



SUZUKI ITALIA

Joint-stock Company

Registered Office: TORINO (TO) Via De Sonnaz 19 - 10121

Administrative Office: ROBASSOMERO (TO) Corso Fratelli Kennedy 12 - 10070

Register of Companies of Torino 01626560013

Econ. & Admin. Index no. TO - 511513

Share capital € 10,811,500

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The Organization, Management and Control Model

Pursuant to Legislative Decree no. 231 dated June 8th, 2001

General Section



ORGANIZATION MODEL

GENERAL SECTION

DOCUMENT HISTORY

Revision	Approved by	Description of changes
00	Board of Directors as of May 2nd, 2014	Adoption
01	Board of Directors as of May 3rd, 2016	Revision paragraph 0; update of types of offenses
02	Board of Directors as of May 5th, 2017	Update of types of offenses
03	Board of Directors as of May 5th, 2018	Revision of types of offenses; Inclusion of paragraph relating to whistleblowing procedures
04	Board of Directors as of May 4th, 2019	Revision of types of offenses;
05	Board of Directors as of May 8th, 2020	Update of types of offenses: Law 3/2019 ("Spazzacorrotti") and Legislative Decree 39/2019 ("Fraud in Sport")
06	Board of Directors as of February 26th, 2021	Update of the types of offenses of the "Tax Offenses" Law 157/2019 Update of the types of offenses of the "Tax Offenses" Legislative Decree 75/2020
07	Board of Directors as of May 6th, 2022	Update of the Criminal Code with regard to the governing of money laundering offenses introduced by Legislative Decree 184/2021 and Legislative Decree 195/2021 Inclusion of new offenses (Article 25 octies-1 - Offenses relating to non-cash payment instruments). Update of the Criminal Code with regard to certain types of computer crimes and offenses against the individual introduced by Law 238/2021. Update of the Criminal Code with regard to certain types of offenses



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		<p>against public administration introduced by Law 13/2022.</p> <p>Inclusion of new offenses (Article 25 septiesdecies - Offenses against cultural heritage).</p> <p>Inclusion of new offenses (Article 25 duodevicius - Laundering of cultural heritage and destruction and looting of cultural and landscape heritage).</p>
08	Board of Directors as of May 4th, 2023	<p>Amendments to certain offenses covered by Articles 24 (Offenses against PA), 24.bis (computer crimes) and 25 octies-1 (money receiving and laundering offenses - other forms of payment) by Legislative Decree 150/2022</p> <p>Update of certain offenses provided for in Article 25 quinquiesdecies (tax offenses) and Article 25 sexiesdecies (smuggling offenses) by Legislative Decree 156/2022.</p> <p>Inclusion of a new case (Article 25 ter (corporate offenses) pursuant to Legislative Decree 19/2023</p>
09	Board of Directors as of May 17th, 2024	<p>Amendments to the treatment of Whistleblowing Regulation (Italian Legislative Decree no. 24/2023), certain offenses referred to in Italian Legislative Decree no. 50/23 (known as the Cutro Decree) regarding immigration and Italian Legislative Decree no. 93/23 concerning the reproduction of copyrighted works.</p> <p>Amendments to section 4 "Disciplinary system"</p> <p>Amendments to certain offenses included in Articles 24, 25 octies-1 and 25 undecies referred to in Italian Legislative Decree No. 137/2023 (Justice Decree)</p>
10	Board of Directors as of May 6th, 2025	<p>Amendments to certain offenses included in Article 25 duodevicius referred to in Italian Law no. 6/2024.</p> <p>Amendments to certain offenses included in Article 25 octies-1 referred to in Italian Legislative Decree no. 19/2024.</p> <p>Amendments to certain offenses included in Article 25 quinquiesdecies referred to in Italian Legislative Decree no. 87/2024.</p>



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		<p>Amendments to certain offenses relating to cybersecurity included in Articles 24 and 24 bis referred to in Italian Law no. 90/2024.</p> <p>Amendments to the heading and wording of Article 25 and related cases referred to in Italian Law no. 112/2024.</p> <p>Amendments to certain offenses included in Article 25 referred to in Italian Law no. 114/2024.</p> <p>Amendments to certain offenses relating to smuggling offenses included in Article 25 sexiesdecies referred to in Italian Legislative Decree no. 141/2024.</p> <p>Amendments to certain offenses relating to Crimes involving copyright infringement included in Article 25 novies referred to in Italian Law no. 143/2024 and Italian Law no. 166/2024.</p> <p>Amendments to certain offenses relating to Crimes involving the Employment of citizens of other countries without a valid residence permit included in Article 25 duodecies referred to in Italian Law no. 187/2024.</p>
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PART ONE

THE COMPANY

0 THE COMPANY AND ITS ORGANIZATION

0.1 The Company

The general information about the company **SUZUKI ITALIA Joint stock company with sole shareholder** (hereafter "**SUZUKI ITALIA SPA**") is reported in the table below.

<i>COMPANY</i>	SUZUKI ITALIA Joint stock company with sole shareholder
<i>Registered Office</i>	TORINO (TO) Via De Sonnaz 19 - 10121
<i>Operating Branch</i>	ROBASSOMERO (TO) Corso Fratelli Kennedy 12 - 10070
<i>Register of Companies</i>	01626560013
<i>Econ. & Admin. Index no.</i>	TO 511513
<i>Share capital</i>	€ 10,811,500
<i>Telephone</i>	+39.0119213711
<i>Website</i>	www.suzuki.it
<i>Certified e-mail</i>	SUZUKIITALIA@PECSOCI.UI.TORINO.IT

0.2 Corporate Purpose

The corporate purpose of SUZUKI ITALIA SPA is the following:

- trading in Italy and abroad, on its own account and on behalf of third parties, in domestic and foreign products of the automotive industry (cars, motorcycling, motor boating, etc.) and their accessories in general;
- Research & Development; experimentation; study of style, method and manufacturing equipment; execution of projects and industrial designs; building of models and prototypes; everything in the automotive sector and relating mechanical parts, including engines and bodies, on its own account and on behalf of third parties.



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The company shall carry out the customer service in relation to commercial goods, will manage repair shops, shall act as agent, representative, dealer; shall also assemble, modify and produce directly vehicles and in particular automobiles and motorcycles. The company shall also organize and/or carry out, also directly, sporting activities and events, provided that they are functionally related to the traded goods, in compliance with applicable laws and regulations.

The company shall also carry out all the financial transactions, and those involving movable and immovable property, if deemed appropriate and useful for the achievement of the company purpose, provided that they are functionally related to the achievement of the company purpose itself; it shall acquire and sell holdings of companies or businesses with similar or related company purpose; it shall grant guarantees, sureties and any other real and personal guarantee, also in the interest of third parties.

It is subject to compliance with existing rules for the execution of activities for which the law requires appropriate authorizations or registrations.

All these activities must be carried out within the limits and in accordance with existing regulations.

0.3 Business Model

SUZUKI ITALIA SPA is a joint stock company fully controlled by the Japanese parent company Suzuki Motor Corporation, established in 1976, which trades cars, motorcycles, outboard engines, spare parts, merchandising products (i.e. cups, jackets, sweaters, shirts, etc.) of the Japanese group in the Italian market. The business of SUZUKI ITALIA SPA is finalized to promote and sell automobiles, motorcycles, outboard engines and spare parts of the Suzuki manufacturer, through a network of authorized dealers and workshops located Italy-wide.

SUZUKI ITALIA SPA also covers every activity aimed at the promotion of the Suzuki brand via advertising and coordination of marketing actions and support to the dealers' network.

Dealers are considered as customers, as they are the actual buyers of the Suzuki products, and at the same time are suppliers against whom quality and quantity rebates are recognized and with whom SUZUKI ITALIA SPA shares marketing expenses, advertising and promotions in general.

Supplies of the Suzuki products are received from the manufacturers of the Suzuki Group and mainly from the parent company Suzuki Motor Corporation.

SUZUKI ITALIA SPA complies with the business model and the operating procedures provided by the parent company and applied in the Italian market, in line with every other branch worldwide.

0.4 Governance

0.4.1 Governance structure

According to art. 13 of the Articles of Association, *"The Company is managed by a Sole Director or by a Board of Directors consisting of two to nine members, who serve for three years, after shareholders' assembly has determined the number of Directors."*

Currently the Board consists of three members.

Regarding the powers of the Board, art.14 of the Articles of Association provides:

"The Sole Director or the Board of Directors has the powers of ordinary / extraordinary management and administration."



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The Board of Directors may appoint one or more Vice Chairmen, and may delegate its powers and the power of attorney to one or more members of the Board - who will be appointed as Managing Director - and to officers of the company, who must meet the legal requirements provided for in the laws in force regulating businesses."

For this reason the current corporate governance states that every **ordinary and extraordinary management power is assigned to the Board of Directors (subject to the above delegations).**

Moreover, art.14 of the Articles of Association provides that *"The corporate signature and the legal representation of the company is assigned to the Sole Director or the Chairman of the Board of Directors."*

Again, in accordance with art.14, in case of delegation of powers to one or more members of the Board - who will be appointed as Managing Director - he / they will be entitled to sign off on behalf of the company.

It is allowed to appoint directors, managers, attorneys and agents for specific acts or categories of acts.

According to art.17 of the Articles of Association, the company control is appointed to a **Board of Statutory Auditors**, composed of three standing auditors and two alternate auditors, who - under legal provisions - is entitled of **the accounting audit**.

0.4.2 Principles of control regarding proxies and powers of attorney

The system of proxies and powers of attorney must be characterized by elements of "certainty" for activities purposes of crime prevention and to enable an efficient management of the business.

A "proxy" is an internal document conferring functions and tasks, that is reflected in the organization's system of communications. "Powers of attorney" are the unilateral legal documents with which the legal entity establishes that a particular individual represents and acts on behalf of legal entity itself.

The essential requirements of proxies and powers of attorney are the following:

- Whoever has relations with P.A. on behalf of the legal entity must have formal proxy and- if necessary- also formal powers of attorney;
- each power of attorney implying the representation of the legal entity against third parties shall be reflected in an internal delegation which describes the related power;
- proxies must combine each power with its responsibility and with an appropriate position in the organization;
- each proxy must specifically and unequivocally define:
 - the power conferred on the delegated party, establishing its limits;
 - the subject (body or individual) whom the delegated party reports to;
 - the spending powers recognized to the delegated party and appropriate to the function established;
 - the system of proxies and powers of attorney must be promptly updated.

The system of proxies and powers of attorney represents a control procedure applicable to every kind of sensitive activity.



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0.4.3 Principles of control regarding the general organization system

All sensitive activities must be carried out in compliance with applicable laws, Company values, policies and rules contained in this Model.

In general, **the Company's organization system must comply with the basic requirements of formalization and clarity, communication and segregation of duties**, in particular with regards to the assignment of responsibility, representation, definition of the hierarchical lines and business operations.

The Company must rely on **organizational instruments (organization charts, organizational communications, procedures, etc.) based upon some general principles** such as:

- clear description of the reporting lines;
- knowability, transparency and publicity of the conferred powers (within the Company and against third parties);
- clear and formal definition of job roles, with a complete description of the tasks of each function, its related powers and responsibilities.

Internal procedures must be characterized by the following elements:

- (i) segregation, within each process, of the decision maker, the person carrying out the action deriving from the decision, and the person monitoring the process (so-called "**segregation of duties**");
- (ii) written record of each important step of the process ("traceability");
- (iii) adequate level of **formalization**.

In particular:

- the company organization and roles and the responsibilities of business functions must be defined clearly and precisely by means of adequate documentation, always available and circulated among all employees;
- appropriate policies and operating procedures must be provided, with particular reference to the processes involving risks of offense;
- roles and duties of internal managers of each area at risk, who are assigned powers of direction, decision making, and coordination of underlying functions, must be determined with clarity and precision.

PART TWO

THE ITALIAN LEGISLATIVE DECREE NO. 231 DATED JUNE 8TH, 2001

1 CORPORATE RESPONSIBILITY: LEGAL PROFILES

1.1 The discipline of administrative liability of legal persons, companies and associations according to Italian Legislative Decree no. 231/2001

Implementing Italian Law no. 300 of September 29th, 2000, the Italian Legislative Decree no. 231 dated June 8th, 2001 (hereafter the "Decree") gives for the first time in the Italian regulations a provision concerning the administrative liability of legal persons, of companies and of associations, even if they have no legal personality (entities). According to the Italian law, prior to the introduction of said legal provision, collective entities were not subject to any prosecution for any kind of criminal and administrative liability and only physical persons (directors, executives, etc.) could have been prosecuted in case of offenses committed for the interest of the company.

This rule has been profoundly changed by the Decree, which marked the adjustment of the Italian legislation according to a number of international conventions Italy has already adhered to: in fact, these are the Convention on the financial protection of the European Communities as of July 26th, 1995, the EU Convention against corruption as of May 26th, 1997, as well as the OECD Convention of September 17th, 1997 on bribery of foreign public officials in international business transactions. With this Decree, the Italian legislator has enforced the compliance with the obligations imposed by such international and EU regulations, which provide precise paradigms about the liability of legal persons and a corresponding penalty system, to affect the business crime in the most direct and effective way.

The Decree is included therefore in the context of the implementation of international obligations and - in line with the regulatory systems of many European countries - establishes the responsibility of the company, considered as "an independent center of interests and legal relations, reference point of various precepts and a matrix of decisions and activities of persons operating in the name of, on behalf of and however in the interest of the entity" (as reported in the Penal Code reform preliminary draft, prepared by the Commission guided by prof. Carlo Federico Grosso, Chairman).

The establishment of the administrative liability of companies is based on the empirical finding that illegal activities carried out in the company, far from being initiated for a private initiative of an individual, often depend on a common corporate policy and follow decisions of its top managers.

It is a particular "administrative" liability, because it is originated from an offense and has the guarantees which are specific to the criminal trial proceedings, although it entails administrative sanctions.

In fact, the Decree provides a detailed system of sanctions that begins from the application of financial penalties, to which more sanctions can be added, according to the severity of the offense, like



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prohibitive measures such as suspension or revocation of authorizations and permissions, prohibition of contracting with public administration, exclusion or revocation of funding and grants, prohibition of advertising goods and services, up to heavier disqualification sanctions, including the prohibition to continue the business activity itself.

The administrative sanction for the company, however, can be applied only by the criminal court, in the framework of guarantees provided for by criminal regulations, and only if all objective and subjective requirements set by the legislator are applicable: in fact, at least one of the offenses from which the administrative liability of the entity derives must take place, and that offense must be found in the interest or for the advantage of the company, by its top management or their subordinates.

Corporate liability includes also crimes accomplished abroad, provided that offenders are not prosecuted in the Country where the crime was accomplished, and provided that the special conditions identified by the Decree are found: for the purposes of this organization model, this means that also operations SUZUKI ITALIA SPA performs abroad are to be taken into consideration, e.g. purchases from countries other than Italy and sales of products on foreign markets. This aspect will be examined, for what is relevant here, in the second part of this document, where we will analyze the individual elements of those offenses which, according to the legislator, entail liability for the legal entity.

With regards to the requirements for finding the administrative responsibility of the legal person, in addition to the criminal liability of physical persons, it should be noted that there must be, at least, an offense committed in the interest or for the benefit of the entity. The unique advantage of the actor (or a third party different from the entity) does not imply any responsibility for the entity, considering the evident lack of responsibility of the legal entity for the crime.

With respect to subjects, the legislator defines, in art.5 of the Decree, the liability of the entity when the offense is committed:

- "by persons covering functions of representation, administration or management of the entity itself or one of its business units having financial and functional autonomy, as well as by persons who manage and control them, even de facto" (so-called top management);
- "by persons subject to the direction or supervision of one of the subjects mentioned in sub a)" (so-called subordinates).

As evident, the aforementioned subjects are those who perform functions related to the management and activities of the entity or its branches: the legislator therefore decided to undertake a "functionalist" rather than a "nominalistic" choice, reserving attention to the concrete activity rather than the qualification formally covered.

In this perspective, the equalization – as regards the individuals who cover roles of representation, administration or management of the entity - of persons who cover the same functions in a "business unit with financial and functional autonomy" should be highlighted: as well known, this is a role more and more prevalent in the present economic scenario, especially in the context of companies with multiple locations, and this requires a special attention in order to develop an organization model that may prove to be very effective practically. In the specific section dedicated to individual crimes, you will be able to find that it is necessary to ensure that every single professional potentially at risk of committing crimes in SUZUKI ITALIA SPA is monitored through appropriate procedures to ensure an appropriate control and an effective supervision of those "sensitive" activities, under the perspective of possible offenses described in the Decree.

Again, with respect to subjects, it was already stated that sub b) of art.5 refers to "persons under the direction or supervision of top management persons". In this regard, the Ministerial Report states that "the decision to limit the responsibility of the "societas" (Company) to the unique case of an offense committed by the top managers would not have turned out to be plausible from a logical and political-criminal point of view." On the one hand, it would be absurd to exempt the entity from liability

for crimes committed in its interest or for its advantage by staff; on the other hand, the modern economic scenarios are characterized by a clear fragmentation of operational processes and decision making, with the result that the importance of personnel involved in the choices and activities of the entity is becoming more and more important.

Easy to understand, this requires a detailed analysis of every procedure which rules the different activities conducted by the company, in such a way as to provide effective controls, able to prevent crimes or in any case to determine a rapid detection and complaint by internal supervision and control bodies. This model will describe these aspects further on.

For the purpose of declaring the liability of the entity, as well as the existence of the requirements mentioned so far which allow us to make an objective link between the crime committed and the business, the legislator requires also the establishment of a subjective requirement, i.e. the guilt of the entity for the offense committed. This subjective requirement is identified with the detection of an organizational fault, i.e. a violation of adequate rules of diligence self-imposed by the entity itself and finalized to prevent the specific risk of crime. Said rules of diligence are just the central content of this organization model.

1.2 Types of offenses

According to the Decree, the entity can be considered liable only for the offenses specified in the Decree itself, if committed in its interest or for its benefit by qualified persons pursuant to art.5, par.1 of the Decree.

Prior to go into the details of the activities carried out by SUZUKI ITALIA SPA and in order to assess which of them expose the entity to the possible commission of offenses under the Decree, it is convenient to complete the general picture of the boundaries described in such legal source.

Originally intended for offenses against public administration (Article 25 of the Decree) or against the assets of P.A. (Article 24), the entity's liability has been extended - as a result of regulatory provisions subsequent to the Decree - to include offenses relating to counterfeiting government-issued banknotes, bearer certificates, revenue stamps, instruments and means of identification (Article 25 bis), corporate offenses (Article 25 ter), offenses for the purposes of terrorism or subversion of the democratic order (Article 25 quater), practices of female genital mutilation (Article 25 quater-1), offenses against the individual (art. 25 quinquies), as well as, through the recent Law No. 62 of April 18th, 2005, market abuse offenses (insider trading and market rigging, art. 25 sexies).

The intention of the legislator to include in the decree of 2001 all the possible crimes an entity could commit is made evident by the continuous increase of "predicate" offenses: in fact the offenses of injury and manslaughter resulting from the violation of regulations on safety and the safeguarding of hygiene and health at work (Article 25 septies) were introduced in 2007 - subsequently amended by Legislative Decree 81/2008 -, the offenses of receiving stolen goods, money laundering and use of money or other benefits of unlawful origin (Article 25 octies), cybercrime and illegal use of data (Art. 24 bis), offenses of organized crime (Art. 24 ter), offenses against industry and trade (Article 25 bis-1 of the Decree), offenses of breaches of copyright (Art. 25 novies of the Decree).

In the provision of Decree No. 121 of July 7th, 2011, the references to offenses concerning inducement to make false statements to the Court (Article 25 decies of the Decree) have been modified and environmental crimes have been introduced (Article 25 undecies of the Decree).

In the Decree No. 109 of July 25th, 2012, the legislator introduced the offense of employment of third-country citizens who are illegal immigrants (Article 25 duodecies).

With Law No. 190 of November 6th, 2012, Article 25 of the Decree was changed to "*Extortion, undue inducement to give or promise benefits and bribery*", with the inclusion, as a predicate offense, of the

new Article 319-quater; finally, Article 2635 of the Civil Code was included in the catalogue of predicate offenses under Article 25-ter (corporate offenses). The new offense punishes the corrupter (anyone) that provides money or other benefits to a qualified person (as indicated in the first paragraph of Article 2635) or his/her subordinates, belonging to a third Party, who must carry out actions contrary to their duties causing harm to the company they work for (corruption between private subjects).

