



Supervisory Board Regulations

In accordance with Leg. D. 231/01

GENERAL RULES

- a) The Supervisory Board (herein SB) established within COMECA S.p.A. (herein “Company”) with deliberation by the Board of Directors on 5 October 2009, performs the functions of supervision and control of the functioning, effectiveness and observance of the Model of Organisation and Control that is aimed at Preventing Offences (herein “MOC”) and is adopted by the Company for the purpose of preventing the offences from which administrative responsibility may arise as mentioned in Leg. D. 8 June 2001, no. 231 and subsequent modifications and integrations while handling updating.
- b) With these regulations, the SB governs its own operation by identifying the powers, duties and responsibilities granted to it, in compliance with the laws, the MOC and the company’s deliberations.
- c) The SB carries out its functions in full autonomy and independence.
- d) The SB reports and responds directly and exclusively to the Board of Directors.

APPOINTMENT AND FORMATION OF THE SB

- a) The SB is a company body that is made up of two or three members chosen by the Board of Directors. A Chairman is nominated within the SB.
- b) The members of the SB are appointed by the Company’s Board of Directors.
- c) Individuals who do not possess the requirements for eligibility, respectability and professionalism foreseen in the MOC cannot be appointed and if appointed cannot hold office. The Chairman of the SB, at the time of appointment and for the duration of office, cannot be linked in any way to the Company by employment, subordination, or hold a management position within the company, in compliance with the contents of the MOC.
- d) The SB is guaranteed adequate provision of personnel and materials and adequate financial resources as foreseen by the MOC. The Company’s Board of Directors approves the pay of the SB, in accordance with the contents of the MOC. The SB provides an annual statement of the expenses sustained.
- e) On the occasion of each meeting the Chairman will nominate a Secretary from amongst the members.

DURATION OF OFFICE AND REPLACEMENT OF MEMBERS OF THE SB

- a) the SB members’ mandate lasts for three years. The members of the SB can be re-elected.
- b) Except in the event of cancellation specifically foreseen by the current regulations, the members of the SB cannot be revoked by the Board of Directors without just cause.
- c) The unjustified failure to attend more than two consecutive meetings leads to the cancellation of office.
- d) In the event of withdrawal, supervening incapacity or death of a member of the SB, the Chairman or one of the members will give immediate, formal communication to the Board of Directors which will deliberate on his replacement.
- e) In the event of withdrawal, supervening incapacity, death, revocation or expiry of the Chairman’s office, the Board of Directors must deliberate immediately on the appointment of the new Chairman of the SB.

CONVOCAZIONE, VOTING AND DELIBERATION OF THE SB

- a) The SB meets upon convocation by the Chairman or one of its members when considered necessary by them. In any case, the SB meets at least once every three months.
- b) The meeting is called with a notice containing the order of the day, to be sent by mail or even fax or e-mail, in the event of urgency the convocation is sent at least one day beforehand.
- c) In any case, the meeting is regularly convened when at least 2/3 SB members, in office, are in attendance.
- d) Meetings of the SB are chaired by the Chairman, and, in his absence, by a member appointed by him.
- e) Each member of the SB has the right to vote. In the event of parity the individual chairing the meeting has the right to two votes.
- f) The deliberations of the SB are decided with the majority of the total votes that are due to the members present.
- g) The minutes of every meeting are recorded in the designated register, undersigned by the Chairman and the Secretary and kept at the head offices of the SB (Via Campagna 4, Lonato del Garda 25017).
- h) The members of the SB must abstain from voting if they find themselves in a situation of conflict of interests, either real or potential, with the subject of the deliberation. The existence of the situation of conflict and the consequent abstention must be recorded in the minutes of the meeting.
- i) In the event of failure to observe the obligation for abstention, the deliberation is considered invalid.

OBLIGATIONS OF CONFIDENTIALITY

- a) The members of the SB are obliged to maintain the confidentiality of the news and information gathered while performing their duties. This obligation, however, does not exist in regard to the Board of Directors.
- b) The members of the SB are obliged to maintain the confidentiality of all the information that they become aware of and must abstain from seeking and using confidential information for purposes that do not come within the scope of the SB functions. All data will be handled in compliance with the current legislation on the subject and, in particular, in compliance with the Legislative Decree of 30 June 2003 no. 196 and subsequent modifications and integrations including the “code for the processing of personal data”. Failure to observe the above mentioned obligations implies the removal from office of the member of the SB.

