Automobili Lamborghini S.p.A.

Organizational Model

pursuant to Legislative Decree June 8, 2001, n. 231, bearing provisions governing administrative liability of legal entities, companies and associations including those that are not incorporated and subsequent modifications and integrations.

Organizational Model 231/01 updated with the Board of Directors’ approval on March 12th 2019
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SPECIAL SECTION “8”: RECEIVING, MONEY LAUNDERING AND USE OF MONEY, GOODS OR PROFITS FROM ILLEGAL ACTIVITIES AND SELF-LAUNDERING

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Organizational Model
Pursuant to D. Lgs. No. 231/2001

Legend

c.c. = Civil Code


P.A. = Public Administration

TUF = Consolidate financial act pursuant to Leg. D. February 24, 1998, No. 58

Decree = Legislative Decree June 8, 2001, No. 231 or D.Lgs. 231/01

Entity/ies = Any incorporated entity, company and association including unincorporated entity with exclusion of the State, the local entities, the other public non-economical entities, as well as other entities which perform functions of constitutional significance, pursuant to Art. 1 of the Decree

Company = Automobili Lamborghini S.p.A., company with one shareholder

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Volkswagen Group or Group = the Group to which Automobili Lamborghini belongs

Model = Organizational, management and control Model of the Company pursuant to articles 6 and 7 of the Decree

Ethic Code = the Ethic Code of Automobili Lamborghini

OdV = the Company’s Independent Body established according to Art. 6 of the Decree

Disciplinary System = the disciplinary system adopted according to articles 6 and 7 of the Decree.

Recipients = all the person to which the Model is applicable and binding e.g. members of corporate body, employees, management, collaborators (comprise the trainees, consultants and temporary employees), suppliers and everyone that has relationship with the Company or that is acting on its behalf towards third parties.
GENERAL SECTION

1. LEGISLATIVE DECREES JUNE 8, 2001 NO. 231

1.1. Liability of legal entities, companies and associations

The Legislative Decree 8 June 2001, No. 231 (hereinafter also referred to as the “Decree”) has introduced in the Italian Legal system the administrative liability related to crimes of legal entities (with the definition of Entity it refers to Companies, Association, consortium, hereinafter also referred to as “Entities”) for types of crimes committed in its interest or for its benefit by (i) individuals who hold a representative, administrative or managerial position in the Entities or in one of their organizational units that enjoys financial and functional independence, or individuals that, represent, manage and control, also de facto the Entities, (ii) or individuals subordinate to the management or supervision of one of the subject referred above. This responsibility is added to the (criminal) liability of the natural person who has committed the offense.

Moreover the liability is subject to the conditions that the crimes are committed in the interest of the Entity, i.e. the Entity have benefited directly or indirectly from the commission of the offense. The sanctions laid down by the Decree could be pecuniary or disqualification as mentioned in the par.1.4 General Part of this Model.

Furthermore, it is worth mentioning that the Entity’s liability is provided for attempted crimes and for crimes committed abroad, in the context of Entity’s operation that has its headquarters in the territory of the State, unless the Judicial Authority of the State in which the crime has been committed decides to start the prosecution.

1.2 Types of crime

The responsibility of the Entity is foreseen not for any kind of crimes but only for the crimes expressly provided in the Artt. from 23 to 25 duodecies of the D. Lgs. 231/2001 or by other legislative provisions (e.g. art 10 L.146/2006 concerning “Transnational Crimes”): the crimes referred to the D.Lgs. 231/2001 can be clustered for better exposure in the following categories:

- Offenses in relations to the Public Administration (e.g. bribery, graft/extortion, embezzlement against the State, fraud against the state, computer fraud against the State, and improper induction to give or promise utility) as mentioned in the Artt. 24 and 25 of D.Lgs. 231/2001;
- Computer crimes and illegal data processing (e.g. unauthorized access to computer or remote system, installation of equipment designed to intercept, prevent or interrupt computer or
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1 The following offences are included: Art. 316 bis c.p. Embezzlement to the detriment of the State; Art. 316 ter c.p. Undue receipt of funds to the detriment of the State; Art. 640, par. 2, n. 1 c.p. Fraud in detriment of the State or other public entity; Art. 640 bis c.p. Aggravated Fraud for the purpose of obtaining public funds; Art. 640 ter c.p. Computer fraud; Art. 318,319 and 319-bis c.p. Bribery related to the performance of the function; Art. 320 c.p Bribery of person in charge of public service; Bribery related to acts contrary to official duties; Art. 319-ter c.p. Bribery in judicial proceedings; Art. 322 c.p. Incitement to bribery; Art. 317 c.p. Graft; Art. 319 quarter Improper induction to give or promise utility; Art. 322 bis c.p. Misappropriation of public funds, embezzlement, graft, bribery and incitement to bribery of the members of European Union’s body and of officials of European Union and foreign States. The Law November 2012 n. 190 has introduced in the c.p. and mentioned in the Decree, the provision contained in the art. 319-quarter “Improper induction to give or promise utility”. With the Law n. 69 of May 27th 2015 has been modified the sanction rules concerning crimes against Public Administration with stricter penalties provision for the offenses under the Criminal Code. It has been also modified the art.317 c.p. concerning “Graft” that now foresees as active subject of the crime- also the person in charge of public service in addition to the Public Officer.
electronic communications, damage to computer systems or telecommunications) as mentioned in the Art. 24 bis of D.Lgs. 231/2001;

- Offences related to criminal association3 (e.g. mafia-style association, including also foreign mafia, election exchange between politics and mafia, kidnapping aimed at robbery or extortion) as mentioned in the Art. 24 ter of D.Lgs. 231/2001;

- Offences against public faith4 (e.g. forging money, public credit notes, revenue stamps or instrument of recognition signs as mentioned in the art. 25 bis of D.Lgs. 231/2001);

- Offences against industry and commerce5 (e.g. disruption of the freedom and commerce, fraudulent trading, sale of industrial products with false signs) as mentioned in the art. 25 bis.1 of the of D.Lgs. 231/2001;

- Corporate crimes6 (e.g. false corporate communications, impeding control, unlawful influence over quota/shareholders’ meeting, private corruption as mentioned in the art. 25 ter of D.Lgs. 231/2001, as amended, first, by Law 262/2005 and, recently, with the D.Lgs. n. 39/2010 and by Law 190/2012);

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2 The art. 24-bis has been introduced in the D.Lgs. 231/2001 by Art. 7 of the law 48/2008. It concerns: art. 491 bis c.p._ Misrepresentation in public documents or with probative effect; Art. 615 ter c.p._ Unauthorized access to computer or remote system; Art. 615 quater c.p._ Unauthorized possession and dissemination of access code of computer or remote system; Art. 615 quinques._ Dissemination of computer equipment, devices or programmes suitable to damage or intercept computer or remote system; art. 617 quater c.p._ Unauthorized interception, impediment or interruption of electronic or remote communications; art. 617 quinques. c.p._ Installation of equipment aimed at intercepting, impeding or interrupting electronic or remote communication; art. 635 bis c.p._ Impairment of electronic information, data e programmes; art. 635 ter c.p._ Impairment of computer or remote systems; art. 635 quater c.p._ Impairment of computer or remote systems; art. 635 quinquies._ Impairment of computer or remote system of public utility; art. 640 quinquies c.p._ Computer fraud of the individual providing electronic signature certification services.

3 The art. 24-ter has been introduced in the D.Lgs. 231/2001 by art 2 par. 9 of the Law n.94 of July 15th 2009.

4 The art.25-bis has been introduced in the D.Lgs. 231/2001 by art.6 of D.L. 350/2001 converted into law with the modifications of the art.1 of Law 409/2001. It refers to the crimes of: art. 453 c.p.(as modified by D.Lgs.n.125 of June 21th 2016) _The forgery of money, the spending and introduction into the country, acting in concert, of forged money; Art. 454 c.p._ Altering money; art. 455 c.p._ Spending and introducing into the State, without acting in concert, forged money; Art. 457 c.p._ Spending of forged money received in good faith; art. 459 c.p._ Forging of revenue stamps, introduction into the State, possession or putting into circulation forged revenue stamps; art. 460 c.p._ Forging of watermarked paper used for making public credit cards or revenue stamps; art. 461 c.p._ Fabrication or keeping of watermarks or instruments intended for forgery money, revenue stamps or watermarked paper; art. 464 c.p._ Use of forged or altered revenue stamps. The regulatory provision was also extended to the art. 473 c.p._ The counterfeiting, alteration or use of trademarks or distinguishing signs or of patents, models and designs and to the art. 474 c.p._ Introduction into the State of products with false brands or signs, with the modification introduced by the art.17 par. 7 letter a) num.1) of the Law July 23th 2009.

