organisational, Management and Control Model: General Section and Special Section

The Organisational, Management and Control Model consists of a General Section and a Special Section.

The General Section - consisting of this document - describes the contents and effects of Italian Legislative Decree No 231/01, the basic principles and objectives of the Model, the duties of the Superviso-

ry Body, the procedures for adopting, disseminating, updating and applying the contents of the Model, and the provisions of the disciplinary system.

The Special Sections - drawn up on the basis of the mapping of the areas of risk and in which explicit reference is made to the offences provided for by Legislative Decree 231/2001 and their applicability to ALMA PETROLI S.P.A.

The Organisational, Management and Control Model is also integrated with the contents of the Code of Ethics.

5. Amendments and additions to the Organisational, Management and Control Model

Since the Model is a document issued by top management, subsequent significant amendments and additions are the responsibility of the Administrative Body.

The Supervisory Body is responsible for proposing any amendments or additions that modify the structure of the Model, such as:

- the insertion or deletion of special sections;
- the inclusion of new areas of risk;
- changes to the names of areas within the company;
- the modification or inclusion of reports to the Supervisory Body;
- the introduction of new procedures/protocols;
- the definition of any detailed operating procedures referring to specific activities in connection with the types of orders defined;
- the modification or updating of company procedures;
- the updating of the types of offences provided for by Legislative Decree No 231/2001, as detailed in the section "Regime of administrative liability of entities", following amendments to the Law.

The Administrative Body approves:

- the insertion or deletion of special sections;
- the introduction of new procedures/protocols;
- the definition of any detailed operating procedures referring to specific activities in connection with the types of orders defined;
- the modification or updating of company procedures.

CHAPTER III - GENERAL MONITORING ENVIRONMENT

1. Overview of the System

All sensitive activities must be carried out in compliance with applicable laws, the rules of the Code of Ethics and the rules contained in this Model.

In general, the Company's organisation system must comply with the basic requirements of formalisation and clarity, communication and segregation of duties, in particular with regard to the assignment of responsibility, representation, definition of the hierarchical structure and business activities.

The Company must rely on organisational tools (organisation charts, organisational communications, procedures, etc.) based upon certain general principles such as:

- availability of information within the Company;
- clear and formal definition of job roles, with a complete description of the tasks of each function, its related powers and responsibilities;
- clear description of the reporting lines.

Internal procedures must feature the following elements:

- separation of duties, within each process, specifically, between the person who initiates it (decision-making function), the person who executes and completes it, and the person who monitors it;
- a written record of each significant step of the process;
-
- appropriate level of formalisation;
- ensure that the incentive systems of those persons with significant external spending power or decision-making powers are not based upon substantially unachievable performance targets;
- the documents concerning company activity must be filed and kept, by the functional area responsible, in such a way as to allow their subsequent modification, supported by appropriate evidence, also taking into account the provisions of each piece of applicable legislation;
- formalised rules for exercising signatory powers and internal authorisational powers;
- company provisions suitable for providing at least general reference principles for the regulation of sensitive activities.

2. The system of mandates and powers of attorney

In principle, the system of mandates and powers of attorney must incorporate "security" elements for preventing offences being committed (the ability to trace and highlight Sensitive Activities) while at the same time, allowing the efficient running of the business.

A "mandate" is an internal document conferring functions and tasks, that is reflected in the organisation's system of communications.

The term "power of attorney" is understood to mean the unilateral legal transaction by means of which the company grants powers of representation before third parties.

Those holding positions in the company that require powers of representation in order to carry out their duties are granted a "general functional power of attorney" of adequate scope and consistent with the functions and management powers attributed to the holder by means of the "mandate".

The requirements of the system of mandates that are essential in order effectively to prevent Offences, are as follows:

- all those (including also employees or corporate bodies of subsidiaries and in particular those of Service Companies) who have dealings with P.A. on behalf of the Company must be provided with a formal mandate in this regard;
- the mandates must relate each management power to the relative responsibility and to an appropriate position in the company organisational chart and must be updated following organisational changes;
- each mandate must specifically and unequivocally define:
 - the powers of the person granted the mandate, and
 - the subject (body or individual) to whom he/she reports;
- the management powers assigned with the mandates and their exercise must be consistent with the company's objectives;
- the person granted the mandate must have spending powers commensurate with the tasks assigned.