FUNCTIONS AND POWERS OF THE SB

- a) The Chairman represents the SB before the Board of Directors. The Chairman has the wide ranging and express authority to delegate his responsibilities to one of the members of the SB
- b) The SB supervises:
 - the effectiveness and the adequacy of the MOC in relation to the company structure and the actual ability of the MOC to prevent the offences foreseen by Leg. Decree 231/01 from being committed;

In this regard:

 - o it interprets the relevant regulations and keeps constantly updated on any new information on the subject;
 - o it guarantees the performance of activities to verify the effectiveness of the MOC;

- o it coordinates with the different company functions to assess any need to update the MOC;
- o it conducts investigations on the company's activities to periodically update risk assessment in relation to the offence foreseen by Leg. D. 231/01,
- o it carries out periodic random inspections on certain operations or specific actions put into practice within the confines of "sensitive activities/processes";
- o it coordinates with the different company functions to better monitor activities;
- o it verifies the actual ability of the current protocols and procedures implemented to prevent the offences mentioned in the decree;
- o it verifies the suitability of the organisational solutions adopted for implementing the MOC;

For this purpose the SB can access all the company documentation that it considers relevant and must be kept constantly informed by the Managing Director:

- o on those aspects of the company activities that could expose the Company to the risk of one of the offences, foreseen by the Decree, being committed;
 - o on relations with third parties that operate on behalf of the Company within the confines of sensitive operations;
 - o on extraordinary corporate transactions;
- on observance of the requirements of the MOC by employees, by Company Bodies, by third parties, by verifying consistency between the concrete actions and the MOC defined;

In this regard:

- o it guarantees the performance of activities linked to verifying observance of the MOC;
 - o it coordinates with the Managing Director and the managers of the areas of interest to define information and training programmes for personnel;
 - o it handles the content of periodic communications to be made to employees and the Board of Directors;
 - o it provides and constantly updates relevant information to allow full and conscious compliance to the Company's rules of conduct;
 - o it gather, processes and keeps information relevant to observance of the MOC, as well as updating the list of information that must be communicated or made available to the SB;
 - o it activates and perform internal investigations and audits, while working in close contact with the different managers of the areas involved, to acquire the elements considered useful;
 - o it reports to the company bodies on any behaviour that could lead to the adoption of possible disciplinary penalties;
- on updating of the MOC where there is need for adaptation in relation to changing corporate and /or regulatory conditions. In this regard, it submits proposals for any adaptation of the MOC that is considered necessary or appropriate, to the Company bodies.

For this purpose, the SB:

- o periodically expresses, on the basis of findings that emerge from verifications and controls, an assessment on the adequacy of the MOC with regard to the regulations in the Decree and to the reference principles, as well as the effectiveness of them;
- o periodically presents the Board of Directors with proposals for adaptation of the MOC to meet the desired situation and the actions necessary for its concrete implementation (for example, new or different procedures);
- o periodically verify the implementation and actual functioning of the solutions/preventive or corrective actions proposed;

c) To perform the measures listed in the previous paragraph, the SB:

- accesses any and all company document that is relevant for the performance of its functions;

- recruits external expert consultants where necessary for performing verification and control, or, updating the MOC. Upon independently presenting the Board of Directors with a justified request to authorise the cost,
- asks the Company's employees for information, data and / or new information that could be used to identify aspects linked to the various company activities and relevant to the purpose of the MOC.

METHODS FOR TRANSMITTING INFORMATION FLOWS AND REPORTS

a) The SB identifies the information flows that must be sent to it and indicates the body responsible for sending them, as well as the periodicity and method of communication.

b) The SB uses specific procedures to formalise communications to the company structure, the method of communication and the periodicity of the information flows identified. In any case, information concerning the following must be provided to the SB:

- measures and/or news from the Criminal Police bodies, or from any other authority, from which the progress of investigations for the offences mentioned in the Decree can be inferred;
- reports sent to the Company from managers and/or employees in the event that judicial proceedings are started against them for the offences foreseen in the Decree;
- reports prepared by the company bodies within the confines of control, from which facts, actions, events or failures may emerge, with profiles of criticality in regard to the rules in the Decree;
- information regarding the start of direct investigation to verify and, if necessary, penalise failure to observe the principles of conduct and the procedures foreseen by the MOC, as well as information on any penalties given.

METHODS AND TIMING OF REPORTS TO THE COMPANY BODIES

The SB draws up an annual activity plan. The plan is communicated to the Board of Directors. In the plan the SB indicates the activities that it intends to perform to guarantee the effectiveness of the MOC.

PERFORMING DUTIES AND DELEGATED TASKS

a) The SB may deliberate to entrust to one of its members the performance of inspections, analysis and other duties within his competence.

b) In particular, the SB can delegate the following duties to one of its members:

- gathering reports that come from the company bodies and third parties;
- receiving the information flows defined by the SB while arranging a quarterly report showing any irregularities discovered;
- analysing the MOC to assess its actual ability to prevent the offences foreseen by the Decree from being committed;
- assessing that the business operations within the area of "sensitive" activities comply with the MOC defined;
- carrying out follow-up on suggestions for adapting the MOC formulated, with the aim of verifying implementation and effective functioning of the solutions proposed.

c) The SB will collectively perform activities aimed at:

- assessing the adequacy of “sensitive” activity area mapping and of risk analysis;
- assessing internal audit, investigation and inspection plans and the relevant results;
- assessing whether to analyse or file the reports received;
- assessing the adequacy of the information and training plan;
- offering suggestions for adaptation of the MOC to the company bodies;
- assessing the adequacy, suitability and effectiveness of the MOC.

APPROVAL OF THESE REGULATIONS AND ANY SUBSEQUENT MODIFICATIONS

These regulations have been approved by absolute majority and with the presence of all the members of the SB. A copy of them is assigned to the Board of Directors.

Any modifications to these regulations can be deliberated exclusively by an absolute majority and with the presence of all the members of the SB.