

***Organization and Control Model ex Legislative Decree No. 231 of June 8th
2001***

Cementir Holding S.p.A.

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INTRODUCTION

Cementir Holding - S.p.A. is a company quoted on the Italian Stock Exchange in the Blue Chip segment, active in the sector of production and marketing of cement and the concrete, with a strong international presence, even with a leadership position.

Cementir Holding - S.p.A. - as a result of the reorganization of the Cementir Group, starting from 15.01.2008 it became the holding company of the Group with functions limited to address and control.

In particular, Cementir Holding - S.p.A. it is the new corporate name of the former Cementir - Cementerie del Tirreno S.p.A., which, by means of a deed dated 20.12.2007, conferred the Cementir industrial business division, including only the Italian activities of the Group, in a wholly owned company, Cementir Italia S.r.l.

CORPORATE GOVERNANCE

Composition and role of the Board of Directors

The Board of Directors of Cementir Holding S.p.A. was nominated by the Shareholders' Meeting on 20.04.2006 for the three years 2006-2008 and modified by the Shareholders' Meeting of 15.01.08 and will, therefore, expire with the approval of the Financial Statements at 31.12.2008.

The Board is currently made up of fifteen members, for the most part non-executive and includes 4 "independent" Board Members, as well as an Honorary chairman who participates in the meetings of the Board of Directors in an advisory capacity and without voting rights.

The Chairman is conferred with the widest powers of ordinary and extraordinary administration of the Company, with the sole exception with those reserved for the Shareholders' Meeting and the Board by the Articles of Association and by the Law; in the event of absence or impediment of the Chairman, the associated powers are exercised by the Vice Chairman.

In particular, the Board of Directors:

- assigns delegations to the chief executive officers and the executive committee;
- having examined the proposals of the appropriate committee and listened to the Board of Statutory Auditors, determines the remuneration for chief executive officers and those who cover specific offices;
- oversees the general management trend with particular attention to situations of conflict of interest;
- examines and approves operations with a significant economic, patrimonial and financial importance, with particular reference to the operations with related parties;
- verifies the adequacy of the general organizational and administrative situation of the Company and the Group prepared by the chief executive officers of the individual companies.

Board of Statutory Auditors

The Board of Statutory Auditors is made up of 3 effective members and 3 substitutes elected from a voting list. It has the prescribed requirements of independence and honorability and specific high-level professional competences.

Executive Committee

The Executive Committee, consisting of the president and two non-executive board members is delegated all the powers of the Board of Directors, apart from those explicitly reserved for the Board by the Articles of Association or the Law.

Committee for Internal Control

The Committee for Internal Control is made up of 3 members, the majority of whom are independent Board Members; it has reporting and proposing functions in order to verify actual respect of the internal procedures, both operational and administrative, adopted in order to guarantee healthy and efficient management, as well as the task of identifying, preventing and managing as far as possible risks of a financial and operational nature as well as fraud at the expense of the company. In particular, the Committee for Internal Control:

- defines the internal control guidelines and ensures that they are adequate and operational;
- assesses the work plan prepared by the supervisor for internal control and receives periodic reports from the same;
- assesses, in conjunction with the administrative managers of the company and the auditors, the adequacy of the

accounting principles used and, for the Group, the homogeneity of these for the purpose of drawing up the consolidated Financial Statements;

- evaluates the proposals formulated by the auditing companies for assignment of auditing, as well as the work plan prepared for said activity and the results presented in the report and letter of suggestions;
- reports at to the Board at least twice a year on the occasion of the approval of the Financial Statements and the half-yearly report on the activity carried out and the adequacy of the internal control system;
- carries out additional tasks assigned to it by the Board of Directors, especially regarding the relationships with the auditing firm;
- carries out its own functions in coordination with the Board of Statutory Auditors whose Chairman or his appointed auditor participates in the work of the same committee.

The Company has also instituted an Internal Auditing function that depends directly on the Chairman, with the task of verifying that the internal procedures are in fact respected, both operational and administrative, adopted in order to guarantee correct management, and to identify, prevent and manage as far as possible, risks of a financial and operational nature as well as risks of fraud that can damage the company. The manager must report on his operations to the Committee for Internal Control, to the Chairman and the Auditors.

Committee for Remuneration

The Committee for Remuneration, composed for the most part of independent Board Members, has the task of making proposals to the Board of Directors for the remuneration of the chief executive officers and or of those covering specific tasks, also by the use of variable incentive instruments tied to the economic results of the company and/or the realization of specific goals, including *stock options*, as well as, on the instruction of the chief executive officers, for deciding the criteria for the remuneration of top management of the company, notwithstanding the jurisdiction of the chief executive officers regarding the definition of the criteria and remuneration levels of top management.

ORGANIZATIONAL STRUCTURE

The Company has an organizational and professional structure in accordance with the size and with the operational structure of the Group, identifying with precision the key roles of the organization, the functions and the specific responsibilities assigned.

PART ONE

1. LEGISLATIVE DECREE NO. 231 OF JUNE 8TH 2001

1.1. ADMINISTRATIVE RESPONSIBILITY OF THE BODIES

Legislative Decree no. 231 of June 8th, 2001 231, which sets forth the “*Governance of the administrative responsibility of the legal entities, the companies and the also associations without a legal personality*” (hereafter also referred to as the “Decree” or “Legislative Decree 231/2001”), which came into force on July 4, 2001 in implementation of article 11 of Delegated Law no. 300 of September 29, 2000 300, introduced into the Italian legal system, in compliance with community provisions, the administrative responsibility of the bodies, where “bodies” refers to commercial, capital and personal companies, and to associations, even without a legal personality.

This new form of responsibility, though defined as “administrative” by the legislator, it presents characteristics specific to criminal responsibility, since its assessment was referred to criminal the judge with jurisdiction for the crimes from which it is derived, and since the same precautions and guarantees of the criminal process are extended to the company.

The administrative responsibility of the company derives from the committing of crimes, expressly specified in Legislative Decree 231/2001, committed, in the interest or to advantage of the company, by physical persons with functions of representation, administration or management of the company or an organizational unit thereof with financial and functional independence, or who exercise, even de facto, management or control thereof (the so-called “top level subjects”), in other words those subject to management or supervision of one of the above-mentioned subjects (the so-called “subordinates”).

In addition to the requisites described thus far, the Decree also requires establishment of the guilt of the company, in order to be able to assert its responsibility. This requirement can be categorized as a “*guilt by organization*”, meaning the company's failure to adopt preventive measures capable of preventing the committing of the crimes mentioned in the following paragraph, on the part of the subjects explicitly identified by the Decree.

Where the company is able to show that it has adopted and effectively implemented an organization capable of preventing the committing of such crimes, through the adoption of the Organization and Control Model provided for by the Decree, it shall not have to answer for administrative responsibility.

1.2. CRIMES PROVIDED FOR BY THE DECREE

The crimes the committing of which can be shown to derive from the administrative responsibility of the company, are those expressly and necessarily specified by Legislative Decree 231/2001 and subsequent amendments and additions. A list is provided below of the crimes that are currently included within the remit of the Decree, specifying however that this is a list that is presumably likely to be extended in the future:

1. Crimes against the Public Administration (Articles 24 and 25 of Legislative Decree 231/2001):

- Wrongful receipt of funds to the detriment of the State or other public body (article 316-c of the Italian Criminal Code);
- Embezzlement to the detriment of the State or other public body (article 316-b of the Italian Criminal Code);
- Fraud to the detriment of the State or other public body (article 640, subsection 2, no. 1, of the Italian Criminal Code);
- Aggravated fraud for the obtainment of public funds (article 640-b of the Italian Criminal Code);
- Computer fraud to the detriment of the State or other public body (article 640-c of the Italian Criminal Code);
- Corruption for a public service (article 318 of the Italian Criminal Code)
- Corruption for an act contrary to public services (article 319 of the Italian Criminal Code)
- Corruption in judicial proceedings (article 319-c of the Italian Criminal Code)
- Inducement to corrupt (article 322 of the Italian Criminal Code);
- Corruption of public service representatives (article 320 of the Italian Criminal Code)
- Concussion (article 317 of the Italian Criminal Code)
- Misappropriation, concussion, corruption and inducement to corrupt members of the organs of the European Union and officials of the European Union and foreign States. (article 322-b of the Italian Criminal Code)

2. Crimes regarding forging coins, banknotes and revenue stamps, introduced by Law 409/2001 (Article 25-b of Legislative Decree 231/2001):

- Forging of currency, spending and introducing into the State, with prior agreement, of forged currency (article 453

of the Italian Criminal Code);

- Alteration of currency (article 454 of the Italian Criminal Code);
- Counterfeiting of watermarked paper used in the manufacture of banknotes and watermarked paper (article 460 of the Italian Criminal Code);
- Manufacture or possession of watermarks or instruments intended for forging currency, revenue stamps, or watermarked paper (article 461 of the Italian Criminal Code);
- Spending or introducing into the State, without accord, of counterfeited currency (article 455 of the Italian Criminal Code);
- Spending forged currency received in good faith (article 457 of the Italian Criminal Code);
- Use of counterfeited or altered revenue stamps (article 464, subsections 1 and 2, of the Italian Criminal Code);
- Falsification of revenue stamps, introduction into the State, purchase, possession or putting into circulation of falsified revenue stamps (article 459 of the Italian Criminal Code).

3. Corporate crimes introduced by Legislative Decree 61/2002 and partially modified by Law 262/2005 (Article 25-c of Legislative Decree 231/2001):

- False company communications (article 2621 of the Italian Civil Code);
- False company communications to the detriment of the company, partners or creditors (article 2622 of the Italian Civil Code);
- False statement in a prospectus (now article 173-b of Legislative Decree 58/1998)
- False statements in reports or communications of auditing firms (article 2624, subsections 1 and 2, of the Italian Civil Code);
- Impediment to control activities (article 2625, subsection 2, of the Italian Civil Code);
- Fictitious formation of capital (article 2632 of the Italian Civil Code);
- Wrongful restitution of capital (article 2626 of the Italian Civil Code);
- Illegal allocation of profits and reserves (article 2627 of the Italian Civil Code);
- Illegal transactions involving shares or quotas of the Company or the parent company (article 2628 of the Italian Civil Code);
- Transactions prejudicial to creditors (article 2629 of the Italian Civil Code);
- Failure to communicate conflict of interests (article 2629-b of the Italian Civil Code);
- Wrongful allocation of company assets by liquidators (article 2633 of the Italian Civil Code);
- Illegal influence over shareholders' meeting (article 2636 of the Italian Civil Code);
- Stock-jobbing (article 2637 of the Italian Civil Code);
- Obstruction to the exercise of the functions of public surveillance authorities (article 2638, subsections 1 and 2, of the Italian Civil Code).