The requirements of the system for granting powers of attorney that are essential in order effectively to prevent Offences, are as follows:

- general functional powers of attorney are to be conferred exclusively on individuals with an internal mandate or with a specific contract of appointment, in the case of those carrying out coordinated and continuous work, which describes the associated management powers. Where necessary, such should be accompanied by a specific document setting out the extent of the powers of representation and any monetary spending limits, with a reminder however, of the need to comply with the constraints imposed by the processes for approving Budgets and any *extra-budget* amounts and by the processes for the monitoring of Sensitive Activities by other functions;
- the power of attorney may be granted to natural persons specifically identified in the power of attorney itself, or to legal persons, who will act through their own representatives vested with similar powers within the scope of the power of attorney;
- an *ad hoc* procedure must regulate the methods and responsibilities for ensuring that powers of attorney are updated in a timely manner, establishing those instances in which powers of attorney must be granted, modified and revoked (assumption of new responsibilities, transfer to different tasks incompatible with those for which they were granted, resignation, dismissal, etc.).

3. Relationships with Service Companies/Consultants/Partners: general principles of conduct

Relationships with Service Companies/Consultants/Partners, within the scope of sensitive processes and/or activities at risk of an offence, must be based on the utmost fairness and transparency, compliance with the Law, the Code of Ethics, this Model and internal company procedures, as well as the specific ethical principles on which the Company's activity is based.

Service Companies, consultants, sales agents, suppliers of products/services and partners in general (e.g. temporary association of companies) must be selected in accordance with the following principles:

- confirmation of their commercial and professional reliability (e.g. through routine searches at the Chamber of Commerce to ascertain the extent to which their activities match the services re-

requested by the Company, and self-certification pursuant to Presidential Decree No 445/00 concerning any pending charges or judgments issued against them);

- selection on the basis of an assessment of their offering in terms of quality, innovation, costs and standards of sustainability, with particular reference to respect for human rights and workers' rights, the environment, the principles of legality, transparency and fairness in business (this accreditation process must provide for high quality *standards* that can also be verified through the acquisition of specific certifications on the matter of quality);
- avoiding of any commercial and/or financial transaction, either directly or through an intermediary, with individuals or legal entities that have been convicted of offences giving rise to liability under Legislative Decree No 231/01 and/or reported by European and international organisations/authorities responsible for the prevention of crimes of terrorism, money laundering and organised crime;
- limiting, in line with the requirements of the reference market, contractual relations with parties - natural persons or legal entities - who have their head office or residence in or have any connection with countries considered non-cooperative due to not complying with the standards of international laws and the recommendations expressed by FATF-GAFI (Financial Action Group against money laundering) or which are included on the "Black Lists" of the World Bank and the European Commission;
- recognising fees due solely against appropriate supporting documentation in the context of the contractual relationship established or in relation to the type of task to be performed and current local practices;
- in general, no payments are to be made in cash and in the event of an exception, such payments must be appropriately authorised. In any case, payments must be made within the framework of the appropriate administrative procedures that document the traceability of the expenditure;
- with reference to financial management, the company implements specific procedural checks and pays particular attention to flows that do not fall within the company's typical processes and are therefore managed in an extemporaneous and discretionary manner. These checks (e.g. frequent reconciliation of accounting data, supervision, separation of duties, counter-balancing of functions, in particular purchasing and finance, effective documentation of the decision-making process, etc.) are designed to prevent the formation of hidden reserves.

4. Relationships with Service Companies/Consultants/Partners: contractual clauses

Contracts with Service Companies/Consultants/Partners must provide for the formalisation of specific clauses that govern:

- the commitment to comply with the Code of Ethics and the Model adopted by the Company, as well as a declaration that they have never been implicated in legal proceedings relating to the offences provided for in the Company's Model and in Italian Legislative Decree 231/01 (or if they have been, they must in any case declare this for the purposes of closer scrutiny by the company

in the event of a supply, consultancy or *partnership* relationship being established). In this regard, the Service Company/Consultant/Partner declares that they have received the Code of Ethics and/or have viewed it on the website "www.almapetroli.com".

