



Solutions for Investment Houses, Wealth Management Firms & Treasuries



iTechFinance – 231 Model: General Part

<i>Author</i>	<i>iTechFinance</i>
<i>Status</i>	<i>Draft</i>
<i>Version</i>	<i>0.3</i>

Summary

History	4
Glossary	5
Overview	6
1. Dlgs n. 231/2001 and current legislation	7
2. Methodological approach	9
2.1 Model and Code of Conduct	10
3. iTechFinance governance system	10
3.1 Company description	10
3.2 Governing bodies	10
3.2.1 Board of Directors.....	10
3.2.2 Shareholders’ meeting.....	11
3.3 The organizational model adopted by iTechFinance	11
3.3.1 Chief Executive Officer (CEO).....	12
3.3.2 Prevention and Protection Responsible	12
3.3.3 Supervisory Body	12
3.3.4 Business Manager	13
3.3.5 Administration and Finance Responsible	13
3.3.6 Compliance Officer	13
4. iTechFinance Model set-up.....	14
4.1 Company’s mapping of the area most subject to offences	14
4.2 Principles and elements of the Model	15
4.3 The duties of the Model.....	15
4.4 Recipients of the Model.....	16
4.5 Model adoption	16
5. The Supervisory Body.....	17
5.1 Identification of the Supervisory Body and Requirements.....	17
5.2 Nomination and Termination	17
5.3 Duties and Powers of the Supervisory Body.....	18
5.4 The Regulation of the Supervisory Body.....	20
5.5 Reporting of the Supervisory Body to the Top Management.....	20
5.6 Information flows towards the Supervisory Body	20
5.7 Information collection and storage.	21
6. The disciplinary system	21
6.1 The role of the Disciplinary System	21
6.2 Management of the infringements.....	22
6.3 Actions towards the Employees.....	23
6.3.1 Verbal warning.....	24
6.3.2 Fine.....	24
6.3.3 Suspension from work or from remuneration.....	24
6.3.4 Order of dismissal with indemnity of notice.....	24

6.3.5	Order of dismissal without indemnity of notice	24
6.4	Actions towards the Administrators and Partners	25
6.5	Actions towards Collaborators, Consultants and Suppliers	25
6.6	Actions towards the Supervisory Body	25
7.	Circulation and Communication of the Model.....	25
7.1	Initial communication	25
7.2	Training	26
7.3	Communication of modifications to the Model and/or Code of Conduct.....	26
8.	Final arrangements	26

History

Data	Versione	Autore	Status	Commenti
14.05.2018	0.1	iTechFinance	Draft	First draft design
21.05.2018	0.2	iTechFinance	Draft	Proceeding with translation
29.06.2018	0.3	iTechFinance	Draft	Translation completed

Glossary

Company: iTechFinance S.r.l.;

D.Lgs. 231: Legislative Decree No. 231 of 8 June 2001, recognised <<Discipline of the administrative responsibility of legal people in accordance with Art. 11 of law 29 September 2000, No 300 >>, and additional modifications and integrations;

231 Model: Organization and management model, ex Art 6, c.1, lect a) of D. Lgs. 231/01 (General Part and Special Part);

Supervisory Body (OdV): Organism, owning the requirements as specified in Art. 6, comma 1, lect b) of D. Lgs. N. 231/01, equipped with autonomous supervisory and control powers on the functioning and observation of the model as well as in charge of its maintenance and update;

Apical subjects: subjects entitled to represent/administrate/manage the company or one of its organizational unit equipped with financial and functional autonomy, as well as they exercise, also the facto, the managing and the control of the company (art. 5, comma 1, lect a) of D.Lgs. n. 231/01);

Subordinate (employees, collaborators): entities subject to the direction/supervision of the apical subjects (art. 5, comma 1, lect b) of D.Lgs. n. 231/01;

Consultant: people acting on behalf of the company based on a mandate or any other professional partnership;

Partners or third parties: contractual counterparts of the company, e.g. service companies, agents, partners, both natural and legal people, having a contractual relation with the company if intended to cooperate with the company within sensitive processes;

Guidelines: guidelines for the development of organizational, management and control model ex D.Lgs. 231/01;

Sensitive Processes: any process related to the company activity subject to offences that would be under the entity responsibility in accordance with D.Lgs. 231/2001;

Sensitive operation: procedure or act being part of the sensitive process;

Offence: offences referred to in D.Lgs. 231/01;

P.A.: Public Administration, including officers and people designated to public service.

Overview

The Organisational, Management and Control model has been designed, in accordance with D.Lgs. 231/01, in order to grant to iTechFinance S.r.l. company (i.e. 'iTechFinance' or 'Company') general code of conducts, to which the company itself must comply with, to prevent the execution of offenses punishable by law.

iTechFinance is a company offering professional consulting services, such as Project Management & Recovery, Software Selection, Business Analysis, QA & Testing and Near-Shoring, founded by experienced and professional people counting on a matured consultant team with long track record of practical experience.

With this document, iTechFinance wants both comply with the legislation in accordance with D.Lgs. 231/01 within the 'administrative responsibility' topic and highlight the company policies and principle of conducts, clearly stating the ethics and loyalty respect values, aiming at creating a document able to prevent and contain the risk of put in place offences and to be a guide for the people looking for the company values and the available operational instruments.

iTechFinance is firmly convinced of the needs to declare that carrying out of offences is against the company's interest even if some effects may result to advantage the company instead.

In light of the above, iTechFinance, has always demonstrated a tremendous effort and commitment to confirm and develop ethical, law and order, general principles and good practices respect values within the years, as well as the recent effort towards the accomplishment of D.Lgs. 231/01, involving apical subjects and subordinates too.