4. Practices involving mutilation of female genital organs e Crimes relating to terrorism and the subversion of the democratic order, introduced and modified respectively by Law 7/2006 and Law 7/2003 (Article 25-d, 25-d .1 of Legislative Decree 231/2001)

5. Crimes against individuals, introduced by Law 228/2003 and partially modified by Law 38/2006 (Article 25-e of Legislative Decree 231/2001):

- Enslavement (article 600 of the Italian Criminal Code);
- Trafficking and trading in slaves (article 601 of the Italian Criminal Code);
- Buying and selling slaves (article 602 of the Italian Criminal Code);
- Juvenile prostitution (article 600-b, subsections 1 and 2, of the Italian Criminal Code);
- Juvenile pornography (article 600-c of the Italian Criminal Code);
- Tourism initiatives directed at exploiting the prostitution of minors (article 600-e of the Italian Criminal Code);
- Keeping pornographic material (article 600-d of the Italian Criminal Code)

6. Market abuse, introduced by Law 62/2005 (Article 25-f of Legislative Decree 231/2001, article 187-e of Legislative Decree 58/1998):

- Abuse of privileged information (article 184 of Legislative Decree 58/1998);
- Market manipulation (article 185 of Legislative Decree 58/1998).
- Illicit administrative acts regarding market abuse (article 187-b and 187-c of Legislative Decree 58/1998)

7. Law no. 146 of March 16, 2006 Article 10: Transnational Crimes, defined as those crimes committed: i) by an organized criminal group, ii) in more than one State; iii) in one State, although a substantial part of the preparation, planning, management or control takes place in another State; iv) in one State, although an organized criminal group is implicated that is involved in crime in other States; v) in one State although it has substantial effects in another. Typical cases of Transnational Crimes are:

- Criminal association (article 416 of the Italian Criminal Code);
- Mafia association (article 416-b of the Italian Criminal Code);
- Criminal association for the purpose of foreign tobacco smuggling (article 291-b of Presidential Decree 43/1973);
- Association for the purpose of illegal trafficking of narcotic or psychotropic substances (article 74 of Presidential Decree 309/1990);
- Provisions against clandestine immigration (article 12, subsections 3, 3-b, 3-c and 5 of Legislative Decree 286/1998);
- Inducement not to make declarations or to make false declarations to the Legal Authorities (article 377-b of the Italian Criminal Code);
- Personal aiding and abetting (article 378 of the Italian Criminal Code)

8. Law no.123 of August 3, 2007 Article 9 (article 25-g) Measures for protection of health and safety in the workplace

- Culpable homicide (article 589 of the Italian Criminal Code);
- Intentional personal injury (article 590 of the Italian Criminal Code)

9. Law no. 231 of November 21, 2007 Article 63 subsection 3 (art 25-h):

- Receiving stolen goods (article 648 of the Italian Criminal Code);
- Money laundering (article 648-b of the Italian Criminal Code);
- Use of money, goods or assets from an illegal source (article 648-c).

The risk of crimes being committed specified by Articles 25-b, 25-d, 25-e, -g and -h of the Decree and article 10 of Law 146/2006, though it is impossible to exclude *tout court*, was deemed remote and, in any case, reasonably covered by the principles set forth in the Code of Ethics of the Company, that binds all the addressees to the strictest observance of the laws and regulations applicable to them.

As for the types of crime considered by the Decree, a brief description of the crimes that could potentially affect the Company is provided below, namely, crimes to the detriment of the Public Administration, corporate and market abuse crimes (articles 24, 25, 25-c, 25-f).

1.2.1. CRIMES TO THE DETRIMENT OF THE PUBLIC ADMINISTRATION

Aggravated fraud to the detriment of the State or other public body (article 640, subsection 2 no. 1, of the Italian Criminal Code)

This crime occurs when an unfair profit is made, using artifices or deception thereby leading someone into error, to the detriment of the State, other public body or the European Union.

This crime may take place when, for example, in the preparation of documents or data for participating in tender procedures, the Public Administration is supplied with untrue information (for example, supported by falsified documentation), in order to be awarded the decision.

Aggravated fraud for the obtainment of public funds (article 640-b of the Italian Criminal Code)

This crime occurs when the above mentioned fraud aims at public finance, in whatever form, provided by the State, by

other public bodies or by the European Union.

This case can arise where trickery or deception are carried out, for example by communicating untrue data or preparing false documentation, in order to obtain public financing.

Embezzlement to the detriment of the State (article 316-b of the Italian Criminal Code)

This crime punishes the action of anyone who, having obtained financing from the State, other public body or the European Union, in any form, intended to promote the implementations of works or activities in the public interest, fails to use the financing for the intended purpose. Since the act punished consists failure to allocate the financing provided for the intended purpose, this crime can take place also in reference to funding obtained in the past and which is not now allocated for the purposes for which it was originally provided.

Wrongful obtainment of funds in detriment of the State (article 316-c of the Italian Criminal Code)

This crime occurs in the cases where - through the use or the presentation of false declarations or documents or through the omission of required information - contributions, financings, facilitated loans or other funding of the same type granted or provided by the State, by other public bodies or by the European Union is obtained without having a right thereto.

In this case, unlike the previous case (article 316-b), the intended purpose of the public funding provided assumes no importance, since the crime is committed at the moment of their - undue - obtainment.

Finally, it should be pointed out that this crime, since it has a residual nature, takes place only where the conduct is not in addition to the more serious crime of aggravated fraud to the detriment of the State (article 640-b of the Italian Criminal Code).

Computer fraud to the detriment of the State or other public body (article 640-c, subsection 1, of the Italian Criminal Code)

This crime takes place when, by altering the operation of a computer or electronic system or manipulating the data contained therein, an unfair profit is obtained causing damage to the State or to another public body.

In concrete terms, the crime in question may occur where, once financing has been obtained, the computer system of the Public Administration is violated in order to insert an amount greater than that legitimately obtained.

Concussion (article 317 of the Italian Criminal Code)

This crime occurs where a public official or a person charged with a public service, abusing his position or power, forces or induces someone to give or promise money or other assets unduly to himself or others.

The crime in question presents contained risk profiles for the purposes of Legislative Decree 231/01: since it is fact a crime by qualified subjects, the responsibility of the company may be recognized only in the cases where an Employee or an Agent of the Company, in the interest or to the advantage thereof, contributes to the crime of the public official or of the public service representative, who, taking advantage of his position, demands undue benefits.

For the purposes of criminal law, public officials are those who carry out a public legislative, judicial or administrative function. For the same intents and purposes, the administrative function, regulated by the norms of public law and authorities acts and distinguished by the manifestation of the will of the Public Administration or by its fulfillment through authoritative or certifying powers, is considered public. (article 357 of the Italian Criminal Code).

Pursuant to criminal law, all individuals who, in whatever capacity, perform a public service are public service representatives. A public service is intended as an activity regulated by the same forms of the public function, but is distinguished by the lack of powers typical of the latter, and excludes performance of simple duties and works of a merely material nature (article 358 of the Italian Criminal Code).

Corruption (articles 318-319 of the Italian Criminal Code)

This crime takes place where a public official or a public service representative obtains or obtains a promise of, for himself or others, money or other assets in order to carry out, omit or delay acts of his office or to perform acts contrary to his duties of office.

The crime also takes place where the undue offer or promise is formulated with reference to acts – conforming or contrary to duties of office – already completed by the public agent.

Therefore the crime exists both in the case in which the public official, for payment, carries out a lawful act (for example: expediting a case under his jurisdiction), and in the case where he performs an action contrary to its duties (for example: guaranteeing the unlawful award of a competition).

This crime differs from concussion in that an agreement exists between the corruptor and the corrupted aimed at obtaining mutual benefit, while in concussion, the private party is subject to the conduct of the public official or the public service representative.

Under article 321 of the Italian Criminal Code, the penalties established for the public officials and public representatives are also applied to the private parties who give or promise money or other assets to them.

Inducement to corrupt (article 322 of the Italian Criminal Code)

The penalty established for this crime is applied to anyone who offers or promises money to a public official or public service representative, in order to induce him to perform an action contrary to or compliant with the duties of office, in the case where the promise or the offer is not accepted. Similarly, the conduct of a public official who solicits a promise or offer from a private party is also penalized.

Corruption in Judicial Proceedings (article 319-c)

This crime occurs where someone offers or promises un public official or public service representative money or other assets in order to favor or damage a party in criminal, civil or administrative proceedings.

A company may be answerable for this crime when it is a party in legal proceedings corrupts a public official (not only a magistrate, but also a clerk of the court or other official) in order to obtain a positive outcome.

To complete the examination of crimes under article 24 of the decree (concussion, corruption, instigation to corruption and corruption in legal proceedings), it is pointed out that, under article 322-b of the Italian Criminal Code, the previously mentioned crimes exist also in the hypothesis where they concern foreign public officials, in other words, those who carry out similar functions to those of the Italian public officials within community bodies, those of other member states of the European Union, of foreign States or international public organizations.

1.2.2. CORPORATE CRIMES

False company communications and false company communications to the detriment of the company, partners or creditors(articles 2621 and 2622 of the Italian Civil Code)

These are two modes of crime whose conduct typically coincides almost totally, and which differ depending on whether or not a patrimonial damage for the partners or the creditors occurs. The first (article 2621 of the Italian Civil Code) is a case of danger and is constructed as a fraudulent contravention; the second one (article 2622 of the Italian Civil Code) is constructed as a crime of damage.

The two cases take place through exposure in the Financial Statements, the reports or the other corporate communications provided for by law, directed to partners or the public, of material facts that, although the subject of assessments, are not truthful and may misdirect the addressees of the economic, patrimonial or financial situation of the company or the Group to which it belongs, with the intention of tricking the partners, creditors or the public; or the omission, with the same intention, of information on the same situation the communication of which is required by law.

It is specified that:

- the conduct must be aimed at obtaining illegitimate benefits for themselves or any other third party;
- the false or omitted information must be important and such that they considerably alter the representation of the economic, patrimonial or financial situation of the company or the Group to which it belongs;
- punishability is however excluded if the falsehood or the omissions determine a change of the economic result of the business gross of taxes not exceeding 5% or a change in net equity on exceeding 1%; in any case, the fact is not punishable if it is the result of estimative assessments that, considered individually, differ by no more than 10% of the correct assessment;
- responsibility is also extended to the case where information the relates to assets owned or managed by the Company on behalf of third parties;

The active subjects of the crime are the board members, the general managers, the executives who draw up the company accounting records, the auditors and the liquidators ("*reato proprio*").

False statement in a prospectus (article 173-b of Legislative Decree 58/1998)

This crime is committed by someone who, in the prospectuses required for soliciting investment or admission to quotation in the regulated markets, or in the documents to be published on the occasion of public purchase or exchange offers, provides false information or hides data or news in such a way as to trick the addressees of the prospectus.

It is noted that:

- awareness of the falsehood and the intention to mislead the addressees of the prospectus must exist (generic fraud);
- the conduct must be misleading to the addressees of the prospectus;
- the conduct must be aimed at obtaining illegitimate benefits for themselves or any other third party (specific fraud).

The crime is constructed as a common crime, that can be committed by “anyone” who commits the criminal conduct.

False statements in reports or communications of the Auditing Firm (article 2624 of the Italian Civil Code)

This crime consists of false statements or hiding of information, by those in charge of auditing, concerning the economic, patrimonial or financial situation of the company in order to obtain unfair profit for themselves or others.

The punishment is more serious if the addressees of the communications have actually suffered economic damage as a result of the above-mentioned conduct.