In the Official Journal no. 292 of December 17th, 2014, the Law no. 186 of December 15th, 2014 was published, concerning "*Provisions relating to emergence and return of funds held abroad, as well as to enforcement of tax compliance. Provisions concerning money self-laundering*", which introduced the offense of self-laundering in the Criminal Code and modified art. 25 octies by including the new type of offense in the liability of companies. This new category creates particularly complex consequences in the process of risk assessment, since the new offense seems to determine types currently "not included in Decree no.231". Among the offenses to examine there is, at least theoretically, every unintentional crime that do not immediately give rise to responsibility under the "231", in particular those concerning tax offenses: for example, income derived from tax evasion or tax savings generated by false or misleading statements may well give rise to such new offense, when used in economic, financial, business or speculative operations so as to hinder recognition of their source. Moreover, if such re-use is in the interest or for the benefit of the company, then this could be pursued according to Decree no. 231.

In the Official Journal no. 122 of May 28th, 2015, the Law no. 68 of May 22nd, 2015 was published, concerning "*Provisions about crimes against the environment*". With the entry into force of the measure, Title VI-bis ("Crimes against the Environment") was introduced into the Criminal Code, with new offenses: environmental pollution (Article 452-bis) and its aggravated form because of death or injury (Article 452-ter); environmental disaster (art. 452-quater); unpremeditated offenses against the environment (art. 452-quinquies); trafficking and dumping of highly radioactive material (art. 452-sexies); obstruction of inspections (art. 452-septies); failure to clean up (art. 452-terdecies).

In addition to reforming the environmental crimes system, Law 68/2015 also addressed the liability of legal entities: it amends Article 25-undecies of Decree no. 231, adding the new types of offense to the predicate offenses.

In the Official Journal no. 124 of May 30th, 2015, the Law no. 69 of May 27th, 2015 was published, about "*Provisions relating to crimes against Public Administration, mafia-like organizations, false accounting, as well as further amendments to the Criminal Procedural Code, its implementing rules and law no. 190 as of November 6th, 2012*".

The new law speaks, inter alia, on a few offenses against Public Administration (misappropriation, corruption and illegal induction), increasing related sanctions; it reintroduces the crime of false accounting (with more severe sanctions for the company itself and for directors who make "false corporate disclosures/communications"); it increases sanctions for mafia-like criminal organizations.

The main novelty is the reintroduction of "false accounting" which after 13 years reverts to be a crime, whatever the corporate reality is, where it occurs. Changes are included in art. 25 ter-1, which reports more severe financial sanctions for the different types of offenses illustrated therein.

Art. 8 provides that "*directors, managing directors, managers responsible for preparing corporate accounting documents, statutory auditors and liquidators are **punished with imprisonment from one to five years** if, in order to obtain for themselves or others an unjust profit, they register knowingly in the financial statements, reports or other corporate documents addressed to shareholders or to the public, as provided by law, either relevant material facts that are untrue or omit relevant material facts whose disclosure is mandatory about the economic, asset or financial situation of the company or of the group to which it belongs, so as to actually mislead others*".



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With the publication in the Official Journal no. 17 of January 22nd, 2016 of the Legislative Decree no. 7/2016, which reports "*Provisions about repeal of offenses and introduction of violations followed by monetary sanctions, pursuant to Art. 2, par. 3, of Law no. 67 dated April 28th, 2014*" and of the Legislative Decree no. 8/2016, which reports about "*Provisions for decriminalization, pursuant to Art.2, par.2 of Law no. 67 dated April, 28th 2014*", two measures have been issued relating to decriminalization and repeal of crimes. Although it is significant from a legal and criminal point of view, this provision has a limited impact on Legislative Decree 231/2001 restricted to the variation of sanctions and penalties in the case of certain offenses referred to in Art. 491 bis Italian Criminal Code, 635 ter, 635 quater and 635 quinquies.

The Italian Legislative Decree 125/2016 "*Enforcement of the Directive 2014/62/EU about the protection of the Euro and other currencies against counterfeiting by criminal law, and replacing Council Framework Decision 2000/383/JHA*", published in Official Gazette no. 161 dated July 12th, 2016, made some changes to a few provisions of the Criminal Code relating to crimes of counterfeiting government-issued banknotes, bearer certificates, and revenue stamps referred to in Art.25-bis (Counterfeiting government-issued banknotes, bearer certificates, revenue stamps, and instruments and means of identification) of Italian Legislative Decree 231/2001.

The implementation of Directive 2014/62/EU amended Article 453 of the Criminal Code (Counterfeiting currency, and the spending and introduction into the Country of counterfeit currency), extending the criminal liability to instances of unlawful production of excess quantities of currency by those who are authorized to manufacture the same but who make illegal use of the instruments or the materials in their possession. By modifying art. 461 of the Italian Criminal Code, instead, the Italian legislator explicitly included the data in the list of instruments which can be counterfeit, which already included watermarks and computer programs in the list, and specified that the offense also exists whereas such instruments do not have their exclusive destination for counterfeiting.

With its publication in Official Journal no. 257 of November 3rd, 2016, Law No 199 of October 29th, 2016 came into force: "*Provisions for countering the use of black labor, the exploitation of labor in agriculture and the realignment of remuneration in the agricultural sector*". It modified Art. 603 Italian Criminal Code (Illicit brokerage and Exploitation of Labor) and later the subsequent insertion into Art.25-quinquies, par. 1, letter a) of Italian Legislative Decree 231/2001, in the list of offenses against the individual: an offense committed by an entity is punishable by a fine ranging from 400 to 1000 quotas and by disqualification sanctions under Art. 9, par.2, for a period of not less than one year.

Italian Legislative Decree no. 38 dated March 15th, 2017 providing for "*Implementation of the Council Framework Decision no. 2003/568/JHA made on July 22nd, 2003, relating to the fight against corruption in the private sector*" was published in the Official Journal no. 75 dated March 30th, 2017. The innovations introduced by the enactment relate to the reformulation of the crime of private bribery referred to in art. 2635 of the Civil Code, the introduction of the new offense of incitement to bribery between private individuals (article 2635-bis), the provision made for supplementary penalties to be applied to both cases, and also the modification of the sanctions laid down in Italian Legislative Decree No 231/2001 with regard to the liability of legal entities for administrative offenses stemming from the criminal act;

Italian Law No 161 dated October 17th, 2017 "*Amendments to the code dealing with anti-mafia laws and preventive measures, referred to in Italian Legislative Decree No 159 dated September 6th, 2011, in the Italian Criminal Code and implementing, coordinating and transitional rules of the Code of Criminal Procedure and other provisions. Delegation to the Government for the protection of labor in seized and confiscated companies*" was published in Official Journal No 258 dated November 4th, 2017. When the enactment came into force, the crimes of aiding and abetting illegal entry and aiding and abetting illegal immigration provided for in art. 12, paragraphs 3, 3-bis and 3-ter and art. 12, paragraph 5, of Italian Legislative Decree No 286/1998



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(Consolidated Immigration Act) respectively, were introduced to the predicate offenses referred to in Italian Legislative Decree no. 231/2001;

Italian Law no. 167 dated November 20th, 2017 "*Provisions for the fulfilment of the obligations arising from Italy's membership in the European Union – European Law 2017*" was published in the Official Journal no. 277 dated November 27th, 2017, providing for the amplification of the catalogue of predicate offenses for which collective entities can be held responsible pursuant to Italian Legislative Decree no. 231/2001. Specifically, Article 5 par. 2 introduces Article 25-terdecies into Legislative Decree 231/2001 which provides for the types of offense of Racism and Xenophobia (Article 3 par. 3-bis of Law No 654 of October 13th, 1975), laying down a fine and disqualification of the entity that is found guilty of the above-mentioned offenses;

Italian Law no. 179 dated November 30th, 2017, laying down "*Provisions for the protection of persons reporting crimes or unlawful conduct brought to their knowledge when working in the public or private sector*" was published in the Official Journal no. 277 dated November 27th, 2017. This enactment enforces the protection of an employee involved in what is referred to as Whistleblowing (the reporting of unlawful activities in the public sector or in private enterprises on the part of the employee to whose knowledge they are brought). The approach taken is based on the protection of the employee who reports the unlawful conduct against measures of a discriminatory or at least prejudicial nature, taken within the context of his/her working relationship, whether in the private or public sector.

The new legislation provides that an employee working in the public sector who - acting in good faith and in the interests of the integrity of the public administration - reports unlawful conduct or misconduct brought to his/her knowledge during his/her working activities, to the anti-corruption officer of the entity or to the national anti-corruption authority, or reports the matter to the ordinary judicial or audit authorities, cannot - on grounds connected with the report - be made the subject of sanctions, dismissed or subjected to organizational measures that may have negative effects of any kind on his/her working conditions.

The protection of an employee or working associate who reports unlawful conduct in the private sector is guaranteed by the amendment made to Italian Legislative Decree no. 231 passed in 2001. Art. 6 of Italian Legislative Decree no. 231 is examined in further detail, with regard to organization and management models of legal entities capable of preventing crimes of the kind observed. The adoption of these models rules out any liability on the part of the entity in question. The article introduces three new paragraphs to Article 6 of Legislative Decree No 231: 2-bis, 2-ter and 2-quater; defining the characteristics of the organization and control models, the invalidity of discriminatory measures taken against persons reporting unlawful conduct and the placing on the statutory employer of the burden of proving that the punitive measures taken cannot be considered to have any connection with the action of the employee.

Legislative Decree 21/2018, published in Official Journal no. 68/2018 and entering into force on April 6th, 2018, contains "*Provisions implementing the principle of delegation of code reservation in criminal matters pursuant to Article 1 par. 85 letter q) of Law no. 103 of June 23rd, 2017*".

The *rationale* of the measure seems to be to reorganize criminal matters, preserving the centrality of the Code and curbing the proliferation of "scattered" legislation.

The legislation thus affects several areas (protection of the individual, the environment, the financial system, crimes of mafia-type association and crimes of terrorism), repealing provisions outside the Criminal Code and introducing others within it.

With regard to the liability of entities, the changes concern the deletion of Article 3 of Law 654/1975 (referred to in Article 25-terdecies of Decree 231, "*Racism and Xenophobia*") and Article 260 of Legislative Decree 152/2006 (referred to instead in Article 25-undecies, "*Environmental Offenses*").

The repealed provisions are not, however, left devoid of criminal relevance, as the same offenses are now regulated within the Code: provided for respectively in the new Articles 604-bis ("*Propaganda and incitement to commit offenses on grounds of racial, ethnic or religious discrimination*") and 452-quaterdecies ("*Organized activities for the illegal trafficking of waste*").

On 16 January 2019, **Law No. 3 of January 9th, 2019** was published in the Official Journal, entitled "*Measures to combat crimes against public administration and in the matter of the transparency of political parties and movements*" (the so-called "**Spazzacorrotti Law**"), which first and foremost addresses practices of corruption and, more generally, the action to combat crimes against P.A., with measures in the area of substantive and investigative-trial law. The second part of the provision then lays down measures to strengthen the transparency of political parties and movements, with particular regard to disbursements made in their favour and to candidates standing for election.

In summary, the new provisions introduced entail:

- the tightening of the disqualification sanctions provided for in Article 9 par. 2 of Decree 231 in relation to the offenses of extortion, undue inducement to give or promise benefits, and bribery. In these cases, the duration of the disqualification sanctions may not be less than four years and not more than seven when the offense is committed by a top manager, or not less than two years and not more than four if the offense is committed by a subordinate;
- the introduction of the benefit of the reduction of the disqualification sanctions applied in relation to the offenses of extortion, undue inducement to give or promise benefits, or bribery, if the Entity has taken steps to prevent the criminal activity from having further consequences, to ensure proof of the offenses and the identification of the perpetrators, or to seize the sums or other benefits transferred, and has remedied the organizational deficiencies that led to the offense, by adopting the Organization Model. In the face of such initiatives on the part of the Entity, the applicable disqualification sanctions will have a significantly reduced duration (not less than three months and not more than two years), compared to the new provisions on the subject;
- the inclusion in the catalogue of offenses that may give rise to the liability of the entity for the offense of influence peddling, provided for and punished by the "new" Article 346 bis of the Criminal Code. In particular, the offense of "influence peddling" is a special case of extortion of credit where the perpetrator actually has dealings with the public official. This offense, introduced by Law 190/2012 and not provided for until now as a predicate offense to the Entity's liability, has also been reformed by the law in question.

Law No. 39 of May 3rd, 2019 on fraud in sport was published in Official Journal No. 113 of May 16th, 2019.

The provision aims to ratify and fully implement the Council of Europe Convention on the Manipulation of Sports Competitions, concluded in Magglingen on September 18th, 2014.

The new provisions introduce some innovations, of criminal relevance, with regard to the offenses of fraud in sporting competitions or illegal gambling or betting activities.

A further innovation is the introduction of a new article, 25-quaterdecies, in Legislative Decree No 231/2001 on the administrative liability of entities.

This lays down that, in relation to the commission of offenses of fraud in sporting competitions or the unlawful carrying out of gambling or betting activities, the following fines shall apply to the legal entity that may be involved:

- in the case of crimes, a fine of up to five hundred quotas;
- in the case of misdemeanours, a fine of up to two hundred and sixty quotas.

At the same time, the application of disqualification sanctions, for a duration of not less than one year, is also established.

As of December 25th, 2019, Law No 157 of December 19th, 2019 came into force by converting Legislative Decree No. 124/157 enacted on October 26th, 2019. This Law affects the regulations of Legislative Decree 231/01, expanding the list of predicate offenses by introducing Article 25 - quinquiesdecies "*Tax Offenses*". Initially, the article in question was only intended to cover crimes of "Fraudulent declaration by means of invoices or other non-existent documents pursuant to Article 2 of Legislative Decree No. 74/2000", whereas under the new provision all tax offenses are included, namely:

- Fraudulent tax declaration by means of invoices or other documents for non-existent transactions (also less than €100,000.00);
- Fraudulent declaration by means of other schemes;
- The issuing of invoices or other documents for non-existent transactions;
- The concealment or distribution of accounting documents;
- Fraudulent evasion of tax payments.

For the commission of such offenses, the application of both fines, in the amount of between 400 and 500 quotas (the value of each quota varying from a minimum of €258 to a maximum of €1,549), and the application of extremely onerous disqualification sanctions affecting the company's operations (ban on contracting with P.A., exclusion from subsidies and financing, ban on advertising goods and services, etc.) are provided for. If a substantial profit has been made from the commission of these offenses, the fine shall be increased by one third.

Legislative Decree No. 75 of July 14th, 2020, "Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law", was published in Official Journal No. 177 of July 15th, 2020.

Legislative Decree 75/2020 makes significant amendments to certain types of offense, mainly related to offenses against public administration and in tax and customs matters, contained in the Criminal Code and in special laws, tightening the application of penalties, and expands the list of predicate offenses provided for in Legislative Decree 231 of 2001.

With reference to the changes introduced to the liability of entities (Legislative Decree 231/01), it should be noted that:

- Article 24 of Legislative Decree No. 231/01 is enhanced by addressing the possibilities of fraud in public supply referred to in Article 356 of the Criminal Code, fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development referred to in Article 2 of Law No. 898 of 1986;
- Article 25 of Legislative Decree No. 231/01 marks, on the other hand, the introduction of the following offenses: the offense of embezzlement pursuant to Article 314(1) of the Criminal Code (temporary misappropriation is excluded), embezzlement by profiting from the error of others pursuant to Article 316 of the Criminal Code and abuse of office pursuant to Article 323 of the Criminal Code;
- article 25 quinquiesdecies of Legislative Decree No. 231/01 sees the extension of the liability of entities (with regard to tax offenses) for the following offenses, if committed as part of cross-border fraudulent schemes and for the purpose of evading VAT for a total amount of no less than ten million euros:
 - Understated tax declaration provided for by Art. 4 of Legislative Decree No. 74 of 2000,
 - failure to declare, provided for by Art. 5 of Legislative Decree No. 74 of 2000,
 - undue payment, provided for in Article 10 quater of Legislative Decree No. 74 of 2000;
- Article 25 sexesdecies of Legislative Decree No. 231/01 is introduced in order to extend the liability of entities for the crime of smuggling, pursuant to Presidential Decree No. 43/1973.

Legislative Decree No. 184 of November 8th, 2021, "Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of April 17th, 2019 on combating fraud and



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counterfeiting of non-cash means of payment”, was published in Official Journal No. 284 of November 29th, 2021.

This new legislative decree amended the heading and paragraphs of Art. 493-ter of Royal Decree No 1398 of October 19th, 1930, inserted in the Criminal Code Art. 493-quater (Possession and dissemination of computer equipment, devices or programs for the purpose of committing offenses in connection with non-cash payment instruments) and extended the offenses provided for in Legislative Decree 231/01 with the insertion, after Article 25-octies, of the new Article 25-octies.1 (offenses relating to non-cash payment instruments) and the new Article 25-octies.1 paragraph 2 (Other offenses).

Legislative Decree No. 195 of November 8th, 2021, “Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of October 23rd, 2018 on combating money laundering by criminal law”, was published in Official Journal No. 285 of November 30th, 2021.

The regulatory measure is characterized by its “punctiform” nature, affecting existing criminal offenses to a minimal extent, with the aim of achieving a minimum level of harmonisation of the criminal regulations on money laundering, both with regard to the categorisation of the forms of behavior and the sanctions applied to them. The measure concerning the scope of application of the activity of “money laundering” actually encompasses all the activities relating to the acquisition, possession, use, concealment, dissimulation, conversion and transfer of the proceeds of criminal activities, even if carried out by those who committed the offenses from which these proceeds originate or participated in them.

All of these acts are already widely provided for as criminal offenses in our legal system under Articles 648, 648-bis, 648-ter and 648-ter.1 of the Criminal Code, which have therefore been subjected to only limited, albeit significant, structural “adjustments”. In fact, the changes introduced required only “minor interventions, aimed at extending the scope of certain existing national regulations”.

Law No. 238 of December 23rd, 2021, “Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European Law 2019-2020”, was published in Official Journal No. 12 of January 17th, 2022.

Articles 19, 20 and 26 of Law No. 238 of December 23rd, 2021 (with the measures coming into force on February 1st, 2022) affected a number of articles of the Criminal Code concerning the predicate offenses covered by the administrative liability of entities under Legislative Decree 231/01.

Article 19 on “attacks against information systems” made changes to the Criminal Code in connection with the offenses of “cyber crimes and unlawful data processing” covered by Article 24-bis of Legislative Decree No 231/01.

Article 20 concerning the “fight against the sexual abuse and sexual exploitation of minors and child pornography” made amendments to the Criminal Code in connection with the offenses of “Crimes against the individual” covered by Article 25-quinquies of Legislative Decree No. 231/01.

Article 26 concerning the “Penalties provided for on market abuse” made amendments to the Criminal Code in connection with the offenses of “market abuse” covered by Article 25-sexies of Legislative Decree No. 231/01.

Law No 22 of March 9th, 2022 containing provisions on crimes against cultural heritage was published in Official Journal No. 68.

First of all, Law 22/2022 inserts, in Book II of the Criminal Code, Title VIII-bis, entitled “Crimes against cultural heritage”, consisting of 17 new articles (from 518-bis to 518-undecies), with which it punishes, with harsher penalties than those laid down for the corresponding simple crimes, theft, embezzlement, receiving stolen goods, money laundering and self laundering and damage involving cultural heritage. Illegal use, import and export of cultural heritage and counterfeiting are also punished. In addition to providing for specific criminal offenses, the law provides for an aggravating



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circumstance to be applied to any offense that, when involving cultural or landscape heritage, causes damage of significant gravity.

Legislative Decree No. 231/2001 is thus enhanced by two additional articles: Article 25-septiesdecies "Crimes against cultural heritage" and Article 25-duodevicies "Laundering of cultural heritage and destruction and looting of cultural and landscape heritage".

The Official Journal No. 243 published Legislative Decree No. 150 dated October 10th, 2022, containing the measures laid down for "Implementation of Law No. 134 of September 27th 2021, delegating to the Government for the effectiveness of criminal proceedings, as well as in the field of restorative justice and provisions for the prompt definition of judicial proceedings". (The so-called Cartabia Reform) containing amendments to the list of offenses (Art. 640 and Art. 640-ter) as per Art. 24 (offenses against P.A.), Art. 24.bis (computer crimes) and Art. 25 octies-1 (receiving and money laundering offenses - other forms of payment).