1. Dlgs n. 231/2001 and current legislation

On the 8th June, 2001, the D.Lgs. 231/2001 has been issued – in Accordance with Art. 11 of law 29 Sept. 2000 n. 300 – and it come into force on the 4th of July of the same year. This D.Lgs is intended to adapt the internal legislation on legal persons responsibility to some international agreements already considered in Italy (e.g. Bruxelles agreement, 26th July 1995, on protection of the European Community's financial interests, Bruxelles agreement, 26th May 1997 on anticorruption and OCSE Convention, 17th December 1997, on combating bribery of foreign public officials in international business transactions).

The D.Lgs. 231/2001, on 'administrative responsibility discipline of legal people, companies and associations even if without legal personality' has introduced, for the first time in Italy, a penal responsibility against entities for some of the offences caused in the interest/advantage of themselves from people having representative, administration, management function in the same entity (or one of its branches) as well as from people managing and controlling the company itself and, finally, from people subject to the direction or the supervision of one of the above mention parties. This responsibility is summed up to the responsibility of the physical person committing the real offence.

The new responsibility introduced by D.Lgs. 231/2001 aims to involve within the punishment of some criminal offences the assets of those institutions having received advantages form the crime committed. For all the unlawful, a financial penalty is foreseen and for the major offences, disqualification is predicted too (e.g. suspension or revocation of licences, ban to agree with PA, prohibition to exercise professional activity, exclusion or withdrawal of funding and subsidies, ban on good and services advertising).

The ordinance establishes that the regulation will apply to different recipients: both entities with legal personality and companies/associations without legal personality.

It has to be noted that the new entity's responsibility, although defined as 'administrative', is similar to the criminal liability given that its assessment shall take place within a criminal proceeding and since this responsibility is autonomous, and it will be summed up, with respect to the one of the physical person committing the offence: indeed, the entity can be judged responsible even if the physical person committing the offence has not been identified.

The applicable administrative penalties include sanctions like fines, disqualifications, seizure or publication of the judgement.

The offences contained in D. Lgs. n.231/2001 (artt. 24,25,25-bis, 25-ter, 25-quater, 25-quinquies, 25-sexies, 25-septies, 25-octies D. Lgs.231/2001) or subject to the D. Lgs. itself are:

- ARTT. 24-25 (2001)
 - Offences against the Public Administration
- ART 24-BIS (2008)
 - Offences concerning cybercrime and unlawful data processing (L.48/2008)
- ART 24-TER (2009)
 - Organized crimes (ddl S.733-B/2009)
- ART 25-BIS (2001)
 - Offences concerning counterfeit coins, false public credit cards and stamps (L.409/2001)

- ART 25-BIS 1 (2009)
 - Crimes against industry and trade (ddL 1195-B/2009)
- ART 25-TER (2002)
 - Corporate crimes (art.3 D.Lgs n.61/2002)
- ART 25-QUATER
 - Terrorist offences or crimes aiming at destabilising the democratic order (art.3 L.n.7/2003)
- ART 25-QUATER.1 (2006)
 - Infibulation practices (L.n. 7/2006)
- ART 25-QUINQUIES (2003)
 - Crimes against individual personality (art.5 L.228/2003)
- ART 25-SEXIES (2005)
 - “Market Abuse” crimes (art.9 L.n.62/2005)
- ART 25-SEPTIES (2007/2008)
 - Manslaughter and serious criminal negligence with violation of the accident prevention rules and hygiene and health protection at work (art.9 L.n. 123/2007 and modification in D. Lgs. 81/2008)
- ART 25-OCTIES (2007)
 - Crimes of fencing, money laundering and utilisation of illicit money/goods/utilities (D.Lgs. 231/2007)
- ART 25-NONIES (2009)
 - Offences concerning infringements of copyright (ddL 1195-B/2009)
- ART 25-DECIES (2009)
 - Inductions not to provide declarations or to provide false statements to the judicial authority (L.116/2009)
- ART 25-UNDECIES (2011)
 - Environmental crime (D. Lgs.121/2011)
 - Cross-border crimes related to organised crimes (art.10 L.n. 146/2006)

This discipline, aiming at enhancing the ‘precautionary’ function of the introduced system, foresees that the entity cannot be punishable if it has adopted and correctly applied, prior to the execution of the crime, appropriate organizational, management and control models to prevent the same offence.

With regards to the crimes committed by ‘apical subjects’, the discipline states that the entity is not accountable if, besides the adoption and application of the organisational models, he can prove that:

- an in-house body, with autonomous powers of initiative and guidance, has been entitled to monitor the compliance and updating of the models;
- the crime has been fraudulently perpetrated avoiding the organisational, management and control models;

- there hasn't been lack, or failure, within the supervision from the body responsible.

2. Methodological approach

iTechFinance model aims at promoting a company organization culture boosting an ethical conduct, compliance with the law and prevention of unlawful conducts.

iTechFinance has designed the Model via an 'ex-ante' methodology, i.e. the company activities have been analysed in advance so to be able to catch the riskier area. Subsequently, the area most subject to risk have been studied and these have been the ones subject to control actions (i.e. policy design/ ad hoc procedures).

Nevertheless, if additional sensitive areas which could be under offences attack are identified or if additional crime offences modality are detected different from the ones already listed in the model, the process can be updated so to better include the newly events.

