

	INTERNAL AUDITING
CORPORATE GOVERNANCE POLICY GRUPPO INSO S.P.A	of 03/04/2012

1. THE ETHICAL PRINCIPLES OF INSO S.P.A.

Below, the ethical principles that Inso S.p.A. undertakes to respect and promote.

- INSO S.p.A undertakes to promote **high qualitative and ethical standards** in the conduction of its activities in order to gain the utmost trust of the other operators of the sectors it works in but, above all, in order to reach high standards in terms of results in favour of the final user.
- INSO encourages and promotes a **culture of legality** involving not only its workers and collaborators but also its suppliers and clients. To this end, the company adopts **organisational, management and control measures** suitable to prevent any type of behaviour held by its workers and collaborators that is contrary to the laws and to these regulations.
- The Company shall commit to the observance of the laws and regulations in force that provide for the respect of the principles of **good performance, personal honesty, impartiality and transparency of the administrative activity**.
- The Company shall avoid any discrimination based on the age, sex, sexual orientation, state of health, race, nationality, political opinions and religious beliefs of its business-related contacts.
- In the conduction of any activity, situations must be avoided in which the persons involved in the transactions are, or only appear to be, in a **conflict of interest**.
- Accounts information must be based on principles of **correctness, accuracy, completeness, transparency, and reliability** of the basic information and of the ensuing recordings.
- The Company promotes the principle of **fair competition** by adopting a correct, transparent behaviour and fair competition towards market operators.
- The Company guarantees the **physical and moral integrity** of its workers, working conditions that respect the **dignity of the individual** and a safe and healthy working environment.
- The Company promotes as unrenounceable the safeguard of **personal freedom and personality**.
- The Company intends to conduct its business **by respecting local and national communities** and by supporting initiatives of cultural and social value in order to improve its reputation and social acceptance.
- The Company encourages its workers and collaborators **to respect and safeguard the natural environment** when carrying out their working activity and favours **the research and development of eco-compatible and eco-sustainable techniques and technologies**.
- The Company **does not accept any practice** that may even only appear to be aimed at **influencing**, be it directly or indirectly, the behaviour of public officials or directed at determining **advantages or benefits not legally due**.
- The Company **accepts neither money nor equivalent values to promote or favour the conclusion of business to its advantage**. Complimentary gifts are accepted whenever they are of modest value and not interpretable as an instrument for seeking favours or privileges.
- The Company bases its activity on quality, mainly in terms of **client satisfaction**; it ensures clear and correct negotiations as well as the **faithful and diligent fulfilment** of all the

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commitments undertaken. For this reason it only resorts to litigation when its legitimate claims cannot be fulfilled otherwise.

- The Company considers **suppliers** as a competitive factor and as an active part of the production process. The selection of suppliers is carried out according to **how useful they are to the company and according to the quality of their offer**; it acts in a **correct manner** towards them; it promotes their **qualification**; where necessary, it checks their compliance with **laws and regulations**; it encourages them to adopt appropriate ethical and behavioural codes.
- INSO Spa creates the appropriate conditions to allow shareholders to become **fully involved in, and aware of, the decisions that fall within their area of competence**; it promotes **parity** of information and also protects its specific interests and those of shareholders as a whole against any actions initiated by single partners to achieve personal advantage.
- The Company respects **work contracts** and social security regulations; it pursues **stable occupation** and encourages the continuous **enhancement of professionalism** through the organization of training activities.
- The Company implements all the initiatives and measures necessary to ensure the psychophysical **wellbeing** of workers and the **healthiness and decorum** of the working environment, not only by respecting the relative regulations but also by promoting a **culture of safety** by adequately organizing work and by strengthening **prevention measures**.
- In its relationship with the **State and with the Public Administrations** the Company issues true statements and provides true documentation, certifications and information and carries out its activity according to principles of **correctness, transparency and verifiability**.

2. LAW DECREE 231/01

The Company carries out its activities in compliance with the one's Code of Ethics, Italian law decree No. 23 of the 8th of June 2001 and local regulations regarding commissioned order abroad.

Law Decree No. 23 of the 8th of June 2001: "Discipline of the administrative responsibility of corporate entities, companies and associations including associations without corporate personality". This law introduced in the Italian legal system the **administrative responsibility of Companies** vis-à-vis unlawful acts committed by its administrators/employees during their working activity.

Administrative responsibility is **additional to** the responsibility of the individual who actually committed the unlawful act and is aimed at **involving** in the punishment of the same, the **bodies in whose interest or to whose benefit** such acts were committed.

According to article 4 of the decree, the bodies whose head office is located inside the Italian State, in the cases and at the conditions provided for by articles 7 to 10 of the Italian Penal Code, **are also responsible for unlawful acts committed abroad** by an individual functionally linked to the body, provided the State in which the unlawful act was committed does not proceed against them.

The type of unlawful acts provided for, includes, but is not limited to, the following:

1. **Crimes against the Public Administration**, articles 24 and 25;
2. **Cyber crimes**, art. 24-bis;
3. **Organized crimes**, art. 24-ter;

4. *Forgery crimes*, art. 25-bis;
5. *Crimes against the industry and trade*, art. 25-bis and 25-bis1;
6. *Corporate crimes*, art. 25-ter;
7. *Terrorism offences*, art. 25-quater;
8. *Transnational offences* for by law of March 16th, 2006, no.146;
9. *Female genital mutilation*, art. 25-quater 1;
10. *Offences against the individual*, art. 25-quinquies;
11. *Market abuse offences*, art. 25-sexies;
12. *Offences related to occupational health and safety*, art. 25-septies;
13. *Money laundering offences*, art. 25-octies;
14. *Crimes regarding the violation of copyright*, art. 25-novies;
15. *Inducement not to make declarations or to make false declarations to the judicial authority*, art. 25-decies;
16. *Environmental crimes*, art. 25-undecies;