The Service Company/Consultant/Partner guarantees, in its relations with ALMA PETROLI S.P.A., to refrain from any behaviour that may expose it to the risk of legal proceedings for offences in relation to which the sanctions provided for in Legislative Decree No 231 of 8 June 2001 apply and, in the event of failure to do so, recognises the right of ALMA PETROLI S.P.A. to consider the contract terminated;

- the consequences of violating the rules of the Model and/or the Code of Ethics (e.g. express termination clauses, penalties);
- the commitment, for foreign service companies/consultants/partners, to conduct their business in compliance with rules and principles similar to those laid down by the laws of the State (or States) where they operate, with particular reference to the offences of corruption, money laundering and terrorism and the rules that provide for the corporate liability, as well as the principles contained in the Code of Ethics and the relative Guidelines, aimed at ensuring the respecting of adequate levels of ethics in the exercise of their activities.

5. Relationships with Customers: general principles of conduct

Relationships with customers must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model, the Law and internal company procedures, which take into consideration the elements specified below:

- accept cash payments (and/or other untraceable methods) only to the extent permitted by law;
- grant extended payment terms only if solvency is proven;
- refuse sales in violation of international laws/regulations that restrict the export of goods/services and/or that protect the principles of free competition;
- charge prices in line with average market values (except for commercial promotions and possible donations, provided that both are adequately justified/authorised).

CHAPTER IV - SUPERVISORY BODY

1. Identification of the Supervisory Body

Article 6, paragraph 1, letter b) of Italian Legislative Decree No 231/2001 stipulates that the task of overseeing the functioning of and compliance with the Model and of ensuring that it is kept up-to-date be entrusted to a body of the Company with independent powers of initiative and control.

The Supervisory Body is appointed by the Administrative Body and remains in office for three years. It is understood to be tacitly reappointed if, on expiry of this term, a new Supervisory Body is not appointed by the Administrative Body.

The Body in charge of supervising the functioning of and compliance with the Model must have the following essential requisites:

- › autonomy and independence, as an entity that reports directly to top management,

- › professionalism, having the knowledge and tools necessary to carry out the assigned activity effectively,
- › continuity of action, since it is a structure set up ad hoc and dedicated to the activity of supervision of the Model, without operational duties that could lead it to make decisions with economic and financial effects.

The Administrative Body assesses, when verifying the adequacy of the Model, the existence of:

- › appropriate objective formal requirements of good repute and the absence of conflicts of interest of the individual members of the Supervisory Body,
- › conditions of autonomy, independence, professionalism and continuity of action of the Supervisory Body.

With reference to causes of ineligibility and incompatibility, it should be noted that the members of the Body must not be related to members of the Top Management of the Company, nor must they be linked to it by financial interests or any situation that could generate a conflict of interest, with the exception of the employment relationship. Persons who have been convicted - even though not final - of one of the offences provided for in the Decree cannot be appointed as members of the Supervisory Body.

If the Chairman or a member of the Body falls into one of the above conditions of ineligibility, the Administrative Body, having carried out the appropriate checks and heard the person concerned, sets a deadline of no less than 30 days within which the situation of ineligibility must cease. Once this period has elapsed without the aforesaid situation having been concluded, the Administrative Body convenes the Shareholders' Meeting for the appropriate measures to be taken.

Members of the Supervisory Body must also meet the requirements of good repute. In this regard, a person may not be appointed as a member of the Supervisory Body and, if appointed, shall forfeit his appointment, if the subject of criminal proceedings/trial or if convicted and sentence passed for any of the offences provided for in Legislative Decree No 231/2001. Nor may a person who has been irrevocably sentenced to a term of imprisonment of more than one year for a offence without criminal intent or who has a conviction that, in any case, entails disqualification, even temporarily, from holding public office, or the temporary disqualification from holding executive offices of legal persons or companies.