Active subjects include managers of the Auditing Firm (“*reato proprio*”), but members of the administration bodies of Cementir Holding S.p.A. and its employees can be involved as accessories to the crime. In fact, under article 110 of the Italian Criminal Code, one may hypothesize complicity by directors, auditors, or other subjects of the audited company, who may have caused or instigated unlawful conduct by the person in charge of the auditing firm.

Obstruction of control activities (article 2625 of the Italian Civil Code)

This crime consist of obstruction or preventing the control or auditing activities from being carried out - that are legally assigned to partners, company bodies or Auditing Firms - through the hiding of documents or other deception.

The crime, with which only directors may be charged, is penalized more severely if damage has been caused.

Wrongful reimbursement of contributions paid into the company (article 2626 of the Italian Civil Code)

This crime occurs when the Directors, apart from legitimate cases of reducing shareholders' capital, return, also simultaneously, contributions to shareholders or free them from their obligation to pay them up.

Only Directors can be charged with this crime.

Illegal allocation of profits and reserves (article 2627 of the Italian Civil Code)

This crime consists in the distribution by the Administrators of profits or accounts on profits not effectively achieved or assigns by law to reserves, or of reserves that cannot by law be distributed.

It is pointed out that the crime ceases to exist if the reimbursement of the profits or reconstitution of the reserves takes place before the deadline established for the approval of the Financial Statements.

Only directors are the active subjects for this crime.

Illegal transactions involving shares or quotas of the company (article 2628 of the Italian Civil Code)

This crime takes place when the Directors, apart from the cases provided for by law, damage the integrity of the share capital and reserves that cannot be distributed by through the purchase or subscription of shares of the company or the parent company.

Active subjects of the offence are in this case only the directors.

It is specified that if the share capital or reserves are reconstituted before the term provided for the approval of the financial statements for the year in relation to which the conduct has been carried out, the offence is extinguished..

Transactions prejudicial to creditors (article 2629 of the Italian Civil Code)

This crime takes place when, violating the laws safeguarding creditors, there is a reduction of the share capital or mergers with other companies or demergers that cause damage to the creditors (“*reato di evento*” - crime of event).

It is specified that damage compensation to the creditors before judgment extinguishes the offence.

Active subjects of the offence are also in this case the directors.

Failure to communicate conflict of interests (article 2629-b of the Italian Civil Code)

This crime takes place if there is a violation of the obligations for providing information under article 2391, subsection 1 of the Italian Civil Code (conflict of interests) when damage is caused to the company or third parties as a result.

Fictitious formation of capital (article 2632 of the Italian Civil Code)

The crime occurs when there is a fictitious increase, even only partial, of the share capital, by Directors or Shareholders, through allocating shares for in a quantity that is overall greater than the amount of share capital, joint subscription of shares, significant overvaluation of the contributions in kind or receivables.

Active subjects of the offence are the directors and the contributing shareholders.

Wrongful allocation of company assets by liquidators (article 2633 of the Italian Civil Code)

This crime is committed when liquidators cause damage to creditors by distributing company assets to the shareholders before paying the company creditors or setting aside the money necessary to satisfy them
Active subjects of the crime are therefore only the liquidators.

Illegal influence over shareholders' meeting (article 2636 of the Italian Civil Code)

This crime occurs when a majority is secured in the shareholders' meetings by simulated acts or fraudulent means in order to obtain an unfair profit for themselves or others.
The crime may be committed by anyone ("common crime"), therefore also by subjects outside the company

Stock-jobbing (article 2637 of the Italian Civil Code)

The crime is committed with the disclosure of false information or through transactions or other devices that can trigger a significant change in the price of non-quoted financial instruments and/or can increase confidence of the public or financial institutions in the financial stability
This is also a crime that can be committed by anyone.

Obstruction to the exercise of the functions of public surveillance authorities (article 2638 of the Italian Civil Code)

This crime may be committed in two ways, both of which are aimed at obstructing the supervisory activities of the relevant public authorities:

- 1) by communicating facts regarding the economic, equity or financial situation to the supervisory authorities that do not correspond to the truth, or by hiding, in whole or in part, facts that should have been communicated;
- 2) by simply obstructing the performance of supervisory functions, being aware of doing so, in any manner.

In both cases of the crime described above, active subjects are the directors, general managers, auditors and liquidators

1.2.3. MARKET ABUSE CRIMES**a) Abuse of privileged information (article 184 of Legislative Decree 58/1998)**

This crime occurs when a person in possession of privileged information, because of his membership of administration, management or control bodies of the issuer, because of investment in the capital of the issuer, or by working in a profession or function, also public, or in an office:

- a) buys, sells or performs other transactions, directly or indirectly, on his own behalf or that of third parties, on financial instruments using the aforementioned information;
- b) communicates such information to others, outside the normal activity of work, his profession or office;
- c) recommends or induces others, on the basis of said information, to perform any of the transactions mentioned in point a)

Privileged information is non-public information, of a specific nature, concerning Cementir Holding S.p.A. and/or its subsidiaries and which, if made public, can have a considerable impact on the price of the financial instruments issued by Cementir Holding Spa.

The financial instruments are following:

- Quoted financial instruments issued by Cementir or by its subsidiaries;
- Financial instruments that attribute the right to subscribe, buy or sell shares;
- Debt financial instruments convertible into shares or that can be exchanged for them;
- Derived financial instruments shares, as specified by article 1, subsection 3 of the Consolidated Law;
- Financial instruments, equivalent to shares, and representing said shares;
- Quoted shares issued by Cementir subsidiaries and any financial instruments mentioned in the previous points related to said shares;
- Non-quoted shares issued by Cementir subsidiaries when the book value of the shareholding in the subsidiary represents more than 50% of the assets of the Company, according to the latest approved Financial Statements, and any financial instruments mentioned in the previous points related to said shares.

b) Market manipulation (article 185 of Legislative Decree 58/1998)

This crime is committed by spreading false news or carrying out simulated transactions or other devices substantially capable of provoking a significant alteration of the price of financial instruments.

Illicit administrative acts (article 187-b and 187-c of Legislative Decree 58/1998)

In the same hypothesis as above [a) and b)], apart from the criminal sanctions when the act constitutes a crime , it is punished with the administrative sanctions from one hundred thousand to fifteen million Euro,

1.3. THE SANCTIONS APPLIED BY THE DECREE

The penalty system described by Legislative Decree 231/2001, for the committing of the crimes listed above, is divided into the following types of administrative sanctions :

- a) monetary sanctions;
- b) disqualification;
- c) seizure;
- d) publication of the judgment.

a) Monetary sanctions, which are always applied in the event of responsibility of the company are determined by the judge through a system based on “quotas”.

The amount of an individual quota ranges from a minimum of Euro 258 to a maximum of Euro 1,549 and is fixed on the basis of the economic/financial situation of the company, in order to ensure the effectiveness of the sanction. The judge determines the number of quotas (not less than 100 or more than 1000) taking account of:

- 1) the gravity of the fact;
- 2) the degree of responsibility of the company;
- 3) the activity carried out in order to eliminate or attenuate the consequences of the action and in order to prevent the committing of further illegal acts.

Sanctions may be reduced where:

- the author of the crime has committed the act primarily in his own interest or that of third parties and the company has not gained an advantage from it, that has gained only a minimal advantage, or when the damage caused is particularly slight;
- before the declaration of opening of first degree proceedings, the company has compensated the damage in full or has eliminated the damaging or dangerous consequences of the crime, or has taken steps in this direction, or a suitable model for preventing further crimes from being committed has been adopted.

In the case of market abuse crimes, if the product or profit of the company is considerable, the sanction is increased up to 10 times such product or profit.

b) The disqualification sanctions, which are applied in addition to monetary sanctions in the case of more serious crimes, are:

- temporary or definitive disqualification from pursuing the business activity;
- suspension or cancellation of authorizations, licenses or concessions that may be functional in committing the unlawful act;
- prohibition to contract with the public administration, except in order to obtain the benefits of a public service;
- exclusion from benefits, loans, grants and subsidies and the possible revocation of those already granted;
- the prohibition, temporary or definitive, on publicizing goods or services.

The disqualification sanctions are applied only in the cases expressly provided for and if at least one of conditions occurs:

- the company has derived a significant profit from the crime and the crime was committed by a top level subject, or a by a subordinate subject, if it is proved that the committing of the crime was facilitated by serious organizational deficiencies;
- in the case of repetition of the unlawful acts.

The disqualification sanctions have a duration from 3 months to 2 years, but can, in exceptional cases, be applied definitively.

The disqualification sanctions can be applied also in a precautionary manner, at the request of the Public Prosecutor, if there are serious indications of the responsibility of the company and there are founded and specific elements that make it reasonable to believe that there is a substantial danger that unlawful acts of the same nature as that being prosecuted will be committed.

The disqualification sanctions, however, do not apply (or are revoked, if applied in a precautionary manner) if the company, before the opening of the first degree hearing:

- has compensated or repaired the damage and eliminated the damaging or dangerous consequences of the crime or has effectively taken steps in that direction;
- has eliminated the organizational deficiencies caused the crime, adopting organizational models to prevent further crimes being committed;
- has made the profit available for confiscation.

c) Regarding seizure, it is specified that the price or profit of the crime should always be confiscated and that, where it is not possible to make the confiscation directly on the price or the profit of the crime, the confiscation can be applied to a sum of money, goods or other assets to the value of the price or the profit of the crime.

d) Publication of the condemnatory judgment consists in publishing the sentence once, as an extract or in its entirety at the expense of the company, in one or more newspapers specified by the Judge in his decision, as well as by posting in the municipality where the company has its head office.

1.4. JUSTIFICATION CONDITION OF ADMINISTRATIVE RESPONSIBILITY

Having introduced the administrative responsibility of the company, article 6 of Legislative Decree 231/2001 establishes that the company is not answerable for administrative responsibility if it can show that:

- the management body has, prior to the committing of the act, adopted and effectively put into action Models of Organization and Control capable of preventing crimes of the sort that have occurred;
- the task of supervising the operation and compliance with the models as well as the task of seeing to their updating has been assigned to an internal board, endowed with autonomous powers of initiative and control;
- the persons committed the offence by fraudulently eluding the Models of Organization, Management and Control;
- there has been no omitted or insufficient surveillance on the part of the body.

The **adoption of the Organization and Control Model** (also hereafter the "Model") therefore enables the company to escape the charge of administrative responsibility. The mere adoption of such a document, on the part of the management body of the company to be identified in the Board of Directors, does not appear, however, sufficient in order to exclude said responsibility *tout court*, since the model must at the same time be **efficient** and **effective**.

Regarding the effectiveness of the model, the Decree requires it to:

- **identify the activities** within which **the crimes** may be committed;
- **provide specific protocols aimed at** planning the formation and implementation of company decisions in relation to the crimes to be prevented;
- **identify the methods of managing the financial resources** needed to prevent such offences being committed;
- **prescribe the obligations on providing information** on the part of the body delegated with supervising the performance and compliance with the organizational model.