5 The art.25-bis. 1. has been introduced by art 17 par. 7 letter b) of Law July 23rd 2009 n.99. It refers to crimes as: art. 513 c.p._ Interference with liberty of industry and trade; art. 513 bis c.p._ Unfair competition with threats or violence; art. 514 c.p._ Fraud against national industries; art. 515 c.p._ Fraud in commercial business activities; art. 516 c.p._ Sales of adulterated food as natural food; Art. 517 c.p._ Sale of industrial products with false signs; art. 517 ter c.p._ Manufacturing and commerce of assets produced by usurping industry property rights; art. 517 quater c.p._ Counterfeiting of geographical origin or origin denomination of food.

6 The art.25-ter has been introduced in the D.Lgs. 231/2001 by art 3 of D.Lgs. 61/2002. It refers to the crimes of: art. 2621 c.c._ False corporate reporting; art. 2622 c.c._ False corporate reporting to the detriment of the quota/shareholders or creditors; art. 2625 c.c. par. 2 _Obstructing control; art. 2632 c.c._ Fictitious capital formation; art. 2628 c.c._ Undue return of contributions art. 2627 c.c._ Unlawful distribution of profits and reserves; Art. 2628 c.c._ Unlawful transaction on shares or quotas of a company or its parent company; Art. 2629 c.c._ Transactions to the detriment of creditors; Art. 2629 bis c.c._ Failure to report conflict of interests art. 2633 c.c._ Improper distribution of corporate assets on the part of receiver; Art. 2635 c.c._ Private corruption; art. 2636 c.c._ Unlawful influence over quota/shareholders’ meeting; art. 2637 c.c._ Market rigging (agiotage); art. 2638 c.c._ Obstructing the performance of the functions of public supervisory authorities. The D.Lgs. 39/2010 abrogated the provisions of art. 2624 c.c. concerning false statements in the reporting or in the communications of Auditing Firm so that has been cancelled also in the D.Lgs. 231/2001. The art 2635 c.c. as “Private corruption” has been introduced into the Decree 231/01 by the Law of November 6th 2012, n. 190. By Law n. 69 of 2015 on “Measures in the area of crimes against the public administration, mafia-style associations and fraudulent accounting,” have been modified the crimes, provided and punished, by the artt. 2612 and 2622 c.c. In particular, has been eliminated the previous threshold for criminal liability of fraudulent accounting and provided a specific liability for Managing Directors, General Managers, Manager in charge for preparing corporate accounting documents, Statutory Auditors, Liquidators of listed companies or overlooking the listing, that control companies that issue listed financial instruments or that call upon the saving account. It has, also, been introduced the art.2621-bis c.c. on “Minor guiltiness” for the commission of the conduct referred to Art. 2621 c.c. characterized by minor guiltiness considering the nature, Company’s size and the approach and the effects of the conduct and the art. 2621-ter of the c.c. which provides a cause of non-punishment for particularly not serious facts.

With reference to the art. 2621 amended, the SS ULI.(i.e. Supreme Court sections) have ruled that “ the crime of false corporate reporting, with regard to the exposure or to the admission of fact under valuation, exists if, in the presence of a set of evaluation criteria or generally technical criteria accepted, the actor knowingly deviates from these criteria and without giving appropriate justifying information, in order to inducing in error the recipients of the reporting”, thus giving a broad interpretation to the letter of the law allowing a wider application of the legal precept.
▪ Offences related to terrorism or subversion of democracy as mentioned in the art. 25 quater of D.Lgs. 231/2001;
▪ Offences against individuals (e.g. crimes concerning trafficking or of maintaining individuals to slavery or servitudes) as mentioned in the art. 25 quater.1 and in the art. 25 quinquies of D.Lgs. 231/2001;
▪ Offences on Market Abuse (e.g. abuse of inside information and market manipulation) as mentioned in the art. 25 sexies of D.Lgs. 231/2001;
▪ Transnational Crimes e.g. Criminal association and the crimes concerning the impediment to justice when are considered as transnational crimes;
▪ Crimes related to the violation of health and safety at workplace (e.g. Manslaughter and culpable serious or very serious injuries committed in violation of the regulations referring to respecting health and safety at the workplace) as mentioned in the art. 25 septies of D.Lgs. 231/2001
▪ Receiving, Money laundering, using of money, goods or profit from illegal activities and self-laundering crimes (the latter introduced by Law n. 186/2014) overall mentioned in the art. 25 octies of the D.Lgs. 231/2001
▪ Crimes in violation of Copyright Law as mentioned in the art. 25 nonies of D.Lgs. 231/2001
▪ Crimes of inducing individuals into not making statements or in making false statement to judicial authorities as mentioned in the art. 25 decies of D.Lgs. 231/2001
▪ Environmental crimes as mentioned in the art. 25 undecies of D.Lgs. 231/2001

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7 The art. 25-quinquies has been introduced in the D.Lgs. 231/2001 by the art.5 of the Law August 11th 2003 n.228. It refers to the crimes: Art. 600 c.p._ Reducing and maintaining individuals to slavery or servitude; Art. 601 c.p._ Trafficking; Art. 602 c.p._ Purchase and alienation of slavery; Art. 600bis c.p._ Children prostitution and its exploitation; Art. 600 ter c.p._ Children pornographic and its exploitation; Art. 600 quater c.p._ Possession of children pornographic material; Art. 600 quinques c.p._ Organization of tourism aimed at the exploitation of the children prostitution. The art. 3, par.1 of the D.Lgs. March 4th 2014 n. 39 has introduced into art 25-quinquies par.1 letter c) of the Decree, the reference to the crime of minor soliciting (art. 609-undecies c.p.). The art. 25-quarter.1 has been introduced by Law January 9th 2006 n. 7 and it refers to the mutilation of female genitals organs (art. 583 bis c.p).
9 Transnational crimes have not been included directly in the D.Lgs 231/2001, but this legislation is applicable based on the art. 10 of Law 146/2006. Is considered as transnational crime any crime punishable with imprisonment of not less than a maximum of four years, when an organized criminal group is involved and whenever the crime: a) is committed in more than one State; b) is committed in one State but a substantial part of its preparation, planning, running or control take place in another State; c) is committed in one State but involves a group of organised criminals involved in criminal activities in more than one State; d) is committed in one State but it has substantial effects in another State. The relevant crimes are therefore: art. 416 c.p _ Criminal association; art. 416 bis c.p _ Mafia-style association; art.291c. quarter (Presidential Decree 43 of 23 January 1973) Criminal association involving the contraband of tobacco imported from abroad; Art. 74 c.p. (Presidential Decree 309 of 9 October). _ Association aimed at the illegal trafficking of narcotic or psychotropic substances; art. 12, (par. 3, 3-bis, 3-ter and 5 of Presidential Decree 286 of 25 July 1998) Dispositions against illegal immigration; art. 377bis c.p._ Inducing individuals into not making statements in making false statements to judicial authorities; art. 378 c.p._ Personal aiding andabetting.
10 The art.25-septies has been introduced in the D.Lgs. 231/2001 by the Law 123/07. It refers to the manslaughter and culpable serious or very serious injuries committed in violation of the regulations referring to respecting health and safety in the workplace (art.589 and 590 par.3.c.p.).
11 The art.25-octies has been introduced in the D.Lgs. 231/2001 by art. 63, par.3 of the D.Lgs 231/07. It refers to the art. 648 c.p._ Receiving; art. 648 c.p._ Money laundering; Art. 648 ter c.p. _ Use of money, goods or profits from illegal activities and art. 648-ter.1c.p._ Sell–Laundering introduced by the Law 186/2014.
12 The art.25-nonies has been introduced by the Law July 23rd, 2009 n. 99 “Provisions for the development and internationalization of companies, as well as in the field of energy” and includes the introduction in the Decree of the Artt. 171 first par. letter a) the third par.171 bis, 171 ter, 171 septime et 171 octies of Law April 22nd 1941 n. 633 regarding the “Protection of copyright and other rights relating to its exercise”.
13 The art.25-decies has been introduced by the art. 4, par.1 of the Law August 3rd 2009 n. 116 that has introduced in the provision of the D.Lgs. 231/2001, the art 377-bis of the c.p. named “inducing individuals into not making statements or in making false statement to judicial authorities”.
14 The art.25-undecies has been added by the art 2 of the D.Lgs July 7th 2011 n. 121 that has introduced in the provision of the D.Lgs. 231/2001a clusters of criminal and of a result of negligence punishable within: 1) art 137 D.Lgs 152/2006 (Environment T.U.) concerning the violations of administrative authorizations, controls and communication towards Authority for the management of discharges of industrial waste water; 2) art 256 D.Lgs 152/2006 concerning the collection, transport, recovery, disposal or, in general unauthorized handling of waste with absence of a permit or in violation of the provision contained in the authorization; 3) art. 257 D.Lgs 152/2006 concerning violations of measure for reclaim of sites that cause pollution of the soil, groundwater and surface water with overcoming the risk threshold concentrations; 4) art. 258 D.Lgs 152/2006 concerning the malicious behaviour committed by anyone that preparing a test certificate for waste with false information on the nature, composition and chemical-physical properties of the waste, and by anyone that uses a false certificate during its transport; 5) art. 259 and 260 D.Lgs 152/2006 concerning activities aimed at the illegal trafficking of waste organized in a simple or association form; 6) art. 260 bis D.Lgs 152/2006 concerning different criminal cases, punished with intent on the computer system that controls the waste tracking (SISTR).
1. Crimes of employment of citizens of foreign countries whose stay is illegal as mentioned in the art. 25 duodecies of D.Lgs. 231/2001