2. Termination of assignment

The revocation of the appointment of the Supervisory Body and of each member is the exclusive responsibility of the Board of Directors.

No appointment to the Supervisory Body can be revoked without just cause. Just cause for revocation is understood to mean:

- › disqualification or incapacitation, or a serious infirmity that renders the member of the Supervisory Body unable to carry out his/her supervisory duties, or an infirmity that, in any case, entails his/her absence for a period exceeding six months;
- › the assignment of operational functions and responsibilities, or the occurrence of events, that are incompatible with the requirements of autonomy of initiative and control, independence and continuity of action, which are specific to the Supervisory Body;

- › a serious breach of the duties of the Supervisory Body;
- › an irrevocable conviction of the Company pursuant to the Decree, namely, a criminal proceeding ending in the application of the penalty at the request of the parties, so called "plea bargaining", where the documents show "omitted or insufficient supervision" by the Supervisory Body, in accordance with the provisions of article 6, paragraph 1, letter d) of the Decree;
- › an irrevocable conviction of the members of the Supervisory Body for having personally committed one of the offences provided for in the Decree;
- › an irrevocable sentence of the member of the Supervisory Body, of a penalty that entails disqualification, even temporarily, from holding public office, or temporary disqualification from holding executive offices of legal persons or companies.

In the cases described above in which a sentence has been handed down, the Board of Directors, pending the irrevocability of the sentence, may also order that the powers of the member of the Supervisory Body be suspended.

Any member may withdraw from their office at any time with a written notice of at least 30 days, to be submitted by registered letter with acknowledgement of receipt to the Administrative Body.

3. Functions and powers of the Supervisory Body

In consideration of the above, the functions of the Supervisory Body are as follows:

- to analyse the real suitability of the Model for preventing the offences provided for by Legislative Decree No 231/2001;
- to supervise the effectiveness of the Model, confirming its consistency with what is actually taking place and identifying any violations;
- to confirm that the requirements of effectiveness and adequacy of the Model remain constant over time;
- to ensure that the Model is updated when the analyses carried out highlight the need for corrections or updates following changes in legislation, changes in the company structure or in the activities carried out.

To this end, the Supervisory Body is assigned the task of carrying out the following activities:

- › carry out periodic checks on individual operations or actions within the areas at risk of an offence;
- › carry out unannounced spot checks, in the areas at risk of an offence, on the actual compliance with existing procedures and other monitoring systems;
- › collect reports from any source in relation to:
 - any critical aspects of the measures provided for by the Model;
 - any violations of the same;
 - any situation that may expose the Company to the risk of an offence;
- › collect and store in a dedicated file:
 - documentation, updated from time to time, relating to the procedures and other measures provided for by the Model;
 - information collected or received in the performance of its activities;
 - evidence of the various activities carried out;
 - the documentation relating to the meetings held with the corporate bodies to which the

Supervisory Body reports;

- › provide recommendations to top management for the drafting of new procedures and the adoption of other measures of an organisational nature, as well as for the amendment of existing procedures and measures, should such be necessary;
- › monitor the regulatory provisions relevant to the effectiveness and adequacy of the Model;
- › submit to the Administrative Body for their approval, written proposals for updating the Model, should such be necessary;
- › confirm the implementation of previously formulated proposals for updating the Model;
- › access all relevant company documentation in order to verify the adequacy of and compliance with the Model.

The activities carried out by the Body cannot be reviewed by any other body or company structure, it being understood however that the Administrative Body is in any case called upon to carry out a supervisory activity on the adequacy of its actions, since the ultimate responsibility for the functioning and effectiveness of the Model lies with the Administrative Body.

In order to be able fully to exercise its functions, the Supervisory Body is granted adequate financial resources and has the right to make use of the assistance of other company resources and, while retaining responsibility for the activities, may make use of the support of external consultants.

The Body will formulate a set of rules for its activities (establishing the timescales of the checks, identifying the criteria and procedures for analyses, scheduling activities, minuting meetings, etc.).

4. Reporting to Corporate Bodies

The Supervisory Body reports the results of its activities to the Administrative Body.