Regarding the effectiveness of the model, the Decree requires:

- the **periodic verification** of the model and, in the event that significant violations of the guidelines established by the model are discovered, or changes occur in the company's organization of activity, or there are changes in the law, the modification of the model;
- the **adoption of a disciplinary system** to sanction the failures to comply with the measures laid down in the organizational model.

1.5. THE CONFINDUSTRIA "GUIDELINES"

Article 6, subsection 3, of the Decree provides expressly that the Organization and Control Models can be adopted on the basis of codes of conduct prepared by the representative associations of the companies, communicated to the Department of Justice, which, in conjunction with the other competent Ministries, may formulate, within 30 days, observations on the capability of the Models to prevent the crimes covered by Legislative Decree 231/2001.

The Confindustria Guidelines were approved by the Department of Justice with Ministerial Decree 04.12.2003. The subsequent updates, published on 24.05.2004 and 31.03.2008, were approved by the Department of Justice which

judged said Guidelines as suitable for achieving the purposes specified by the Decree.

In the definition of the Organization and Control Model, the Confindustria Guidelines identify the following phases:

- identification of the risks, in other words, the analysis of the corporate context in order to highlight in which areas of activity and in what ways the crimes provided for the Decree may occur;
- the preparation of a system of control suitable for preventing the identified risks of crime through the adoption of specific protocols.

The most important components of the preventive control system devised by Confindustria, that they must be put into effect at corporate level in order to guarantee the effectiveness of the model, are:

- the adoption of a Code of Ethics;
- an organizational system adequately formalized and clear, in particular with regard to the attribution of responsibility, to the lines of hierarchical dependency and description of the tasks;
- manual and/or computerized procedures that regulate the performance of the activities, providing appropriate controls;
- authorization and signatory powers attributed in coherence with the defined organizational and managerial responsibilities, providing, where required, an indication of the thresholds of approval for expenditure;
- management control systems able to provide timely signaling of general and/or particular critical events;
- communication with and training of personnel;

In the related Guidelines, Confindustria specifies, furthermore, that the components of the control system must be informed regarding the following principles:

- **verifiability, documentability, coherence and consistency** of every operation;
- **application of the principle of separation of functions** and segregation of tasks (nobody can manage an entire process independently);
- **documentation of the controls.**

In preparing the Organization and Control Model, Cementir Holding S.p.A. takes account, therefore, of the indications provided by the Confindustria Guidelines.

PART TWO

2. ORGANIZATION AND CONTROL MODEL OF CEMENTIR HOLDING S.P.A.

2.1. PURPOSES OF THE MODEL

CEMENTIR Holding S.p.A. (hereafter also “CEMENTIR” or the “Company”) is aware of the need to ensure conditions of correctness and transparency in the conducting of business and related company activities, in order to protect its image and reputation, of the expectations of its shareholders and the work of its employees, and is also aware of the importance to equip itself with an Organization and Control Model, for preventing the committing of illicit conduct by its directors, employees and collaborators.

Although the adoption of the Model does not constitute an obligation imposed by the Decree but rather voluntary choice on the part of each individual company, for the reasons mentioned above Cementir has decided to adapt to the guidelines of the Decree, by initiating a plan of analysis of its organizational instruments for management and control, aimed at verifying the correspondence of the behavioral principles and the procedures already adopted with the purposes provided for by the Decree and, if necessary, at supplementing the system currently in place.

This Model was adopted by the Board of Directors of the Company with a resolution dated 8 may 2008

Through the adoption of the **Organization and Control Model**, Cementir primarily intends to pursue the following aims:

- to determine in the Addressees of the Model, defined subsequently in paragraph 2.2, the awareness of being able to incur, in the event of violation of the provisions contained therein, in committing illegal acts subject to penal sanctions that may be taken against them, and of administrative sanctions applicable directly to the Company;
- to underline that such forms of illicit behavior are strongly condemned by Cementir, since they (also in the case where the Company may be clearly in a position to benefit from them) are in any case contrary, not just to legal provisions, but also to the ethical principles to which the company adheres in pursuing its business activities;
- to allow the Company, through an action for monitoring the areas of activity at risk, to intervene promptly in order to prevent or resist the committing of the same crimes.

2.2. ADDRESSEES OF THE MODEL

The provisions of the present Model apply to the Directors, the Auditors and the employees (meaning all those connected with the company by a relationship of subordinated work, including managers) of the Company as well as to the auditors, consultants, commercial and financial partners, and the various types of collaborators of the Company, in particular, those carrying out activities identified as being at risk of crime, appropriately trained and informed on the content of the Model.

2.3. FUNDAMENTAL ELEMENTS OF THE MODEL

With reference to the requirements identified in the Decree, the fundamental points developed by Cementir in defining Model, can be summarized as follows:

- ethical principles relating to conduct that may supplement the crime cases provided for by the Decree, which are specified both in the Code of Ethics adopted by Cementir, and, in greater detail, in the present Model;
- map of activities at risk;
- procedures and protocols relating to the processes considered to be at the greatest risk of crime;
- Surveillance Body (hereafter also the “Body”) and attribution of specific tasks regarding the surveillance of the effective and corrected operation of the Model;
- system of sanctions capable of guaranteeing the effective implementation of the Model, containing the disciplinary provisions applicable to the Addressees in the case of failure to respect the measures specified in the same Model;
- activities of information, awareness building and dissemination of the present Model to the Addressees;
- rules and responsibility for the adoption, implementation and subsequent modifications or amendments to the Model (updating of the Model), as well as for verifying the operation and effectiveness of the Model.

2.4. CODE OF ETHICS AND MODEL

Cementir intends to operate according to ethical principles aimed at imprinting the development of business activity, the pursuit of the company purpose and its growth in compliance with the laws in force. To this end, Cementir has adopted a Code of Ethics that seeks to define a series of principles of “company deontology”, that the Company recognizes as its own and demands the observance thereof by the Company bodies, its employees and all those who cooperate with it, in any manner, in the pursuit of the company aims.

Therefore, the Code of Ethics has a general applicability and represents an instrument adopted autonomously by Cementir Holding S.p.A. The Model, on the other hand, responds to the specific guidelines contained in Legislative Decree 231/2001, aimed at preventing the committing of certain types of crimes (for acts that, apparently committed for the benefit of the Company, the company may find itself with an administrative responsibility for a crime on the basis of the provisions of the Decree).

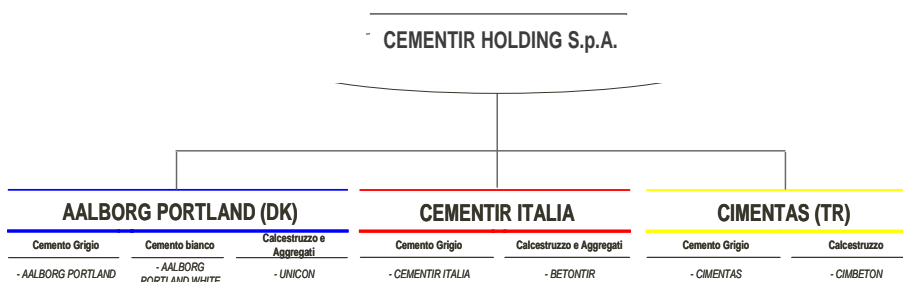
In consideration of the fact that the Code of Ethics specifies principles of behavior that are also suitable for preventing the illegal behavior specified by the Decree, this document assumes importance for the purposes of the Model and constitutes, therefore, an element of the Model.

2.5. THE CEMENTIR GROUP

Regarding the Cementir Group, intended as the Parent Company and Subsidiaries (the “Group”), it was considered appropriate to have the Code of Ethics adopted in order to standardize the activities and pursuit of business of all the Companies of the Group in compliance with the law and regulations of the countries of reference, in a framework of integrity, legitimacy, correctness and transparency

The Code of Ethics, and likewise the Organizational Model provided for by the Decree that the subsidiaries are recommended to adopt, proposes to set forth the principles of conduct and the ethical rules to be complied with in conducting business in order to reconcile the Cementir Group's quest for competitiveness on the market with the respect for the rules on competition by promoting, in a perspective of social responsibility and environmental protection, the correct and functional use of resources.

The following is the corporate structure of the Cementir Group:



2.6. ASSUMPTIONS OF THE MODEL

In preparing the Model, Cementir took account of the company's existing internal control system, in order to verify whether it is suitable for preventing the specific crimes provided for by the Decree in the identified areas of activity at risk.

In more general terms, the **internal control system of the Company must guarantee**, with reasonable **certainty**, the achievement of the **operational**, information and conformity objectives:

- the **operational objective of the internal control system concerns the effectiveness and the efficiency of the Company in using resources**, in protecting itself against losses, in safeguarding the company's assets; this

system is also aimed at ensuring that the personnel operate in order to pursue corporate objectives, without placing other interests before those of the Company;

- the **information objective is substantiated in the preparation of timely and reliable reports** for the decision-making process both inside and outside the corporate structure;
- the conformity objective guarantees, on the other hand, that all the operations and actions are conducted in compliance with laws and regulations, prudential requirements and internal business procedures.

The control system involves all sectors of the activity carried out by Cementir through the **distinction of operational tasks** from **control** tasks, thereby reasonably reducing possible conflicts of interest.

Cementir's internal control system is based on the following **principles**:

- every operation, transaction and action must be true, verifiable, consistent and documented;
- nobody should be able to manage an entire process autonomously (the so-called separation of tasks);
- the internal control system must be able to document the carrying out of controls, including supervisory controls.

Responsibility for correct operation of the system of internal controls is assigned to each company function for all the processes for which he is responsible.

In particular, the internal control system is based on the following **elements**:

- Code of Ethics of Cementir Holding S.p.A. ;
- Organizational system formalized and clear in the assignment of responsibilities (see the organizational chart in the "introduction" to the present document);
- System of internal procedures and instructions;
- IT instruments aimed at separation of functions;
- System of management control, and reporting;
- Authorization and signatory powers assigned according to responsibilities;
- Specific functions for external communication (primarily Investor Relator);
- Internal communication and staff training system.

The **type of company controls** that exists in the Cementir Group provides for:

- **line controls**, carried out by the individual operational units on the processes for which they have management responsibility, aimed at ensuring that the operations are carried out correctly;
- **monitoring activities**, carried out by those in charge of every process and aimed at verifying that the underlying activities are carried out correctly, on the basis of hierarchical controls;
- **activities of detection, assessment and monitoring of the internal control system** on the processes and administrative-accounting systems that are important for producing the Financial Statements.

Although the existing internal control system, the main elements of which are described above, contains numerous valid elements to make it suitable for use also in the prevention of the crimes envisaged by the Decree, the Company, aware of the requirements to guarantee conditions of correctness and transparency in conducting company business and activities, and also to protect its own image and reputation, has decided to conduct a careful analysis of its organization, management and control instruments, in order to verify that the behavioral principles and the procedures already adopted for the purposes established by the Decree purposes correspond and, where it has become necessary, to adapt them.

2.7. IDENTIFICATION OF "AT RISK" ACTIVITIES AND DEFINITION OF PROTOCOLS

The Decree expressly provides, in article 6, subsection 2, paragraph a), that the Organization and Control Model of the company should identify the business activities within which the crimes referred to by the Decree could potentially be committed.