The Official Journal No. 248 published Legislative Decree No. 156 of October 4th, 2022, which contains amendments in connection with the implementation of the so-called "PIF Directive", affecting the implementation of two types of offense included in Article 25 quinquiesdecies (tax offenses) and Article 25 sexesdecies (smuggling offenses).

The Official Journal - General Series No. 56 of March 7th, 2023 published Legislative Decree No. 19 of March 2nd, 2023 on cross-border company transformations, mergers and divisions, adopted in implementation of EU Directive 2019/2121, with entry into force on 03/22/2023, which introduces a new predicate offense for the purposes of the liability of legal persons as per Legislative Decree 231/2001.

In particular, Article 25-ter, paragraph 1 of Legislative Decree No. 231/2001, under the heading "Corporate offenses", is amended by adding the words "or other special laws" and by introducing the letter "s-ter", which, in the event of any criminal actions taken to fraudulently obtain the "Preliminary Certificate", give rise to the criminal offense of "False or omitted declarations for the issue of the preliminary certificate" (certifying the regular performance, in accordance with the law, of the deeds and formalities preparatory to the completion of the cross-border merger), as provided for in Art. 54 of Legislative Decree No 19 of March 2nd, 2023.

The Official Journal - General Series No. 63 of March 15th, 2023 published Legislative Decree no. 24 of March 10th, 2023 transposing EU Directive 2019/1937 regarding "The protection of persons who report breaches of EU law" (known as Whistleblowing Regulation).

With this decree, the legislator has strengthened the existing rules by expanding the scope of the regulations requiring the adoption of systems for reporting and managing offenses.

Companies must adopt systems for handling reports that are capable of ensuring the confidentiality of the identity of the reporting party, the person involved, and the content of the report. In addition, the processing of personal data and documents related to reports should be handled in accordance with the rules and principles of the GDPR.

The reports must concern conduct, acts or omissions that harm the public interest or the integrity of the public administration or private body (e.g. administrative, accounting, civil or criminal offenses) or conduct relevant under Italian Legislative Decree no. 231/2001.

The Official Journal - General Series no. 104 of May 5th, 2023 published Italian Law no. 50 of May 5th, 2023 on "Urgent provisions regarding the flows of legal entry of foreign workers and the prevention and countering of illegal immigration" (known as the Cutro Decree), which establishes provisions both on the flows of legal entry and the stay of foreign workers and on the prevention and countering of illegal immigration by amending some of the offenses referred to in Article 25-duodecies



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of Italian Legislative Decree no. 231/2001 "Employment of citizens of other countries without a valid residence permit".

The Official Journal - General Series no. 171 of July 24th, 2023 published Italian Law no. 93 of July 24, 2023 on "Provisions for the prevention and suppression of the unlawful distribution of content protected by copyright through electronic communication networks," which defines a new criminally relevant conduct under Article 171-ter of Italian Law no. 633/1941, a provision already referred to in Article 25-novies of Italian Legislative Decree no. 231/2001.

With the publication in the Official Journal, General Series, no. 236, of Italian Law no. 137 of October 9th, 2023, converting with amendments Italian Decree-Law no. 105 of August 10th, 2023, containing "*Urgent provisions on criminal trial and civil proceedings to combat forest fires, on recovery from drug addiction, on health and culture, and on personnel of the judiciary and public administration*", a new extension of the catalogue of "predicate offenses" of the administrative liability of entities, regulated by Italian Legislative Decree no. 231 of June 8th, 2001, was implemented. In fact, the "**Justice Decree**" affects Articles 24 and 25-octies.1 of the aforementioned decree, adding three new offenses.

In particular, Art. 24 of Italian Legislative Decree no. 231/2001, entitled "*Undue receipt of funds, fraud against the State, a public body or the European Union or to obtain public funds, computer fraud against the State or a public body and fraud in public procurement*", is expanded by the addition of two new "predicate offenses." These offenses are "Bid Rigging" (Art. 353 of the Italian Criminal Code) and "Interference with the tender process for the selection of contractors" (Art. 353-bis of the Italian Criminal Code). In fact, the new offenses contribute to expanding the range of activities at risk in dealings with the public administration, affecting, among other things, the preparatory stages of public tenders.

On the other hand, Art. 25-octies.1 of Italian Legislative Decree no. 231/2001 on "*offenses relating to non-cash means of payment*" is supplemented by the addition of the offense of "*Fraudulent transfer of valuables*", set out in Article 512-bis of the Italian Criminal Code.

The new predicate offense has obvious points of contact with the prevention of offenses relating to the receiving of stolen goods, money laundering, self-laundering and the use of money, goods or other benefits of unlawful origin (Article 25-octies, Italian Legislative Decree no. 231/2001), as well as with the fight against smuggling (Article 25-sexiesdecies, Italian Legislative Decree no. 231/2001). The "Fraudulent transfer of valuables" referred to in Article 512-bis of the Italian Criminal Code, like the offenses introduced by Article 24, Italian Legislative Decree no. 231/2001, therefore also seems destined to be included among the areas at risk already fully covered by the existing prevention and control systems.

In the Official Gazette no. 19 of January 24th, 2024 was published Italian Law no. 6, titled "Penalty provisions on destruction, dispersal, deterioration, defacement, and illegal use of cultural or landscape heritage and amendments to Articles 518-duodecies, 635 and 639 of the Italian Criminal Code," which amended Article 518 duodecies of the Italian Criminal Code included among the offenses under Article 25 duodevicius of Italian Legislative Decree no. 231/2001.

In the Official Gazette no. 52 of March 2nd, 2024 was published Italian Decree-Law no. 19, titled "Further urgent provisions for the implementation of the National Recovery and Resilience Plan (NRRP)," which amended Article 512 bis of the Italian Criminal Code included among the offenses under Article 25 octies-1 of Italian Legislative Decree no. 231/2001.

Italian Decree-Law no. 19 of March 2nd, 2024, published in Official Gazette no. 52 of March 2nd, 2024, introduces criminal regulations, including an extension of the powers of the Committee for combating fraud in the European Union, and a specific-intent offense involving the fictitious registration of companies and corporations, and extraordinary commissioners to repurpose assets confiscated from organized crime and combat labor exploitation in agriculture.



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In the Official Gazette no. 150 of June 28th, 2024 was published Italian Legislative Decree no. 87, titled "Revision of the tax penalty system pursuant to Article 20 of Italian Law no. 111 of August 9th, 2023." This decree amended the regulations set forth by Italian Legislative Decree no. 75 of July 14th, 2020, concerning offenses listed in Article 25 quinquiesdecies, "Tax Crimes," by adding paragraph 2 bis to Article 10 quater of Italian Legislative Decree no. 74/2000.

In the Official Gazette no. 153 of July 2nd, 2024 was published Italian Law no. 90 of June 28th, 2024, titled "Provisions on computer crimes and strengthening national cybersecurity." In general, this law aims to increase cybersecurity in order to defend against cyberattacks by increasing penalties for computer crimes. In particular, Italian Law no. 90/2024 introduces substantive and procedural changes regarding computer crimes: it provides for an increase in penalties, extends the boundaries of specific intent, introduces new aggravating circumstances and/or prohibits mitigating factors for several crimes that were committed through the use of computer equipment in order to obtain undue advantages to the detriment of others, or to gain unauthorized access to computer systems and/or to intercept or interrupt computer and telematic communications. The cybersecurity law also has significant effects on the administrative liability of the former Italian Legislative Decree no. 231/2001, in light of the changes made to the predicate offense provided for and punished by Article 24-bis of Decree 231, "Computer crimes and unlawful data processing." The same law introduced changes to the articles of the Italian Criminal Code within Article 24 of Italian Legislative Decree no. 231/01 (Undue receipt of funds, fraud against the state, a public body, or the European Union to obtain public funds, and computer fraud against the state or a public body and fraud in public procurement).

In the Official Gazette no. 186 of August 9th, 2024 was published Italian Law no. 112 of August 8th, 2024, titled "Conversion into law, with amendments, of Italian Decree-Law no. 92 of July 4th, 2024, containing urgent measures on penitentiary matters, civil and criminal justice, and personnel of the Ministry of Justice," which amended the Italian Criminal Code by introducing Article 314 bis of the Italian Criminal Code "Misappropriation of money or movable property" renamed "Embezzlement by misappropriation"; Article 322 bis of the Italian Criminal Code and Article 323 of the Italian Criminal Code concerning crimes contained in Article 25 - Crimes against the Public Administration, further expanding the list of predicate offenses under the administrative liability of Entities. The measure also amended the heading and wording of Article 25 of Italian Legislative Decree no. 231 of June 8th, 2001 to read, "Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, and bribery."

In the Official Gazette no. 187 of August 10th, 2024 was published Italian Law no. 114 of August 9th, 2024, "Amendments to the Criminal Code, the Code of Criminal Procedure, the legal system, and the Military Code," which abolishes the crime of abuse of office contained in Article 323 of the Italian Criminal Code (already included in the list of predicate offenses for the liability of entities under Italian Legislative Decree no. 231/2001) and introduces the crime referred to in Article 346 bis of the Italian Criminal Code "Influence peddling" concerning offenses contained in Article 25 - Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, and bribery," further expanding the list of predicate offenses under the administrative liability of Entities.

In the Official Gazette - General Series No. 232 of October 3rd, 2024 was published Italian Legislative Decree No. 141 of September 26th, 2024, "National provisions that are complementary to the Union Customs Code and revision of the penalty system concerning excise duties and other indirect taxes on production and consumption," which repeals and replaces the Consolidated Law on Customs Provisions (TULD), approved with Italian Presidential Decree no. 43 of January 23rd, 1973, and numerous other special laws, reorganizing the reference framework in order to bring the national legislation in line with the European legislation, took action on Article 25-sexiesdecies (Contraband Crimes) of Italian Legislative Decree no. 231 of June 8th, 2001, through the introduction of a new body of legislation under Italian Legislative Decree no. 141/2024.



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In the Official Gazette - General Series no. 236 of October 8th, 2024 was published Italian Law no. 143 of October 7th, 2024, "Conversion into law, with amendments, of Italian Decree-Law no. 113 of August 9th, 2024, containing urgent measures of a fiscal nature, extensions of regulatory terms and economic actions" known as the "Omnibus Decree": some of the provisions are included in the body of law of Article 25-novies of Italian Legislative Decree no. 231/01 (Crimes involving copyright infringement).

On November 14th, 2024, Italian Law no. 166 of November 14th, 2024 (referred to as the "Infraction Prevention" decree-law conversion law) was published in the Official Gazette - General Series No. 267, entitled "Conversion into law, with amendments, of Italian Decree-Law No. 131 of September 16th, 2024, containing urgent provisions for the implementation of obligations arising from acts of the European Union and from pending infringement and pre-infringement proceedings against the Italian State," with entry into force on November 15th, 2024. The legislative change, enacted following an EU infringement proceeding against Italy, expanded the entities permitted to engage in copyright brokering. Previously, this was the sole prerogative of the Italian Society of Authors and Publishers (SIAE). In particular, Articles 171-bis, 171-ter, and 171-septies of Italian Law no. 633/1941 now penalize the counterfeiting of not only SIAE markings but also those affixed by collective or independent management bodies. Consequently, the scope of the predicate offenses already referred to in Article 25-novies, "Crimes involving copyright infringement," under Italian Legislative Decree no. 231/2001 has expanded.

In the Official Gazette - General Series no. 289 of December 10th, 2024 was published Italian Law no. 187 of December 11th, 2024 "Conversion into law, with amendments, of Italian Decree-Law no. 145 of October 11th, 2024, containing urgent provisions on the entry into Italy of foreign workers, protection and assistance to victims of illegal hiring, management of migration flows and international protection, as well as related legal proceedings", which aims to establish clear provisions on both the flows of legal entry and stay of foreign workers and on the prevention and fight against illegal immigration having an impact on offenses contained in Article 25 - duodecies of Italian Legislative Decree no. 231/2001 - Employment of citizens of other countries without a valid residence permit, further expanded the list of predicate offenses under the administrative liability of Entities.

The types of offenses covered in the Decree can be found in these categories:

1) Crimes against Public Administration and its assets (Art. 24 and 25 of Legislative Decree No. 231/2001) [amended by Italian Law No. 161 dated November 17th, 2017] [amended by Legislative Decree 75/2020] [amended by Italian Law No. 137 dated October 9th, 2023] [article amended by Italian Law no. 90 dated June 28th, 2024]:

- Embezzlement to the prejudice of the State (art. 316-bis of the Criminal Code). [article amended by Decree-Law no. 13/2022]
- Illicit receipt of disbursements to the detriment of the state (Article 316-ter of the Criminal Code). [amended by Law No. 3/2019 and Decree-Law no. 13/2022]
- Fraud against the State or other public body or the European Communities (Art. 640, par. 2, subpar. 1 of the Italian Criminal Code) (article amended by Italian Law no. 90 dated June 28th, 2024)
- Aggravated fraud to obtain public funds (Article 640 bis of the Italian Criminal Code) [article amended by Decree-Law no. 13/2022]
- Cyber fraud against the State or other public agency (Article 640 ter, Italian Criminal Code) [article amended by Decree-Law no. 13/2022]
- Fraud in public procurement (art. 356 of the Italian Criminal Code) [introduced by Legislative Decree No. 75/2020]



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- Fraud against the European Agricultural Fund (art. 2. of Law no. 898 of December 23rd, 1986) [introduced by Legislative Decree No. 75/2020]
- Bid Rigging (Art. 353 of the Italian Criminal Code) [article introduced by Law No. 137/2023].
- Interference with the tender process for the selection of contractors (Art. 353-bis) [article introduced by Italian Law no. 137/2023]

2) Cyber-crimes and illegal data processing (Art 24 bis of the Decree) - [Article added by Law No. 48 art. 7 dated March 18th, 2008]. [Article amended by Italian Legislative Decree No. 93 dated August 14th, 2013, art. 9 par. 2 converted into Law No. 119 dated October 15th, 2013]. [Article amended by Legislative Decree No. 7 dated January 15th, 2016 and by Legislative Decree No 8 dated January 15th, 2016 and Law No. 238/2021] [article amended by Italian Law no. 90 dated June 28th, 2024].

- Computer documents (art. 491-bis, Criminal Code).
- Unauthorized access to information or telecommunications systems (Article 615-ter, Italian Criminal Code) [article amended by Italian Law no. 90 dated June 28th, 2024]
- Unauthorized possession, dissemination or installation of equipment, codes and other means of accessing information or telecommunications systems (Article 615-quater of the Criminal Code) [article amended by Law No 238/2021] [article amended by Italian Law no. 90 dated June 28th, 2024]
- Possession, dissemination or installation of electronic equipment, devices or software programs designed to damage or disrupt another information or telecommunications system (art. 615 quinquies of the Criminal Code); [article amended by Law No. 238/2021] [article amended by Italian Law no. 90 dated June 28th, 2024]
- Illicit interception, prevention or interruption of computer or telematic communications (Article 617-quater of the Italian Criminal Code) [article amended by Law No. 238/2021] [article amended by Italian Law no. 90 dated June 28th, 2024]
- Unauthorized possession, dissemination and installation of equipment and other devices capable of intercepting, impeding or interrupting computer or telematic communications (Article 617-quinquies of the Criminal Code) [article amended by Law No. 238/2021] [article amended by Italian Law no. 90 dated June 28th, 2024]
- Damage to information, data and computer programs (Article 635-bis of the Italian Criminal Code) [article amended by Italian Law no. 90 dated June 28th, 2024]
- Damage to information, data and computer programs used by the State or other public entity or public utility (Article 635 ter of the Italian Criminal Code) [article amended by Italian Law no. 90 dated June 28th, 2024]
- Damage to information or telecommunications systems (Article 635-quater, Italian Criminal Code) [article amended by Italian Law no. 90 dated June 28th, 2024]
- Unauthorized possession, dissemination or installation of electronic equipment, devices or software programs designed to damage or disrupt another information or telecommunications system (Article 635-quater.1 of the Italian Criminal Code); [article introduced by Italian Law no. 90 dated June 28th, 2024]
- Damage to public-utility information or telecommunications systems (art.635 quinquies of the Italian Criminal Code) [article amended by Italian Law no. 90 dated June 28th, 2024]
- Computer fraud by the subjects which provide electronic signature certification services (Article 640-quinquies of the Criminal Code).
- Violation of the regulations on the National Cyber Security Perimeter (Article 1, paragraph 11 of Italian Decree-Law no. 105 of September 21st, 2019).

- Extortion (Article 629, paragraph 3, of the Italian Criminal Code) [article introduced by Italian Law no. 90 dated June 28th, 2024].

3) Offenses by organized crime (Art 24 ter of the Decree) - [Article added by Law No. 94 Art.9 par. 29 of July 15th, 2009 and amended by Law 69/2015].

- Mafia association, including foreign organizations (Article 416 - bis of the Criminal Code);[article amended by Law No. 69/2015].
- Criminal association (Article 416 of the Italian Criminal Code)
- Electoral exchanges between politicians and the mafia (Article 416 ter of the Italian Criminal Code) [thus replaced by Article 1 par. 1 of Law No 62 of April 17th, 2014, as from April 18th, 2014, pursuant to the provisions of Article 2 par. 1 of the same Law 62/2014]
- Kidnapping for the purpose of extortion (Article 630 of the Italian Criminal Code)
- Association aimed at the illegal trafficking of narcotic or psychotropic substances (Article 74 Presidential Decree No. 309 of October 9th, 1990) [paragraph 7-bis added by Legislative Decree No. 202/2016].
- All offenses if committed by availing oneself of the conditions provided for in Article 416-bis of the criminal code in order to facilitate the activities of the associations provided for in the same Article (Law 203/91)
- Illegal manufacture, introduction into the country, offering for sale, sale, possession and carrying in a public place or open to public, of war or warlike weapons or parts thereof, explosives, illegal weapons, and more common guns except those provided for in Article 2, paragraph 3 of Law No. 110 of April 18th, 1975 (Art. 407 paragraph 2, lett. a), no. 5), Code of Criminal Procedure)

4) Offenses of embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, and bribery (Article 25 of the Decree) [Article amended by Italian Law no. 190 dated November 6th, 2012]; [Article amended by Italian Law no. 3 dated January 9th, 2019]; [Article amended by Italian Legislative Decree no. 75/2020]; [Article amended by Italian Law no. 112/2024]; [Article amended by Italian Law no. 114/2024]:

- Extortion (Article 317 of the Italian Criminal Code) [article amended by Law No 69/2015]
- Corruption in the performance of public duties (art. 318 of the Italian Criminal Code) [as amended by Law No. 190/2012, Law No. 69/2015 and Law No. 3/2019]
- Corruption for an act contrary to official duties (Art. 319 of the Italian Criminal Code) [article amended by Law No 69/2015]
- Aggravating circumstances (Art. 319-bis Italian Criminal Code)
- Corruption in judicial proceedings (Art. 319-ter Italian Criminal Code) [article amended by Law No. 69/2015]
- Undue inducement to give or promise benefits (Article 319-quater) [Article added by Law No. 190/2012 and amended by Law No. 69/2015]
- Corruption of a person in charge of a public service (art. 320 of the Italian Criminal Code)
- Sanctions for the corrupter (Art. 321 of the Italian Criminal Code);
- Incitement to corruption (Art. 322 of the Italian Criminal Code)
- Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption of members of International Courts or bodies of the European Communities or international parliamentary assemblies or international organizations and

officials of the European Communities and officials of foreign countries (art. 322-bis of the Italian Criminal Code) [amended by Italian Law no. 190/2012, Law no. 3/2019, Decree-Law no. 92/2024 and Law no. 114/2024]

- Influence peddling (art. 346-bis of the Italian Criminal Code) [amended by Italian Law no. 3/2019 and Law no. 114/2024]
- Embezzlement (limited to the first paragraph) (Art. 314 of the Italian Criminal Code) [introduced by Legislative Decree No. 75/2020]
- Embezzlement by misappropriation (Article 314 bis of the Italian Criminal Code) (Misappropriation of money or movable property) renamed "Embezzlement by misappropriation" [introduced by Italian Legislative Decree no. 92/2024 and amended by Italian Law no. 112/2024]
- Embezzlement by profiting from others' mistakes (art. 316 of the Italian Criminal Code) [introduced by Legislative Decree No. 75/2020]
- Abuse of office (art. 323 of the Italian Criminal Code) [introduced by Italian Legislative Decree No. 75/2020 and eliminated by Italian Law no. 114/2024]

5) Offenses relating to forgery of money, public credit cards, revenue stamps and identification tools or signs (Art. 25 bis of the Decree) [Article added by Italian Legislative Decree no. 350, art 6, dated September 25th, 2001, Decree-Law converted with modifications by Law no. 409 of November 23rd, 2001; amended by Law no. 99 of July 23rd, 2009]; [Article amended by Legislative Decree no. 125 of June 21st, 2016].