2. Failure to comply with disqualification sanctions as mentioned in the art. 23 D.Lgs. 231/2001.

Moreover, the art.10 of Law no. 146/2006 ("Ratification and implementation of the Resolution and Protocols of the United Nations against Transnational Organized Crime, adopted by the General Assembly on November 15th, 2000 and on May 31st, 2001") extending the administrative liability of companies to a specific crimes in the event when the latter could provide the involvement of an organized criminal group and are characterized by transnational nature.

1.3 Requirements for liability and authors of crimes

For the administrative liability of Entities, it is necessary that the supposed crimes have been committed in the interest or for the benefit of the Entity from one of the following persons:

- Individuals who hold a representative, administrative or managerial position in the Entities or in one of their organizational units that enjoys financial and functional independence, or individuals that, represent, manage and control, also de facto, the Entities ("Apical Subjects");

- Individuals subordinated to the management or supervision of one of the subject referred above ("Subordinated").

Moreover, the Entity’s liability is subject to the following conditions:

- The crimes committed in the interest of the Entity, namely in order to privilege the entity, regardless from the fact that the goals have been actually reached;

- The crime has advantaged the entity regardless from the intention of the individual who has committed it.

Therefore, the Entity is not responsible if the authors of the crime have committed it in their own interest or in the interest of third parties. The responsibility pursuant to the Decree is an additional one and not a replacement or an exclusion of the responsibility for individuals who materially have committed the crimes and it is autonomous from the latter; in fact, pursuant to the art. 8 of the Decree, the Entity could be considered liable even though the author is not punishable, has not been found or the crime is extinguished for causes different from amnesty.

1.4 Sanctions provided in the Decree

Art. 9 of the Decree foresees the following sanctions that can be imposed on the Entity:

- pecuniary sanctions;
- disqualification/prohibitory sanctions;
- confiscation/forfeiture;

with the aim to repress the conduct of forgery of certificate on waste analysis, of transport of waste with altered electronic certificate or paper; 7) art.279 D.Lgs 152/2006 concerning the hypothesis where in a plant, the limit values for emissions of pollutants are exceeded and this also determines the exceedance of air quality limit values. With the Bill n. 1345 on "Ecoreati", which was approved on May 19th, 2015 was added to the Book II of the Criminal Code, the VI-bis Title "Crimes against the environment". Under art. 1 of the Bill, are inserted - in the Decree 231/01 the following environmental crimes: 1) art. 452-bis c.p. _Environmental pollution; 2) art. 452-ter _Environmental disaster; 3) art. 452-quater _Culpable crimes against the environment; 4) Art. 452-quinques _Traffic and abandonment of high-level radioactive material; 5) art. 452-septies _Aggravating circumstances for the crime association under art. 416 c.p.

15 The art 25 duodecies has been introduced in the art. 2 of the D.Lgs July 16th 2012 n. 109 that included in the provision of the Decree 231/01, the crime of the art. 22, par. 12-bis of the D.Lgs July 25th 1998 n. 286.
The pecuniary sanctions are established by the Judge through a system of “quotas”, that cannot be less than 100 and not more than 1000 and the amount of every single quota shall be within a minimum of € 258 and a maximum of € 1549. In case of pecuniary sanction, the Judge determinates:

- the number of quotas in consideration to the seriousness of the crime, the level of Entity’s liability and the activities implemented for avoiding or mitigating the consequences of the event and for preventing the commission of further crimes;
- the amount of single quota based on the economic and financial conditions of the Entity.

It is worth mentioning that in case of homicide and personal injury linked to the violation of the health and safety at work place cannot be sanctioned with a fine less of 1000 quotas. Moreover, in some cases, the pecuniary sanction can be increased.

The prohibitory sanctions can only be applied, in conjunction with the pecuniary sanction, when expressly provided for and in relation to administrative offenses specifically listed in the Decree if certain conditions are fulfilled, and are:

- disqualification from conducting business;
- interruption or annulment of authorizations, licenses, permission functional to the commission of the crime;
- prohibition of entering into agreements with the Public Administration, except for obtaining a public service;
- exclusion from facilities, loans, grants and subsidies, as well as the revocation of those already granted if any;
- prohibition of advertising goods and services.

The prohibitory sanctions have duration from 3 months up to 2 years and in particular and exceptional serious cases can be imposed also in a definitive way.

Moreover, the prohibitory sanction could be applied also as interim measures when there are strong evidence of the entity’s responsibility and when there are specific and well proved elements that raise the possibility of further crimes of the same nature being committed.

The confiscation of the price or the profit of the crime is always applied in case of conviction judgment of the entity; in the case in which the confiscation of the price or profit of the crime is not possible, the confiscation could be order for other amount of money, goods or other goods of the same value of the price or the profit of the crime (confiscation for equivalent).

The publication of the judgment consists in the publication of an abstract of the conviction or the entire judgment with the expenses borne exclusively by the Entity on one or more newspaper decided by the judge and in the publication in the municipality in which the Entity has its principal office.

1.5 Elements that exempt the Entity from liability

The Decree expressly provides, in artt. 6 and 7, the exemption from the administrative liability of the Entity for crimes committed for its advantages and/or interest when the Entity has adopted effective organizational, management and control Model (hereinafter the “Model”), capable of preventing the commission of the crimes listed in the law.
In particular, in case in which the crime has been committed by the Apical Subjects, the Entity is not responsible if proves that:

- The management body of the Entity has adopted and effectively implemented, prior to the commission of the crime, organizational, management and control models capable of preventing the commission of crimes of the same nature of the one committed;
- The task of supervising on the functioning and on the effective compliance of the Model has been entrusted to an Independent Body provided with independent decision making and control powers;
- The individuals that have committed the crimes have fraudulently circumvented said organizational and management models;
- There is no evidence of omitted or insufficient control by the Independent Body on the functioning and compliance of the organizational and management models.

For the crimes committed by the Subordinates, the Entity can be considered liable when it has been proved that the commission of the crimes has become possible because of the failure to comply with the obligations of managing and surveillance. In this case, the Decree has recognized the Entity’s liability for violation of the control and supervising powers, that are, typically, the tasks of the top management of a company (or on the subjects that received an appropriate entrustment of power).