In particular, the Supervisory Body:

- reports on its activities, if necessary, to the Shareholders' Meeting, with a view also to providing information about any violations of the existing monitoring system that may have been discovered, in order for appropriate sanctions to be applied;
- also provides the Administrative Body, at least annually, with a written report on the result of its work or, it reports immediately should events take place that reveal serious issues with the Model of a critical nature. In this case, if necessary it submits proposals for changes and/or additions to the Model, which take into account the critical issues identified;
- submits to the Administrative Body, if necessary, proposals for amendments and/or additions to the Model, also taking into account any critical issues identified.

5. Information flows to the Supervisory Body

The activity of supervising the effectiveness of the Model and of ascertaining any violations of it is facilitated by a range of information that the Administrative Body must provide to the Supervisory Body, as also provided for by article 6, paragraph 2, letter d) of Italian Legislative Decree No 231/2001, in accordance with the provisions of the specific organisational procedures.

This obligation relates to the periodic results of the activities carried out and the atypicalities or anomalies found in the information to hand.

Furthermore, all information that contains elements of relevance to the supervisory activity must be

forwarded to the Supervisory Body.

It is the responsibility of the Supervisory Body to define the information flows and the ways in which they should be communicated and, if necessary, to request any additions to the information received.

The Corporate Bodies are, in any case, required to forward any news concerning conduct that does not comply with the Code of Ethics or the Model.

Third parties will report directly to the Supervisory Body within the limits and in the ways that may be established contractually.

The disclosures and information acquired will be handled in a way that ensures:

- › respect for the person, human dignity and confidentiality (in compliance with current legislation) and that prevents any form of retaliation, penalisation or discrimination against whistleblowers,
- › that the rights of entities and persons are protected when reports have been made about them in bad faith and are subsequently proven to be unfounded.

6. Validity of resolutions

For the resolutions of the Supervisory Body to be valid, a majority of the members in office must be present. The presence of all the members of the Supervisory Body in office is required for resolutions concerning so-called sensitive issues, i.e., particularly significant issues or issues relating to the Company's top management.

The resolutions of the Supervisory Body are passed by an absolute majority of those present.

Each member of the Body has the right to one vote, with the exception of the Chairman, who in addition has a casting vote in the event of a deadlock. Voting shall be by open ballot, unless the Body decides otherwise.

CHAPTER V - WHISTLEBLOWING

1. Introduction of Whistleblowing in Italy

On 14 December 2017, Law No. 179 of November 30, 2017 was published in Italy's Official Gazette No. 291, setting forth "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship" (hereinafter, the "Law"). The Law was adopted, after a legislative process started in 2015, with the intention of reforming the subject of whistleblowing in the public and private sectors, thus addressing a scenario defined by the European Commission as having a "rather generic and non-exhaustive character".

As far as the private sector is concerned, the Law provided for the integration of article 6 of Legislative Decree No 231 of 8 June 2001, containing "Regulations on the administrative liability of legal entities, and companies and associations, including those without legal personality" (hereinafter "Decree 231"), in order to provide specific protection for all those employees and/or partners of companies who report offences of which they become aware during the course of their work.

In particular, pursuant to the new Article 6 of Decree 231, the organisational, management and control Models adopted pursuant to Decree 231 (hereinafter, the "Model") must be integrated in order to provide for, inter alia, measures aimed at guaranteeing that the reporting party is protected from acts of

retaliation or discrimination and, more generally, a timely use of the new reporting tool and prevention of it being abused.

The core of the new legislation is represented by the obligation - provided for by article 6, paragraph 2-bis, letters a) and b), of Decree 231 - to provide adequate channels for submitting information, that allow the reporting parties to "present, in order to protect the integrity of the entity, detailed reports of unlawful conduct, of relevance under this decree and based on precise and consistent factual elements".