- Alteration of money (Article 454 of the Italian Criminal Code)
- Counterfeiting money, spending and introduction of counterfeit money into the country, through intermediaries (Article 453 of the Italian Criminal Code)
- Spending and introduction of counterfeit money into the country, without intermediaries (Art. 455 of the Italian Criminal Code)
- Spending of counterfeit money received in good faith (Article 457 of the Italian Criminal Code)
- Falsification of revenue stamps, introduction into the Country, purchase, possession or circulation of counterfeit revenue stamps (Article 459 of the Italian Criminal Code)
- Counterfeiting of watermarked paper used for manufacturing government-issued banknotes and bearer certificates or revenue stamps (Article 460 of the Italian Criminal Code)
- Manufacture or possession of watermarks or tools for counterfeiting money, revenue stamps or watermarked paper (Article 461 of the Italian Criminal Code)
- Use of counterfeit or altered revenue stamps (Article 464 of the Italian Criminal Code);
- Counterfeiting, alteration, or use of trademarks or distinctive marks or patents, models, or drawings (Article 473 of the Italian Criminal Code)
- Introduction into the Country and trade of products with false marks (Article 474 of the Italian Criminal Code)

6) Crimes Against Industry and Trade (Art 25 bis-1 of the Decree) - [Article added by Law No. 99 of July 23rd, 2009].

- Unfair competition with threats or violence (Art. 513-bis of the Italian Criminal Code)
- Obstructing industry or commerce (Art. 513 of the Italian Criminal Code)
- Fraud against national industries (Art. 514 of the Italian Criminal Code)
- Fraudulent trading (Art. 515 of the Italian Criminal Code)

- Sale of non-genuine food as genuine (Art. 516 of the Italian Criminal Code)
- Sale of industrial products with misleading signs (Art. 517 of the Italian Criminal Code);
- Manufacture and sale of goods made by usurping industrial property (Art. 517-ter, Italian Criminal Code)
- Counterfeiting of geographical indications and designations of origin for agricultural and food products (Art. 517-quater of the Italian Criminal Code)

7) Corporate offenses (Art. 25 ter of the Decree) - [Article added to It. Leg. Decree No. 61, art. 3 of April 11th, 2002 and subsequently amended by Law No. 69 of April 29th, 2015 and by Legislative Decree 38/2017] [Article amended by Leg. Decree no. 19 of March 2nd, 2023].

- False corporate communications (Article 2621 of the Italian Civil Code) [article amended by Law No. 69/2015]
- Minor offenses (Article 2621-bis of the Italian Civil Code)
- False corporate communications by listed companies (Article 2622 of the Italian Civil Code) [article amended by Law No. 69/2015].
- Obstruction of controls (Article 2625, par.2 of the Italian Civil Code)
- Improper return of capital (Article 2626 of the Italian Civil Code)
- Illegal distribution of profits and reserves (Art. 2627 of the Italian Civil Code)
- Illegal transactions involving shares or quotas or parent company shares (Art. 2628 of the Italian Civil Code)
- Transactions causing detriment to creditors (Art. 2629 of the Italian Civil Code);
- Omitted disclosure of conflict of interest (Art. 2629-bis of the Italian Civil Code) [added by Law 262/2005]
- Fictitious capital formation (Article 2632 of the Italian Civil Code)
- Improper distribution of corporate assets by liquidators (Art. 2633 of the Italian Civil Code)
- Undue influence over Assembly (Art. 2636 Italian Civil Code)
- Manipulating the Market (Art. 2637 of the Italian Civil Code)
- Obstruction of the functions of public supervisory authorities (Art. 2638, par.1 and 2 of the Italian Civil Code);
- False or omitted declarations for the issue of the preliminary certificate (Art. 54, Legislative Decree no. 19 of March 2nd, 2023).

8) Bribery among private individuals (Article 25 ter, paragraph 1, letter s) [Article added by Law No 190 of November 6th, 2012, Article 1, paragraph 77 letter b]; [Article amended by Legislative Decree no. 38 of March 15th, 2017]; [Article amended by Law no. 3 of January 9th, 2019].

- Corruption between private parties (Article 2635 of the Civil Code); [added by Law no. 190/2012; amended by Legislative Decree no. 38/2017 and Law no. 3/2019]
- Incitement to corruption between private parties (Article 2635-bis of the Italian Civil Code) [added by Legislative Decree no. 38/2017 and amended by Law no. 3/2019].

9) Crimes for the purpose of terrorism and subversion of the democratic order (Article 25 quater of the Decree) - [Article added by Law No 7, Article 3 of January 14th, 2003].

The following can be taken into consideration, even though the Decree does not produce a complete list of offenses:

- Association finalized to terrorism (also international terrorism) or subversion of the democratic order (art. 270-bis of the Italian Criminal Code);
- Assistance to associates (Article 270-ter of the Italian Criminal Code);
- Attack for purposes of terrorism or subversion (art. 280 of the Italian Criminal Code);
- Terrorist attack with murderous weapons or explosives (Article 280-bis of the Italian Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (Article 289 -bis of the Italian Criminal Code);
- Incitement to commit any of the crimes against the State (Art. 302 of the Italian Criminal Code)
- Political conspiracy by agreement and political conspiracy by association (Articles 304 and 305 of the Italian Criminal Code)
- Armed association and training, participation and assistance to participants in conspiracy or armed gangs (Articles 306 and 307 of the Italian Criminal Code);
- Crimes of terrorism provided for by special laws: they consist in the part of the Italian legislation enacted in the '70s and '80s, finalized to fight terrorism;
- Offenses other than those specified in the Italian Criminal Code and special laws, in violation of Art. 2 of the International Convention for the Suppression of the Financing of Terrorism, subscribed in New York on December 9th, 1999.

10) Crimes of female genital mutilation (Art. 25-quater-1 of the Decree);

- Practices of female genital mutilation (Art. 583 bis of the Italian Criminal Code).

11) Crimes against individuals (Art. 25-quinquies of the Decree) [Article added by Art. 5 of Law No. 228 of August 11th, 2003]. [Article amended by Law No 199 of October 29th, 2016].

- Reducing or maintaining individuals in slavery or servitude (Art. 600 of the Italian Criminal Code)
- Child prostitution (Article 600-bis of the Italian Criminal Code)
- Child pornography (Art. 600-ter of the Italian Criminal Code)
- Possession of or access to pornographic material (Article 600-quater) [Article amended by Law No. 238/2021]
- Virtual pornography (Art. 600-quater, par.1 of the Italian Criminal Code) [added by Art. 10, Law No. 38 of February 6th, 2006]
- Tourism initiatives finalized to the exploitation of child prostitution (Art. 600 quinquies of the Italian Criminal Code)
- Human trafficking (Art. 601 of the Italian Criminal Code) [amended by Legislative Decree 21/2018]
- Buying and selling slaves (Article 602 of the Italian Criminal Code)
- Illegal intermediation and labor exploitation (Art. 603-bis of the Italian Criminal Code)
- Lure of minors (Art. 609-undecies of the Italian Criminal Code) [article amended by Law No 238/2021].

12) Crimes of insider trading and market manipulation (Art. 25-sexies of the Decree) - [Article added by art.9, Law no. 62 of April 18th, 2005].

- Market manipulation (Article 185 Legislative Decree no. 58/1998) [Article amended by Legislative Decree no. 107/2018 and Law no. 238/2021]
- Abuse or illegal communication of inside information. Recommending or inducing others to commit insider trading (Article 184 of Legislative Decree no. 58/1998) [Article amended by Law no. 238/2021]
- Prohibition of market manipulation (Art. 15 EU Regulation no. 596/2014)
- Prohibition of insider trading and unlawful disclosure of inside information (Art. 14 EU Regulation no. 596/2014).

13) Offenses of manslaughter and unintentional personal injuries committed in violation of safety regulations and safeguarding of hygiene and health at work. (Art. 25-septies of the Decree) - [Article added by Law no. 123, article 9 of August 3rd, 2007].

- Manslaughter (Art. 589 of the Italian Criminal Code),
- Unintentional personal injuries (Art. 590, par.3, of the Italian Criminal Code)

both committed in violation of safety regulations and protection of hygiene and safety at work.

14) Offences of receiving stolen goods, money laundering and use of money, goods or assets of unlawful origin, as well as money self-laundering (Art. 25-octies of the Decree) - [Article added by Legislative Decree no. 231, art. 63, par. 3 of November 21st, 2007]; [Article modified by Law no. 186, art. 3, par. 1 of May 27th, 2015 and Legislative Decree no. 195/2021].

- Receiving stolen goods (Art. 648 of the Italian Criminal Code) [article amended by Legislative Decree no. 195/2021]
- Laundering (Art. 648 bis of the Italian Criminal Code) [article amended by Legislative Decree no. 195/2021]
- Use of money, goods or assets of illicit origin (Art. 648-ter of the Italian Criminal Code) [article amended by Legislative Decree no. 195/2021]
- Self-laundering (Art. 648 ter-1 of the Criminal Code). [article amended by Legislative Decree no. 195/2021]

15) Offenses relating to non-cash payment instruments (Article 25-octies.1, Legislative Decree No. 231/2001) [Article added by Legislative Decree 184/2021] [Article amended by Italian Law No. 137 dated October 9th, 2023] [article amended by Italian Legislative Decree no. 19/2024]

- Misuse and falsification of non-cash payment instruments (Art. 493-ter of the Italian Criminal Code)
- Possession and distribution of equipment, devices, or computer programs aimed at committing crimes involving non-cash payment instruments (Article 493-quater of the Italian Criminal Code)
- Computer fraud aggravated by the transferring of money, monetary value or virtual currency (Article 640-ter of the Italian Criminal Code)
- Fraudulent transfer of valuables (Art. 512-bis) [article introduced by Italian Law no. 137/2023] [article amended by Italian Legislative Decree no. 19/2024]

16) Other offenses relating to non-cash payment instruments (Article 25-octies.1 par. 2, Legislative Decree no.231/2001) [Article added by Legislative Decree 184/2021].

- Other types of offense

17) Crimes related to violation of copyright (Art 25 novies of the Decree) [Article added by Italian Law no. 99 dated July 23rd, 2009] [Article amended by Law No. 93/2023] [article amended by Italian Law no. 143/2024] and [article amended by Italian Law no. 166/2024].

- Aforementioned offenses committed on the work of others not intended for publication if it would offend the honor or reputation (Article 171, paragraph 3, of It. Law no. 633/1941)
- Distribution to the public, in a system of computer networks, by means of connections of any kind, of a work protected by copyright, or part of it (Article 171 of It.Law no. 633/1941, par.1 letter a) bis)
- Illegal copying of computer programs, for profit; import, distribution, sale or possession for commercial or business purposes, or leasing of programs distributed on media not marked by SIAE; provision of tools finalized to remove or circumvent protective devices of computer programs (Article 171- bis of It. Law no. 633/1941, paragraph 1) [article amended by Italian Law No. 166/2024]
- Reproduction, transfer to another medium, distribution, communication, display or performance to the public of the contents of a database; extraction or re-utilization of a database; distribution, sale or leasing of databases (Art. 171-bis It. Law no. 633/1941, paragraph 2) [article amended by Italian Law No. 166/2024]
- Illegal copying, reproduction, transmission or public distribution by any means, in whole or in part, of intellectual property intended for television, cinema or sale or rental of records, tapes or similar media or any other media containing phonograms or video recordings of musical, cinematographic or audiovisual works or sequences of video images; literary, dramatic, scientific, educational, musical or dramatic-musical, multi-media productions, even if included in bundles or composite productions or databases; unauthorized reproduction, duplication, transmission or distribution, sale or trade, or transfer of any kind or illegal import of more than fifty copies or copies of productions protected by copyright and related rights; entry into a system of computer networks, through connections of any kind, of a product protected by copyright, or part of it (Article 171-ter of It. Law no. 633/1941) (amended by It. Law no. 93/2023) [article amended by Italian Law No. 166/2024]
- Omitted notification to SIAE of identification data of media not subject to marking or false declaration (Article 171-septies It.Law no. 633/1941) [article amended by Italian Law no. 166/2024]
- Fraudulent production, sale, import, promotion, installation, alteration, use for public and private use of equipment or parts of equipment for decoding of audiovisual transmissions subject to controlled access, via air, via satellite, cable, with signals both analogic and digital (Article 171-octies It.Law no. 633/1941);
- Operative part of Article 174 ter Copyright Protection Law (Article 174-ter of Italian Law no. 633/1941) [article introduced by Italian Law no. 93/2023] [article amended by Italian Law no. 143/2024]
- Operative part of Article 174 sexies Copyright Protection Law (Article 174-sexies of Italian Law no. 633/1941) [article introduced by Italian Law no. 143/2024]

18) Inducement not to make or making false statements to the Court (Art. 25 decies of the Decree) - [Article added by Art. 4 of It.Law no. 116 dated August 3rd, 2009].

- Inducement not to make a statement or to make false statements to the judicial authorities (art. 377-bis It. Criminal Code)

19) Crimes against the environment (Art 25 undecies of the Decree) - [article added by Art. 2 of Legislative Decree no. 121 of July 7th, 2011]; [article amended by Art. 1 of Law no. 68 of May 22nd, 2015], [Article amended by Legislative Decree no. 21 of March 1st, 2018][Article amended by Law no. 137 dated October 9th, 2023]

- Environmental disaster (Art. 452-quater of the Italian Criminal Code) [article amended by Law No. 137/2023]
- Environmental pollution (Art. 452-bis of the Italian Criminal Code) [article amended by Law No. 137/2023]
- Unintentional environment crimes (Art. 452-quinquies of the Italian Criminal Code)
- Traffic and littering of highly radioactive materials (Art. 452-sexies of the Italian Criminal Code)
- Aggravating circumstances (Art. 452-octies of the Italian Criminal Code)
- Killing, destruction, capture, collection, holding of specimens of protected wild animal or plant species (Art. 727-bis of the Italian Criminal Code)
- Destruction or degradation of habitat inside a protected site (Article 733-bis of the Italian Criminal Code)
- Import, export, possession, use for profit, purchase, sale, display or possession for sale or commercial purposes of protected species (Law no. 150/1992, Art. 1, Art. 2, Art. 3-bis and Art. 6)
- Discharges of industrial waste water containing hazardous substances; discharges into the soil, subsoil or groundwater; discharges into the sea from ships or aircraft (Legislative Decree No 152/2006, Art. 137)
- Unauthorized waste management activities (Legislative Decree no. 152/2006, Art. 256)
- Pollution of the soil, subsoil, surface water or groundwater (Legislative Decree no. 152/2006, Art. 257)
- Illegal waste trafficking (Legislative Decree no. 152/2006, Article 259)
- Violation of obligations on reporting, keeping of compulsory registers and forms (Legislative Decree no. 152/2006, Art. 258)
- Activities organized for the illegal trade of waste (Art. 452-quaterdecies of the Italian Criminal Code)[introduced by Legislative Decree no. 21/2018]
- False information on the nature, composition and chemical/physical characteristics of waste in the preparation of a waste analysis certificate; inclusion in SISTRI (Waste tracking system) of a false waste analysis certificate; omission or fraudulent alteration of the hard copy of the SISTRI - handling area form when transporting waste (Legislative Decree no. 152/2006, Article 260-bis)
- Penalties (Italian Law no. 152/2006, art. 279);
- Malicious pollution from ships (Legislative Decree no. 202/2007, Art. 8)
- Unintentional pollution from ships (Legislative Decree no. 202/2007, Art. 8)
- Cessation and reduction of the use of harmful substances (Law no. 549/1993 Art. 3)

20) Employment of citizens of other countries without a valid residence permit (Art 25 duodecies of the Decree) – [article added by Italian Legislative Decree no. 109, Art. 1, of July 25th, 2012 (Italian Consolidated Immigration Act), amended by Law no. 161 of November 17th, 2017] [Article amended by Law no. 50 of May 5th, 2023] [amended by Italian Law no. 187 dated December 9th, 2024]

- Employment of citizens of other countries without a valid residence permit (Art. 22, paragraph 12 bis, of Italian Legislative Decree 286/1998) [article amended by Italian Law no. 187/2024];
- Provisions against illegal immigration (art. 12, par. 3, 3 bis, 3 ter and 5, Legislative Decree no. 286/1998) [article amended by Italian Law no. 50/2023]
- Residence permit for foreigners who are victims of illegal brokering and labor exploitation [article introduced by Italian Law no. 187/2024]

21) Crimes of racism and xenophobia (Art 25 terdecies of the Decree) - [article added by Art. 5, par. 2 of Italian Law no. 167 dated November 20th, 2017]; [article amended by Legislative decree no. 21 of March 1st, 2018].

- Propaganda and incitement to commit racial, ethnic, or religious discrimination (Article 604-bis of the Italian Criminal Code)

22) Offenses of fraud in sporting competitions or carrying out of illegal gambling or betting activities (Art 25 quaterdecies of the Decree) - [article added by Law no. 39, art.5, of May 3rd, 2019].

- Fraud in sporting competition (Law no. 401, Art. 1, of December 13th, 1989)
- Illegal gambling or betting activities (Law no. 401, Art. 4, of December 13th, 1989).

23) Tax offenses (Art 25 quinquiesdecies of the Decree) - [article added by Law no. 157 of December 19th, 2019] [article amended by Legislative Decree no. 75 of July 14th, 2020]; [article amended by Legislative Decree no. 156 of October 4th, 2022] [article amended by Italian Legislative Decree no. 87 dated June 14th, 2024].

- Fraudulent tax declaration by means of invoices or other documents for non-existent transactions (Art. 2 of Legislative Decree no. 74/2000)
- Fraudulent tax declaration by means of other schemes (Art. 3 of Italian Legislative Decree no. 74/2000)
- The issuing of invoices or other documents for non-existent transactions (art. 8 Legislative Decree no. 74/2000)
- Concealment or destruction of accounting documents (Art. 10 of Legislative Decree no. 74/2000)
- Fraudulent evasion of tax payment (Art. 11 of Legislative Decree no. 74/2000)
- False declaration (Article 4 of Legislative Decree no. 74/2000) [introduced by Legislative Decree no. 75/2020]
- Failure to submit a declaration (Article 5 of Legislative Decree no. 74/2000) [introduced by Legislative Decree no. 75/2020]
- Undue compensation (Article 10-quater of Legislative Decree no. 74/2000) [introduced by Legislative Decree no. 75/2020] [article amended by Italian Legislative Decree no. 87/2024]

24) Contraband Crimes (Art 25 sexiesdecies of the Decree) - [Article added by Legislative Decree no. 75 of July 14th, 2020] [article amended by Legislative Decree no. 156 of October 4th, 2022] [article amended by Italian Legislative Decree no. 141/2024].