According to the provisions of art. 9, Companies may be subject to the following types of sanctions:

- **Pecuniary sanctions** (administration responsibility of Company);
- **Disqualifying sanctions** (from work; suspension or cancellation of authorizations; forbiddance to stipulate contracts with the Public Administration);
- **Seizing;**
- **Publication of the sentence.**

The Company adopts the following actions to preventing the commission of the unlawful acts provided for by law decree 231/01:

- a. **Structuring of a Governance Model** the organizational logic of which concerns business, the flows of the main company processes and the responsibility at the various decision-making levels.
- b. Implementation of a **risk assessment process** through an analysis aimed at **highlighting the areas / corporate activities which could potentially give rise to the unlawful acts provided for by Law Decree 231.**
- c. Planning of **internal control system** aimed at effectively contrasting the arising of said unlawful acts.
- d. Establishment of a **Supervisory Body** acting according to principles of autonomy, independence, professionalism, competence and honorability
- e. Structuring of adequate instruments aimed at **informing and training** the individuals to whom the Code of Ethics and law are destined, particularly the employees.
- f. Structuring of an adequate **sanctioning system** inflictible to employees who violate the regulations provided for by the procedures that make up the Code of Ethics.
- g. Structuring of adequate **flows of information**, particularly those that allow control bodies to carry out their task in full.

The Code of Ethics: explains the professional ethics and the rules of conduct of INSO SpA aimed at preventing the commission of the unlawful acts provided for by law decree 231/01 and oriented to the good functioning, reliability and reputation of the Company.

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3. THE SANCTIONS

The **Sanctioning System** of the INSO Group has been created upon the provisions of articles 6 and 7 of Law Decree 231/01 which states that the bodies are **exonerated** from administrative-penal responsibility if they are able to prove that they have activated, among other things, a **system of “disciplinary” sanctions** to be adopted in case of **infringement of the INSO’s ethical principles** and in case of **violation** of the relative corporate operative procedures.

The Sanctioning System should naturally be regarded as **autonomous and independent** vis-à-vis what has already been sanctioned, as far as the unlawful acts provided for by Law Decree 231/01 are concerned, by the related national regulations and, therefore, does **not replace but only integrates law regulations**.

This concept is valid and applicable also outside the boundaries of the Italian State: INSO’s sanctioning system does not replace but only integrates local regulations that remain inviolable.

The **inflictible sanctions** are, in **ascending order of seriousness**:

1. **Preservation** of the business relationship:

- Verbally inflicted blame or reprimand,
- Censure or blame inflicted in writing,
- Financial penalty,
- Suspension from service and from retribution.

2. **Termination** of the working relationship:

- Disciplinary dismissal due to serious infringement of the contractual obligations by the worker;
- Disciplinary dismissal due to an infringement so serious as to not allow the, even temporary, continuation of the working relationship.

The **type** and **degree** of the sanctions to be inflicted are **proportionate to the following general criteria**:

- A. Seriousness of the infringement;
- B. Hierarchical level of responsibility of the person who has committed the violation;
- C. subjective element of the conduct (fault or fraud);
- D. relevance of the violated obligations;
- E. consequences affecting the Company’s high levels;
- F. any participation of other individuals in the responsibility;
- G. aggravating or extenuating circumstances.

The **seriousness** of the infraction shall be assessed upon the following circumstances:

- i. the actual time and manner in which the infraction has taken place;
- ii. the presence and intensity of the intentional element;
- iii. the extent of the damage or of the danger suffered by the Company and by the employees as a consequence of the infraction;
- iv. the foreseeability of the consequences;

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- v. the circumstances in which the infraction has taken place.

Any infliction of the sanction must be inspired by principles of **timeliness, immediacy** and, as far as possible, **fairness**.

The degree of the blame and of recidivism of the infraction represent an aggravating factor which, as such, involves the application of a more serious sanction.

4. THE SUPERVISORY BODY

The **Supervisory Body** is expressly provided for by Law Decree 231/01 as a body provided with autonomous powers of initiative and control. In general terms, the **Supervisory Body** must carry out the following **tasks**:

- a. Verifying the consistency of ethical principles with the behaviour held;
- b. **Evaluation** of the need to propose to the Board of Directors any opportunities of **updating** required by the evolution of the organizational set up;
- c. **Supervision** of the adequacy of the system of **delegations and powers of attorney** adopted;
- d. **Elaboration, evaluation and preservation** of the relevant **information** concerning the compliance with the Code of Ethics and the Sanctioning system
- e. **Updating**, where it is deemed necessary, the list of information that must be transmitted to the Body;
- f. Systematic **monitoring** of the so-called **sensitive activities**;
- g. **Ensuring** that the **elements of ex-ante control** for the various types of unlawful acts are appropriate and fulfil requirements;
- h. Activation of all the actions and instruments necessary to **identify the violations** of the provisions for by law decree 231/2001;
- i. Evaluation and **proposal** to the Board of Directors of the **sanctions** deemed necessary to be inflicted to the individuals who have violated the provisions for by law decree 231/2001. Promotion of appropriate initiatives aimed at **spreading, acquiring knowledge and understanding** of the Code of Ethics and violations provided for by law decree 231/2001 by all the individuals concerned.

Any person intending to **report a violation** or alleged violation must contact the Supervisory Body that will assess the reported violation in order to evaluate the application of any sanctioning measures, as described in the previous chapter.

The Supervisory Body may be contacted by sending an e-mail to the following address:

organismodivigilanza@inso.it