There is no failure to comply with the obligations of managing and surveillance, if the entity, prior to the commission of the crime, has adopted and effectively implemented an organizational, management and control model capable of preventing the commission of crimes of the same nature of the one committed.

The simple adoption of the Model by the management body is not sufficient for the exemption of the responsibility of the entity, being necessary that the Model would be suitable, efficient and effective. On this regard, the Decree lists the main requirements that the organization, management and control model has to meet.

In particular, to prevent crimes, the Model shall (Art. 6 c. 2 of Decree):

- Identify and define the activities of the companies where the crimes listed in the Decree can be committed;
- Provide for specific protocols with the aim of planning the making and implementation of the decision within the Entity in relation to the crimes to be prevented;
- Establish the procedure of finding and management of economic resources capable of preventing the commission of such crimes;
- Provide for duties of information towards the Independent Body entrusted of supervising and of compliance of the organizational, management and control model, in order to allow the concrete operational capability;
- Introduce an internal disciplinary system capable of sanctioning the failure to comply with the measures indicated in the organizational, management and control model, in order to guarantee its effectiveness.

Moreover, with reference to the effective implementation of the Model, it is provided for (Art. 7 c.4):

- Regularly check and eventual modification of the Model when some violation of the prescriptions have been discovered or when change in the organization or in the activity of the company has been carried out;
- Introduction of an internal disciplinary system in order to sanction the failure to comply with the measures indicated in the Model.
At these requirements, it shall be added, with reference of the crimes committed for violation of the prescriptions of health and safety at workplace, those specifically listed in Art. 30, c. 1, of D.Lgs. 9 April 2008, No. 81 ("D.Lgs. 81/08"), according to which the organizational Model shall be construed in a manner that allows the company’s system to fulfill all the obligations contained herein:

a. Fulfillment of the technical and structural standard as per legislative prescriptions of tools, plants, workplace, chemical, physical, biological agents;
b. Risks evaluation activities and preparation of related prevention and protection measures;
c. To organizational activities, such as emergencies, first aid, management of outsourcing contracts, consultation with union workers representative for safety;
d. To activities of health surveillance;
e. To activities of information and training of workers;
f. To supervising activities with reference to the compliance of workers to all the procedures and instructions for work in safety;
g. To acquisition of documentation and compulsory certification according to the law;
h. To periodical checks for the implementation and effectiveness of the adopted procedures.

Moreover, the Model shall provide for suitable registration system of all the fulfillment of all the activities described above and an articulation of functions able to ensure all the technical competence and all the required powers necessary for the check, evaluation, management and control of the risks.
2 AUTOMOBILI LAMBORGHINI ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

2.1 The Company and its structural organization

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The Company has a “traditional” administration and control system, composed by the following bodies:

i. Board of Directors with the managing power of the Company pursuant to in Art. 2380-bis of the civil code;
ii. Statutory Auditors with “administrative control” functions pursuant to Art. 2403 of civil code;
iii. External Auditors in charge of the accounting control pursuant to Art. 2409bis c.c.;

The Company has established an internal Comitato di Direzione that is regulated according to appropriate Standing Orders.

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2.2 Purposes of the Company

Among the purposes that the Company is pursuing, there is the need to ensure the legality, correctness and transparency in the management of its business and its activities, in order to safeguard either its position and image in the market either the expectation of its shareholders, clients and employees thus the community.

In order to reach aforementioned purpose, the Company has adopted, since time, a business governance system construed in accordance to and responding to the best international practice.

In consideration of the foregoing, the Company has deemed consistent with its business policy and objectives the adaptation of its governance system to the provisions set forth in the Decree and proceed to the preparation, adoption and progressive updating of an organizational, management and control model.

2.3 Preparatory activities prior to the adoption and updating of the Model

2.3.1 Provision of the Decree and Guide Lines of Confindustria

The preparation and subsequent updates of the Model have been preceded by several preliminary activities in line with the provision of the Decree:

a) “identification of risks”, i.e. analysis of the company’s context in order to recognize in which area/sector of the business and with which way any events contrary to the Decree may occur;

b) “construction of the control system” (c.d. protocols regarding the scheduling of training and implementation of the entity’s decision scheduling), i.e. evaluation of the entity’s existing system and its eventual adaptation in order to render it suitable to effectively struggle the identified risks, namely to reduce risks to an “acceptable level” taking into account: i) the probability of occurrence of the event; ii) impact of the event.
With the compliance of these requirements, the organization and management models can be adopted on the basis of code of practice drawn up by the trade union associations considered as suitable by the Ministry of Justice.

Automobili Lamborghini in this regards, has construed its organizational Model according to the methodology and criteria indicated in the “Guidelines of Confindustria for the construction of organizational, management and control Models pursuant to D.Lgs. 231/2001” (“Confindustria Guide Lines”) issued on March 7th, 2002 partially changed on March 31st, 2008 and with last updated on July 23rd,2014.

It should be noted, however, that the possible deviation from specific topics of the Guide Lines used as reference does not affect, itself, the validity of the Model.

The single Model, due to the fact that has to be developed with reference to the concrete Entity’ peculiarity, may differ from the Guide Lines (which, by their nature, are of a general standard) for a better respond to the prevention requirements as mentioned in the Decree.

2.3.2 Operational steps and applied methodology

Since the Model is a "document issued by the Management", in accordance with the provision of Article 6, paragraph 1, letter a) of the Decree, the adoption, the following amendments and integrations are in the responsibility of the Company’s Board of Director or of the Managing Directors.

The following phases of activities have been carried out for the preparation and any subsequent updates of the Model, with a further preliminary phase related to the presentation to the Company’s management with the aim of an effective involvement in the activities necessary to the adoption of the Model.

The above mentioned preliminary activities have been carried out through a self-assessment activity (with the support of external consultants) related to the examination of the Company’s documentation (charts, policy, procedures, proxies etc.) of the processes and the Company’s practice also through interviews with the personnel. All the documentations with the evidences of the work carried out are stored in the Company’s headquarter and are integral part of the Automobili Lamborghini’s Model.

The same activities, as applicable, will be implemented for any future Model’s updates.

2.3.3 Mapping of “area at risk of crime” and analysis of potential risks

The first phase of activity was related to the identification within the Company’s areas whereby theoretically is possible to assume the probable commission of the offenses referred to the Decree.

Afterwards, for every “area”, specific activities at risk of crime (sensitive activities) pursuant to the Decree have been identified and for each of said area, have been acknowledged the possible forms of offenses committed.

In the identification of the sensitive activities have been considered either the activities that are directly linked at crime risk, either those “instrumental”, namely those activities that – even not directly relevant pursuant to the Decree – might be, in principle, as conditions, occasions or means for the commission of crimes.
2.3.4 Risk assessment

After the mapping of the area at risk of crime, an evaluation of the internal control system has been carried out through:

I. Check, within the risk area and with reference to the activities above described, of the preventive control (i.e. formalized procedures, operative practice, segregation of duties, system of financial resources management etc.) that potentially exists within the Company and their suitability to guarantee that the risk of commission of crimes are reduced to an “acceptable level” (“as is analysis”);

II. Identification, within the existing control system, of possible lack or criticality and the subsequent corrective actions necessary to improve said system (“gap analysis”).

Within said activity, the suitability of the financial resources system adopted by the Company has been evaluated, with the aim to ensure the accountability, traceability and transparency of the expenses.

2.3.5 Construction of the other sections of the Model

In this phase the further sections of the Model have been construed through:

a) the update of the Ethic Code of the Company in order to adjust its contents with the aims contained in the Decree and the Guide Lines;

b) the provision of a standard contractual clause to be inserted in the main contracts concluded by the Company with its supplies, clients, distributors, brokers and with all the third parties with whom it has relationship in activities considered at risks pursuant to the Decree;

c) the definition of the disciplinary and sanctioning system (in addition to the provision foreseen in the applicable CCNL) as consequences to the possible violation of the Ethic Code and the Model;

d) the preparation of a regulation for the Independent Body with the provision of powers, prerogative and faculties necessary to fulfill the needs of control on the functioning, effectiveness and compliance with the Model.