The methodological approach followed by iTechFinance within the Model design is able to:

- promote the already existing company assets in terms of internal policies, rules and regulations which address and control the risk management and control check procedures;
- quickly design further regulations and procedure to be spread in the company structure and adapted over time;
- manage in a unique way all the company operating rules, including the ones related to the Sensitive Areas.

The iTechFinance Model is composed by:

1. this mentioned General Part;
2. code of conducts and organisational procedures already in force in the company aiming to control behaviour, events and relevant acts ex D. Lgs. 231/2001 – all of them available on company knowledge repository or paper-based such as:
 - a. onboarding procedures and communication;
 - b. company policy;
 - c. code of conduct;
 - d. Recruiting company process;
3. Internal circulars aim at regulating and/or modifying the Company Policy and the existing company procedures/flows
4. The Special Section, including specific categories with major offences for iTechFinance and the related applicable rules.

The code of conducts and the above-mentioned procedures, although not clearly issued with D. Lgs. 231/2001, aim to control the subordinate/manager behaviour (which are deemed to be regular, diligent and legal) and they contribute, hence, to ensure the crime prevention in accordance with D. Lgs. 231/2001.

2.1 Model and Code of Conduct

The rule of conduct contained in this Model are consistent with the ones present in the Code of Conduct, although the Model has been designed to comply with D.Lgs. 231/01.

In fact:

- The **Code of Conduct** represents an autonomous document regardless the issuance of D.Lgs. 231/2001 and it is likely to be applicable to all the iTechFinance Subordinates, Manager and Social Organism so to express those professional ethics standards recognised by iTechFinance.
- the **Model** instead is designed to be compliant with D.Lgs. 231/2001, so to prevent the execution of particular offences (for crimes that if apparently executed to promote the company, they could lead to an administrative responsibility for the crime itself in accordance with the rules of the Regulation). The Model declares rules and foresees procedures that must be respected so to avoid any penal responsibility in accordance with D.Lgs. 231/2001.

3. iTechFinance governance system

3.1 Company description

iTechFinance S.r.l. was founded in 2013 by experienced and professional people coming from Italy and Germany with long track record of consulting in Investment e Private Banking area (15+ years), conceived as a boutique offering high quality services to its clients.

iTechFinance has consolidated, within the time, significant international experiences, providing ad hoc solutions to its clients and counting on services offered of high quality and timely, so to differ from its competitors. In this framework, iTechFinance has enlarged its venues of reference, from 2 venues (i.e. Munich and Milan) to 4 (with the new Frankfurt and Kiev), reaching 20+ professionals working.

3.2 Governing bodies

iTechFinance governance model is composed by:

1. Board of Directors;
2. Shareholders' meeting.

3.2.1 Board of Directors

The Board of Directors is entitled to own powers related to both ordinary and extraordinary company management, except for the ones reserved to the Assembly. The Board is responsible, in addition, for the determination of the strategical and organizational guidelines of the company.

The Board of Directors:

- Assesses, and broadly approves, the company's strategical and financial plans;
- Determines the internal control system guidelines and tests the adequacy, efficiency and proper working of the system;
- Examines the adequacy of the company administrative and accounting organisational set-up;
- Grants and revokes delegations to the CEO, defining limitations and terms;
- Authorizes, in advance, certain operations to be carried out by the company if they may have an economical/financial impact.

In particular: the Board approves the operational and organizational strategies, performs all the necessary operations to fulfil the company's goal, adopt the Organizational Model in accordance with D.Lgs 231/01 and designates the Supervisory Body in accordance with D. lgs 231/01.

The Board designates the CEO, and he's the owner of all the administrative powers (both ordinary and extraordinary ones) as well as he's entitled to address and control the ordinary administration.

The decisions of the CEO need to be firstly authorized by the Board of Directors if they concern one of the following topics:

- Purchase, via leasing too, and alienation of real estate as well as the constitution, modification and termination of any rights in rem in immovable property;
- Disposal to others, both with property or management only, of the company or its branches;
- Mortgages on company's real estate as well as release of sureties and guarantees etc.

The CEO represents the company.

3.2.2 Shareholders' meeting

The partners decide on the topics to them reserved based on their competences, in accordance with the law and the company statute.

The partners, within their powers, are entitled to:

- Approve the budget and distribute profits;
- Nominate the administrators and the structure of the administrative body;
- Nominate the auditor, if needed;
- Modify the statute;
- Agree on the steps for those actions aimed at modifying the company scope;
- Take decisions for the company advanced dissolution.

3.3 The organizational model adopted by iTechFinance

The organizational set-up of the company is willing to guarantee:

- The separation of tasks, roles and responsibilities between the operational and control structures;

- The efficacy, the efficiency, the productivity and the economy of the company.

In particular, the organizational structure, which defines the competences of each area, is composed by:

1. CEO;
2. Prevention and Protection Responsible (RSPP);
3. Supervisory Body (OdV);
4. Business manager;
5. Administration and Finance responsible;
6. Compliance Officer.

3.3.1 Chief Executive Officer (CEO)

The CEO is in charge of:

- Managing and organizing the company and take care of the relationship with the Board;
- Defining the company guidelines and transfer them to the respective subordinates;
- Coordinating and optimising all the company's activities, both operational and project ones, to achieve the company scope;
- Managing the employees and approving any kind of training session;
- Taking decisions on recruitments, employment contract upgrade and/or bonus release;
- Deciding on disciplinary actions against the ones perpetrating offences towards the company;
- Performing technical investments, procurements and provisions etc assigned with power of attorney.