A careful analysis was therefore carried out on Cementir's business activities and organizational structures, with the aim of identifying the risks of crime that may realistically arise in the company environment (the so-called "sensitive activity areas"), as well as the processes within which, again theoretically, the conditions and/or the instruments for committing certain crimes may be realized (the so-called "instrumental processes" and "sensitive processes").

2.7.1. IDENTIFICATION OF “AT RISK” ACTIVITIES

In consideration of the typical activities of Cementir, the analysis was particularly focused on the identification of the areas susceptible to the committing of the crimes specified by Articles 24, 25, 25-c and 25-f of the Decree.

The risk of crimes being committed specified by Articles 25-b, 25-d, 25-e -g and -h of the Decree and article 10 of Law 146/2006, although it cannot be excluded *tout court*, it was considered remote and, in any case, reasonably covered by the principles stated in the Code of Ethics of the Company, which binds all the addresses to the strictest observance of the laws and regulations that are applicable to it.

The results of the above-mentioned activity were collected in a descriptive Document (the so-called “matrix of activities at risk of crime”), that illustrates in detail the substantial risk profiles for the committing of the crimes covered by Legislative Decree 231/2001 in the context of the business activities of Cementir, and which is kept in the Company.

Specifically, the risk of possible committing of crimes specified by the Decree, in particular the cases mentioned in Articles 24, 25 and 25-c, 25-f of the Decree and by article 187-e of Legislative Decree 58/1998 in the following areas of company activity:

- relationships of an “institutional profile” with subjects belonging to the Public Administration;
- management of the obligations and communications and/or requests connected with the typical activity (obtaining, also on the occasion of verifications, inspections and assessments, by competent Public Bodies and/or Independent Administrative Authorities, including Consob and the Guarantor Authority for the Protection of Personal Data);
- judicial and extrajudicial offices (for example, civil, tax, labor, administrative and criminal);
- hiring of personnel, termination of contract, earnings, tax deductions and obligations related to the social security and charitable contributions, relating to employees and collaborators;
- tax and company obligations, and obligations arising from relationships with the Public Bodies involved, also on the occasion of inspections and assessments;
- management and book-keeping of general accounting;
- preparing civil and consolidated financial statements, and possible equity situations, also when extraordinary operations are performed, to be submitted to the Board of Directors and /or the Shareholders' Meeting;
- obligations regarding company matters and activities of communication of “price sensitive” information to the markets. In particular,
 - drawing up informative documents, communiqués, informative material in whatever form it may be produced, normally intended for investors, financial analysts, journalists, other representatives of the mass media or for the general public;
 - organization and participation in meetings, in whatever form they may be held, with investors, financial analysts, journalists, other representatives of the mass media or with the general public;
 - communication to third parties and the market of information concerning the company and the companies belonging to the Group, not yet communicated to the public and intended to be disclosed, by law or by decision of the company;
- purchase, sale or other operations, in whatever form they are concluded, the object of which is represented by the shares of the Company, subsidiaries or parent companies, including the financial instruments specified by article 180 paragraph a) of the TUF;
- purchase, sale or other operations, in whatever form they are concluded, the object of which is represented by other financial instruments specified by article 180 paragraph a) of the TUF, or related to these, issued by the Company, by parent, subsidiary, associated or stakeholder companies, or by other companies in which the «important subjects» of the Company pursuant to the «Code of Conduct» have managerial power or a legally significant interest.

2.7.2. DEFINITION OF THE PROTOCOLS

The Company, aware of the need to maintain the necessary managerial flexibility while guaranteeing the most rigorous adaptation to the dictates of the Decree, has implemented the following specific protocols to govern the processes in the context of which, theoretically, crimes against the Public Administration could be

committed (articles 24 and 25 of Legislative Decree 231/2001), corporate crimes (article 25-c of Legislative Decree 231/2001) and Market abuse crimes (article 25-f of Legislative Decree 231/2001) and in particular:

1. Relations with the P.A. And the Surveillance Authorities;
2. Staff management (selection and hiring, benefit assignment and management; expense reimbursement and advance payment management);
3. Management of consultancy and professional appointments;
4. Management of gifts, sponsorships, donations and gratuities;
5. Management of goods and service purchasing;
6. Management of monetary and financial flow;
7. Financial Statements and periodic documents;
8. Drawing up the budget;
9. Relations with the Auditing Firm and Auditors
10. Information management with particular reference to privileged information;
11. Operations with related parties, including the companies in the Group;

The protocols comprise of the most suitable rules and regulations for managing the risk profile identified, by means of a group of rules originating from a detailed analysis of each activity and the relative system of risk prevention.

They respond to, amongst other things, the need to document and make various phases of the decision making process verifiable, in order to allow these phases to be tracked.

Each protocol that is formally adopted by the company binds all those involved in functions addressed by the protocol on each occasion.

2.8. GENERAL BEHAVIORAL RULES

Respect of the law

The Model's Addressees are expected to respect Italian laws or those of the country in which they are occasionally located for work or in which they reside.

None of the Model's Addressees may oblige or solicit other Addressees to violate Italian laws or those of a foreign country where the Company carries out business or has interests, whether direct or indirect.

CONFLICT OF INTERESTS

The employees and the members of the Company Bodies, addressees of the Model, must evaluate, before each operation, the possibility of conflicts of interest, existing and/or potential, and ensure that the conflict is avoided beforehand.

The following are non-exhaustive and purely indicative examples of conflict of interest:

- carrying out an operation in a top management position, and having economic interests, whether direct or indirect (through family and relatives), with suppliers and/or clients collaborating in the operation;
- having relations with suppliers and carrying out activities with them personally or through family;
- accepting favors from third parties for favoring them in relations with the Company.

Whoever finds themselves in a situation of conflict of interest must inform their superior in the line of command, who, in addition to informing the Surveillance Body, must evaluate and activate the measures

by means of which, despite the conflict of interest, the operation will be carried out in compliance with the usual market conditions.

Should there be any doubt or should it be impossible to resolve the conflict of interest, the operation must be suspended.

CONFIDENTIALITY

The Model's Addressees must keep all the Company's and the Group's data and information acquired or treated in carrying out the Company's business, confidential, as well as guarantee complete and specific compliance with the security and protection measures.

CORRECTNESS

The Model's Addressees must manage completely all the operations, guaranteeing the transparency of the relative information and the formal and substantial legitimacy of each operation or transaction.

IMPARTIALITY

The Model's Addressees must avoid favoring any interest group or individuals, as well as refraining from discrimination based on assumptions regarding age, state of health, sex, religion, race, or political and cultural opinions.

EXTERNAL COMMUNICATION

Employees and members of the Company Bodies addressed by the Model must carry out all external communications in accordance with the laws, internal rules of the Company and the Group as well as professional rules.

No Addressee may divulge or use to his own advantage or that of third parties confidential news or information regarding the Company's and Group's business.

PROTECTION OF COMPANY ASSETS

The Model's Addressees, in using the Company's assets, must operate with diligence in order to safeguard their efficiency and life. Improper use which can cause damages and/or reduce the efficiency of the assets is forbidden.

2.9. BEHAVIOR TO BE OBSERVED IN RELATIONS WITH PUBLIC ADMINISTRATION AND THE INDEPENDENT ADMINISTRATIVE AUTHORITIES

This special section identifies the areas of activity where crimes can be committed pursuant to Legislative Decree 231/2001 concerning relations with the Public Administration and the situations in which it is involved (crimes against Public Administration and against Property ex articles 24 and 25 of the Decree).

Potential areas at risk

In consideration of the business carried out by the Company and the internal structure adopted, pursuant to article 6 of the Decree, the following categories of operations and activities at risk, where the crimes provided for by articles 24 and 25 of the Decree could be committed, are identified:

a) operations relative to subsidized financing or aimed at achieving reductions and contributions from the PA;

- b) management of financial resources;
- c) communication of company information and data to the PA ;
- d) personnel management and hiring;
- e) management and hiring of external consultants;
- f) management of checks, inspections and controls set up by the PA required by the legal and regulatory standards;
- g) management of the disputes in all degrees of judgment, also with the help of external lawyers.

Generally, the Addressees are forbidden to display, collaborate in or bring about behavior which, taken individually or collectively, is or can be, directly or indirectly, the type of crime provided for by articles 24 and 25 of Legislative Decree 231/2001. Likewise it is forbidden to behave in such a way as to determine situations of conflict of interest regarding representatives of the Public Administration or Independent Administrative Authorities.

PRINCIPLES OF BEHAVIOR AND CONTROL IN THE PRINCIPLE AREAS OF RISK

The following principles of general behavior are applied to the Addressees of this Model that, for any reason, have, on behalf of or in the interest of the Company, relations with the Public Administration or with Independent Administrative Authorities, including, by way of example, the Consob and the Watchdog Authority for the Protection of Personal Data.

It is forbidden to display, collaborate with or bring about behavior which, taken individually or collectively, is, directly or indirectly, the type of crime considered above (article 24 and 25 of the Legislative Decree 231/2001); likewise violations of the company principles and procedures envisaged for such purposes are prohibited.

In order to avoid the committing of these crimes in relation to the Public Administration and assets provided for by the Legislative Decree n. 231/01, all the Addressees of this Model must observe the following conduct:

- a) strictly observe all the laws, regulations and procedures governing relations and/or contacts with public bodies, Public Administrations and/or Public Officials and/or employees of Public Services;
- b) base relations with public bodies, Public Administration and/or Public Officials and/or employees of Public Services on maximum transparency, correctness and impartiality;
- c) verify, through controls carried out by the managers in charge of the different areas on Collaborators that carry out business with public bodies, that any relation, also occasional, with these bodies is pursued in a lawful and regular manner;
- d) manage any relation, also occasional, with public bodies, Public Administrations and/or Public Officials and/or Employees of Public Services lawfully and regularly.

Furthermore, it is prohibited to:

- a) use one's position to obtain benefits or privileges for oneself or others;
- b) request and/or use contributions, financing, subsidized loans or other allocations of the same type granted or allocated by the State, by the P.A., by other public bodies or by the European Community or by other public bodies under international law, by means of the presentation of false statements or documents or by omitting necessary information;
- c) allocate possible sums received from national or community public bodies as allocations, contributions or financing for purposes different to those for which they were allocated;

d) pay out to and/or propose and/or ask third parties to propose the payment and/or settlement of money or other benefits to a public functionary or a P.A. or other public functionaries of the European Community or other public bodies under international law;

e) offer gifts or free services with the exception of that which is provided for by the company praxis (meaning any form of gift offered beyond normal commercial practices or courtesy, or in any case aimed at acquiring preferential treatment in conducting any company activity). In particular, no form of gift, or free services which can appear connected to the business relation with the Company or other company of the Group or aimed at influencing the independence of judgment or guaranteeing any type of advantage for the Company or the Group must be offered to representatives of the PA or to their family members, either directly or indirectly. Even in those countries where offering gifts is a widespread praxis as a sign of courtesy, such gifts must be appropriate and not contrast with the provisions of law; in any case they must not be interpreted as requests for favors in exchange. In case of doubt, the Addressee must inform the Company in good time which, in appropriate cases will promptly inform the Internal Auditing function which will, in turn, advise the Surveillance Body; in any case, gifts offered must be documented adequately in order to allow for the verification on the part of the Surveillance Body.