- Customs duties and border duties (Article 27 of Italian Legislative Decree no. 141/2024);
- Smuggling due to failure to submit a declaration (Article 78 of Italian Legislative Decree no. 141/2024);
- Smuggling due to false declaration (Article 79 of Italian Legislative Decree no. 141/2024);
- Smuggling of goods by sea, air, and across border lakes (Article 80 of Italian Legislative Decree no. 141/2024);
- Smuggling involving the undue use of imported goods with a total or partial reduction of duties (Article 81 of Italian Legislative Decree no. 141/2024);
- Smuggling through the export of goods eligible for refunds of duties (Article 82 of Italian Legislative Decree no. 141/2024);
- Smuggling involving temporary exports as well as special use and processing regimes (Article 83 of Italian Legislative Decree no. 141/2024);
- Smuggling of tobacco products (Article 84 of Italian Legislative Decree no. 141/2024);
- Aggravating circumstances of the crime of smuggling tobacco products (Article 85 of Italian Legislative Decree no. 141/2024);
- Criminal association for the purpose of smuggling tobacco products (Article 86 of Italian Legislative Decree no. 141/2024);
- Treating attempted crimes as committed crimes (Article 87 of Italian Legislative Decree no. 141/2024);
- Aggravating circumstances of smuggling (Article 88 of Italian Legislative Decree no. 141/2024);
- Security measures for assets. Confiscation (Article 94 of Italian Legislative Decree no. 141/2024);
- Evasion of assessment or payment of excise duty on energy products (Article 40 of Italian Legislative Decree no. 504/1995)
- Evasion of assessment or payment of excise duty on tobacco products (Article 40-bis of Italian Legislative Decree no. 504/1995)
- Illegal production of alcohol and alcoholic beverages (Article 41 of Italian Legislative Decree no. 504/1995)
- Association for the purpose of illegal production of alcohol and alcoholic beverages (Article 42 of Italian Legislative Decree no. 504/1995)
- Evasion of assessment and payment of excise duty on alcohol and alcoholic beverages (Article 43 of Italian Legislative Decree no. 504/1995)
- Aggravating circumstances (Article 45 of Italian Legislative Decree no. 504/1995)
- Alteration of devices and markings (Article 46 of Italian Legislative Decree no. 504/1995)

25) Crimes against cultural heritage (Art 25 septiesdecies of the Decree) - [Article added by Law no. 22 of March 9th, 2022, amended by Italian Law no. 6/2024].

- Theft of cultural heritage (Article 518-bis of the Criminal Code);
- Misappropriation of cultural heritage (Article 518-ter of the Criminal Code);

- Receiving stolen cultural heritage (Article 518-quater of the Criminal Code);
- Forgery of private contracts relating to cultural heritage (Article 518-octies of the Criminal Code);
- Violations relating to the disposal of cultural heritage (Article 518-novies of the Criminal Code);
- Illegal importing of cultural heritage (Article 518-decies of the Criminal Code); illegal removal abroad or exporting of cultural heritage (Article 518-undecies of the Criminal Code);
- Destruction, dispersion, deterioration, defacement, soiling or unlawful use of cultural or landscape heritage (Article 518-duodecies of the Criminal Code) (amended by Italian Law no. 6/2024);
- Counterfeiting of works of art (Article 518-quaterdecies of the Criminal Code)

26) Laundering of cultural heritage and devastation and looting of cultural and landscape heritage (Art 25 duodevicius of the Decree) - [Article added by Law no. 22 of March 9th, 2022].

- Laundering of cultural heritage (Article 518-sexies of the Criminal Code);
- Destruction and looting of cultural and landscape heritage (Article 518-terdecies of the Criminal Code).

27) "Trans-national" crimes [Law no. 146, Articles 3 and 10, of March 16th, 2006]

Art. 3 of the Law defines as trans-national offense the crime punishable by max imprisonment of not less than four years, if it involves an organized criminal group, as well as: a) it is committed in more than one Country; b) it is committed in one Country but a substantial part of its preparation, planning, direction or control takes place in another Country; c) it is committed in one Country but involves an organized criminal group engaged in criminal activities in more than one Country; d) it is committed in one Country but has substantial effects in another Country.

- Criminal association (Article 416 of the Criminal Code);
- Mafia association (Article 416 bis of the Criminal Code);
- Criminal association involving the smuggling of foreign tobacco products (Article 291 quater of Presidential Decree no. no. 43 of January 23rd, 1973)
- Association for the illegal trade of narcotic substances (Article 74 of Presidential Decree no. 309 dated October 9th, 1990);
- Acts intended to provide illegal entry of foreigners into the Country and abetting their stay, in order to achieve unfair profit (Art.12, par. 3, 3 bis, 3 ter and 5 Legislative Decree no. 286 of July 25th, 1998)
- Inducement not to make or to make false statements to the Court (Art. 377 bis of the Italian Criminal Code);
- Aiding and abetting (Article 378 of the Italian Criminal Code).

It seems appropriate to point out that the aforementioned offenses can determine the liability of the entity on the sole condition that they are connoted by the character of "trans-nationality". In order for the crime to be declared trans-national, it must have been committed by an organized criminal group and one of the following circumstances must occur:

- the offense is committed in more than one Country;
- the offense is committed in one Country but a part of its preparation, planning, direction or control takes place in another Country;



ORGANIZATION MODEL

GENERAL SECTION

- the offense is committed in one Country but involves an organized criminal group that engages in criminal activities in more than one Country;
- the offense is committed in one Country but has substantial effects in another Country.

In the absence of such requirements, sanctions resulting from the commission of the aforesaid offenses continue to cover only people who committed them.

1.3 Sanctions

Briefly, sanctions charged by the Decree against the company are reported, as a result of the commission or attempted commission of the aforementioned offenses:

- fine of up to a maximum of Euro 1,549,370.69 (with seizure as precautionary measure);
- disqualification sanctions (also applicable as a precautionary measure) of a duration of not less than three months and not more than two years (with the clarification that, pursuant to Art.14, paragraph 1 of the Decree, "The disqualification sanctions concern the specific activity to which the offense of the entity relates") which, in turn, may consist of:
 - prohibition of continuing business;
 - suspension or revocation of authorizations, licenses or permits instrumental to the commission of the offense;
 - prohibition from contracting with the Public Administration;
 - exclusion from grants, loans, financing or subsidies and possible revocation of those already granted;
 - ban on advertising goods or services;
 - confiscation (and seizure as precautionary measure);
 - publication of the sentence (in case of application of a disqualification).

"Fines" are determined by the Criminal Court through a system based on "quotas", in a number not lower than one hundred and not higher than one thousand, and for different amounts, between a minimum of Euro 258.22 to a maximum of Euro 1,549.37. About monetary sanctions, the Court determines:

- the number of quotas, taking into account the seriousness of the offense, the degree of liability of the company as well as activities accomplished to eliminate or mitigate the consequences of the offense and to prevent the commission of further offenses;
- the amount of the single quota, on the basis of economic and financial conditions of the company.

"Disqualification sanctions" shall apply in relation to offenses for which they are expressly provided:

- offenses against the Public Administration, under Art. 24 and 25 of the Decree;
- offenses, such as counterfeiting money, under art. 25-bis of the Decree;
- crimes related to terrorism and subversion of the democratic order, under art.25-quarter of the Decree;
- crimes against the individual, as referred to in Article 25-quinquies of the Decree;
- offenses of manslaughter and unintentional personal injuries committed in violation of safety regulations and safeguarding of hygiene and health at work as per article 25-septies of the Decree;
- environmental Crimes, as per Art 25 undecies of the Decree.

The application is due as long as at least one of the following conditions occurs:

- the company has achieved a substantial profit from the execution of the crime and the offense has been committed by top managers or individuals under supervision of others when, in this case, the commission of the offense has been determined or facilitated by serious organizational shortage;
- in case of repetition of the offenses.

The judge determines the type and duration of the disqualification sanction, taking into consideration the appropriateness of single sanctions to prevent the type of offense committed and if necessary, he can apply them jointly (Article 14, paragraph 1 and paragraph 3 of the Decree).

The penalties of disqualification from the business activity, of prohibition of contracting with the public administration and the ban on advertising goods or services, can be applied permanently, in particularly severe cases. It should be noted, however, that instead of disqualification penalty, the business activity of the company could possibly continue under a commissioner appointed by the Court in accordance with and subject to the conditions mentioned in Art. 15 of the Decree.

1.4 Exemption of liability: the organization and management model

As mentioned above, articles 6 and 7 of the Decree provide for exemption from administrative liability if the entity has been organized under efficient and effective organization and management models suitable to prevent the same kind of offenses which actually occurred.

Based on such provisions of the Decree, there is a difference of discipline and rules of evidence, in relation to the offenses committed by top managers with respect to crimes committed by their subordinates.

Remarkably, liability is excluded if the entity can prove that:

- the managing body has adopted and effectively implemented, before the offense was accomplished, a organization and management model finalized to prevent crimes of the kind that occurred (hereinafter the "Model");
- the task of supervising execution and compliance with the Model, along with its update, has been entrusted to a Supervision Body of the entity (hereafter, "Supervisory Board"), with independent powers of initiative and control;
- the persons who committed the crime acted fraudulently, eluding the above model;
- there was no lack or insufficient supervision by the Supervisory Board.

The adoption of the model is therefore a measure of diligence as defined by the legislator and for the entity it represents the chance to be free from liability.

The introduction of the unintentional offense into the 231 system by Law 123/2007 replaced by Legislative Decree 81/2008 "Consolidated act about Occupational Health and Safety", in the absence of any provision aimed at harmonizing the legislation on the liability of the entity - as currently configured - with the new archetype of offense, gives rise to a series of compatibility problems that are not easy to solve.

The traditional structure of the charge of "organization liability", which gives rise to the administrative liability of the entity, must now be compared with crimes, whose identifying elements and whose execution are very different from those typical of crimes taken into examination until recently for the construction of the Model.

Firstly, the not easy harmonization concerns the necessary existence of an interest or an advantage of the entity in relation to the accomplishment of the offense. But the most problematic point is that the criterion for exemption from liability indicated in the previous point, i.e. the proof that the act was committed by the agent through the fraudulent elusion of controls placed by the entity within its

organization, can correspond to the set of characteristics which are typical of a criminal offense while on the other hand, it cannot be identified as an unintentional crime.

It should be considered that, in order to be exempted from liability, the entity must be able to prove that the negligent violation committed by its fellow has been accomplished, despite an effective system of monitoring of the application of general and special rules had been put in place, finalized to avoid the risk of such an event.

However, the mere adoption of the Model by the Board of Directors - which is to be identified in the body which rules the company - does not seem to be sufficient to determine the exemption from liability, as it is necessary that the Model is also efficient and effective.

With regard to the effectiveness of the Model, the legislator, in Article 6 paragraph 2 of Legislative Decree 231/2001, stipulates that the Model must meet the following requirements:

- identify the activities where offenses may be committed (so-called "mapping" of the activities at risk);
- envisage specific protocols aimed at defining how the resolutions of the body with regard to the offenses to be prevented shall be defined and implemented;
- identify procedures to manage financial resources suitable for preventing the offenses being committed;
- design duties to provide information to the body responsible for the supervision of the functioning and compliance with the models.

According to Art.7, for offenses committed by persons subject to the supervision of others, the entity is responsible only if the accomplishment of the offense was made possible by the lack of compliance with the obligations of management or supervision (in this case the burden of proof is borne by the prosecutor). In any case, these obligations are considered appropriate if the entity, prior to the commission of the offense, has adopted and effectively implemented a model of organization, management and control finalized to prevent the same type of crime occurred.

Therefore, the effectiveness of the model is linked to its effective implementation, which, pursuant to Article 7 par. 4 of the Decree, requires:

- a periodic review and possible amendment of the same model, whereas significant violations of the requirements are reported or when changes occur in the organization or activity (update of the Model);
- a disciplinary system suitable to punish circumstances which are non-compliant with the measures specified in the Model.

In accordance with Art. 6, paragraph 3, of the Decree, organization models "may be adopted (...) based on codes of conduct drawn up by the associations representing the entity and communicated to the Ministry of Justice which, in consultation with other competent Ministries, may, within thirty days, formulate comments on the suitability of the models intended to prevent crime". However, it should be noted that the information contained in the guidelines drawn up by trade associations represent only a framework and does not cover all precautions which individual entities could decide to analyze, in the autonomy of choice of the organization models deemed most appropriate.

PART THREE

CREATION OF THE ORGANIZATION MODEL

2 THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

2.1 Guidelines established by Trade Associations

Art. 6, Par. 3 of the Decree provides that "organization and management models can be adopted, guaranteeing the requirements referred to in paragraph 2, on the basis of codes of conduct drawn up by associations representing the entity; these models are communicated to the Ministry of Justice which, in consultation with other competent Ministries, may formulate comments on the suitability of the models to prevent crime, within thirty days."

Confindustria has defined Guidelines for the creation of models of organization, management and control (hereinafter, "Confindustria Guidelines") providing, among other things, methodological guidance for the identification of areas at risk (sector/activity where crimes can be committed), design of a control system (the so-called protocols for planning of formation and implementation of the decisions of the entity) and contents of the organization, management and control model.

In the area of business of this company, guidelines do not exist to date, therefore those set out by Confindustria will be followed, considering the company scenario and the peculiarities of the specific business area. The preparation of this Model is inspired by the Guidelines issued by Confindustria on March 7th, 2002 and updated on March 31st, 2008. The roadmap derived from them for the design of the Model can be summarized according to the following key points:

- identification of areas at risk, to verify areas / sectors in which offenses are possible;
- preparation of a control system aimed at reducing risks by means of the adoption of specific protocols.

To support this, a coordinated set of organizational structures, activities and operational rules applied by the management and the personnel in charge and sponsored by the top management and finalized to provide a reasonable level regarding the achievement of the objectives covered in a good internal control system is needed. The most important components of the preventive control system proposed by Confindustria are:

- code of ethics;
- organization system;
- manual and computerized protocols;
- authorization and signatory power;
- control and management systems;
- communication to staff and subsequent training.

The control system must also conform to the following principles:

- each transaction must be verifiable, documentable, consistent and appropriate;
- segregation of duties (no one can independently manage all phases of a process);
- documentation of controls;



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- introduction of an adequate system of sanctions for violations of the rules and procedures laid down in the model.

In addition, it is necessary to identify a Supervisory Board, whose main requirements are:

- autonomy and independence;
- professionalism;
- continuity of action.

to which the various business functions must send a variety of information.

2.2 Introduction

Besides being a ground for the exemption from liability of the Company with reference to a few types of crime, the decision of SUZUKI ITALIA SPA to adopt a model of organization and management in line with the Decree represents an act of social responsibility of the company towards its stakeholders.

In order to ensure more and more fairness and transparency in the management of business operations, SUZUKI ITALIA SPA decided to adopt a model of organization, management and control pursuant to the Decree which, together with the Code of Ethics, organizational procedures and other policies and provisions of the company, constitutes its program to ensure an effective prevention and detection of violations of law, along with a set of corporate governance tools aimed at allowing a conduct of business consistent with company objectives.

SUZUKI ITALIA SPA is also determined to ensure that the tools of corporate governance adopted by the company are capable of preventing crimes now and do not lose this capability in the future: for this purpose, the Company shall make an ongoing assessment of the effectiveness of the Model adopted in relation to its organizational and business scenarios and possible changes in the Decree, and with respect to critical issues that could arise in the application of the Model itself. Moreover, as part of periodic updating of the Model, SUZUKI ITALIA SPA considered not only the introduction of new types of offenses relating to the evolution of the relevant legislation, but also the corporate events that occurred, along with any evidence of risk identified and also relevant for the purposes of such legislation.

Precise internal rules perform the function of organizing the system of powers and proxies, to regulate and prepare the protocols of the activities carried out in the company as well as to regulate the flows of information among the various functions and bodies.

In this context, the adoption of an organization model offers also the important result of providing the staff in the company, contractors and external partners with information about the severe administrative sanctions imposed to the company in case of crimes, ensuring the prevention of illegal actions, including criminal actions, as part of the company activity through the continuous monitoring of every area at risk and the training of personnel to perform correctly their duties.

For the preparation of its organization and management Model, SUZUKI ITALIA SPA has therefore explicitly taken into account:

- the provisions of Legislative Decree 231/2001,
- the annexed Ministerial report and Ministerial Decree no. 201 dated June 26th, 2003 including the enforcement rules for Legislative Decree no. 231/2001;
- the Guidelines issued by Confindustria.

2.3 Objectives and aims of the model

The adoption of the Model aims at improving the company's internal control system, significantly reducing the risk of offenses against reported regulations and at the same time at allowing SUZUKI ITALIA SPA to benefit from the exemption according to the provisions of the Decree.

The decision of the Board of Directors of SUZUKI ITALIA SPA to adopt an organization and management Model is part of a broader scenario within the company that takes the form of actions and initiatives aimed at raising the awareness of all the personnel of SUZUKI ITALIA SPA (from management to all employees) as well as contractors and business partners, about the correct and transparent management of the company, about compliance with existing regulations and fundamental principles of business ethics in the pursuit of the corporate purpose.

Through the adoption of the Model, SUZUKI ITALIA SPA aims to achieve the following objectives:

- identify the activities performed by the individual business functions which, for their particular type, could involve a risk of crime pursuant to the Decree;
- analyze the potential risks with regard to the possible methods of committing the offenses with respect to internal and external operating environment in which the company operates;
- evaluate the system of preventive controls and its adaptation to ensure that the risk of offenses is reduced to an "acceptable level";
- establish a system of rules that defines general lines of conduct (Code of Ethics and Guidelines of Conduct included in the Special Sections) and specific lines of conduct (organizational procedures) to regulate business activities in "sensitive" areas;
- establish a system of authorization and signatory powers, to ensure a timely and transparent representation of the business process of decision making and execution;
- implement a monitoring system capable of promptly report the existence and occurrence of critical situations, general and/or particular;
- train the staff on the content of the model and, more generally, on the authorization powers, the reporting lines, procedures, information flows and other elements which promote transparency of corporate activity;
- raise awareness in every Recipient of the Model about the need for strict compliance with the Model itself, the violation of which would result in severe disciplinary measures;
- establish a system of sanctions concerning the violation of the provisions of the Code of Ethics and of the procedures provided by the Model;
- inform about the serious consequences that may arise for the company (and thus indirectly for all stakeholders) from the application of financial sanctions and disqualification, as described in the Decree, and about the possibility that these can be ordered as precautionary measures;
- appoint a Supervisory Board and assign to it specific power in order to control the actual functioning, the adequacy and the updating of the Model.

2.4 Imperatives of the model: the integrated system of internal controls

The Model has been founded on the concrete assessment of the operational and organizational characteristics of the company.

The existing system of internal controls, already in place by SUZUKI ITALIA SPA is the set of rules, procedures and organizational structures aimed at ensuring compliance with the company strategies and achieving effectiveness and efficiency of processes, preservation of the value of assets and protection from losses, of reliability and integrity of accounting and management, of compliance of



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operations with regulations, supervisory rules, the Articles of Association and the internal rules of the intermediary.

The control system involves every area of the company operational tasks through the segregation of execution tasks from control tasks, blunting any possible conflict of interest.

The main goals of the system of internal controls of the Company consist of operational, information and compliance objectives:

- the operational objective of the system of internal controls concerns effectiveness and efficiency of the Company in using its resources and in protecting itself from losses: in this case, the system of internal controls aims at ensuring that employees throughout the organization work for the achievement of corporate objectives, without putting other interests before those of the Company;
- the objective of information consists in the provision of timely and reliable reports for decision making in the organization and also responds to the need of making reliable documents available to external recipients;
- the objective of compliance ensures that all operations are conducted in compliance with applicable laws and regulations, with prudential requirements and relevant internal procedures.

In fact, the internal control system of the company is based on the following qualifying elements:

- code of ethics;
- organizational system formalized in the assignment of responsibilities;
- corporate structure and composition of the Board of Directors;
- policies and operating procedures;
- computer systems already set for the segregation of duties;
 - measures of control, with regards to administrative and accounting subjects, present in the Accounting Control Model required by the J-SOX Financial Instruments and Exchange Act dated June 14th, 2006;
- management control and reporting system;
- authorization and signatory powers assigned in accordance with responsibilities;
- internal communication system and staff training.

Monitoring involves the following in their different roles: the Board of Directors, the Board of Statutory Auditors, as well as all the corporate departments and all staff at all levels.

The responsibility for the proper functioning of the internal control system is assigned to each organizational structure for all processes it is responsible for.

The tasks of the different bodies are defined in accordance with the following types of control structure:

- line controls performed by the individual operating units on processes for which they have management responsibility, aimed at ensuring the proper conduct of operations;
- monitoring activities, carried out by the managers for each process and aimed at verifying the proper performance of the underlying activities, based on hierarchical controls;
- internal review, aimed at detecting anomalies and possible violations of procedures and regulations, and at assessing the adequacy of the overall system of internal controls; it is conducted by structures independent of operational units.



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Although the existing internal control system is suitable for the prevention also of offenses covered by the Decree, the Board of Directors, sensitive to the need of ensuring fairness and transparency in the conduct of business and corporate activities, in order to protect its own position and image, as well as expectations of its shareholders and the work of its employees, decided to assess its organization, management and control tools, in order to verify if behavioral principles and procedures already adopted are consistent with the objectives of the Decree and, if necessary, to adapt them to ensure compliance.