3.3.2 Prevention and Protection Responsible

Prevention and Protection Responsible is in charge of:

- Detecting and evaluating any risk risk factor and the proper security measures and healthy work environment. In addition, he elaborates prevention and risk protection measures defining the related protection and control system;
- Defining the security procedures according to the company activities: he attends, thereby, the annual meeting on prevention topic held by the employer;
- Providing the proper information to all the employees specifying all the potential risk to which they're exposed within the company activities process and all the actions carried out to prevent or minimize them (in particular, the risks linked to the usage of dangerous materials, first-aid actions, fire-fighting procedure, evacuation of workers, emergency management).

3.3.3 Supervisory Body

The supervisory Body is responsible for monitoring the effectiveness of the Organizational Model D. Lgs. 231/01, i.e. he checks the behaviours with the model so to verify if the model can really prevent unwanted behaviours. In addition, the Supervisory Body, based on the checks performed, on the enhancements introduced in the legislation and on the assessment of the existence of new risk processes, will suggest to the competent bodies updates and adaptations.

3.3.4 Business Manager

The Business Manager develops new relationships with the market, within the areas iTechFinance is working in.

3.3.5 Administration and Finance Responsible

The Responsible of Administration and Finance has to:

- Establish, according to the “Budget”, the invoices to customer report;
- Monitor the company costs;
- Set-up payments for suppliers, employees and f24;
- Manage the relation with the Credit Institutions and conduct analysis on cash-flows and costs, so to support the CEO decisions;
- Manage the debt collection.

3.3.6 Compliance Officer

This Body provide methodological and operative support to the Board, so to define and maintain the organizational and operational solutions aiming to fulfil the obligations expected by the existing regulation, in particular D.Lgs 231/01.

To this end the Compliance Officer:

- Attends, in an advisory capacity, all the governance activities having impact on the organisational system, on the Statute, on the regulations and on the internal procedure of iTechFinance;
- Deals with external law firms to have opinions and evaluations.

4. iTechFinance Model set-up

To define (and then update) the Model and prevent the execution of offences envisaged in D.lgs. 231, the following activities have been put in place:

- design of the Code of Conduct, containing the values and the ethical principles of the Company, strictly linked to the activities of the Company and forming part of the Model;
- identification of the areas most subject to potential risks in accordance with D.lgs 231 through a deep analysis on the activities performed, on the procedures and existing controls, on the authorization levels and on the potential risks and potential ways to commit offences in the interests of the Company;
- evaluation of the prior checks system in order to grant:
 - coherency between the performance of the duties and the responsibilities that have been assigned;
 - implementation and enforcement of the principle of segregation of duties;
 - verifiability, transparency and consistency of the company's behaviours and of the documentation related to each operation/task/flow;
- identification of the Supervisory Body, entitled to monitor the correct working of the Model thanks to the powers that have been assigned to him (i.e. an autonomous body with available means);
- definition of the information and communication flows towards the Supervisory Body (and the other way round too);
- definition and adoption, in accordance with the D.Lgs, of a punitive system, to be applied in case the Model is not respected;
- formalisation of the Document describing the Model;
- provision, awareness and education activities, on the rules of conduct and on the internal processes/procedures so to prevent and control the areas subject to risk foreseen by the Model, have been carried out to all the company levels and towards all the entities operating on behalf of the Company.

4.1 Company's mapping of the area most subject to offences

The preparation and the implementation of a prevention model is strictly linked to a correct and effective risk-offence mapping. Within this phase, the risk is analysed and its intensity is evaluated.

The company, thus, is obliged to carry out an analysis on the risk factors coming from its working activities, considering the all organization, the competences and the decisional processes.

Within this phase it is important to consider the analysis of the information/decision-making flows, as well as the managing policy, intended both as distribution of powers and analysis of the working relation between the different units, so to identify the area/sector subject to offence and how the offence can be materialized.

In order to identify the risk areas, the following activities have been carried out:

- Preliminary analysis of the structure of the company and of the existing control systems;
- Potential and residual risk-offence evaluation.

More in detail:

1. The internal analysis of the company refers to: internal organization, existing delegations, organisation chart, organisational arrangements (statute, authorizations, tasks...) and this activity has been then carried out on each area so to verify the existence of risks within the exercised tasks;
2. The evaluation of the level of risk of committing offences has been carried out applying all the monitoring presidium expected by D.lgs 231/01 to the company reality, referring to the specific circumstances of offence.

This process has allowed the identification of gaps and the planning of the necessary enhancements of the actual processes and presidiums.

4.2 Principles and elements of the Model

The following elements have been considered while setting up the Model:

- Company's Statute
- Existing procedures;
- Company's organizational model.

The Model has followed the following:

- the requirements specified in D.Lgs. 231/01 and in particular:
 - Allocate the responsibility to promote the correct working of the Model to a supervisory body, monitoring the company's activities and behaviours too;
 - Provide available people and financial resources to the supervisory body so to help him in achieving the agreed objectives;
 - Check the working of the Model with a frequent update (ex-post control);
 - awareness and dissemination activities to all the company organization of the rules of conduct and procedures that have been established;
- general principles for an appropriate internal control system:
 - verifiability and traceability of each operation in accordance with D.Lgs. 231/01;
 - respect of the principle of separation of function;
 - definition of authorization powers in line with the assigned responsibilities;
 - communication of important information to the Supervisory Body;
- keeping in mind the need to check the company's activities, it is primary to control the areas most subject to crime offence and having more sensitive operation bringing value.

4.3 The duties of the Model

The adoption of the Model allow iTechFinance not only to benefit from the exclusion from penal responsibility foreseen by D.Lgs 231/01 avoiding the source of penal risk linked to the specific activities, but it improves its corporate governance mitigating the risk of crime offence.