2. The system of Whistleblowing

In order to ensure responsible management and in line with legislative requirements, ALMA PETROLI S.P.A. has implemented a whistleblowing system, now adjusted to comply with the regulatory changes introduced in 2017, featuring "Provisions for the protection of authors of reports of crimes or irregularities of which they have become aware within a public or private employment relationship". Therefore, pursuant to article 6 of Italian Leg. Decree 231/01, paragraph 2-bis, ALMA PETROLI S.P.A.: a) has set up dedicated reporting channels that allow the persons referred to in Article 5, paragraph 1, letters a) and b) of Legislative Decree No 231/01, to submit, in order to protect the integrity of the entity, reports of unlawful conduct relevant under this Decree or violations of this Model, of which they have become aware by reason of their duties; b) guarantees the confidentiality of the identity of the reporting person; c) prohibits any act of retaliation or discrimination, direct or indirect, against the reporting person for reasons related, directly or indirectly, to the report; d) protects the reported person, through ad hoc measures. In particular, the Whistleblowing system adopted by ALMA PETROLI S.P.A. is referred to in the Company's Code of Ethics and is governed by a specific procedure. Moreover, pursuant to paragraph 2-ter of the same article, any discriminatory or retaliatory measure taken against the reporting person may be referred to the National Labour Inspectorate. Finally, pursuant to paragraph 2-quater, any dismissal or change of duties or any other retaliatory or discriminatory measure adopted against the reporting person shall be null and void.

CHAPTER VI - DISSEMINATION OF THE MODEL

1. Staff training and dissemination within the company environment

Top management is responsible for providing personnel with training on the application of the Model, compliance with the Code of Ethics and the correct application of organisational procedures.

The methods of dissemination of the information will be defined in accordance with the following outline:

- information seminar for personnel with management and supervisory roles;
- information note to all staff;
- annual communication on any changes to the Model.

The Company will carry out training in accordance with the needs identified periodically.

2. Information for external partners

In the letters of assignment to persons outside ALMA PETROLI S.P.A. (workers with temporary contracts, collaborators, suppliers of goods or services), special information notes will be attached regarding the application of the Model and compliance with the Code of Ethics. In addition, express termination clauses in supply or collaboration contracts (agency, partnership, etc.) will be inserted that explicitly refer to compliance with the provisions of the Code of Ethics.

CHAPTER VII - DISCIPLINARY SYSTEM

1. General principles

The Model calls for the definition of an appropriate disciplinary system, suitable for punishing failure to comply with the measures specified in the Model.

The system of sanctions is based on the principle that any violation of the Model constitutes in itself a breach of the relationship of trust established between the party concerned and ALMA PETROLI S.P.A. regardless of the external relevance of such acts.

In particular, the rules of conduct provided for by the Model, since they are adequately disseminated and published within the company, are binding for all employees and therefore violations of these rules may result in the initiating of disciplinary proceedings.

Disciplinary proceedings will be subject to the procedural guarantees provided for by the Civil Code, the Workers' Statute (Law 300/1970) and the specific provisions of the National Collective Labour Agreements applied.

The type and extent of the sanctions will be applied in relation to:

- ✓ the degree of intent of the conduct or of the negligence, imprudence or inexperience with regard also to the extent to which the event could have been foreseen;
- ✓ the overall conduct of the employee, with particular regard to the existence or otherwise of a disciplinary record of the same;
- ✓ the position within the organisation of the persons involved in the acts constituting the violation and other specific circumstances associated with the disciplinary infringement.

In any case, according to the case law of the Constitutional Court (ruling No 220/1995), the exercise of disciplinary power must always conform to the principles of being:

- proportional, making the sanction commensurate with the extent of the act in question;
- adversarial, ensuring the involvement of the party concerned: once the charge has been formulated, promptly and specifically, the person must be given the opportunity to provide justification so as to defend his or her conduct.

Once the Supervisory Body has confirmation of any violations, it communicates them to the Administrative Body and/or to the Shareholders' Meeting, which then takes the necessary action, informing the Supervisory Body of the outcome.

Any violation of the rules of this Model applicable to collaborators, suppliers of goods or services and partners are sanctioned in accordance with the provisions of the specific contractual clauses included in their respective contracts.

This is without prejudice to any claim for compensation should such conduct result in actual harm to the Company, as is also true when a judge applies the measures provided for by Legislative Decree No 231/2001.