Contributions and financing for political and charitable purposes must remain within the limits allowed by the law and be authorized beforehand by the Board of Directors or by the company functions designated by the Board;

f) carry out services and make payments in favor of Collaborators and Suppliers that cannot be adequately justified in the context of the contractual relationship established with them;

g) pay and/or propose the payment and/or ask third parties to propose payment and/or settlement of money or other benefits to a public functionary should the Company be a party in legal proceedings;

h) bring about artifice and/or scams, such as to cause error and damages to the State (or to another public body or the European Union or bodies under public international law) in order to make an unfair profit;

i) avoid the prohibitions from letter b) to letter g), by receiving or even only soliciting allocations for any reason which, in any form and/or kind (for example, sponsorships, appointments, consultancies, publicity) have the same aims as those forbidden above;

l) promise and/or pay sums, promise and/or grant assets in kind and/or other benefits and/or advantages in relations with Representatives of the political powers and/or of associations with interests, in order to promote or favor interests of the Company, also following unlawful pressure;

m) avoid the prohibition IN letter i) by resorting to different forms of assistance and/or contributions which, in the guise of sponsorships, appointments, consultancies or publicity have instead the aims above prohibited;

n) remove, alter and/or manipulate data and contents of the computer or telematic system, in order to obtain an unfair profit and causing damages to third parties.

PRINCIPLES FOR THE PREPARATION OF THE PROCEDURES FOR THE PREVENTION OF CRIMES AGAINST PUBLIC ADMINISTRATION

For the activities within the categories of operations at risk identified above, specific procedures are established, through which:

a) the formation of acts and the relative authorization levels can be reconstructed, guaranteeing the transparency of the choices made;

b) there is no subjective identity between those who assume or implement decisions, those who must give accounting evidence of the operations decided upon and those who must carry out the controls on such operations as required under the law and the procedures established by the internal control system;

c) the documents regarding the business activities are archived and conserved, by the competent office, in such a way as to prevent any subsequent modifications being made to them without this fact being evidenced;

- d) access to the documents mentioned in the previous point that are already archived must always be justified and allowed only to competent subjects according to internal rules, or to a delegate, to the Board of Auditors or equivalent body, to the auditing firm or the Surveillance Body;
 - e) external consultants must be chosen on the basis of requirements of professionalism, independence and competence and, and such choice must be justified;
 - f) payments or commissions are not made to Collaborators and Suppliers or to public subjects disproportionate to the services rendered to the Company and/or in any case inconsistent with the appointment, to be evaluated on the basis of criteria of reasonableness and in reference to the conditions or praxis existing in the market or determined by rates;
 - g) the systems of remuneration awarded to the Employees and Collaborators are in line with realistic objectives and consistent with the duties and the activities carried out and the responsibilities entrusted;
 - h) the Company, in order to implement the decisions regarding the use of financial resources, makes use of financial and banking intermediaries subject to regulations of transparency and correctness conforming to the European Union rules and regulations;
 - i) statements made to national or community public bodies for the purpose of achieving concessions, authorizations or permits, must include only absolutely truthful elements;
 - l) the subjects expressly delegated must participate in the judicial, tax and administrative inspections (e.g. relative to the Legislative Decree 626/94, tax inspections, INPS, etc.). The surveillance Body must be promptly informed on the start of every inspection, by means of appropriate internal communication sent by company management concerned on each occasion. For the entire process relating to the inspection, special minutes must be drawn up, which will be conserved by the Surveillance Body.
- The Surveillance Body proposes the modifications and the possible integration of the provisions specified above and the associated implementation procedures.

2.10. BEHAVIOR TO BE OBSERVED WITH REGARD TO “SENSITIVE” ACTIVITIES AND CORPORATE CRIMES (art 25-c of Legislative Decree 231/2001)

This special part identifies those areas of business where corporate crimes pursuant to Legislative Decree 231/2001 may be committed.

POTENTIAL AREAS AT RISK

In consideration of the activities carried out by the Company and of the internal structure adopted, in accordance with article 6 of the Decree, in relation:

- 1) to activities of recording, registration and representation of the business in accounting papers, reports, Financial Statements and other business documents as well as the related controls and communication;
- 2) to the situations or activities in potential conflict of interest and, in general, potentially detrimental for partners, creditors and third parties, the following categories of operations and activities at risk, in which the crimes provided for by article 25-ter of the Decree could be committed are identified:
 - a) preparation of informative communications and prospectuses regarding the Company and Group 's economic, patrimonial and financial situation, including the Financial Statements and the periodical reports;
 - b) recording, registration and representation of the business in accounting papers, Financial Statements, reports and in other business documents;
 - c) documentation, archiving and conservation of the information relative to business;
 - d) communication to public Surveillance authorities ;
 - e) situations of conflict of interests concerning directors;
 - f) purchase, sale or other operations carried out in any form on non-quoted financial instruments;
 - g) management of relations with the auditing firm;
 - h) communication of information relative to non-quoted financial instruments.

PRINCIPLES OF BEHAVIOR AND CONTROLS IN THE PRINCIPLE AREAS AT RISK

It is forbidden to display, collaborate with or bring about behavior which, taken individually or collectively, make up, directly or indirectly, the types of crimes included amongst those described above (article 25 part 3 of the Legislative Decree 231/2001); likewise violations of company principles and procedures are prohibited.

In order to avoid the occurrence of company crimes provided for by Legislative Decree 231/01, all Addressees of this Model, as defined by point **2.2.** of the same, must respect the following conduct:

- a) act, each according to his own function, in observance of the principles of correctness, transparency and collaboration, as well as according to the statutory procedures;
- b) maintain conduct based on the principles of correctness, transparency and collaboration in the carrying out of the procedures for producing the Financial Statements, the periodical accounting situations and the company communications in general;
- c) maintain conduct based on principles of correctness, transparency and collaboration, in the acquisition, processing and communication of information aimed at allowing the shareholders and investors to form opinions and/or judgments on the patrimonial, economical and financial situation of the Company;
- d) supply truthful and appropriate information on the economical, patrimonial and financial situation of the Company;
- e) guarantee the regular functioning of the Company and company bodies, facilitating and guaranteeing all forms of internal control and promoting the free formation and assumption of the auditors' decisions;
- f) strictly observe legal rules for protecting the integrity of the company capital;
- g) respect, in the case of the reduction of the company capital, mergers and/or division, the legal rules for protecting creditors;
- h) collaborate towards the achievement of the company objective;
- i) observe the laws regarding protection of the market and competition and supervise the strict observance of the said laws, and collaborate with the market regulation Authorities and other Surveillance Authorities;
- l) ensure that information on non-quoted financial instruments is consistent with the right to information, according to criteria of accurateness, consistency with Company principles and policies and in accordance with the laws, rules and practices of professional conduct.

It is furthermore prohibited to:

- a) prepare or communicate data that are false, incomplete or in any case likely to provide an incorrect description of the situation regarding the economical, patrimonial and financial situation of the Company and the Group as a whole, as well as that concerning the evolution of the relative activities, financial instruments of the Company and relative rights;

- b) fail to communicate data and information required by the provisions and procedures in force regarding the economical, patrimonial and financial situation of the Company and the Group as a whole;
- c) alter or, in any case, report incorrectly data and information intended for the drawing up of prospectuses;
- d) return contributions to partners or exempt partners from making them, with the exception of the cases specifically provided for by the law;
- e) allocate profits (or advance payments on profits) that have not actually been made or allocated by law to reserves, or to allocate reserves (also not created with profits) that cannot by law be distributed;
- f) purchase or subscribe Company shares with the exception of the cases provided for by law, with damage to the integrity of the company capital of the reserves non distributable by law;
- g) carry out reductions in company capital, mergers or divisions in violation of the provisions of law for protecting creditors;
- h) take any steps for fictitious formation or increase of the company capital;
- i) distribute company assets among partners – during liquidation – before paying company creditors the sums necessary to satisfy them;
- l) engage in any behavior that materially obstructs or, in any case, hinders, through the hiding of documents or the use of other fraudulent means, the Board of Auditors or the auditing firm from carrying out control or company management auditing activities;
- m) carry out simulated or fraudulent acts during shareholders' meetings aimed at altering the normal procedure for formation of the meeting's decisions;
- n) fail to carry out, with the due clarity, completeness and timeliness, towards the Authority in question, all communications, periodical and otherwise, provided for by law and other regulations for the sector, as well as the transmission of data and documents provided for by the rules in force and/or specifically requested by the aforesaid Authorities;
- o) present facts in such communications and in the documentation transmitted that do not correspond to the truth or which conceal facts concerning the economical, patrimonial or financial situation of the Company and the Group as a whole;
- p) display behavior which obstructs the activities of public Surveillance Authorities, also during inspections (explicit opposition, refusals with pretext, obstructive or uncooperative behavior, such as delays in communication or providing documents).
- q) publicize or spread false news, or carry out simulated operations or other fraudulent or deceitful behavior that may influence perceptions on non-quoted financial instruments or for which a request of admission to the negotiations in a regulated market has not been presented and which are capable of altering the price considerably.

PRINCIPLES FOR THE PREPARATION OF THE PROCEDURES FOR THE PREVENTION OF CORPORATE CRIMES

For the activities in the operation at risk categories identified above, specific procedures are established, under which:

- a) the formation of the acts and associated authorization levels can be reconstructed, in order to guarantee the transparency of the choices made;
- b) there is no subjective identity between those who assume or implement decisions, those who must give accounting evidence of the operations decided upon and those who must carry out the controls provided for by the law and by the procedures envisaged by the internal control system;
- c) the documents regarding the business activities are archived and conserved, by the competent office, in such a way as to prevent them from being subsequently modified without this fact being clearly shown;
- d) access to documents referred to in the previous point that are already archived must always be justified and allowed only to competent subjects based on the internal rules, or to a delegate, to the Board of Auditors or equivalent body, to the auditing firm or the Surveillance Body;
- e) the Company, in order to implement the decisions regarding the use of financial resources, can make use of financial and banking intermediaries subject to regulations of transparency and correctness conforming to the rules and regulations of the European Union;
- f) information relating to non-quoted financial instruments circulated to the public must originate from reliable and unequivocal sources and from complete and accurate calculations.

The Surveillance Body proposes the modifications and the possible integrations of the above provisions and the associated implementation procedures.

2.11. BEHAVIOR TO BE OBSERVED REGARDING ACTIVITIES THAT ARE “SENSITIVE” IN RELATION TO FINANCIAL OR MARKET ABUSE CRIMES (art 25-f of Legislative Decree 231/2001 and the administrative crimes provided for by article 187-e of the TUF)

This special part identifies the areas of activity where financial or market abuse crimes pursuant to Legislative Decree 231/2001 may be committed.