The scope of the Model is to set-up a structured system of control and procedures (both ex-ante and ex-post) so to limiting the crime offences through the identification of the sensitive processes.

The principles of the model have to:

- Be known from all people operating on behalf of the Company, so that they're aware that in case of illicit behaviours they can be subject to legal consequences and
- Allow the company to promptly react to prevent or avoid the commission of crimes.

Thanks to the adoption of the Model, iTechFinance aims to:

- Identify the tasks carried out from each unit that for its specific typology may involve a risk in accordance with the D.Lgs;
- Analyse the potential risk with regards to the modalities of committing crimes within the internal and external working environment of iTechFinance;
- Evaluate the system of ex-ante controls and its update to grant the prevention of crime offences or limiting them;
- Define a system of rules indicating both general rules of conduct (Code of Conduct) and specific ones (organizational procedures) so to regulate the activities within the sensitive areas;
- Implement a control system so to immediately point out general and/or particular critical situations;
- Train people on the content of the Code of Conduct and more in general on the authorisation powers, on the hierarchies, on the procedures, on the information flows and on all those things that make iTechFinance transparent;
- Make people aware that any violation of the Model lead to disciplinary actions, thus it has to be respected;
- Plan a penalty system for the violation of the Code of Conduct and of the Model;
- Inform on the serious consequences deriving from the sanctions foreseen by the D.Lgs. that iTechFinance could be subject to and on the possibility that these sanctions can be made provisionally;
- Designate a Supervisory Body and grant competences to control the correct working, adequacy and update of the Model.

4.4 Recipients of the Model

The recipients of the Model, who have to respect it too, are:

- Members of the Management Board;
- iTechFinance employees;
- co-workers, consultants and any independent actors operating on behalf of iTechFinance within its sensitive areas;
- clients of the company;
- suppliers and partners (including joint-venture) operating in a massive/continuous way within the sensitive areas of iTechFinance, on behalf of the company itself;
- more in general, all people operating on behalf of iTechFinance within its sensitive areas.

4.5 Model adoption

The company adapt the Organisational Model upon the Board's resolution. In addition, always upon the Board's resolution, the Supervisory Body is appointed according to D.Lgs 231/01.

The Organisation Model will be subject to enhancements, updates and integration whenever required by the legislator (i.e. in case of regulatory changes, offences detection or important organisational modification occur).

5. The Supervisory Body

In accordance with art. 6 del D. Lgs. n. 231/01, iTechFinance decides to assign supervisory powers on the correct working and application of the Model, to the Supervisory Body, with autonomous power of initiative and monitoring, entitled to update the Model too.

The above powers assigned to the Supervisory Body together with the appliance of the same powers, are a necessary precondition for the exemption of the Company responsibility, whether the offence is carried out by the apical subjects or not.

5.1 Identification of the Supervisory Body and Requirements

iTech Finance S.r.l. has defined the structure of the Supervisory Body, composed by an external member.

The major requirements of the Supervisory Body are:

- **Stability and continuity:** the Supervisory Body has to be stable so to become the reference point (for the people willing to make alerts or for the ones needing advices) and it has to be able to monitor the activities and update the Model based on any modification in the company organization/activities;
- **Autonomy and independence:** in order to grant the monitoring power in an autonomous way, the Supervisory Body is not linked to any other body in the chain of command, with reporting duties to the apical subjects only;
- **Professionalism:** the company has nominated highly qualified people as members of the Supervisory Body, so that they can work in an efficient way. It has to be noted that we're talking about technical capabilities linked to the analysis of the system of control and legal knowledge in terms of disposal of D.Lgs. 231/01;
- **Respectability and absence of conflict of interest:** the members of the Supervisory Body nominated by the company are respectable people lacking in conflict of interest and without sibling relationships, D.lgs. 231/01 spouses or kinship within the 4th level with the apical subjects, so not to affect the independency of the Body.

5.2 Nomination and Termination

The Board of Directors is the only one entitled to nominate and revoke the engagement of the Supervisory Body, and he will decide on the duration of each member and on his salary too.

In case of temporary impediment of the Supervisory Body, no more than 2 months, the CEO will nominate a deputy. The deputy will be in charge until the impediment finish.

The Supervisory Body exercise his powers until expiry and until it isn't revoked from the Board of iTechFinance.

The termination of the engagement can happen if one of its requirements disappear or in case it is not efficient/appropriate to fulfil its duties.

More specifically, the withdrawal is allowed:

- in all cases the law allows the termination of the employment relationship, on employer own-initiative;
- in case the Body does not fulfil his duties, both intentional or negligent character (e.g. disloyalty, carelessness, ineffectiveness etc..);
- in case of impossibility;
- in case the needed requirements are no more met;
- when the employment relationship with iTechFinance finish on the Supervisory Body's member initiative.

Members of the Supervisory Body can't be nominated or can be revoked in case of:

- sentence, with past judgement, for the commission of one of the crime contained in D.lgs. 231/01;
- sentence, with past judgement, to a term leading to a ban, also temporary, from public office;
- temporary interdiction from the corporate management of legal persons and firms.

In severe cases, before the judgement too, the Board of iTechFinance can order the suspension of the powers of the Supervisory Body and the nomination of a Supervisory ad interim.

In case of resignation of the Supervisory Body, the Board of iTechFinance will substitute it within the first available meeting and the member who gave the resignation will remain in charge until nomination of the new member.

5.3 Duties and Powers of the Supervisory Body

The activities of the Supervisory Body in accordance with D.Lgs 231/01 will be listed in the 'Activity Plan' document, having the scope to plan the activities of the Supervisory Body within its engagement and to share the control activities put in place.