2.4 Adoption of the Model

Automobili Lamborghini has since 2011 officially adopted its own Organizational, Management and Control Model based on Decree 231/01 requirements.

Afterwards to the date of the first adoption, the Company has initiated the subsequent updates of the Model, in correspondence with the progressive introduction of new crimes in the D.Lgs. 231/2001 and organizational changes that have affected the Company over years.

The Board of Directors has appointed, in accordance with Art. 6 of the Decree, the members of the Independent Body (“Independent Body” or “ODV ”) with the task of supervising on the functioning, effectiveness and compliance of the Model and of ensuring its necessary update and implementation.

The main aims that the Company intended to pursue with the adoption of the Model are the following:

- Create in every subjects that act in the name, behalf and interest of the Company, the culture of lawfulness and the awareness of the possibility of being sanctioned, both on the administrative and criminal side, in case of violation of the provisions contained therein, not only for them individually but also toward the Company;
- Condemn any form of illicit behavior carried out by every subjects that act in the name, behalf and interest of the Company, for being contrary both to the provision of the law and to the ethical principles adopted and followed by the Company;

- Guarantee to the Company, due to a controlling and monitoring action of the business activities in the areas at risk, the concrete and effective possibility to promptly intervene in order to prevent the commission of the crimes.

Moreover, the Model proposes to:

- Make aware and broaden at all the Company’s levels, the rules of conduct and the planning protocols of training and implementation of the decisions made by the Company in order to manage and, consequently, avoid the risk of commission of crimes;

- Entrust the Independent Body of specific duties and adequate powers in order to proper monitor the effective implementation and on the continuous functioning and update of the Model, as well as evaluate that over time the Model remains valid and functional;

- Render possible the check of the decisional processes, authorization and their development within the Company, in order to ensure the preventive characterization and traceability in every relevant component;

- Define the responsibility in the formation and implementation of the Company’s decisions;

- Establish that the authorizational powers and signatures assigned are consistent with the organizational and management responsibility granted, ensuring that all the acts with which powers, proxies and autonomy have been granted are consistent with the preventive control principles;

- Evaluate the activities of all the subjects that interact with the Company, within the area at crime risk as well as the functioning of the Model, taking care of the necessary periodical update in a dynamic sense, in the case in which the analysis and evaluation carried out show the need to undertake correction and update.

2.5 The Model and the governance of the Company

With the adoption of the Model, the Company wanted to complete and improve its governance system represented by a structured and organic set of rules, directives, codes of conducts, procedures and control systems in order to prevent the commission of the different type of crimes provided in the Decree and considered as relevant for the Company.

In particular, the adoption of the organizational Model, has entailed the integration of the policy system, the existing procedures, directives and controls – where deemed appropriate – with the aim to adjust them to the fulfillment of the following fundamental principles:

i) Verifiability, accountability, traceability, adequacy of every operation;

ii) Separation of functions involved in the management of each process;

iii) Clear definition and formalization of the responsibilities and powers granted by the Company;

iv) Need that each important operation has an adequate internal authorization;

v) Provision of limits of the exercise of powers in the name and on behalf of the company;

vi) Consistency between the powers formally granted and those concretely exercised within the organization of the Company;

vii) Consistency between the control systems (included the procedures, the organizational structures, the information process and system), the Ethic Code and the rules of conduct adopted by the Company;

viii) Documentation and traceability of the performed controls.
Consistently with the above mentioned principles, the governance system of Automobili Lamborghini is composed of the following elements, synthetically considered:

2.5.1 **Ethic Code**

The Ethic Code of the Company establishes the conduct principles and the behavioral guidelines that the persons in charge of responsible functions, the management, the employees and all the persons that cooperate for whatever reason with the Company are obliged to comply with, during their activities. The Ethic Code, that is the foundation of the preventive control system of Automobili Lamborghini, is conceived as “chart of values” containing the general principles that level the company’s activities and that are translated in other rules of behavior ethic oriented. The set of those rules, with general character and easy to understand, pursues the explicit scope of avoiding misconduct or ambiguous behavior through a clear enunciation of the rules that should be obeyed, with the warning that in case of violation, the Recipients should be sanctioned.

2.5.2 **Organizational Structure**

The organizational structure of the Company is of functional type with integration mechanisms through “ad hoc” Committees. In the Company’s organizational charts are represented the Directions i.e. the functions that report directly to the CEO and the other organizational units in which the Company is constituted, the hierarchy and functional structure, the names of the individuals that are in charge of the organizational units.

The structure of roles and the tasks and responsibilities assignment is construed in accordance with the principle of powers articulation and with the consistency between the responsibility formally granted and those concretely undertaken by every individual within the organizational team.

In case of organizational changes, the company’s chart is duly and periodically updated in accordance to the governance principles of the Company.

2.5.3 **Proxies and internal signatures**

The Company has adopted a formalized system of power of attorney and internal proxies consistent with the powers concretely exercised by the individual’s belongings to the Company’s organizational structure. Automobili Lamborghini’s proxies system, according to the separation of functions criterion, is based on the double signature principle, according to which no operation, actions or transaction can be carried out in the name and on behalf of the Company without the double signature of two proxy holders. Moreover, the double signature representative system is based on the independence hierarchy principle between the proxy holders, with the exception of specific company’s area in which said system is applied within the same function.

2.5.4 **Manual and computer procedures**

The Company’s activity is regulated by several policies, manual and computer procedures as well as directives that show the operational instruction of the working activities and the related control systems. Specifically, said procedures regulate the way of development of the company’s processes, with the provision of control to be carried out in order to guarantee the correctness, transparency and traceability of the company’s activities.
These procedures are contained, inter alia, in the Quality Manual (“QMS”) and are available for all the employees through the company’s intranet. The directives with the aim of ensuring that the tasks assigned within the organization are consistent with the overall Company’s objectives and that responsibilities and competences are transparent, are also published on the company’s intranet page and approved at the level of the Comitato di Direzione.

Specific training activities are organized within each O.U. or at overall Company’s level.

2.5.5 **System of management and control of financial resources**

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2.5.6 **System of environmental management and quality**

The Company has adopted a system of the quality management according to the rule UNI EN ISO 9001:2008 and a system of environment and energy management consistent to the standard ISO 14001:2004 and ISO 5001:2011. These systems are certified and contribute to give clear evidence to the concerned company’s process and to bring, also through “audit” and controls carried out at scheduled timing, more attention on the compliance with the related procedures and instructions. Moreover, the certification, allows a proper check on the compliance with and efficacy of the procedural system, being integrated in the broader control framework of the Decree 231/2001.

2.5.7 **System of communication and training for personnel**

The Company has a communication and training system for the personnel having as object the Model, procedures and rules of conduct to be adopted with particular reference to the individuals that act in the area considered as at risk of commission of crimes pursuant to the Decree. Detailed description of said communication and training activities is contained in the following paragraph 5.

2.5.8 **Disciplinary and sanctioning System**

In order to ensure the effective and concrete application of the Model, the Company has adopted a sanctioning system with the aim of punishing the violation of the Ethic Code and the other provisions of the Model – as well as the procedures, directives, policies and all the rules that are part of it - of all its Recipients. In fact, this system provides:

i) Disciplinary measures aimed at sanctioning possible violation carried out by employees and by the management of the Company pursuant to the provisions set forth in the laws and in the collective labour agreement for the protection of the workers;

ii) Sanction measures of contractual nature and other measures against the different individual that, for different reasons (e.g. suppliers, commercial partner, Statutory and external Auditors etc.) have significant relationship with the Company and to which compliance to the Model and with the Ethic Code is required.

2.5.9 **Controlling and Monitoring Activities**

The above mentioned governance Model is subject to continuous inspecting and monitoring activities carried out by special control body, either internal either external to the Company, among which:
an **Independent Body** appointed by the Board of Directors with the task of supervising the functioning and the compliance of the Model and its updating and implementation;

- an **External Auditors Company** and the **Statutory Auditors** that carry out all the checks provided for in the law, mainly in the field of account control, respectively, in the Auditors Book and in the Book of the Statutory Auditors Meeting;

- the **internal “Quality” function** within the periodical check foreseen in the related management system;

- The **certification company** of the environmental management system and quality through periodical *audit* carried out for the certification renewal.