2. Sanctions for managers and employees

The sanctionable conduct consists of violations of the principles of this Model, of the prescriptions referring to the conduct to be held to when carrying out sensitive activities, and of the internal control rules laid down, since these violations expose the Company to a situation in which there is a risk of committing one of the crimes provided for by Legislative Decree No 231/2001.

The sanctions that can be imposed on managers and employees are those provided for in the system of sanctions laid down in the National Collective Labour Agreement:

- verbal warning: for minor non-compliance with the rules of conduct of the Code of Ethics and the Procedures, "minor non-compliance" being understood as conduct that, not being categorised as wilful misconduct or gross negligence, did not generate risks of sanctioning or harm to the company;
- written warning: for culpable non-compliance with the rules of conduct of the Code of Ethics and the Procedures, "culpable non-compliance" being understood as conduct that is not categorised as malicious but that generated potential risks for the company;
- fine: in the event of a repetition of violations punishable with a written reprimand or for failure to report irregularities committed by one's subordinates or for failure to comply with requests from the Supervisory Body for information or for the production of documents;
- suspension from service without pay for a period not exceeding 10 days: for repeated or serious non-compliance with the Code of Ethics and the Procedures or for failure to report serious irregularities committed by subordinates or for repeated failure to comply with requests from the Supervisory Body for information or for the production of documents;
- dismissal with payment in lieu of notice or without notice: for a significant violation (wilful or grossly negligent) of the rules of conduct set out in the Model, the Code of Ethics and the related Procedures, such as to cause serious moral or material harm to the company and such as not to allow the continuation of the relationship, even temporarily, it having caused the breakdown of the relationship of trust on which the employment relationship is based.

3. Measures pertaining to executives

In the event of a violation by executives of the general principles of the Model, the Code of Ethics and the Procedures, the company must apply to those responsible the measures considered appropriate on the basis of the importance and seriousness of the violations committed. It must also take into consideration the particular fiduciary bond that underpins the employment relationship between the company and an employee holding the position of an executive.

In cases in which the violations are categorised as serious misconduct, such as when the Procedures intended to prevent the offences have been disregarded, or in cases in which the conduct is such as to radically undermine the company's trust in the executive, the company may proceed with the early termination of the employment contract or it may apply another sanction considered appropriate on the basis of the seriousness of the conduct.

In the event that the violations are categorised as the fraudulent evasion of a Procedure, the company will proceed with the early termination of the employment contract for just cause and without notice pursuant to Article 2219 of the Italian Civil Code and the CCNL (National Collective Labour Agreement).

CHAPTER VIII - OTHER PROTECTIVE MEASURES

1. Measures pertaining to the Board of Directors and Internal Auditors

In the event of the committing of an offence or a violation of the Code of Ethics, the Model and/or related Procedures by the company's directors or internal auditors, the Supervisory Body will inform the entire Board of Directors and the Board of Internal Auditors, who will take all appropriate initiatives such as suspension from office for a specific period.

In the event of serious violations by Directors, not justified and/or not approved by the Board of Directors, the act may provide just cause for removal of the Director or Auditor.

2. Measures pertaining to external partners

Any violation of the rules of this Model applicable to workers with short-term contracts, partners and suppliers of goods or services is sanctioned in accordance with the provisions of the specific contractual clauses included in their respective contracts.

This is without prejudice to any claim for compensation should such conduct result in actual harm to the Company, as is also true when a judge applies the measures provided for by Legislative Decree No 231/2001.

3. Auditing the effectiveness of the model

The Supervisory Body is responsible for confirming the adequacy of the Model. In particular, this activity takes the form of carrying out periodic checks to monitor sensitive activities, constantly reviewing the adequacy of company procedures and safeguards against risk.

The results of the auditing activities as well as the status of application and the level of adequacy of the Model are described in reports prepared by the Supervisory Body, to be submitted to the attention of the Administrative Body and the Board of Internal Auditors/equivalent body.

4. Organisational, Management and Control Model and Code of Ethics

The content of this Model is integrated with the principles and rules of the "Code of Ethics".