2.5 The control system

The methodology selected to implement the Model, in terms of organization, definition of operating modes, design of phases, assignment of responsibilities among the various business functions, has been drafted in order to ensure quality and authority of the results.

The Model was prepared by SUZUKI ITALIA SPA bearing in mind, as already stated, the provisions of the Decree and the guidelines drawn up by Confindustria.

The following pages describe the phases in which SUZUKI ITALIA SPA has organized the task of identifying the areas at risk and of surveying the current system of safeguards and controls designed to prevent the committing of crimes.

2.5.1 Introduction

A fundamental concept in the construction of a system of preventive control is that of *"acceptable risk"*. In the design of control systems for the protection of business risks, the definition of acceptable risk is relatively simple, at least from a conceptual point of view.

The risk is considered acceptable when additional controls "cost" more than the resource to be protected (for example: common cars are equipped with anti-theft systems and not even an armed warden).

In the case of the Decree, indeed, the economic logic of costs cannot be an exclusive reference. To implement the provisions of the Decree, therefore, it is important that an actual threshold is established so as to allow putting a limit on the quantity/quality of the preventive measures to be introduced to prevent the crimes under investigation.

In the absence of determination of the acceptable risk, the quantity/quality of preventive controls which can be established is in fact virtually endless, with the obvious consequences in terms of business operations. Moreover, the general principle, also invoked in criminal law, of the applicable behavior, summed up by the Latin *"impossibilia nemo tenetur"*, represents a sound criterion even if the limit often seems difficult to be identified.

With regard to the preventive control system to be built in relation to the risk of the possibility of offenses covered by the Decree, in cases of intentional offenses the conceptual threshold of acceptability is represented by a system of prevention that cannot be bypassed except fraudulently.

This solution is in line with the logic of the organization model's "fraudulent evasion" as an exemption provided for by the aforementioned Decree in order to exclude from the entity's administrative liability (Article 6, par. 1, letter c), instances where "persons committed the offense by fraudulently bypassing the organization and management models".

By contrast, in cases of manslaughter and unintentional personal injuries committed in violation of the rules of health and safety at work, the conceptual threshold of acceptability - to claim exemption under the Decree - is represented by a conduct (not accompanied by the will to cause death/personal injury) in violation of the organization model of prevention (and the underlying mandatory



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requirements provided by the accidents prevention regulations) despite the strict observance of the monitoring requirements specified in the Decree by the competent Supervisory Board. This is because the fraudulent circumvention of organization models appears incompatible with the subjective element of the offenses of manslaughter and unintentional personal injury, under Articles 589 and 590 of the Criminal Code.

Therefore, given that the organization models must be suitable to prevent crimes, both intentional and unintentional, as provided for by the Decree, the first goal for the creation of an organization model is to rule and supervise activities that are exposed to risk of crime, in order to avoid it, considering that the same offenses may nevertheless be accomplished even after the implementation of the model, as mentioned above; however, in the case of intentional offenses, only if they are intentionally planned by the actor in terms of conduct as well as event.

The Model and related measures must be implemented in such a way that the actor should not only "want" the crime to occur (e.g., bribe a public officer), but also he/she can execute his/her criminal purpose only bypassing fraudulently (e.g., through artifices and/or tricks) the provisions of the company. The set of measures that the actor is obliged to "force", if he/she wants to commit a crime, must be set forth in relation to the specific activities of the entity which have been identified as at risk and to individual crimes supposedly connected to them.

On the other hand, in the case of unintentional offenses, these must be wanted by the actor only on the basis of his/her conduct and not as an event to occur.

The methodology for the construction of a system of risk management, as described below, has general validity. The process described can in fact be applied to various types of risks.

2.5.2 Construction of the system of preventive control

The preventive control system shall be such as to ensure that the risks of offenses, according to what illustrated in the previous phase, are reduced to an "acceptable level", according to the definition in the preamble. Basically, as described in the Decree, "specific protocols aimed at planning the formation and implementation of decisions in relation to the crimes to prevent" are to be designed.

The components of an internal control system (preventive), for which there are established methodological references, are many. However, it should be noted that the control components which will be indicated should be integrated into a comprehensive system, which need not include all of them and where the possible weakness of a component may be compensated by the strengthening of one or more other components.

This is particularly true for small businesses, for which it is unrealistic to require the use of the whole set of control tools available for large organizations. Depending on the size, only some control components may then be used, whilst others may be excluded (perhaps because already implicit in the business model) or be present in extremely simplified terms.

However, it should be noted that, for every entity, whether large, medium or small, the system of preventive controls should be essentially the following:

- in case of intentional offenses, it cannot be circumvented unless intentionally;
- in case of unintentional offenses, thus incompatible with fraudulent intent, it should appear violated, despite the strict observance of the obligations of supervision by the Supervisory Body.



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2.5.3 Components of the Model for intentional offenses

The components of the Model related to intentional offenses are:

Code of Ethics (or Code of Conduct) related to offenses under consideration

The adoption of ethical principles in relation to behaviors which can integrate the kind of offenses described in the Decree form the basis on which to create a system of preventive control. These principles can be incorporated into Codes of Ethics of more general nature, if any, or anyway be subject to independent definition.

Organization system

It must be sufficiently formalized and clear, especially with regard to the assignment of responsibility, to hierarchical reporting lines and to the description of tasks, with specific provisions of control principles such as, for example, the opposition of functions.

With respect to the organization system, attention should be paid to the systems of staff management. Such systems are needed to guide and direct staff and management activities towards the efficient achievement of corporate objectives.

Best practices or manual and computerized procedures

The use of practices or procedures that regulate the execution of activities by providing the necessary check points (reconciliations, information details on particular subjects such as consultants and contractors). The segregation of duties plays a particularly effective preventive role, i.e. the separation of duties between those who perform steps (tasks) of a critical process at risk.

In this field, financial management covers a specific interest, whereas the procedural check uses best practices in the administrative tasks, including joint signatures; frequent reconciliations; supervision; segregation of tasks with the aforementioned opposition of functions, such as the procurement function and the administrative, financial function and/or treasury.

Particular attention should be paid to cash flows which are not typical in the current business processes, especially if these areas are not adequately covered by procedures and if they are occasional and discretionary. In any case, it is necessary that the principles of transparency, verifiability, pertinence to the business activity are always respected.

Authorization and signatory powers

They should be assigned in accordance with the established organization and management responsibility and provide an indication of approval thresholds for expenditures, if necessary.

System of management control

It must be able to provide timely warning of critical situations of general and/or particular relevance. The definition of appropriate indicators for individual risk types detected (e.g. brokerage agreements that provide for payments off-shore) and risk assessment processes, internal to the individual business functions, are functional to this.

Communication and training of personnel

They are two important features of the model for the purposes of its proper functioning. With regard to communication, it must obviously relate to the Code of Ethics, but also other tools such as authorization powers, reporting lines, procedures, information flows and everything which promotes transparency in daily operations.



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The communication must be: capillary, effective, authoritative (i.e. issued by an appropriate level), clear and detailed, repeated on a periodical basis. In addition to the communication, an adequate training program for the personnel working in areas at risk must be developed, appropriately calibrated according to the levels of the recipients, in order to explain the reasons of convenience, as well as legality that inspire the rules and their practical extent.

2.5.4 Components of the Model for unintentional offenses

Without prejudice to what has already been stated in relation to intentional offenses, the following indications apply to unintentional offenses.

Code of Ethics (or Code of Conduct) related to offenses under consideration

It is also an expression of corporate policy for health and safety at work and shows the vision, the core values and the beliefs of the company in this topic. Therefore it is helpful to define direction, principles of action and results to achieve.

Organization structure

An organization structure with duties and responsibilities related to health and safety at work is required; these are formally defined in accordance with the organizational and functional framework of the company, starting from the employer down to the employee.

Particular attention should be paid to specific roles working in this field (RSPP - Head of the Prevention and Protection Service, ASPP - Operators of the Prevention and Protection Service, RLS - Representative of Employee for Safety, MC - Competent physician, first aid personnel, person responsible for emergency in case of fire).

Other roles must also be taken into account, i.e. the specific roles required by other relevant regulations, along with the requirements and documentation relating to the monitoring of safety.

Basically, this approach implies that:

- in the definition of the organizational and operational tasks of top management, executives, officers and workers, also tasks relating to security activities with their respective competence must be included, along with responsibilities related to the execution of these activities;
- the duties of the Head of the Prevention and Protection Service and of the staff of the same service, of the Representative of Employee for Safety, of those involved in emergency management and of the competent physician are to be documented.

Education and training

These are essential components for the functioning of the model. The execution of tasks that may affect the health and safety at work requires appropriate expertise, to be verified and increased by means of educational and training courses, aimed at ensuring that all personnel involved at every level is aware of the importance of the compliance of his/her own actions with the organization model and the possible consequences derived from behaviors deviating from the rules provided by the model.

In fact, each worker/operator in the company must receive sufficient and appropriate training with particular reference to his/her job and to his/her task. This must be done at the moment of recruitment, job rotation, change of duties or introduction of new work equipment/technologies, new dangerous substances and preparations.

Communication and involvement



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Circulation of information within the company takes on a significant value as it encourages the involvement of all stakeholders and promotes adequate awareness and commitment at all levels.

The involvement should be accomplished through:

- advanced consultation on the identification and assessment of risks and the definition of preventive measures;
- regular meetings which take into account at least the requirements laid down by the current legislation, also using the regular meetings already planned for business management.

Operations

The control system, related to risks for health and safety at work, should be integrated and consistent with the overall management of business processes.

The procedures defined for the safe accomplishment of activities that significantly impact health and safety at work are based on the analysis of business processes, on their mutual relation as well as on the results of the risk assessment.

The company identifies the areas of intervention associated with health and safety aspects and provides a controlled operational management.

In this respect, particular attention should be paid to:

- selection, recruitment and qualification of personnel;
- organization of work and workplace;
- acquisition of goods and services used by the company, and communication of relevant information to suppliers and contractors;
- ordinary and extraordinary maintenance;
- qualification and selection of suppliers and contractors;
- management of emergencies;
- procedures for treating deviations from targets and rules of the control system.

Security Monitoring System

The management of health and safety at work should include a verification phase of the continuation of the prevention and protection measures against risks, after their adoption as suitable and effective. Technical, organizational and procedural prevention and protection measures performed by the company should be subject to a monitoring plan.

Setting up a monitoring plan should be developed through:

- the scheduling of the audits (frequency);
- the assignment of tasks and responsibilities of the execution;
- the description of the operations to be executed;
- the reporting system for any anomalous situations.

2.5.5 Control principles

The components of organization models described above must be embedded in a system architecture that meets a series of control principles, including:

"Every operation, transaction, action must be: verifiable, documented, consistent and appropriate".



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For each transaction, there must be an adequate documentation available at any time to execute checks to confirm the characteristics and motivations of the operator, in order to identify who authorized, performed, recorded and checked it.

The safeguarding of data and procedures in the IT field can be ensured through the adoption of the security measures already provided for by Legislative Decree 196/2003 (Personal Data Protection Code) for all data processing carried out by electronic means.

Art. 31 of the Code, in fact, requires the adoption of security measures to minimize "the risk of destruction or loss, even accidental, of data, of unauthorized access or treatment not allowed or inconsistent with the purposes of the collection".

"No one can independently manage the entire process".

The system must ensure the application of the principle of segregation of duties; this means that the authorization to perform an operation must be under the responsibility of an individual different from the one in charge of the accounting, or the person who executes or controls the operation.

Furthermore, it is necessary that:

- no one may be granted unlimited powers;
- powers and responsibilities are clearly defined and known in the organization;
- authorization and signatory powers are consistent with the organizational responsibilities assigned.

"Documentation of controls".

The control system should document (possibly through the creation of reports, internal audit reports, reviews and any verification with top management and corporate roles) the monitoring of compliance checks with legal provisions, any extra regulation as well as internal rules laid down by the company.

2.6 Identification of activities at risk and definition of protocols

Art. 6, Par. 2, Letter a) of the Decree indicates, among the requirements of the model, the identification of processes and activities where the offenses listed in the Decree can be accomplished. In other words, they are those activities and processes that are commonly defined as "sensitive" (hereinafter, the "sensitive activities" and "sensitive processes").

In this phase, it is necessary to identify the areas at potential risk of offense deemed significant for the purposes of the Decree and/or instrumental, i.e., respectively, the activity from which one of the offenses covered by the Decree could directly derive and the areas in which, in principle, the conditions, opportunities or means of committing the crimes in question may arise.

The outcome of this phase is the mapping of activities that, in view of their specific contents, could be exposed to the potential commission of the offenses referred to in the Decree.

It is necessary to carry out an analysis of the various policies and procedures (or practices), to conduct interviews with several parties with different and specific skills, in order to promote the best knowledge in relation to the operations of each individual sector of the company. The results of the meetings allow the identification of the risk profiles of the offenses identified by the Decree, as well as the description of the content and operating procedures of each organizational unit. For each activity, the specific reasons for the existence or absence of each risk profile will be reported subsequently.

The Model was then developed in several stages, which have been carried out in compliance with the fundamental principles of documentation and verifiability of the activities, so as to enable the



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understanding and reconstruction of the entire project activity achieved and in compliance with the provisions of Legislative Decree 231/2001.

2.6.1 Collection and analysis of documentation

The activity is carried out by organizing specific interviews with the directors and top managers of SUZUKI ITALIA SPA, making them aware of the content and scope of the Decree during the interviews and delivering guidance material (when deemed necessary), including the list of offenses introduced by the Decree.

Firstly, the official documentation has been collected, useful for the analysis and available in the company, concerning:

- organizational charts;
- corporate governance guidelines;
- policies, codes of conduct and operating procedures;
- proxies and powers of attorney;
- existing system of sanctions;
- existing Code of Ethics;
- audit plans and reports of the Internal Audit Department.

The aforementioned documents were then examined in order to establish an information platform of the structure and of the operations of the company, as well as the assignment of powers and responsibilities.

2.6.2 Identification of activities at risk

The activity is carried out through the organization of specific interviews with the top managers of SUZUKI ITALIA SPA, made aware of the content and of the scope of the Decree during the interviews and the delivery of guidance material (when deemed necessary), including the list of offenses investigated in the Decree.

All the company's activities were mapped out, based on the processes and sub-processes of each Department. This was followed by a detailed analysis of each activity specifically aimed at verifying both the actual methods of operation and the division of responsibilities.

Based on the activity of SUZUKI ITALIA SPA, it was decided to focus greatest attention on the assessment of existing risk profiles of certain types of offenses, namely: corporate crimes, market abuse, money laundering, crimes against public property or public bodies, crimes against the public administration, cyber-crimes, infringement of copyright, fraudulent trading, violations of health and safety at work regulations, environmental crimes and the use of third-country citizens staying illegally.

With regard to offenses against individual freedom, of money laundering and receiving stolen goods and computer crimes, it was considered that the specific activity carried out by SUZUKI ITALIA SPA does not present a risk profile so as to make realistic the possibility of crimes in the interest or for the advantage of the company. Therefore the reference to the principles contained in the Model, "Residual Crimes" Special section, as well as in the Code of Ethics of the company has been considered exhaustive, where corporate officers, employees and business partners are invited to respect the values of solidarity, protection of individual personality, fairness, morality and respect for the law.

Regarding crimes against industry and commerce, and in particular to fraud in trading with regards to consistency between quality of the product and quality declared, it should be noted that SUZUKI ITALIA SPA is not directly involved in the manufacturing of marketed products, but it remains liable



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for the control activities related to the declared quality of the product, with particular reference to any CE markings, and for the compliance with technical regulations and with aspects relating to the registration of products.

For other offenses not expressly mentioned, the considerations and warnings contained in the General Section of this Model and in the Code of Ethics apply.

The identification of areas at risk of committing offenses pursuant to Legislative Decree no. 231/2001 was also carried out through the use of questionnaires or interviews with some of the heads of each department.

The results of this activity (Risk Assessment) are collected and formalized in the Special Section of this Model.

2.6.3 Identification and analysis of the current coverage of risk

Concerning areas at risk, people responsible for the management of the activities identified have been asked to explain and provide the operational protocols and actual controls in place, acknowledgeable as suitable for monitoring the risk identified. The result of this activity is summarized in the documentation available in the Company.

The activity was carried out by means of interviews with the top managers and supervisors of SUZUKI ITALIA SPA, the collection of available data (procedures, practices, documents), supplemented by personal interviews, where necessary. The information gathered was also meant to indicate the potential risk profile and the reason for the existence of such risk profile (potential risk-offense profiles) for each of these activities and to establish management procedures and control tools, with a focus on preventive controls existing to monitor arising risks.

2.6.4 Gap Analysis

The risk situation and the associated safeguards set out in the said documentation were compared with the needs and requirements imposed by Legislative Decree no. 231/2001 in order to identify shortcomings in the existing system. In the cases where activities at risk have been identified and deemed not sufficiently monitored, action has been taken to identify, with the support of the persons responsible for such activities, interventions aimed at preventing more effectively the identified risky scenarios, taking into account even the existence of operational rules in force or even just observed in operational practice. At this stage, particular attention has been paid to the identification and explanation of the processes of management and control of financial resources in activities deemed sensitive to the realization of significant offenses, under the Decree.

The information investigated, with reference to each profile of risk - potential crime, identifies circumstances, also potential, for offenses and with reference to each of the main methods of implementation identified. The Gap Analysis allows to identify:

- control mechanisms related to the Function/Department investigated;
- their adequacy, i.e. their ability to prevent or detect unlawful conduct;
- useful suggestions to remedy any misalignment with respect to the Model.

2.6.5 Definition of protocols

Protocols contain the rules that the party responsible for has helped to identify as the most suitable to manage the identified risk profile: in fact, they are a set of rules derived from a detailed analysis of each activity and from the risk prevention system.

Protocols are inspired by the rule to verify and document the various stages of the decision-making process, in order to trace back to the motivation that drove the decision.

Being originated by the evaluation of the internal control system, protocols with reference to the aforementioned areas at risk and/or instrumental areas provide rules of conduct and operating and control procedures which SUZUKI ITALIA SPA must comply with, for the execution of activities at risk and/or instrumental activities.

Therefore, the above protocols allow to achieve the following objectives:

- functional segregation of operation and control activities;
- traceability of operations at risk and of controls in place to prevent crimes;
- distribution and attribution of powers of authorization and decision-making and responsibilities of each structure, based on principles of transparency, clarity and reliability of operations.

Protocols complement and integrate the rules laid down by the Code of Ethics, which represent a fundamental tool for expressing those principles of corporate conduct that the company acknowledges and uses as a foundation of a sound, transparent and fair management of the activities of the staff, as they have just been appropriately structured on the basis of the needs expressed by the Decree.

Therefore a protocol, i.e. a set of rules (guidelines, procedures, limitations of powers, control and verification systems) considered suitable to manage the risk profile identified, has been established for each area in which a risk profile was recognized. Protocols are inspired by the rule of verification and documentation of the various stages of the decision-making, operational and control processes, with reference to the identified sensible activities. The relevant operational unit will incorporate the protocol and will then have the responsibility to ensure that daily operations are effectively aligned with the stages of implementation and verification provided and summarized.

An effective system of protocols cannot ignore the comparison with the existing system of proxies and powers of attorney, in order to verify the consistency of the assignment of powers with the decision-making processes investigated.

To this end, SUZUKI ITALIA SPA adheres to the principle according to which only individuals with formal and specific assigned powers may enter into commitments towards third parties in the name and on behalf of the company. It also developed a coherent system which gives each individual (both with official powers of attorney and even with only internal proxies) powers corresponding to the organizational role covered and the tasks and responsibilities he/she has been entrusted.

2.7 Structure and organization of the Model

The Model consists of two different parts:

- **General section** – It introduces the company, explains the function and the principles of the Model, as well as the contents of Legislative Decree no. 231/2001 and of relevant regulations; it ends with a section which is the core of the Model and refers to its contents: adoption, identification of activities at risk, definition of protocols, characteristics and functioning of the Supervisory Board, information flows, training and information activities, disciplinary system, updating of the Model;
- **Special section** – It is organized by categories based on the various types of offenses / processes where there is a risk of offenses being committed, illustrating and expanding on the analysis of the entity's operational activities for the categories of offenses provided for in the Decree where potential risk-crime profiles have been identified, indicating the safeguards (system of delegated powers and protocols) designed to contain the risk itself.