POTENTIAL AREAS A RISK

In consideration of the activities carried out by the Company and the internal structure adopted, in accordance with article 6 of the Decree, in relation:

- to activities regarding the purchase, sale or other operations on financial instruments pursuant to article 180 letter a) and b) of the TUF;
- to management of relations with investors, financial analysts, journalists and other representatives of the communications mass media ;
- drawing up of informative documents and statements concerning the Company and companies belonging to the Group, intended for the public by law or by a decision of the company;
- to the activity of communication to the public of informative documents, communications concerning the Company and Group, as well as all privileged information according to 181 of the TUF;
- all other areas of activity or procedure of the Company or a company belonging to the Group which are linked to the origination, formation, and communication, whether internal or external, of privileged information according to article 181 of the TUF;

the following categories of operations and activities at risk have been identified, in which crimes provided for by articles 25-f of the Decree or administrative crimes provided for by article 187-e of the TUF could be committed:

- a) purchase, sale or other operations, in whatever form they are concluded, regarding shares of the Company, of the subsidiary companies or parent companies, included among the financial instruments pursuant to article 180 letter a) of the TUF;
- b) purchase, sale or other operations, in whatever form they are concluded, regarding other financial instruments according to article 180 letter a) of the TUF issued by the Company, by subsidiary companies, parent companies or associated companies;
- c) purchase, sale or other operations, in whatever form they are concluded, regarding financial instruments different from those mentioned in the previous letter, the value of which is linked to such financial instruments (so-called derivatives);
- d) purchase, sale or other operations, in whatever form they are concluded, regarding financial instruments according to article 180, letter a) and b) of the TUF, different from those in the previous letters, admitted to the negotiation, or for which a request of admission to the negotiation has been presented, in an Italian regulated market or in another European Union country, as well as any other instrument admitted or for which a request of admission to the negotiation in a regulated market of a European Union country has been presented;
- e) the drawing up of informative documents, communications, informative material in whatever form they are produced, normally addressed to investors, financial analysts, journalists, other representatives of the communications mass media or to the public in general;
- f) organization and participation in meetings, in whatever form they are held, with investors, financial analysts, journalists and other representatives of the communications mass media
- g) communication to third parties and to the market of information concerning the Company and the companies belonging to the Group, not yet communicated to the public and intended to be circulated, by law or by the decision of the Company;
- h) processes of management of the privileged information.

PRINCIPLES OF BEHAVIOR AND CONTROLS IN THE PRINCIPLES AREAS AT RISK

It is forbidden to display, collaborate with or bring about behavior which, taken individually or collectively, constitute, directly or indirectly, the type of crimes above described (article 25 f of the Legislative Decree 231/2001 and the administrative crimes provided for by article 187-e of the TUF); likewise, violations of the company principles and the procedures are prohibited.

In order to avoid the occurrence of said crimes provided for by the Legislative Decree 231/01, all Addressees of this Model are forbidden to:

- 1) use Privileged Information, as defined by the appropriate company procedure, arising from one's position within the Group or through having business relations with the Group, to negotiate, directly or indirectly, shares of the Company, of client companies or competing companies, or other companies or in any case to gain personal benefit, or to favor third parties or the Company or other companies of the Group;
- 2) disclose Privileged Information relative to the Group to third parties, except in cases in which such disclosure is required by laws, by other provisions or by specific contractual agreements with which the parties have undertaken to use such information exclusively for the purpose for which the said information is transmitted while keeping it confidential
- 3) conclude operations or give orders in such a way as to avoid the market prices of the financial instruments of the Group going under a certain level, primarily in order to avoid negative consequences deriving from the associated worsening of the rating of the financial instruments issued. This behavior must be considered distinct from the carrying out of operations that are part of the purchasing plans for the company's own shares or of stabilizing the financial instruments provided for by the provisions;
- 4) circulate false or misleading market information through means of communication, Internet included, or through any other means.

PRINCIPLES FOR THE PREPARATION OF THE PROCEDURES FOR THE PREVENTION OF FINANCIAL CRIMES OR MARKET ABUSE.

For the activities in the categories of operations at risk identified above, specific procedures are established, under which:

- a) it is possible to reconstruct the procedures through which decisions are formed and assumed, the formation of the records and associated authorization levels, so that the transparency of the choices made and the justifications behind them are guaranteed;
- b) there is no subjective identity between those who assume or implement decisions, those who must give evidence of the operations decided upon and those who must carry out the controls provided for by the law and the procedures established by the internal control system;
- c) documents regarding information which is privileged or meant to become privileged are archived and conserved by the competent office of the manager in charge, in such a way that subsequent amendment is not possible without evidence of access to the previously archived documents being shown, as in the two previous letters; access to previously archived documents must always be justified and granted only to persons authorized on the basis of the internal rules;
- d) Within the Company, information which is privileged or intended to become privileged, as well as criteria for classifying information as privileged or intended to become such, are identified. Measures must also be adopted for protecting, conserving and updating the information and, where these involve multi-phase procedures, also for integrating the contents of said information;
- e) the confidentiality of the information which is privileged or intended to become privileged, within the Company, is guaranteed, whether the information is stored on electronic or paper media;
- f) Measures suitable for avoiding improper and unauthorized communication of the privileged information or information meant to become privileged within or outside the Company are guaranteed. The suitable measures can be statements of commitment to respecting the confidentiality of the said information, released by persons having legitimate access to the information, or of a technological nature in order to avoid the duplication, transmission or the illicit removal of documents in compliance with article 491-b Criminal Code - of whatever kind, containing the privileged information or intended to become privileged or their illicit apprehension;
- g) persons who, as part of their working or professional activity or the tasks they carry out, manage information which is privileged or meant to become privileged, are identified;
- h) persons who, as part of their working or professional activity or the tasks they carry out, have access to the information which is privileged or meant to become privileged are identified;
- i) measures are guaranteed for avoiding the selective communication of information which is privileged and intended to become privileged;
- l) measures are provided aimed at avoiding, in determined periods of company business which precede or follow the Company's circulating of privileged information, the completion of operations (so-called blocking periods) regarding financial instruments issued by the Company or linked to these, by individuals carrying out functions of administration, control or management in the Company and managers having regular access to privileged information and hold the power to adopt management decisions which can affect the Company's future development and prospects (so-called « relevant persons»);
- m) the veracity, the completeness and correctness of the information communicated to investors, financial analysts, journalists and other representatives of the communications mass media or the public in general is guaranteed;
- n) relations with investors, financial analysts, journalists, other representatives of means of the communications mass media or with the public in general are held exclusively by individuals in the competent offices, in respect of the times and the conditions established by the law, market surveillance Authorities and the procedures established by the internal control system;
- o) measures are established for verifying and controlling, as a precaution, the legitimization of participation and the contents to be dealt with in meetings, in whatever form they may be held, with investors, financial analysts, journalists or other representatives of communications mass media.

The Surveillance Body ensures that the procedures mentioned in the previous paragraph are suitable with regard to the provisions contained therein and adequate for the previously indicated purposes.

The Surveillance Body proposes the modifications and the possible integrations of the above provisions and the associated implementation procedures.

The Surveillance Body ensures that principles and procedures are adopted in the companies belonging to the Group which are coherent with the principles and procedures adopted by the Company in order to prevent market abuse.

PART THREE

3. SURVEILLANCE BODY

3.1. INTRODUCTION

Article 6, paragraph 1, of the Decree provides that the function of surveillance and controlling the updating of the Model is the task of a Surveillance Body internal to the company which, with carries out its assigned duties in an ongoing fashion with independent powers of initiative and control.

Regarding this, the Confindustria Guide Lines highlight that, even if the Decree allows for opting for both a monocratic and multi-party composition, the choice between these solutions must consider the aims pursued by the law and, therefore, guarantee the effectiveness of the controls in relation to the size and organizational complexity of the body.

Confindustria Guide Lines specify, furthermore, that the controlling body can be made up of staff both internal or external to the company, as this provides a better guarantee of autonomy and independence.

In obedience to the provisions of the Decree and the indications expressed by Confindustria, Cementir Holding has decided to establish an auditing body appointed by the Board of Directors which, due to its chosen composition, is able to guarantee its awareness of company activities, and – at the same time - has the authority and independence necessary to guarantee the credibility of the relative functions.

At the moment of the formal adoption of this Model, the Board of Directors approves a special Surveillance Body Regulations to govern the principle aspects relating to the operation of the body (for example, conditions of appointment and revoking, duration of appointment) and the subjective requirements for its members (for example requirements of professionalism and reputation).

Regarding the above, Cementir's Surveillance Body is made up of the Internal Audit function and a professional external to the Company.

This composition is deemed suitable since the presence of the external professional guarantees the body's autonomy and independence. This requirement is furthermore guaranteed by the insertion of the Surveillance Body as a staff unit in a high position in the company organization, without assignment of operational duties and reporting to the company top management.

The requirement for professionalism is guaranteed by the body of professional technical and practical knowledge possessed by the members of the Surveillance Body, in business, accounting and managerial matters and in particular in the analysis of control systems and inspection activity .

The presence within the Surveillance Body of the person in charge of Internal Audit guarantees furthermore the continuity of action necessary for continuous Surveillance through investigative powers regarding compliance with the Model in order to ensure its implementation and updating and to provide a constant reference point for all the personnel.

Apart from the possibility of a revision of the positioning of the Surveillance Body also on the basis of the experience of implementation of the Model, the powers of this body may only be revoked for just cause and following a resolution by the Board of Directors.

3.2. POWERS AND DUTIES OF THE SURVEILLANCE BODY

The Surveillance Body is assigned the **following duties**(ex article 6, paragraph 2 letter d, of Legislative Decree 231/2001):

- supervise the operation and observance of the Model;
- update the Model.

These duties are carried out by the Body by means of the following **activities**:

- surveillance of the dissemination within the company context of the knowledge, understanding and observance of the Model;
- surveillance of the validity and adequateness of the Model, with particular reference to behavior encountered in the company context;
- verification of the effective capacity of the Model in preventing the committing of crimes provided for by Legislative Decree 231/2001;
- proposals for updating the Model should it become necessary and/or appropriate to make corrections and/or adjustments to it, also as a result of changes in legal and/or company conditions;
- continuous communication with the chairman of the Board of Directors, who reports to the Board of Directors, and every semester to the Board of Directors with regard to the activities carried out;
- communication every semester to the Board of Auditors with regard to the activities carried out, and occasionally for the violations which may be committed by company top management or by the Board of Directors.

In the carrying out said activities, the Body will provide for the following:

- **prepare a periodic plan of training** aimed at promoting awareness of the provisions of Cementir's Model, differentiated according to the role and the responsibility of the Addressees;
- **establish specific "dedicated" informative channels**, for facilitating the flow of recommendations and information to the Body;
- collect, process, conserve and update all information relevant for the purposes of verifying compliance with the Model;
- verify and monitor periodically the areas/operations at risk identified in the Model.

In order to allow Cementir's Surveillance Body to have the best information on implementation of the Model, its efficaciousness and effective operation, as well as the needs for possible updates, this body operates in close collaboration with the company's departments.