The Activity Plan will be annually produced and:

- It will identify the activities of control of the Body within the year;
- It will program its activities over the year;
- It will identify involved bodies and processes, the activities carried out with the expected results;
- It will identify the necessary material, human and financial resources (budget of the Supervisory Body).

The supervisory Body has the following tasks:

- Distribute, acknowledge and describe the Model to the ones involved in the Company;
- Control that the Model is respected;
- Monitor the efficacy of the Model over time;
- Analyse the processes, procedures, decision-making protocols, responsibilities and more in general the internal workings and ensure that the Model is applied;
- Examine the business so to be able to update the list of sensitive activities;
- Periodically check specific tasks, especially within the sensitive areas, and sum-up these activities in the reporting to the Board of Directors;
- Monitor the initiative put in place to distribute the Model and prepare the necessary internal documentation containing restrictions, instructions, clarification and updates so that the Model can work;
- Collect, work out and store the relevant information for the Model to be respected, as well as update the list of information that the Body has to receive/be aware;
- Coordinate with the other company's function for a better monitoring of the activities, in accordance with the Model specification;
- Periodically inform the Board on the state of implementation of the Model;
- Identify and evaluate the possibility to insert cancellation clauses in the contracts of Consultants, Collaborators (Professors and Consultants) and other Parties working within the sensitive areas of the Company in accordance with D.Lgs 231/01;
- Manage specific information channels through e-mail and/or pec, aiming to facilitate the information flow towards the Supervisory Body;
- Draw-up the annual Monitoring Plan and perform a complete auditing: the annual audit will be planned in the 'Activity Plan' and they will be valid until their reporting, that it will be shared and delivered to the apical subject of the Company. The monitoring activity aims at evaluating the efficiency and appropriateness of the Model in preventing behaviours that could lead to crime offences as specified in D.Lgs. 231/01. To do so, the Supervisory Body has the following powers:
 - Availability to all the company's documents in respect to the rights that have been granted in accordance with D.Lgs. n. 231/01;
 - Ask for information to the staff of iTechFinance on any data/news so to identify particular aspects of the various activities that may be relevant for the management 231;
- Take care of the information/training activities on the model and on the D.Lgs 231/01: the Supervisory Body is in charge to promote and circulate the principles contained in the Model and in the Code of Conduct pursuant to D. Lgs 231/01 through dedicated training sessions;
- Give sanctions: the Supervisory Body will align with the CEO of iTechFinance in order to evaluate the adoption of disciplinary actions, keeping in mind that the CEO will be the one in charge to activate the disciplinary actions;
- Verify the needs to update the Model and the Code of Conduct;
- Update the Model: the Model needs to be updated if the organizational structure change and the sensitive activities change as well with respect to the last Risk Assessment evaluation. In addition, the update of the Model will contain the new offences introduced by the D.Lgs;
- Produce the Final Report: the Supervisory Body has to draft a Final Report containing all the activities carried out within the year, so to give an overview of the work done. The Final Report has to include the evaluation of the Supervisory Body on the recommendation and advices that the Supervisory body has given to the CEO and to the apical subjects during the year. This Report must be produced by end of December of each year.

5.4 The Regulation of the Supervisory Body

The definition and identification of a correct working of the Supervisory Body, e.g. timetabling of the activities, meeting minutes and information flows discipline, in accordance with the rules of reference, is ruled within the internal Regulation of the Supervisory Body (to which the Supervisory Body has to comply only), so to ensure its independence too.

In order to grant the efficiency of the Model and to avoid that the control activities carried out by the Supervisory Body may damage the Body itself (e.g. from its control, it is resulting that the head of the company has committed, or tried to commit, offences or violated the Model), the Board of Directors is in charge to take decisions regarding remuneration, promotions, relocation or disciplinary actions for each member of the Supervisory Body.

5.5 Reporting of the Supervisory Body to the Top Management

The Supervisory Body inform the Board of Directors and/or the partners of the Company on the adoption of the Model, on any criticality, on any update needed and any violation verified through a reporting containing:

- The activity carried out by the Supervisory Body;
- The necessary/eventual update so to ensure the effectiveness of the Model;
- Ascertained behaviours not in line with the Model;
- The lack in the structure/procedure of the company that may lead iTechFinance to crime attacks pursuant to D. Lgs. n. 231/01;
- The poor/missing cooperation from the other company's bodies while carrying out his control activity;
- Any other information considered useful to achieve the goal under D. Lgs 231/01.

The mentioned reporting includes the Final Report too (with description of the activities carried out, the checks with related results, any update of the sensitive areas etc...) and it will be delivered to the Board of Directors as well.

The partners and the Board can, anyway, in any case call the Supervisory Body who can, in its turn, convene, through the competent subjects/functions, the same parties for urgent topic.

5.6 Information flows towards the Supervisory Body

The Supervisory Body has to be informed, through dedicated notifications, from the ones entitled to respect the Model itself about events that may generate any responsibility for iTechFinance pursuant to D.Lgs, 231/01 or, anyhow, he has to know about any other relevant news regarding the Company (e.g. company's activities, crime offences...). All the notifications can be sent to: odv@itechfinance.net.

The following general principles apply:

- The notification regarding (possible) crime offences foreseen by the D.lgs. or behaviours not in line with the Model have to be collected by the responsible;

- All the valid notifications have to be sent to the Supervisory Body from the Protection and Prevention Service (ex. D.Lgs, 81/08): as example, communication related to changes in the evaluation of risks, to activities of control and inspection in health and safety on the work station, to injuries..;
- The staff of iTechFinance has to report the infringements (alleged infringements) of the Model, i.e. every action or event that may provoke a responsibility within the Company in accordance with D.Lgs 231/01, by informing his senior and/or the Supervisory Body;
- The consultants, collaborators and commercial partners, within their activity towards the company, directly inform the Supervisory Body.