### 2.6 The contents of the Model

The Model is construed by all the “components” listed in the last paragraph and by all the procedures, directives and group’s policies and all the management control systems there cited and/or mentioned in this document.

The Model consists of one “**General Section**” and related annexes and single “**Special Sections**”.

The General Section contains:

- i) A concise description of the Decree and its content;
- ii) The general rules and principles of the Model;
- iii) The tasks and the functioning of the Independent Body;
- iv) The disciplinary system;
- v) The definition of a communication, information and training system on the Model;
- vi) The provision of periodical check and update of the Model.

Attached to the Model are:

A. The Ethic Code in which the rules of conduct adopted by the Company are described (Annex “A”);

and

B. A standard template of contractual clause to be inserted in the agreement executed with collaborators, commercial partners and, in general, all the third parties with whom the Company undertakes relationship (Annex “B”).

The single Special Section have been elaborated with reference to the specific crimes for which it has been deemed existent an actual risks of commission in the interest of or for the advantage of the Company, among which, in particular:

- **Special Section “1”:** Crimes against Public Administration;
- **Special Section “2”:** Computer Crimes and unlawful data processing;
- **Special Section “3”:** Corporate Crimes and private corruption;
- **Special Section “4”:** Crimes against Intellectual Property and in violation of copyright law;
- **Special Section “5”:** Crimes Against Individuals;
- **Special Section “6”:** Market Abuse;
- **Special Section “7”:** Crimes related to violation of health and safety at work;
- **Special Section “8”:** Receiving, money laundering and use of money, goods or profits from illegal activities and self-laundering;

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For each Special Section, it has been indicated:

i) A brief description of the crimes deemed relevant for the Company;
ii) The process or the company's activities considered at risk of commission of said crimes;
iii) A summary of the preventive controls system adopted by the Company;
iv) The general rules of conduct to be adopted in relation to said crimes;
v) The protocols and the specific indications of conduct to be followed in order to prevent the risk of commission of said crimes.

More particular, the purpose of each Special Section, is:

a) To provide to the Recipients of the Model an indication of the general principles and the specific rules of conduct to be compliant with in order to obtain a correct implementation of the Model;
b) To provide to the Independent Body and the Company's functional responsible that have to cooperate with it, the operational principles necessary for its controlling, monitoring and checking activities.

It is worth noticing that this document has been so construed in order to guarantee a more efficient and quick update activities and possible implementation: the company's evolution or change and the development of the legislation – such as, by way of example, a possible extension for the type of crime that, according to certain modification in the legislation, become part or somehow connected with the Decree – could render necessary the Model integration.

The Board of Directors of the Company, also according to the initiatives and suggestions of the Independent Body, shall have the faculty, at any time, of integration of the Model, amend its parts and add further Special Sections.

2.7 Adoption of the Model by the subsidiary companies

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2.8 Modifications of the Model

In order to meet the needs of the organization, it has been given to the Comitato di Direzione the power to approve any new Company directive, or modification of an existing directive that should be adopted by the Company.

The Board of Directors of the Company, being this Model an act of the management body (cfr. Decree, Art. 6) will approve every modification and substantial integration of the Model itself. Departing from the provision of Art. 2388 c.c., in order to guarantee the stability and effectiveness of the Model, the decision for the modification and substantial integration of the Model should be approved with the favorable vote of two thirds of the directors present at the meeting.

2.9 Recipients of the Model and areas at risk of crime
The compliance with the provisions contained in the Model, its Annexes and its Special Sections is mandatory for all its Recipients (hereinafter also as “Recipients”), i.e.:

- The members of the corporate bodies;
- Employees and management;
- Collaborators, suppliers and every person that is in relation with the Company and that somehow represent it in front of third parties.

The Company refuses every derogation from the application of the provisions contained in the Model by its recipients.

Possible violation of the Model shall be sanctioned in the term and way provided in the Disciplinary and Sanctioning System (see paragraph 4 below).
3.1 Independent Body’s composition and its appointment

According to the provisions of the D.Lgs. 231/2001 - art. 6, paragraph 1, lett. a) and b) - the Entity may be acquitted from liability arising from the commission of crimes by the subjects qualified ex. art 5 of D.Lgs. 231/2001, if the Governing Body has, among other things, entrusted to monitor the implementation and compliance with the Model, as well as to promote its upgrade, to a Body with autonomous powers of initiative and control.

In accordance with this requirement and following the instructions provided by the Confindustria Guide Lines, Automobili Lamborghini has therefore identified its own Independent Body (hereinafter ODV) in order to ensure, in relation to its organizational structure and the degree of risk of commission of offenses under the Decree, the effectiveness of controls and activities of which the same Body is in charge of.

In particular, Automobili Lamborghini has chosen to appoint a collective Body, placed in a staff position with respect to the Governing Body, composed by three members, namely:

- an internal member of the Company with the tasks of independence, professionalism and integrity;

- two external members, including a Statutory Auditor, characterized by independence, integrity, autonomy and professional skills as well as legal experts in criminal and corporate sector.

This solution is able to provide, in relation to the Company’s size and to its organizational complexity, the effectiveness of controls in charge of the Independent Body.

The Independent Body is appointed by the Board of Directors and remains in charge for a period of 3 accounting periods or for the less period of time established at the time of the appointment but in any case not less than one accounting period.

At moment of the appointment, the Board of Directors establishes the fee of the OdV’s members.

The Governing Body, during the company’s budget formalization, approves an adequate financial provision, proposed by the OdV, available to the latter for every need necessary to the correct performance of its task (i.e. expert advisory, business trips, etc.).

3.2 Regulation of the Independent Body

The OdV has the task to draft an own internal document (i.e. hereinafter Regulation) in order to govern the aspects and the detailed arrangements of its actions which is made known to the Board of Directors.

The Independent Body is free to determine the provisions of its Regulations, within which must, in any case, be disciplined the following activities, which constitute the minimum content:

- Type of checking and surveillance activities by the OdV;
- Type of activities related to the update of the Model;
- Type of activities carried out to fulfill the task of information and training of the Recipients of the Model;
- The management of the information flow from and to the OdV;
The functioning and the internal organization of the OdV (i.e. call of meeting, decision of the Body, minutes of the meeting etc.).

3.3 Termination of the office

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3.4 Requirements of the Independent Body

According to the provisions set forth in Art. 6, par. 1, of the Decree, the OdV has the task of supervising the functioning and compliance to the Organizational, Management and Control Model, taking care of the updating and is provided with initiative and control powers.

In particular, the Company’s OdV fulfils, in its collegial composition, pursuant to the provisions set forth in the Decree and Confindustria Guide Lines, to the following requirements:

- **Autonomy and Independence**, because:
  - The control activities carried out by the OdV are not subject to any form of interference and/or conditioning by internal individuals of the Company;
  - Reports directly to the company's top management, namely the Board of Directors with the possibility of reporting directly to the shareholder and the Statutory Auditors;
  - It has not been granted any operational tasks nor it is involved in the decisions and operative tasks for guaranteeing the impartiality of its judgment;
  - It has been granted to adequate financial resources in order to allow the correct development of its activities;
  - The OdV’s internal rules of functioning are established and adopted by the OdV itself.

- **Professionality** because the professional skills present in the OdV allow it to rely to a sound knowledge either on the side of the inspecting activity and the control system either to legal knowledge; in this regard, the OdV can rely on the company functions and internal resources and external consultant.

- **Continuity of action**: because the OdV is an ad hoc body exclusively dedicated to the surveillance activity on the functioning and compliance of the Model.

- **Honorability and absence of conflict of interests and convictions** to be understood in the same meaning of the requirements provided by the law with reference to the directors and statutory auditors.