In order to carry out the above, the following **powers** are assigned to the **Body**:

- free access, without prior authorizations, to all company documents relevant to the carrying out of the duties assigned to it by Legislative Decree 231/2001;
- it can order those in charge of the company management, and in any case all Addressees, to promptly supply information, data and/or reports for identifying aspects connected to various relevant company activities in accordance with the Model and for verifying its effective implementation by the company organizational structures;

- autonomous spending power on the basis of an annual estimate, proposed by the body and for approval by the Board of Directors, for carrying out its activity of verifying and controlling or updating the Model; possible extraordinary expenses, not envisaged in the provisional document, must be equally submitted for prior approval by the Board of Directors.

In order to better carry out its activities, the body may delegate one or more specific duties to individual members, who will carry them out on behalf of the body and will be able to take advantage of the Company structures and its external consultants. As regards the duties delegated by the Body to its individual members, the responsibility for these belongs to the body as a whole.

The internal regulation of the Surveillance Body will govern the way in which the body operates, for example, the scheduling of activities, the entering in the minutes of the meetings, the rules and regulations of informative flows from the company structures to the Body, action plan, etc..

3.3. SURVEILLANCE BODY REPORTING

As already mentioned above, in order to guarantee full autonomy and independence in the carrying out of the relative functions, the Surveillance Body communicates directly with the chairman of the Board of Directors (hereinafter the "Chairman"), who reports to the Board of Directors of the Company and the Board of Auditors.

Reporting to such company bodies, competent for convoking the shareholders' meeting, constitutes the best guarantee for monitoring the Directors actions, entrusted - by legislative and statutory provision – to the partners.

Chiefly, the Surveillance Body reports on the state of the implementation of the Model, the results of the related Surveillance activities carried out and the possible appropriate interventions for the implementation of the Model:

- continuously to the chairman, who reports to the Board of Directors, and, at least once a year, with a written report to the Board of Directors;
- every semester to the Board of Auditors;
- occasionally to the Board of Auditors, in the cases of presumed violations committed by company top management or by the Board of Directors, being able to receive requests of information or clarifications from the Board of Auditors.

The Surveillance Body can be convoked in any moment and can – in turn – request, the chairman or directly the Board of Directors of the Company, to be convoked any time it deems the examination of matters or an intervention relative to the operation and efficient implementation of the Model to be appropriate or necessary, or in relation to specific situations.

In order to guarantee a correct and efficient flow of information, the body has furthermore the possibility, for the purposes of complete and correct performance of duties, to request clarifications or information directly from individuals who hold the main operational responsibilities.

3.4. INFORMATIVE FLOWS TOWARDS THE SURVEILLANCE BODY

Amongst the needs that the Model must satisfy, the Decree requires the establishment of informative obligations towards the Surveillance Body.

Said flows regard all information and documents which must be brought to the knowledge of the Surveillance Body, according to the provisions of the protocols and all the documents that contributed to the creation of the Model.

Specific obligations for company bodies and personnel of Cementir have been established for this purpose.

In particular, company bodies must refer **all information relevant to the respect and operation of the Model to the Surveillance Body**.

Staff, whether or not employees, must refer **all information relative to behavior which could constitute violations of the provisions of the Model or cases of crimes to the Surveillance Body**.

For such purposes, a channel of communication has been established, consisting in the staff's sending the Surveillance Body private correspondence to an address (ODV@cementirholding.it) should they wish to make a report. The Surveillance Body will guarantee the confidentiality of the reports received.

The Surveillance Body will evaluate the reports received and will be able, should they deem it appropriate, to initiate the investigations necessary for verifying the report.

In any case information concerning the following must be communicated to the Surveillance Body:

- measures and/or information regarding the existence of criminal proceedings, also against unknown persons, relating to facts which are of interest to the Company;
- measures and/or information concerning the existence of administrative procedures or important civil disputes, requests or initiatives of Independent Administrative Authorities, Inland Revenue, local Government or the Public Administration, regarding contracts, requests and/or management of public financing;
- requests for legal assistance made to the Company by personnel should criminal or civil procedures be taken against them;
- reports prepared by company managers in the context of their control activity, from which facts may emerge of a nature that is relevant for the purposes of compliance with the Model.

In carrying out its monitoring and inspection tasks, the Surveillance Body can freely access all sources of Cementir's information, and examine documents and consult data relative to the Company.

All information, documentation and reports collected in the carrying out of institutional duties must be archived and kept by the Surveillance Body, taking care to maintain maximum confidentiality on documents and information acquired, also in compliance with the rules on Privacy.

PART FOUR

4. DISCIPLINARY SYSTEM

4.1. ADDRESSES AND SANCTIONING SYSTEM

Article 6, paragraph 2, of the Decree will include, among the elements that make up the Organization and Control Model provided for in the Decree, the body's adoption of a disciplinary system suitable for sanctioning lack of compliance with the measures specified by the Model itself. As a consequence, it is necessary that the Model, in order to be able to prevent the committing of the crimes provided for by the Decree, identify and sanction behavior which can favor the committing of such crimes.

Having said that, all workers employed by the Company, as identified by articles 2094 and the following articles of the civil code, including the managers, as well as individuals as according to article 1742 civil code (freelancers), who collaborate with the Company and, in general, consultants, must be considered subject to the Board of Directors' disciplinary system.

The disciplinary system will be applicable should violations of the Model be verified, regardless of the initiation or otherwise and the result of any investigation or criminal proceedings.

The following are identified as disciplinary sanctions which can be applied:

- disciplinary sanctions as regards employed workers of the Company: the violation of the law, the provisions of Cementir's Code of Ethics or the provisions of this Model committed by the employees of the Company, as well as, in general, behavior which could expose the Company to the application of administrative sanctions provided for by the Decree, can determine the application of the conservative or expulsive sanctions, within the limits of article 2106 civil code, of articles 7 and 18 of Law 300/1970, as well as the collective contract applicable.

In particular, in the application of the "criteria of correlation between non-compliance of workers and the disciplinary measures" described in the Collective National Workers Contract in force, it is provided that:

1) The measures of WRITTEN REPRIMAND, FINE OR SUSPENSION are incurred by any worker who:

violates the internal procedures provided for by this Model (for example, who does not observe the prescribed procedures, does not communicate prescribed information to the Surveillance Body does not carry out controls, etc.) or adopts, in the carrying out of activities in the areas at risk, behavior which does not conform to the provisions of the Model itself, if in such behavior the "non-execution of orders given by the company whether written or verbal" according to said "Criteria of correlation" is recognized.

2) Furthermore, the measure of DISMISSAL WITH NOTICE, is incurred by any worker who:

adopts, in the carrying out of activities in the areas at risk, behavior which does not conform to the provisions of this Model and directed unequivocally at the committing of a crime sanctioned by the Decree, if in such behavior there is recognized an "act reducing radically the company's faith in the worker" according to the aforesaid "Criteria of correlation".

3) Finally, the measure of DISMISSAL WITHOUT NOTICE is incurred by any worker who:

adopts, in the carrying out of the activities in the areas at risk, behavior clearly in violation of the provisions of this Model, such as to determine the Company's concrete application of measures provided for by the Decree, if in such behavior conduct can be recognized that causes "serious moral and/or material damage to the company", as well as constituting "a crime in terms of law" according to the aforesaid "Criteria of correlation".

The disciplinary system is constantly monitored by the Surveillance Body and the Personnel office.

- Disciplinary sanctions as regards employed workers with managerial status: the violation of the law, provisions of the Code of Ethics and the provisions provided for by this Model committed by Cementir managers, as well as, in general, any behavior which could expose the Company to the application of administrative sanctions provided for by the Decree, can determine the application of the sanctions according to the collective contract for the other categories of employees, in accordance with articles 2106, 2118 and 2119 civil code, as well as article 7 law 300/1970 and the collective contract applicable. The verification of possible violations, as well as inadequate surveillance and the lack of timely informing of the Surveillance Body, can lead to the precautionary suspension of workers with managerial status, notwithstanding the manager's right

to payment, as well as, again as a precaution for a period no longer than three months, assignment to other duties in accordance with article 2103 civil code.

- Measures as regards Directors: in case of the Company Directors' violation of the Model or the Code of Ethics, the Surveillance Body will inform the whole Board of Directors and the Board of Auditors, who will provide for assuming the appropriate initiatives in accordance with the law.
- Measures as regards freelance workers and consultants: contracts stipulated by Cementir with freelance workers and consultants will include an appropriate declaration concerning awareness of the existence of the Code of Ethics and relative principles, of the obligation to observe these, and if the individual is foreign or operating abroad, to respect the international and local provisions concerning the prevention of risks which can determine consequent liability as regards committing of crimes by the Company. The contracts with such individuals include, likewise, a specific withdrawal and/or resolution clause connected to the non-fulfillment of these obligations, notwithstanding the Company's right to compensation for any damages occurring as a result of said conduct, including the damages caused by the a judge's application of the administrative sanctions provided for by the Decree.

5. MODEL UPDATING

The adoption and the efficient implementation of the Model constitute - by express legal provision – **a responsibility for the Board of Directors of the Company.**

The Company Board of Directors holds the power to adopt any possible updates to the Model, which will be carried out by means of a board resolution, under the conditions provided for its adoption.

Updating intended both as supplementing and modification, is aimed at guaranteeing the Model's adequateness and suitability, evaluated in relation to the function of preventing the committing of the crimes provided for by the Decree.

The **Surveillance Body**, on the other hand, has the task of **concrete verification** of the necessity or appropriateness of proceeding with updating the Model, **promoting this need to the Board of Directors.**

6. PERSONNEL INFORMATION AND TRAINING

In accordance with the provisions of the Decree, Cementir is committed to defining a plan of communication and training aimed at guaranteeing the correct dissemination and awareness of the Model and the behavioral rules involved, for the resources already present in company and those to be hired, with different degrees of detail depending on the various levels of involvement of said resources in the activities at risk.

Participation in training is obligatory.

The supervision of the system of information and training is the task of the Surveillance Body, in collaboration with the persons in charge of the company offices involved in applying the Model on each occasion.

In relation to the communication of the Model, Cementir is committed to:

- broadcast the Model on the company intranet and send it by means of e-mail to all employees and collaborators, inserting where necessary all information necessary in order to understand it;
- send a letter to all the personnel and collaborators on the contents of the Decree and the information/training procedures provided for within the Company.

As regards the training, aimed at spreading awareness of the Decree's provisions, the contents and the conditions will be differentiated according to the role of the Addressee, the risk level for the area in which they operate, and whether or not their functions involve representation of the Company.

In particular, the Company can provide for different levels of information and training by means of information instruments such as, for example, occasional update e-mails or internal informative notes.

The company's activities regarding periodic communication and training for staff are documented by the Surveillance Body.

7. MODEL AND COMPANIES OF THE GROUP

In adopting this Model, the Parent Company intends to provide for the organizational principles which subsidiary companies must also follow, as defined by article 2359 of the Civil Code, with the aim of standardizing the precautionary processes and those concerning surveillance of "sensitive" activities.

For these reasons, following the Parent Company's adoption of this Model, the Group's companies are asked to adopt their own Model of Organization, Management and Control in line with the Decree's provisions and to provide, if necessary, for the identification of their own Surveillance Body.

The Group's companies can use the Model of the Cementir Holding S.p.A. as a reference, adapting it to the specific areas/activities at risk identified in the company; Group companies of with overseas offices should also consider compliance of the Model with local regulations.