The Supervisory Body evaluates the notification received and the activities to be put in place. Any action in response to the infringements are defined and applied in accordance with the provisions of the disciplinary system.

People reporting notifications in good faith are protected against any kind of retaliation, discrimination or disadvantage and, in any case, the anonymity is granted, without prejudice to the legal obligations and the protection of the rights of the company/people wrongly accused (or accused in bad faith).

Aside from the above, information regarding:

- Actions/reports coming from Criminal Police or any other authorities where the company, staff, employees, collaborators or Social Body may be involved;
- Requests of legal assistance forwarded to the Company from the staff, employees, collaborators or Social Body, where a legal proceeding is ongoing for crimes towards the same;
- Reports drew up from other responsible of other functions from which facts, events or omissions not compliant with the D.Lgs. 231/01 may result;
- News related to the disciplinary proceedings carried out (even if already archived with enclosed motivations) and to the penalties imposed, if they're linked to crime offences foreseen by the Model,

must be necessarily and promptly sent to the Supervisory Body.

5.7 Information collection and storage.

Each information, notification and report foreseen by the Model, are collected by the Supervisory Body in a dedicated database (IT and/or paper one) in compliance with the current legal provisions.

The data and the information contained in the database are available to external people, upon authorization of the Supervisory Body itself.

6. The disciplinary system

6.1 The role of the Disciplinary System

iTech Finance S.r.l. wants to ensure the respect of the Model preventing any crime offence and the defining a Disciplinary System for any violation.

In this perspective, art. 6 and 7 of D. Lgs 231/01 establish the need to introduce a disciplinary system so to punish any violation of the Model, addressed to both apical subjects and employee. The application of the disciplinary system is independent from the penal procedure of the competent judicial authority.

The disciplinary system represents, in accordance with art. 6 lect. e) of D.Lgs. 231/01, a precondition of the Organizational Model for the exclusion from penal responsibility with respect to the responsibility of the company.

The discipline proceeding starts upon check of the Supervisory Body, certifying that a crime against the Model and/or Code of Conduct has been committed based on its control activities.

The CEO is the one owning the sanctioning powers, in accordance with D.Lgs 231/01, upon proceeding started by the Supervisory Body.

6.2 Management of the infringements

To be compliant with the regulation, example of infringements of the Model are:

- Violation of the organizational Model and Code of Conduct;
- The non-observance – within the exercise of the sensitive areas – of the target procedures and of the code of conducts in which the presidiums of control are transposed;
- The violation and/or circumvention of the existing system of control through the omission, abduction, destruction and/or alteration of the documentation laid down by the actual regulation or of the documentation/information asked by the ones in charge to control;
- The non-observance of the disposal regarding signatories and delegations;
- The non-control from the apical subjects, on their subordinates, on the correct application of the Model and Code of Conduct;
- The non-observance of the information requirements envisaged by the Model towards the Supervisory Body.

The severity of the sanction is proportionate in response to the severity of the behaviour applied and to the risk iTechFinance has been exposed to, pursuant to D. Lgs. 231/01.

Minimum content of a reporting:

- Sensitive activity where the violation happened or traceable to other activities of the company possibly subject to crime offence;
- Type of violation (crime category);
- Company's structure/ internal staff involved;
- Entities/external people involved;
- Brief description of the violation with related documentation (written or electronic), if available.

The Supervisory Body will promptly evaluate the reporting received and the subsequent proceedings, in case. Whenever the Supervisory Body will archive some reporting without inquiries, this decision has to be documented or stored.

The Supervisory Body will act so to protect the people reporting notifications in good faith from any kind of retaliation, discrimination or disadvantage and, in any case, the anonymity is granted, without prejudice to the legal obligations and the protection of the rights of the company/people wrongly accused (or accused in bad faith); the violation of this duty represents a severe violation of the Model.

The reporting obligations from employees and other apical subjects will have to be easily and promote within the normal internal communication modality.

6.3 Actions towards the Employees

The violation, from the employees subject to CCNL, of the rules of conducts of the Model and Code of Conduct, represents an illicit disciplinary.

The sanctions and any requests for compensations will be proportionate to the level of responsibility and autonomy of the one committing the violation, to the existence of any proceeding against him, to his intent and severity (understood as level of risk iTechFinance has been subject to in accordance with D.Lgs. 231/01).

The disciplinary proceeding for the employees are:

- Verbal warning;
- written warning;
- fine not exceeding 4 hours of remuneration;
- Suspension from work and from remuneration up to 10 days;
- Dismissal (with administrative leave if necessary).

The above mentioned actions (described in the chapters below) will be applied with regards to:

- the intentionality of the behaviour or the level of negligence, carelessness or incompetence;
- the predictability of the event;
- the overall behaviour of the employee with particular attention to the existence of disciplinary proceedings against him, within the constraints of the law;
- the tasks of the employee;
- the functional position of the people involved in the event;
- other particular circumstances assisting the violation.