The Board of Directors evaluates the permanence of said requirements and operational conditions, and that the OdV’s members are in possession of the subjective requirements of honorability and competence and are not involved in conflict of interests in order to further guarantee the OdV’s autonomy and independence.
3.5 Functions, Activities and Powers of the Independent Body

Pursuant to the provisions set forth in art. 6, par. 1 of the Decree, to the OdV is entrusted the supervising, the functioning and compliance of the Model and taking care of its update. In general, the OdV has the following duties:

- **Check and Surveillance** of the Model, namely:
  - Check the adequacy of the Model, in order to prevent the commission of illicit behaviors, and underline the possible commission;
  - Check the effectiveness of the Model, namely the consistency between the concrete behavior and those formally listed in the Model;
  - Carry out analysis on the maintaining during the times of the requirements of soundness and functionality of the Model.

- **Update** of the Model, namely:
  - To be active in order to have the Company’s Model update, proposing, whether necessary, to the Board of Directors and the competent company’s O.U., the update in order to improve the adequacy and efficacy.

- **Information and training** of the Model, namely:
  - Promote and monitor initiatives aimed to spread the knowledge of the Model among all the individuals that are obliged to comply with its provisions;
  - Promote and monitor all the initiatives, including courses and communications, aimed to foster the knowledge of the Model by the Recipients;
  - Evaluate all the requests of clarification and/or consultancy coming from the O.U. or company’s resources or the administrative and controlling bodies where linked or referred to the Model.

- **Management of the information flow** from and toward the OdV, namely:
  - Ensure the exact fulfillment, by all the involved subjects, of all the reporting activities related to the compliance of the Model;
  - Examine and evaluate all the information and/or warnings received and related to the compliance to the Model, included possible violation to it;
  - Inform all the concerned bodies, below specified, about the activities executed, the related results and the scheduled activities;
  - Report to the competent bodies, for the necessary measures, the possible violations of the Model and the responsible individuals, proposing the sanctions deemed more appropriate in the concrete case;
  - In case of controls from institutional subjects, included the Public Authority, supply all the necessary information to the inspecting bodies;
  - follow-up activities, namely check the implementation and the functionality of the proposed solution.

One should remark that the functions and duties above described are referred to all the Model components and with particular evidence to the Ethic Code, for which the OdV undertakes the responsibility to monitor also aspects that could be outside the scope of the Decree.

In order to carry out its duties, the OdV has been entrusted with all the necessary powers to ensure a proper and efficient surveillance on the functioning and compliance of the Model.

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The OdV, also through its own resource, has the power, by way of example:

- carry out, even without notice, all the checks and inspections deemed necessary for the proper performance of its duties;
- have free access, in all the functions and Organizational Units, to all the records and documents of the Company, without any kind of prior consent or need of authorization, in order to obtain any information, data or document deemed necessary;
- interviews, where necessary, the individuals that can supply useful indication or information on the execution of the company’s activities or malfunction or violation of the Model;
- uses, under its own surveillance and responsibility, the help of all the Company’s structure or external consultants;
- having, for every need related to the correct development of its duties, the financial resources allocated by the Board of Directors.

The OdV should report the results of its activity to the Board of Directors of Automobili Lamborghini S.p.A. or to the Managing Directors delegated for that purpose, if appointed, according to Art. 2381 of the Civil Code.

In particular, the OdV should report the detected violation of the Model in order to adopt the appropriate sanction and in case of occurrence of cases that underline serious criticalities of the Model; it shall propose modifications or integrations.

The OdV shall prepare for the management body a report, at least every six months, on the activity performed and its result and on the implementation of the Organizational, Management and Control Model within the Company; this report (only for information) shall be forwarded to the Statutory Auditors.

The OdV’s activities are unquestionable by every company’s bodies, structure and function, with the exception of the surveillance duty of the Board of Directors on the adequacy of the composition of the OdV and on its activity, being the Board of Directors responsible on the functioning and efficacy of the Model.

For the development of its surveillance functions, the OdV has been granted adequate financial resources and has the faculty to use – under its surveillance and responsibility – the internal company’s structure and, where necessary, the support of external consultant according to the applicable company’s procedure.

The way of the internal functioning of OdV is placed to OdV itself, that defines – with an appropriate regulation – the aspects related to its surveillance functions, included the determination of the control timing, individuation of criteria and analysis procedure, minutes of the meetings, the regulation of the information flow etc.

3.6 **Information flow towards Independent Body**

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3.7 **The Whistleblower system**

All the information referred to in the above paragraph 3.6 or any other communication considered relevant to enable the OdV to adequately perform its supervisory duties, must be sent to the Independent Body in writing to the following e-mail address:

odv@lamborghini.com

Or by mailing address: Independent Body at Automobili Lamborghini S.p.A. – Modena Str. n. 12, 40019 S. Agata Bolognese (BO)

The above channels can also be used by those who are in possession of information relating to the commission of offenses or practices not in line with the rules of conduct and the principles of the Ethic Code or of this Model.

All the members of the OdV have access to the above channels and they act for protecting the whistleblower against any form of retaliation, discrimination, penalization or any consequence deriving from the reporting, ensuring the not disclosing of their identity, however without prejudice to the legal obligations and the protection of the Company rights or of persons falsely and/or in bad faith accused.

Furthermore, in compliance with art. 6, paragraph 2 bis, Legislative Decree 231/2001 which request that one or more dedicated channels have to be included in the Model 231, of which at least one computerized, through which employees or collaborators can send detailed and precise hints on unlawful conduct or violations of the Model identified by them, the Company has set up additional channels to protect even more the identity of the whistleblower concerning the reporting of illicit facts.

To provide a further guarantee of confidentiality, it has been created the following e-mail box: odv-anonymous@lamborghini.com

The above email address is accessible only to the two external lawyers members of the OdV and not to the internal member, so as to ensure even more the confidentiality about the identity of the whistleblower, whose name will therefore not be known by anyone within the Company, however without prejudice to the legal obligations and the protection of the Company rights or of persons falsely and/or in bad faith accused.

In addition, the Company, as part of the Volkswagen Group, has implemented the VW Group whistleblower system (U_003 and KRL 3), in which respect acts also the Independent Body as it is an integral and active part of it and that provides employees with additional channels to submit hints with the guarantees provided for the whistleblower\(^\text{16}\). The channels made available by the Group also include a web platform and a 24/7 hotline for anonymous hints, and are:

Email: whistleblower-office@audi.de;

Web platform: www.bkms-system.com/audi (anonymous hints)

24/7 hotline: +800.444.46300 (tool free service); + 49-5361-946300 costs based on local phone provider

Postal Address: Audi Investigation Office - AUDI AG –I/FG-C - 85045 Ingolstadt –Germany

Ombudspersons: http://www.ombudsmen-of-volkswagen.com

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\(^{16}\) The VW Group provides several channels through which anyone can submit a hint, as reporting a fact based on concrete elements and not on mere assertions, concerning possible violations of law and/or of regulations related to the behaviour of employees in the course of their working relations. For further information, refer to the Whistleblower section on the website www.lamborghini.com
In accordance with the provisions of the Policy 0025 and with the information flow system to and from the Audi Investigation Office, the Independent Body is involved in the process of managing reports sent to one of the Group's channels, depending on the severity of the facts reported. In any case, the hints must be based on precise elements, in order to allow the recipient to immediately assess the relevance of the information.

Moreover, the whistleblower in bona fide will be protected against any form of retaliation, discrimination, penalization or any negative consequence deriving directly or indirectly from the hints, as provided for by art. 6 of Legislative Decree 231/2001.

At this regard, it should be noticed that the employees have the duty of diligence and of loyalty toward the Employer pursuant to artt. 2104 e 2105 of the Civil Code: for this reason, the correct fulfillment of the obligation to provide information by the employee cannot cause the application of disciplinary sanctions. Any retaliatory conduct committed against the whistleblower or however aimed at violating the whistleblower’s protection measures put in place by the Company’s Management or by persons that acting on behalf of the Company, is therefore sanctioned according to the procedures set out in Chapter 4 of the Part General.

The conduct of those who knowingly falsely accuses someone is also sanctioned. In fact, anyone who unjustly accuses someone (i.e. the hint is based on unfounded information reported in bad faith) will in turn be subject to sanction as this behavior will be deemed to be a regulatory violation.

The protection offered to the whistleblower wants also to be an instrument to discourage anonymous reports that, if not characterized by an extreme degree of precision and detail, make it difficult if not impossible to start depth analysis and assessment on the case.