The following documents are integral part of the Model adopted by SUZUKI ITALIA SPA:

- Code of Ethics;



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- Corporate protocols (in addition to possible operational procedures and practices);

2.8 Recipients of the Model

The Model is addressed to the following subjects (hereafter, the "Recipients") who are committed to respect its provisions:

- directors and executives of the company (so-called *top managers*);
- the staff of the company (so-called internal subjects supervised by others);
- contractors, sale agents and representatives, consultants and in general self-employed subjects whereas they operate in the scenario of so-called sensitive areas of activity on behalf or in the interest of the company;
- clients for whom the company carries out its activities described in the corporate purpose;
- suppliers and partners (also under the form of a temporary association of companies, as well as any joint venture) which operate significantly and/or continuously in the context of so-called sensitive areas of activity on behalf or in the interest of SUZUKI ITALIA SPA;
- more generally, every subject who operates, for whatever reason, in the scenario of so-called sensitive areas of activity on behalf or in the interest of the company.

2.9 Model Adoption and Updating

The adoption and effective implementation of the Model are the responsibility of the Board of Directors, as expressly provided for by the law.

In fact, Art. 6, Par. 1, Letter a) of the Decree requires that the model is a "document issued by the administrative body."

The adoption of the organization Model, therefore, is the responsibility of the Board of Directors of SUZUKI ITALIA SPA, which provides for it by means of a resolution.

The power to update the Model - which is an expression of the effective implementation of the same - is up to the Board of Directors, which executes it directly by resolution or by delegation to the Chairman of the Board of Directors and with the mechanism provided for the adoption of the Model.

Updating the Model, meaning both supplementing and amending it, is aimed at ensuring that the Model is adequate and suitable with regard to preventing the offenses envisaged by Italian Legislative Decree No. 231/2001.

The Supervisory Board is in charge of taking care of the updating of the Model, as provided for in this Model, implemented also through the activity of Operational Unit Managers.

The index of revisions ensures the traceability of the model and allows representing its evolution over time and in content.

3 SUPERVISORY BOARD

3.1 Structure and composition of the Supervisory Board

Under the provisions of Legislative Decree no. 231/2001, the entity may be exonerated from liability resulting from the commission of offenses by top managers or persons subject to their supervision and management, if the management body has:

- adopted and effectively implemented organization, management and control models suitable for preventing the offenses in question;
- assigned the task of overseeing the functioning of and compliance with the Model and of ensuring that it is kept up-to-date to a body within the Company having independent powers of initiative and control;

Entrusting the aforementioned tasks to a body endowed with autonomous powers of initiative and control, together with their being carried out correctly and effectively, is therefore an essential prerequisite for exemption from liability under Legislative Decree no. 231/2001.

The Confindustria Guidelines identify **autonomy and independence, professionalism and continuity of action** as the main requirements of the Supervisory Board.

In particular, the requirements of **autonomy and independence** are met when the monitoring initiative is free from any interference and/or conditioning by any element within the Company; in this sense, the positioning of the Supervisory Board "*as a staff unit in as high a hierarchical position as possible*" is essential, with the stipulation that the Supervisory Board "*reports*" to the highest operational management level or to the Board of Directors as a whole.

It is also essential that the Supervisory Board is not assigned operational tasks which, by making it a participant in operational decisions and activities, would undermine its objectivity of judgement when verifying conduct and the Model;

The connotation of **professionalism** must relate to the "*ensemble of tools and techniques*" necessary to perform the activity of the Supervisory Board effectively; in this sense, the Company has decided to give weight to the specialist techniques peculiar to those who perform "inspection" activities, but also analyses of control and management systems and activities of a legal nature, with particular regard to criminal matters.

With particular regard to occupational health and safety issues, the Supervisory Board shall make use of all the resources that the Company has put in place to manage the relevant aspects and, in particular, of the Head of the Prevention and Protection Service.

The **continuity of action**, which guarantees an effective and constant implementation of the organization model, is ensured by the presence of a structure dedicated exclusively and full-time to supervisory activities.

3.2 Definition of tasks and powers of the Supervisory Board

The Supervisory Board is called upon, in general terms, to perform the following tasks:



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- supervision of the effectiveness of the Model, which takes the form of verifying the consistency between actual conduct and the Model adopted;
- examination of the adequacy of the Model, i.e. of its real (and not merely formal) capacity to prevent, in principle, unwanted conduct;
- analysis of the extent to which the soundness and functionality requisites of the Model are maintained over time;
- also with the help of the various functions involved, assessment of the need to propose to the Board of Directors any updates to the Model as a result of changes in the organizational structure or business operations and/or any regulatory changes;
- overseeing the appropriateness of the system of delegated powers and assigned responsibilities, in order to ensure the effectiveness of the Model.

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

- drawing up and implementing a program of periodic checks on the actual application of the company's procedures for monitoring "Sensitive Activities" and on their effectiveness, bearing in mind that the primary responsibility for the monitoring of activities remains with the operational management and forms an integral part of the company's processes;
- collecting, processing and storing the relevant information concerning compliance with the Model, as well as, where necessary, updating the list of information that it is mandatory to submit to the Supervisory Board or to keep at its disposal;
- confirming that the elements provided for by the Model for the different types of offenses (e.g. adoption of standard clauses, implementation of procedures, segregation of responsibilities, etc.) are in any case adequate and meet the requirements of compliance with the provisions of the Decree, failing which it will be necessary to request an update of the elements themselves;
- promoting suitable initiatives for the dissemination of knowledge and understanding of the Model among all personnel, making use also of the cooperation of the various heads of the different corporate functions;
- monitoring the Sensitive Activities.

To this end, the Supervisory Board must be kept constantly informed of the development of activities in the aforementioned risk areas and have free access to all company documentation.

The Supervisory Board must also be notified by all personnel of any situations in the company's activities that may expose the company to the risk of committing offenses.

In order to be able to fulfil its tasks in a comprehensive manner, the Supervisory Board:

- has free access to all corporate functions, without prior notification and without the need for any prior consent, in order to obtain any information or data deemed necessary for the performance of the tasks laid down in the Decree;
- may avail itself - under its direct supervision and responsibility - in the performance of the tasks assigned to it, of the cooperation of all the corporate functions and structures or of external consultants, making use of their respective skills and professional expertise;
- has a budget defined by the Board of Directors adequate for supporting the spending decisions necessary to fulfil its functions (specialist advice, business trips and travel, refresher courses, etc.). The *budget* enables the Supervisory Body to operate autonomously and independently, giving it the appropriate tools for the effective performance of the task assigned to it by this Model, in accordance with the provisions of Legislative Decree no. 231/2001;
- carries out its activities without the supervision of any other company body or structure, answering only to the Board of Directors.



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3.3 Information flows to and from the Supervisory Board

3.3.1 Reporting by the Supervisory Board to the corporate bodies

The Supervisory Board reports on the implementation of the Model, the emergence of critical issues and the need for changes. Two lines of reporting are provided for:

- the first, on an ongoing basis, directly to the **Chairman of the Board of Directors**;
- the second, annually, to the administrative body and the **Board of Statutory Auditors**.

The Supervisory Board:

- reports **to the Chairman of the Board** and informs him, whenever he deems it appropriate, of significant circumstances and facts relating to his office. The Supervisory Board immediately communicates the occurrence of extraordinary situations (e.g. significant violations of the principles contained in the Model, legislative innovations regarding the administrative liability of entities, etc.) and reports received that are of an urgent nature;
- submits a written report to the administrative body and the Board of Statutory Auditors on a regular annual basis, containing at least the following information:
 - a summary of the activities carried out;
 - any problems or critical issues that have arisen in the course of the supervisory activities;
 - if not the subject of previous specific reports:
 - the corrective actions to be taken to ensure the effectiveness and/or efficiency of the Model, including those necessary to remedy organizational or procedural deficiencies that have been identified and that may expose the Company to the risk of offenses relevant to the Decree being committed, including a description of any newly identified Sensitive Activities;
 - always in accordance with the terms and methods indicated in the disciplinary system adopted by the Company pursuant to the Decree, an indication of the conduct identified and found not to be in compliance with the Model;
 - a summary of the reports received from internal and external persons, including those directly encountered, regarding alleged violations of the provisions of this Model, the prevention protocols and the relevant implementing procedures, and the results of the consequent investigations;
 - information on the possible commission of Predicate offenses;
 - any disciplinary measures taken and sanctions applied by the Company in relation to violations of the provisions of this Model, the prevention protocols and the relevant implementing procedures;
 - an overall assessment of the functioning and effectiveness of the Model, including any proposals for additions, corrections or amendments;
 - reporting any changes in the regulatory framework and/or significant changes in the internal structure of the Company and/or in the methods of conducting business activities that require an update of the Model;
 - reporting any situation of conflict of interest, even a potential conflict of interest, of a member of the Supervisory Board;
 - an account of the expenses incurred. The administrative body and the Board of Statutory Auditors have the right to convene meetings of the Supervisory Board at any time, so that it can inform them of its activities. These meetings must be documented, and the Supervisory Board is responsible for filing the relevant documentation.

3.3.2 Information to the Supervisory Board

The Supervisory Board shall be promptly informed of any act, conduct or event that may result in a violation of the Model or that is generally relevant to improving the effectiveness and efficiency of the Model.



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All Recipients of the Model shall provide the Supervisory Board with any useful information to facilitate the conduct of reviews of the proper implementation of the Model. In addition to the information flows provided by the various sections of the Special Section, in particular:

- the Heads of the company's organizational structures involved in Sensitive Activities must provide the Supervisory Board with information on: i) the periodic results of the monitoring activities they carry out, including at the request of the Supervisory Board itself (summary reports of the activities carried out, etc.), in implementing of the Model and the instructions given by the Supervisory Board; ii) any anomalies or unusual occurrences detected in relation to the information available;
- the company's organizational structures, identified according to their respective organizational powers, must inform the Supervisory Board, in writing and in a timely manner, of any information concerning:
 - the issuing and/or updating of operational procedures/standards of relevance pursuant to Italian Legislative Decree no. 231/2001;
 - changes in the responsibilities of the corporate organizational structures involved in Sensitive Activities and any updating of the system of corporate proxies and powers of attorney;
 - reports prepared by the company's organizational structures and control bodies in the course of their control activities, which may reveal facts, acts, events or omissions with critical profiles with regard to compliance with the provisions of the Decree or the provisions of the Model;
 - disciplinary proceedings initiated for violations of the Model, the measures for archiving such proceedings and the reasons for them, the application of sanctions for violation of the Model or the procedures established for its implementation;
 - measures and/or information from the judicial police or any other authority indicating that the recipients of the Model and/or unknown persons are under investigation for offenses covered by Italian Legislative Decree no. 231/2001 and in which the Company may be involved.

Communications to the Supervisory Board may be made orally or in writing. The written form is preferred, using the e-mail address provided for this purpose.

3.4 Reporting offenses or violations of the Model - Whistleblowing

The "Whistleblowing Procedure", adopted by the Company on December 7th, 2023, assigned the Reporting Manager (Head of the Internal Reporting System) the management of the internal reporting channel, in accordance with Article 4 of Italian Legislative Decree no. 24/2023, in order to guarantee protection to persons who report violations of domestic or European Union regulations that harm the public interest or the integrity of the public administration or a private body, of which they have become aware in a public or private professional context.

The specially appointed reporting management body (known as the Reporting Manager) consists of the members of the Supervisory Board.

The obligation to provide information on any conduct contrary to the provisions of the Model is part of the employee's broader duty of diligence and loyalty referred to in Articles 2104 and 2105 of the Italian Civil Code.

The Supervisory Board is therefore designated as the Reporting Manager responsible for the management of whistleblowing reports received through the internal reporting channel. In particular, the Supervisory Board shall investigate reports of violations of the Model or, in any case, of relevant violations pursuant to Italian Legislative Decree no. 231/01.

The internal reporting channel can be used to submit reports relating to:



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- administrative, accounting, civil or criminal offenses;
- unlawful conduct relevant under Italian Legislative Decree no. 231/2001 or violations of the Organization, Management and Control Model adopted by the Company, including violations of the Code of Ethics;
- offenses relating to the application of national laws and regulations on public procurement; services, products and financial markets and the prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and personal data protection and the security of networks and information systems;
- acts or omissions affecting the financial interests of the European Union;
- acts or omissions affecting the internal market (including violations of competition, state aid and tax rules).

The Reporting Manager will evaluate the reports received and the activities to be carried out in order to investigate them, handling them in the manner prescribed by the regulation and by the specific procedure adopted (i.e. Whistleblowing procedure), which is deemed to be fully referred to herein, and which is duly publicized, through publication on the Company's website and posting at the workplace.

The internal reporting channel designated by the Company guarantees the confidentiality of the person making the report, the persons involved in or referred to in the report, and the content and documentation of the report. That said, for details of the procedures and the reporting channel, refer to the Whistleblowing procedure, which is deemed to be referred to in full herein.

Only in the cases expressly provided for by Article 6 of Italian Legislative Decree no. 24/2023, the reporting party may use the external communication channel activated at the National Anti-Corruption Authority, by consulting the information contained on the Authority's institutional website.

Anyone who is required to comply with the Organization, Management and Control Model and the Code of Ethics adopted, but who obstructs or attempts to obstruct reporting, or who breaches the obligation of confidentiality, will be punished in accordance with the relevant adopted Disciplinary System.

Whistleblowers must not suffer any form of retaliation as a result of their reporting, and any retaliatory action will be null and void.

Employees dismissed as a result of whistleblowing have the right to reinstatement in accordance with Article 18 of Italian Law no. 300 of May 20th, 1970 or Article 2 of Italian Legislative Decree no. 23 of March 4th, 2015, depending on the specific applicable regulations.

Whistleblowers can inform ANAC (National Anti-Corruption Authority) of the retaliation they believe they have suffered, using the channels set up by ANAC. In the event of retaliation committed in the context of the employment of a person in the private sector, ANAC will inform the National Labor Inspectorate for the measures that fall within its competence.

Anyone who is required to comply with the Organization, Management and Control Model and the Code of Ethics, but who retaliates against whistleblowers, will be subject to the sanctions set forth in the Disciplinary System of the adopted Organization, Management and Control Model.

3.5 Information gathering and storage

All information, documents and reports collected in the performance of institutional duties must be kept in a specific paper and/or computerised archive and safeguarded by the Supervisory Board, taking care to maintain the confidentiality of the documents and information obtained, also in

compliance with privacy regulations. Without prejudice to lawful orders of the authorities, the data and information stored in the archive shall not be made available to persons outside the Supervisory Board without the prior approval of the Supervisory Board itself. The Supervisory Board must carry out its duties with the diligence required by the nature of its office and, among other things, must comply with the provisions of the GDPR and the Personal Data Protection Code (Italian Legislative Decree no. 196 of June 30th, 2003, as amended by Italian Legislative Decree no. 101 of September 10th, 2018).

3.6 General principles on the establishment, appointment and revocation of the Supervisory Board.

In the absence of specific instructions in the text of Legislative Decree 231/2001, SUZUKI ITALIA SPA has opted for a solution that, taking into account the purposes pursued by the law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls to which the Supervisory Board is assigned.

The Supervisory Board is appointed by the administrative body, which determines its composition and term of office. The appointment may be revoked by the same administrative body before its expiry.

It is required that, in addition to appropriate professional skills, the members of the Supervisory Board possess subjective qualities that guarantee the autonomy, independence and integrity demanded by the task. In particular, the following may not be appointed:

- a) those who fall into any of the causes of ineligibility or disqualification laid down in Article 2382 of the Civil Code for directors;
- b) those who are accused of one of the offenses referred to in Legislative Decree No 231/2001;
- c) those who have been sentenced to imprisonment following a criminal trial in connection with the commission of a crime;
- d) the spouse, relatives and kin up to the fourth degree of kin of the company's directors, the directors, spouse, relatives and kin up to the fourth degree of kin of the directors of subsidiary and/or parent companies, investee and/or participating companies;
- e) those who are linked to the company or its subsidiary and/or investee companies, parent and/or participating companies, by an employment relationship, or a consultancy or paid work relationship, or by relationships of a financial nature that compromise their independence.

In the case of the appointment of a head of a corporate function, the same requirements apply, with the exception of those set out at letter (e).

Should the Supervisory Board cease to exist, the Board of Directors provides for its replacement by a resolution of its own and at the same time arranges for the Model to be updated.

In order to ensure the necessary stability of the Supervisory Board, the procedures for the revocation of the powers connected with its appointment are set out below; revocation as a member of the Supervisory Board may occur for the reasons listed below:

- termination, as ascertained by the Board of Directors, from the office held. In any case, any measure of an organizational nature affecting the head of the department (e.g. transfer to another post, dismissal, disciplinary measures, appointment of a new head) must be brought to the attention of the Board of Directors;
- failure to meet the above requirements;
- serious and confirmed grounds of conflict of interests that would compromise their independence and autonomy;
- gross negligence in the performance of the duties connected with the assignment;
- breach of the confidentiality obligations imposed on the Supervisory Board;



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- absence without good reason more than three consecutive times from meetings of the Supervisory Board.

The revocation of the Supervisory Board or one of its members is the responsibility of the Board of Directors after consulting the Board of Statutory Auditors; the revocation resolution must be passed by a two-thirds majority of the votes of the directors present having voting rights.

The Board of Directors in the meeting at which it resolves on the removal of a member of the Supervisory Board, shall replace him/her.

3.7 Information gathering and storage.

The information, notifications, or reports provided for in the Model are kept by the Supervisory Board in a special file (computerized or on paper).

4 DISCIPLINARY SYSTEM

For the purposes of assessing the effectiveness and suitability of the Model for preventing the offenses indicated by the Legislative Decree 231/2001, the Model must identify and sanction conduct that may favor the committing of offenses. This is because Art. 6 par. 2 of Legislative Decree 231/2001, when listing the elements to be found in the Models prepared by the company, expressly provides under letter e) the obligation for the company to "introduce a disciplinary system appropriate to punish non-compliance with the measures specified in the Model".

The concept of disciplinary system leads to believe that the Company should proceed to a graduation of sanctions, depending on the different degree of danger which behaviors may present compared to the commission of offenses.

A disciplinary system has been therefore created, enabled to sanction any breach of the Model, from the lightest up to the most serious one, by means of a system of graduation of the sanction and which, secondarily, respects the principle of proportionality between the offense and the relevant sanction.

The application of sanctions depends on the actual commission of a crime and on the possible initiation of criminal proceedings: the purpose of the sanctions provided here is in fact to curb any violation of the provisions of the Model laid down for the prevention of criminal offenses and raise awareness, among company's employees and everyone who collaborates in any way with the Company, on its determination to prosecute any violation of the rules established and to monitor the correct execution of duties/tasks assigned.

The disciplinary procedure is initiated as a result of the occurrence of violations of the Model identified by the Supervisory Board during its monitoring and supervision activity. The assessment of any liability arising from the violation of the Model and the determination of the penalty must still be conducted in compliance with current legislation, privacy, dignity and reputation of the parties involved.

In accordance with the provisions of Italian Legislative Decree no. 24/2023, it is expressly provided that the following acts shall also constitute a breach of the Model and shall therefore give rise to disciplinary sanctions in accordance with the disciplinary system:

- breach of confidentiality, as provided for in the regulation;
- obstructing or attempting to obstruct the making of a report;
- committing acts of retaliation against the whistleblower;
- failure to review and analyze the reports received.

If the whistleblower's criminal liability for the offenses of libel or slander or, in any case, for the same offenses committed by means of a report to the judicial authorities, or his/her civil liability for the same reason, in cases of willful misconduct or gross negligence, is established, even by a judgment of first instance, the whistleblower, who is obliged to comply with the Organization and Management Model adopted, will be punished in accordance with this Disciplinary System.

4.1 Violations of the Model

In order to comply with Legislative Decree 231/2001, by way of example, the following are breaches of the Model:

- the initiation of actions or behaviors that do not comply with the requirements of the Model, or the omission of actions or practices required by the Model, during the execution of operations in areas where there is a risk of offenses (i.e. in the so-called sensitive processes) or activities related to these;



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- the initiation of actions or behaviors that do not comply with the principles contained in the Code of Ethics, or the omission of actions or practices required by the Code of Ethics, during the execution of sensitive processes or activities related to these.