The following assumptions from the CCNL stand:

- the disciplinary dispute has to be notified to the employees no later than 30 days from when the offence has been acknowledged by the competent bodies (sanitary and administrative governing bodies);
- the disciplinary proceeding has to be adopted from the employer no later than 30 days from when the employees received the notice;
- the 30 days deadline has to be suspended if the employee ask for a face-to-face meeting together with the union representative. In this case, the deadline will be extended to other 30 days from the date of the face-to-face meeting within the parties;

- the progressive and proportional principles of the sanctions have to be granted, in relation to the severity of the event, so that the measure to be applied has to be compliant with these criteria highlighted in the CCNL.

With regards to the verification of the infringements, the disciplinary proceedings and the adoption of sanctions, the powers already granted to the company management remain unchanged, within the limits of his competence.

6.3.1 Verbal warning

The employee:

- Violating the internal procedure expected by the Model (e.g. he adopts a behaviour not in line with rules, he doesn't carry out checks.);
- Adopting a behaviour not in line with the one in the Code of Conduct, while performing activities within the risk areas

is subject to a verbal warning from the employer.

6.3.2 Fine

The employee violating the internal procedure expected by the Model or adopting a behaviour not in line with the one in the Code of Conduct, while performing activities within the risk areas, more than one time is subject to a fine not exceeding 4 hours or remuneration, upon proper verification.

6.3.3 Suspension from work or from remuneration

The employee harming the company or exposing the company assets to risk, while violating the internal procedure expected by the Model or while adopting a behaviour not in line with the one in the Code of Conduct, while performing activities within the risk areas, as well as acting against iTechFinance S.r.l., is subject to suspension from work and from remuneration from 1 to 10 days.

6.3.4 Order of dismissal with indemnity of notice

The employee adopting a behaviour not in line with the one in the Model and Code of Conduct, while performing activities within the risk areas, behaviour due to an offence identified by D. Lgs 231/01, is subject to an order of dismissal with indemnity of notice.

6.3.5 Order of dismissal without indemnity of notice

The employee adopting a behaviour clearly not in line with the one in the Model and Code of Conduct, while performing activities within the risk areas and aimed at committing an offence foreseen by the regulation,

forcing the company to apply, on itself, the measure expected by the Regulation itself, is subject to an order of dismissal without indemnity of notice.

6.4 Actions towards the Administrators and Partners

To grant the effectiveness of the model 231, towards the Administrators and Partners too, several sanctions have been adopted in case of violation, from the people themselves, of the rules and principles in scope of the Organizational and Control Model 231, with particular reference to the rules contained in the Code of Conduct, in the implemented procedures and to the obligation of communication to the Supervisory Body.

Particularly, towards those people having violated one or more rules of the Model 231, a penalty is imposed, from a written warning to a warrant recall, considering the intention, the severity of the offence (it can be evaluate considering the exposure of the company to the offence too) and the circumstances that lead to the offence to take place.

6.5 Actions towards Collaborators, Consultants and Suppliers

To grant the effectiveness of the model 231, towards the external Collaborators acting on behalf of the company and Suppliers, a contract term – to be included in the reference contract of the supplier- is foreseen defining the obligation, with related fine, to respect the rule of conducts of the Code of Conducts and Model 231 of iTechFinance.

It does not affect the claim for compensation in case the behaviour causes damages to the Company, e.g. application by the court of the measures expected by D. Lgs. 231/01.

6.6 Actions towards the Supervisory Body

In case the Supervisory Body violates the Model ex art. 6 D.Lgs 231/01, it is obliged, upon its decision, to inform the Administrators and the partners so to take the appropriate actions. The action chosen has to consider the category to which the author of the crime belongs to, and it has to respect the operating rules of the Body itself, as well as the term in office and substitution criteria.

7. Circulation and Communication of the Model

7.1 Initial communication

Once the Model and Code of Conduct are approved by the Board of iTechFinance, dissemination, information and training activities will be carried out towards all people operating with the Company (employees, consultants and suppliers) from the Supervisory Body, so to enable the knowledge of the D.lgs 231/01 content and the agreed Organisational Model.

New collaborators (Professors and Consultants) will be informed about the Model and Code of Conduct as soon as they're engaged. The same people must respect, as by contract, the principles, the rules and the

procedures highlighted in the Model and in the Code of Conduct while carrying out their activities within the sensitive process to them assigned.

Consultants and suppliers operating for iTechFinance will be informed on the obligations to respect, during their activities, the rules of D.Lgs 231/01. Consultants and suppliers will be informed about the Model and Code of Conduct as soon as they're engaged. The same people have to respect, as by contract, the principles, the rules and the procedures highlighted in the Model and in the Code of Conduct.

7.2 Training

In order to have an effective Model, one of the Company's goal is to inform all the internal staff about the rules of conduct contained in the Model.

The information and training system is controlled and integrated by the Supervisory Body together with the Quality Responsible and the other responsible of the other functions involved in the Model application.

The information activity will be carried out through the introduction of specific modules, always updated according to the evolution of the external regulation and of the organizational Model.

7.3 Communication of modifications to the Model and/or Code of Conduct

The Compliance Officer is in charge to update and adapt the Model, so to have a model always actual and efficient to prevent offences in accordance with D. Lgs. 231/01, in case changes in regulation, changes in the organizational/operative set-up occur or in case violation of the Model happen.

All the updates and integrations to the Model will be communicated from the Compliance Officer to all the employees and external people (consultants, suppliers...) through e-mail and/or pec and written paper in the corporate headquarters. In addition, the updated Model and Code of Conduct will be published on the company website www.itechfinance.net.

8. Final arrangements

This Model has been approved by the Board of Directors on 26.04.2017. Each modification/integration is subject to approval of the Board of Directors and prompt delivery to the recipients.

The Model, as part of the company policy, has been translated in English. In case of disputes, the Italian language version shall prevail.