3.8 **Filing of information**

Minutes should be taken of the meetings of the bodies and copies should be stored. Every information, warning, report provided by said Model are stored by the Independent Body in a reserved computer/paper archive according to the provisions set forth in D.Lgs.n. 196/2003 and for a period of 10 years.

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4 DISCIPLINARY SYSTEM

In order to ensure the compliance, efficacy and implementation of the Model, pursuant to the provisions set forth in articles 6 and 7 of the Decree, Automobili Lamborghini intends to adopt an adequate and efficient sanction system, through the preparation of a set of rules that defines the type of “sanction” to be inflicted in case of violation of the provisions of the Model and the Ethic Code by the employees, external collaborators, top management, management, apical subjects within the Company’s structure, suppliers and/or any other subject that has a professional or commercial relationship, for whatever reason, with the Company.

It is worth pointing out that the application of “disciplinary sanctions” and of the measures below listed is without prejudice to a possible crime proceeding that involves the author of the violation, because the rules of conduct in the Model and in the Ethic Code are voluntarily adopted by the Company in full autonomy.

4.1 Sanctions for employees and measures for management

4.1.1 General Principles and punishable conducts

The compliance, by the employees and management of the Company, with the provision of the Model, the Ethic Code and company’s protocols and the procedures provided in the Model or there recalled, are integral part of their contractual obligation pursuant to article 2104 of the Civil Code.

Any failure to comply with said provision, shall be deemed as a breach of the contractual obligations resulting from the employ relationship by the employees and/or the manager and shall bring the application of sanctions and/or disciplinary measures, in compliance with the procedures established in the applicable rules as below indicated, with all the consequences prescribed by the law, also referring to the preservation of the job and the obligation to restore all the damages that could arise.

The Disciplinary System is applied in case of failure to comply with the internal procedures, directives, principles and policies (as well as the order conveyed by the Company either oral either written) provided for or cited in this Model or in the Ethic Code, in particular in the case in which the following punishable conducts take place (typical infringement):

- Failure to comply with the Ethic Code and the Company’s procedure/directives to which the Model makes reference;
- Lack of control by the Function responsible (Manager) or the personnel in charge of O.U;
- Lack or false evidence of the activities carried out related to the ways of documentation, storage and control in area at risk of crime in order to decrease their transparency and hinder checks;
- Violation and/or avoidance of the control system, by removing destroying, altering or omission of the documentations foreseen by the procedures in force or the obstruction the concerned individuals and the Independent Body from the control or access to the requested information and to the documentation;
- Failure to comply with the provisions related to the signature powers and the proxies;
- Lack of supervision by the hierarchical superior of the individuals under their control regarding the effective application of the Model and of the Ethic Code and of the company's procedures;
- Failure to comply with the duty to inform the Independent Body;
- Communication to the Independent Body, to the hierarchical superior or to other subjects with the duty to report to the OdV, of a warning about one of the conducts described above, acknowledging that said warning is false or mischievous;
- Lack of information of the Independent Body and/or the direct hierarchical superior or a Model’s infringement for which there is a direct and sure evidence;
- Lack of communication/training/updating to the internal and external personnel operating in the areas potentially at risk of crimes.

4.1.2 Sanctions for employees

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4.1.3 Measures towards management

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4.1.4 Verification of violation and imposing sanctions activity. Disciplinary system

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4.2 Measures for Managing Directors

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4.3 Measures for the members of Statutory Auditors

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4.4 Measures for collaborators and commercial partners

The consultancy/collaboration agreements with Externals made express reference within the contractual obligations, to the observation of principles contained in the Ethic Code and, as applicable to them, in the Model.

In case of infringement by collaborators, suppliers or commercial partners of the provisions of the Model or of the Ethic Code, the Board of Directors, jointly with the Independent Body, and if necessary the Statutory Auditors, evaluate if terminate the contractual relationship and impose the remedy provided in the contract in force according to specific clauses.

These clauses could provide, in particular, the faculty of agreement termination and/or the payment of penalties, with prejudice to the further rights of the Company.
5. INFORMATION AND TRAINING

5.1 Information and training of Recipients

The aim of the Company is to give a prompt and precise circulation of the content of the Model to the Managing Directors, Managers, employees of the Company and every person that for whatever reason cooperate with it. In this context:

i. The adoption of the Model shall be communicated to the employees, to the Head of O.U. and Managers through the availability of said documents according to the most appropriate ways (e.g. publication on the intranet/intranet site, availability of paper copies of the Model).

ii. The Ethic Code and evidences on the Model adoption are available to new employees by the Human Resources and Organization together with the rest of the documentation that is delivered during the hiring process.

All statements of acknowledgment and commitment to the respect of the Ethic Code and/or the Model are stored by the Human Resources and Organization.

Moreover, it has been foreseen an adequate training activity for the personnel and the collaborators of the Company on the content of the Decree and of the Model. This activity is divided in the following phases:

i. **Activity of general training**: an activity of general training aimed to inform the Recipients of the provisions of the Decree and the content of the Model and the Ethic Code adopted by the Company;

ii. **Activity of specific training**: an activity of specific training to those acting in areas at risk of crime, aimed to inform the Recipients, in particular on: a) the specific risks to which the area concerned is exposed and b) the principles of conducts and the company’s procedures and directives that they have to be compliant with, during their activities.

The definition of the training courses, their timing and the methodology of implementation are determined by the Compliance Officer jointly with Human Resources and Organization Department that take care of the definition of the control of the attendance to the courses and of the quality of the contents of the training’s program.

The participation to the training course is mandatory; failure to participate shall be considered as a Model’s infringement and could lead to the application of disciplinary sanctions as defined in the chapter n. 4. The Heads of the O.U. will have the duty to inform the collaborators under their controls about the Model as well as guarantee the participation to the training courses.

The information and training system is permanently checked and, where necessary, modified by the OdV, in collaboration with the Human Resources and Organization Department or other functional responsible for the competence aspects concerned.

The information and training activities actually carried out, is proper recorded and the related documentation shall be retained by the Compliance Officer.

Final Model
5.2 **External Collaborators and Partners**

The external collaborators and partners of the Company shall be informed about the adoption of the Model and the necessity of the Company that their conduct shall be in compliance with the rules of conduct established.

The Company evaluated the method (e.g. circulation through intranet site depending on the different kind of external collaborators and partners) through which inform said subjects about the policies and the procedures adopted by the Company since the implementation of the Model and in order to be sure that said subjects shall be compliant with those principles, also providing the introduction of proper contractual clauses in order to oblige them to be compliant with the Model.

The adoption by the Company of the Model pursuant to the D.Lgs. 231/01 and the Ethic Code is also an information that can be seen from the contractual clauses inserted in the contracts that refer to the portal: [www.lamborghini.com](http://www.lamborghini.com) where the Model 231/01 and the Ethic Code are available.

The supplier or the third party, by signing the contract/agreement states that he/she accepts as an integral part of the contract, the adherence to the Model and to the Ethic Code of Automobili Lamborghini S.p.A.

6 **PERIODICAL CHECKS AND UPDATE OF THE MODEL**

The Decree expressly provides the need to update the Model in order to render it constantly “tailored” to the specific need of the entity and its concrete practicality. The intervention of implementation and/or update of the Model shall be put in place essentially on occasion of:

- Update of the laws;
- Model’s infringement and/or output emerged in the courses of the efficacy check (that could be inferred from experiences related to other companies);
- Change in the organizational structure of the entity, also deriving from extraordinary financial operation or change in the business strategy coming from new fields undertaken.

Notably, the update of the Model and therefore its integration and/or modification, is the task of the same management body to which the legislator has demanded the duty to adopt the Model itself.

In this contest, the OdV, coordinating with the Head of O.U. concerned, must do:

- Check of the procedures and protocols. In order to do that, it carries out a check on the efficacy and implementation of the protocols and procedures of this Model;
- Check of the level of knowledge of the Model also through the analysis of the request of clarification or warning received;
- An update, where the conditions above cited shall meet (in particular the presence of substantial modification of the organization or of the business of the company, high number of turnover of the personnel or in case of integration or modification of the Decree) of the activities of risk assessment aimed to re-examine the map of potential risks areas.