4.2 Measures with regards to employees

The behavior of employees (meaning all individuals linked to the company by an employment contract) in violation of the rules of conduct laid down in the Model, constitutes a breach of the primary obligations of the employment relationship and, consequently, disciplinary offenses.

With regard to its employees, the Company must comply with the limits set out in Article 7 of Italian Law no. 300/1970 (Workers' Statute) and with the provisions of the national collective labor agreement (CCNL) in force for the sector, both with regard to the sanctions that can be imposed and the procedures for exercising disciplinary power.

Failure to comply with the rules of conduct and procedures set out in the Model constitutes a disciplinary offense pursuant to Art. 2104, par. 2 of the Italian Civil Code. By way of example, and without prejudice to the provisions of the national collective labor agreement (CCNL) on the application of any disciplinary measures, some of the relevant behaviors are as follows:

- violation of internal procedures or the adoption of conduct in the performance of activities at risk that is not in compliance with the requirements of the Model itself, such conduct constituting a failure to comply with the instructions given by the Company, whether in written or oral form (e.g. an Employee who does not follow the required procedures, does not provide the Supervisory Board with the required information, does not carry out controls, etc.);
- adoption, in the performance of activities at risk, of conduct that is not in compliance with the requirements of the Model or is in breach of its principles, such conduct constituting a failure to comply with the instructions given by the Company (e.g. an employee who refuses to undergo health checks pursuant to Article 5 of Italian Law no. 300 of May 20th, 1970; who falsifies and/or alters internal or external documents; who voluntarily fails to apply the instructions given by the Company in order to gain an advantage for himself or herself or for the Company itself; who is a repeat offender in any of the offenses that gave rise to the application of preventive disciplinary measures).

The procedure for the application of the sanction to non-managerial employees is carried out in compliance with the provisions of Article 7 of Italian Law no. 300 of May 20th, 1970 and the applicable National Collective Labor Agreement (CCNL).

- the details of the person who is responsible for the violation;
- a description of the conduct in question;
- an indication of the provisions of the Model that have been violated;
- any documents and elements supporting the contestation.

Immediately after receiving the report, the Human Resources Director or another member of the same department will send a written reprimand to the employee that includes the following:

- a precise indication of the conduct observed;
- the provisions of the Model that have been violated;
- notice of the right to submit any statement and/or justifications in writing within five days of receipt of the notice, with the right – within the aforementioned time period – to request the assistance of the representative of the trade union to which the employee belongs or for which he or she has been authorized.

The possible penalties fall in the range of sanctions provided by law, by collective labor agreements and by the company's disciplinary code in compliance with current legislation, with procedures laid down by the Law no. 300 dated May 30th, 1970 (Workers' Statute of Rights) and with related provisions in the current national collective labor agreement (CCNL). The violations will be identified



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and the resulting disciplinary proceedings initiated by the Human Resources Department, as provided for by the national collective labor agreement (CCNL) and in the company procedures and in accordance with current regulations.

The disciplinary measures provided for by the national collective labor agreement (CCNL) of the sector, in a graded scale according to the gravity of the infringement, are:

- verbal warning;
- written warning;
- fine of up to an amount equivalent to 2 hours of remuneration including contingency allowance;
- suspension from work for up to a maximum of 3 days;
- lawful dismissal, with immediate termination of employment without notice or allowance in lieu.

The warning, either verbal or written, shall be imposed, depending on the gravity, to the employee who violates the internal procedures set out in the Model (for example, who does not observe the required procedures, fails to submit the required information to the Supervisory Board, fails to execute the checks required etc.) or adopts, in his/her activity, a behavior not compliant with the requirements of the Model.

A fine of not more than 2 hours of remuneration is imposed to the employee who violates the internal procedures required by the Model or adopts, in executing activities in areas at risk, a behavior frequently not in compliance with the provisions of the Model.

A suspension from work for up to 3 days is imposed to a worker who, while violating the internal procedures established by the Model or adopting, during the execution of activities, a behavior not compliant with the requirements of the Model, or performing acts opposed to the company interest, exposes the company to a situation of danger for the integrity of corporate assets.

An order of dismissal without notice is enforced upon an employee who adopts a behavior in violation of the provisions of the Model, while carrying out activities in areas at risk, and such as to result in the application to the company of measures provided for by Legislative Decree no. 231/2001, and/or other behavior likely to cause the company serious moral/material damage.

The Chairman of the Board of Directors or another designated person will make the decision and impose the sanction. Sanctions must be imposed within six days of providing justification to the person concerned. The measure shall also be communicated to the Supervisory Board.

Without prejudice to the possibility of appealing to a judicial authority, the employee may, within twenty days of receipt of the measure, request the establishment of a conciliation and arbitration board, in which case the sanction shall be suspended until a decision has been reached.

The Supervisory Board shall be informed of the outcome of the proceedings.

4.3 Measures with regards to executives

The behavior of employees (meaning all individuals linked to the company by an employment contract) in violation of the rules of conduct laid down in the Model, constitutes a breach of the primary obligations of the employment relationship and, consequently, disciplinary offenses.

With regard to its employees, the Company must comply with the limits set out in Article 7 of Italian Law no. 300/1970 (Workers' Statute) and with the provisions of the national collective labor agreement (CCNL) in force for the sector, both with regard to the sanctions that can be imposed and the procedures for exercising disciplinary power.

Failure to comply with the rules of conduct and procedures set out in the Model constitutes a disciplinary offense pursuant to Art. 2104, par. 2 of the Italian Civil Code. By way of example, and without prejudice to the provisions of the national collective labor agreement (CCNL) on the application of any disciplinary measures, some of the relevant behaviors are as follows:



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- violation of internal procedures or the adoption of conduct in the performance of activities at risk that is not in compliance with the requirements of the Model itself, such conduct constituting a failure to comply with the instructions given by the Company, whether in written or oral form (e.g. an Employee who does not follow the required procedures, does not provide the Supervisory Board with the required information, does not carry out controls, etc.);
- adoption, in the performance of activities at risk, of conduct that is not in compliance with the requirements of the Model or is in breach of its principles, such conduct constituting a failure to comply with the instructions given by the Company (e.g. an employee who refuses to undergo health checks pursuant to Article 5 of Italian Law no. 300 of May 20th, 1970; who falsifies and/or alters internal or external documents; who voluntarily fails to apply the instructions given by the Company in order to gain an advantage for himself or herself or for the Company itself; who is a repeat offender in any of the offenses that gave rise to the application of preventive disciplinary measures).

The procedure for the application of the sanction to non-managerial employees is carried out in compliance with the provisions of Article 7 of Italian Law no. 300 of May 20th, 1970 and the applicable National Collective Labor Agreement (CCNL).

- the details of the person who is responsible for the violation;
- a description of the conduct in question;
- an indication of the provisions of the Model that have been violated;
- any documents and elements supporting the contestation.

Immediately after receiving the report, the Human Resources Director or another member of the same department will send a written reprimand to the employee that includes the following:

- a precise indication of the conduct observed;
- the provisions of the Model that have been violated;
- notice of the right to submit any statement and/or justifications in writing within five days of receipt of the notice, with the right – within the aforementioned time period – to request the assistance of the representative of the trade union to which the employee belongs or for which he or she has been authorized.

The possible penalties fall in the range of sanctions provided by law, by collective labor agreements and by the company's disciplinary code in compliance with current legislation, with procedures laid down by the Law no. 300 dated May 30th, 1970 (Workers' Statute of Rights) and with related provisions in the current national collective labor agreement (CCNL). The violations will be identified and the resulting disciplinary proceedings initiated by the Human Resources Department, as provided for by the national collective labor agreement (CCNL) and in the company procedures and in accordance with current regulations.

The disciplinary measures provided for by the national collective labor agreement (CCNL) of the sector, in a graded scale according to the gravity of the infringement, are:

- verbal warning;
- written warning;
- fine of up to an amount equivalent to 2 hours of remuneration including contingency allowance;
- suspension from work for up to a maximum of 3 days;
- lawful dismissal, with immediate termination of employment without notice or allowance in lieu.

The warning, either verbal or written, shall be imposed, depending on the gravity, to the employee who violates the internal procedures set out in the Model (for example, who does not observe the required procedures, fails to submit the required information to the Supervisory Board, fails to execute the checks required etc.) or adopts, in his/her activity, a behavior not compliant with the requirements of the Model.



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A fine of not more than 2 hours of remuneration is imposed to the employee who violates the internal procedures required by the Model or adopts, in executing activities in areas at risk, a behavior frequently not in compliance with the provisions of the Model.

A suspension from work for up to 3 days is imposed to a worker who, while violating the internal procedures established by the Model or adopting, during the execution of activities, a behavior not compliant with the requirements of the Model, or performing acts opposed to the company interest, exposes the company to a situation of danger for the integrity of corporate assets.

An order of dismissal without notice is enforced upon an employee who adopts a behavior in violation of the provisions of the Model, while carrying out activities in areas at risk, and such as to result in the application to the company of measures provided for by Legislative Decree no. 231/2001, and/or other behavior likely to cause the company serious moral/material damage.

The Chairman of the Board of Directors or another designated person will make the decision and impose the sanction. Sanctions must be imposed within six days of providing justification to the person concerned. The measure shall also be communicated to the Supervisory Board.

Without prejudice to the possibility of appealing to a judicial authority, the employee may, within twenty days of receipt of the measure, request the establishment of a conciliation and arbitration board, in which case the sanction shall be suspended until a decision has been reached.

The Supervisory Board shall be informed of the outcome of the proceedings.

4.4 Measures with regards to Directors

SUZUKI ITALIA SPA strictly evaluates any breach of this Model committed by those who fill top level roles in the Company and whose actions reflect on the company image for employees, shareholders, creditors and public. The creation and consolidation of a corporate ethics based on the values of fairness and transparency requires, first and foremost, that such values are endorsed and respected by those who drive business decisions, so as to constitute an example and an inspiration for all people working for the Company, at any level.

In the event of a violation of the provisions of the Model, including those of the documents forming part of it, by one or more directors, the Supervisory Board shall immediately inform the entire Board of Directors and the Board of Statutory Auditors so that they may take or advance the most appropriate and adequate measures in relation to the seriousness of the violation and in accordance with the powers provided for by the applicable laws and the Articles of Association.

In the event of a violation of the provisions of the Model by the entire Board of Directors, including the documents forming part of it, the Supervisory Board shall immediately inform the Board of Statutory Auditors, so that it may take the necessary measures.

In particular, in the event of a violation of the provisions of the Model, including those of the documents forming part of it, by one or more directors, the Board of Directors may, depending on the extent and seriousness of the violation committed, proceed directly to the imposition of the sanction of a formal written reprimand or the withdrawal, even partial, of the delegated powers and the powers of attorney in the most serious cases which damage the confidence of the Company in the person responsible.

In the event of violations of the provisions of the Model, including those of the documents forming part of it, by one or more directors, which are clearly aimed at facilitating, instigating or committing an offense under Italian Legislative Decree no. 231/2001, punitive measures (such as temporary suspension from office and, in the most serious cases, removal from office) shall be adopted by the Shareholders' Meeting, on the proposal of the Board of Directors or the Board of Statutory Auditors.



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4.5 Measures with regards to Statutory Auditors

If the violation of the Model is attributable to one or more statutory auditors, the Supervisory Board shall immediately inform the Board of Statutory Auditors and the Board of Directors, represented by their respective Chairmen.

The Board of Statutory Auditors, after having carried out the appropriate further investigations and, if necessary, after having heard the member who is alleged to have committed the offense, shall take the appropriate measures in accordance with Article 2407 of the Italian Civil Code, after having heard the Board of Directors.

4.6 Measures with regards to Top Managers

In any case, even the violation of the specific duty of supervision of subordinates incumbent on top managers shall entail the adoption by the Company of the punitive measures deemed most appropriate in relation to, on the one hand, the nature and seriousness of the violation committed and, on the other hand, the position of the top manager who has committed the violation.

By way of example, the following types of conduct may constitute grounds for the application of sanctions:

- failure to comply with the principles and protocols contained in the Model;
- violation and/or circumvention of the control system, carried out by removing, distributing or altering the documents provided for in the corporate protocols or by preventing the persons responsible and the Supervisory Board from verifying or accessing the requested information and documents.
- violation of the provisions on signatory powers and, more generally, the system of delegated powers, except in cases of necessity and urgency, in which case the Board of Directors shall be informed immediately;
- violation of the obligation to inform the Supervisory Board and/or any other supervisory body of conduct leading to the commission of an offense or an administrative offense among those listed in the Decree.

Consequently, the sanctions that may be imposed on top managers are as follows:

- formal written reprimand;
- fines and/or total or partial withdrawal of powers of attorney or proxies;
- revocation of appointment.

Violations of the Model involving no or only minor exposure to risk will result in a formal written reprimand; violations of the Model involving a significant or material exposure to risk will result in a fine and/or the partial or total revocation of any powers of attorney or proxies; and violations of the Model involving a criminal offense will result in the revocation of the appointment.

In the event of a violation of the Model by a top manager, the Supervisory Board shall send a report to the Board of Directors and the Board of Statutory Auditors containing the following information:

- a description of the conduct observed;
- an indication of the provisions of the Model that have been violated;
- the details of the person who is responsible for the violation;
- any documents proving the violation and/or any other evidence;
- its own proposal as to the appropriate penalty in the specific case.

Immediately upon receipt of the report of the Supervisory Board, the Board of Directors shall summon the member indicated by the Supervisory Board to a meeting of the Board to be held in accordance with the procedures and conditions laid down in the Articles of Association.

The summons must:



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- be given in writing;
- specify the alleged conduct and the provisions of the Model that have been violated;
- inform the person concerned of the date of the meeting and of his or her right to submit any written or oral remarks and/or statements. The summons must be signed by the Chairman or at least two members of the Board of Directors.

During this meeting, which is also attended by members of the Supervisory Board, the person concerned is heard, any written submissions are received, and any further investigations are decided upon or carried out.

After evaluating the information obtained, the Board of Directors decides on the sanction to be imposed, justifying any disagreement with the proposal of the Supervisory Board.

In the case of violations so serious as to undermine the confidence of the company in the director or statutory auditor (Art. 2392 of the Italian Civil Code), the Board of Directors shall convene the Shareholders' Meeting and propose the most appropriate measures pursuant to Art. 2383, par. 3 of the Italian Civil Code.

The resolution of the Board of Directors and/or the resolution of the Shareholders' Meeting shall be communicated in writing to the Supervisory Board and to the person concerned.

4.7 Measures with regards to members of the Supervisory Board

Dismissal of one or more members of the Supervisory Board is the sole responsibility of the administrative body.

The Supervisory Board or one of its members may only be dismissed for just cause.

In this regard, just cause for dismissal is understood to mean:

- disqualification or incapacitation, or a serious infirmity that renders the member of the Supervisory Board unable to perform his/her supervisory duties, or an infirmity that, in any case, entails the inability to perform his/her duties for a period exceeding six months;
- the assignment of operational functions and responsibilities that are incompatible with the requirements of autonomy of initiative and control, independence and continuity of action, which are specific to the Supervisory Board;
- a serious breach of the duties of the Supervisory Board as defined in the Organization Model;
- a conviction of the entity pursuant to the Decree that has become final, or criminal proceedings that have ended with a "plea bargain", if the documents show "lack of or inadequate supervision" by the Supervisory Board, pursuant to Article 6(1)(d) of the aforementioned Decree;
- a final conviction of the member of the Supervisory Board for having personally committed one of the offenses referred to in the aforementioned Decree;
- a final conviction of the member of the Supervisory Board, with a penalty involving disqualification, including temporary disqualification, from holding public office, or temporary disqualification from holding management positions in legal entities or companies;
- violation of confidentiality or the handling of whistleblowing reports by the Supervisory Board, as specified in the relevant procedure.

In the cases described above in which a conviction has been pronounced, the administrative body may also order the withdrawal of the powers of the member of the Supervisory Board, pending the final pronouncement of the sentence.

4.8 Measures with regards to contractors and partners

In contracts and agreements with companies, consultants, contractors, partners, etc. some specific clauses must be included, under which every behavior of such entities or other subcontractors in



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conflict with the guidelines provided by the Model and at risk of commission of an offense punished by Legislative Decree no. 231/2001 will allow the company to terminate the contract or, alternatively, to demand the fulfilment of the obligations of the contract, subject to payment of damages.



5 TRAINING AND INFORMATION (Dissemination of the Model)

Every member who operates inside the company, as well as partners and external contractors, is required to have full knowledge of the objectives of fairness and transparency which are to be achieved with the Model and of the way the company intends to achieve them, by setting up an adequate system of procedures and controls.

SUZUKI ITALIA SPA is committed to developing skills and competencies of its employees, so that the correctness, professionalism and commitment required from them are considered as fundamental values for the achievement of the objectives of the company.

5.1 Circulation of the model

SUZUKI ITALIA SPA promotes the circulation of the Model, with appropriate procedures for ensuring that it is disseminated effectively and understood by all recipients.

The communication mode of the Model must ensure full disclosure of the contents of the Model itself and its controls, in order to ensure that individuals are aware of the procedures and practices to be followed for a proper fulfillment of their duties.

The adoption of the Model is communicated by the company to all the employees and contractors of SUZUKI ITALIA SPA through (one of the following):

- a letter, signed by the Chairman of the Board of Directors, about the contents of the Decree, the importance to the company of the Model's implementation and the methods used by the Company to provide information/training;
- disclosure of the Model on the corporate network, along with a letter introducing the Model itself (including by e-mail) to all staff; this communication should point out that a copy of the documentation submitted is available in a corporate folder, addressed to the company's staff and collaborators.

With regard to recipients outside the company, the administrative body may decide to make the documentation concerning the Organization Model available on the company website; alternatively; the material may also be available for consultation in paper format to all interested parties, who should request it, in a physical folder kept at the corporate premises.

5.2 Training of personnel

SUZUKI ITALIA SPA must organize training programs, aimed at ensuring the entire staff (employees, members of corporate bodies) has a clear understanding of the Decree, the Code of Ethics and the Model.

Training programs vary in content and level of detail, in relation to the status of the stakeholders and to the role covered in the company (top management, personnel operating in sensitive areas as indicated in the model, people responsible for internal controls, etc.).

The Supervisory Board, in agreement with the administrative body, monitors the adequacy and effective implementation of the training program. Participation in training programs is mandatory for all personnel in the Company involved in the conduct of sensitive activities.

Moreover, SUZUKI ITALIA SPA must organize the delivery of at least one specific classroom training session addressed to the managers of the single business units of the company which describes the content of the law and the offenses relevant for the Decree, identify responsibilities and illustrates the monitoring systems contained in the Model adopted by the company. The managers of the



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business units must be enabled to manage the initial basic information on the subject, to be addressed to all other employees.

The frequency and duration of the training courses are established by the administrative body (and/or by the Human Resources Head). The Supervisory Board carries out checks on the content of the programs and the effective participation of the staff; moreover it shall ensure that the courses are repeated over time. For those who could not attend the training sessions, for substantiated reasons, other specific sessions will be organized, which should be previously agreed with the relevant area/service manager.

During the recruitment/training phase of new recruits, the contents of both the Organization Model and the Code of Ethics are presented along with the other topics already provided for. Upon delivery, they sign it for acknowledgement and acceptance of the content and declare their commitment to respect the principles, rules and procedures contained therein, while executing their duties.

In addition, special attention is paid to the training of employees who are transferred to different roles, although already part of the staff.

All internal resources are required to sign a declaration stating that they have been informed of the basic contents relating to the administrative liability of legal persons (Italian Legislative Decree no. 231/2001) and that they have read and accepted the contents of the Organization Model and the Code of Ethics.

5.3 Information/Training of contractors (and suppliers and clients)

SUZUKI ITALIA SPA must also provide external contractors (especially suppliers) and clients with adequate information, aimed at ensuring an appropriate knowledge of the Decree, the Code of Ethics and the Organization Model.

With regard to contractors and/or suppliers, the Supervisory Board can play a supporting role to internal top management and to the Manager of the area which the contract or the report refers to, about the circulation, the procedures of communication of the Model to external parties (Recipients of the Model), and the procedures needed to comply with the provisions contained therein.

In any case, for the contracts ruling the deals with such subjects, the administrative body shall provide special clauses that indicate clear liability for the non-compliance with corporate policies, the Code of Ethics and the Model.