



**Organisational Model pursuant to Legislative
Decree 231/2001**

of

Terre des hommes Italia Onlus Foundation



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0. INTRODUCTION

Legislative Decree 231/2001 “Discipline for the administrative liability of legal persons, companies and associations, also without legal person status” has introduced, in Italy, a regime of administrative liability for institutions for certain offences committed in the interest of or to the benefit of the self-same institution, as well as for individuals who exercise, also on a de facto basis, the management and control of the self-same institutions, or individuals who act under the leadership or supervision of one of the aforementioned parties.

This amplification of the sphere of liability aims to involve the institutions which have benefited from the commission of the offence in the punishment of certain criminal offences, by inflicting fines (particularly heavy) and interdictory measures against them, as interdiction from the exercise of the activity, suspension or revocation of authorisations, licenses or concessions, prohibition of negotiation with the Public Administration, exclusion or revocation of facilitations, funds and contributions, prohibition of advertising of goods and services.

However, art. 6 of the Decree in question provides a specific form of exoneration from the liability whenever the institution proves that:

- the management body of the institution has, before the commission of the deed, adopted and efficiently implemented organisation and management models capable of preventing offences of the kind that has been committed;
- the task of supervising the correct function and compliance with the Model, and of providing for the relative updating, has been entrusted to a body of the institution which has been assigned autonomous powers of initiative and control;
- the persons who have committed the offence have done so by fraudulently dodging the aforesaid organisation and management models;
- the Control Body has not been guilty of any omitted or negligent vigilance.

Moreover, the Decree provides that, in relation to the extension of the conferred powers and the risk for the commission of offences, the Models must meet the following prerequisites:

- they must identify the activities within which context the offences contemplated by the Decree may possibly be committed;
- they must provide specific controls aimed at planning the adoption and implementation of the body’s decisions concerning the offences to be prevented;
- they must identify ways of managing the financial resources that serve to prevent the commission of said offences;
- they must provide obligations to inform the body responsible for the supervision of the correct functioning and observation of the Model;
- they must introduce an internal disciplinary system aimed at punishing non-compliance with the measures indicated in the Model.

It should be noted that the Terre des homes Italia Onlus Foundation has never been involved in disputes of a nature suggesting the commission of the offences contemplated by Legislative Decree 231/2001.



1. STRUCTURE OF THE ORGANISATIONAL MODEL of the Terre des hommes Italia Onlus Foundation pursuant to Legislative Decree 231/2001

The rules of conduct provided by the Model reflect those of the Ethical Code adopted by the Foundation during the Meeting of the Board of Directors held on 17 December 2007 and the relative implementative documents, even if this Model serves specific purposes in accordance with Legislative Decree 231/2001. From this point of view, in fact:

- The Ethical Code is an instrument adopted autonomously, and is intended for a general application for purposes of expressing the deontological principles with which the Foundation identifies, and which it invites everyone to observe.
- The implementative documents associated with the Ethical Code, used for the technical and economic management of the Foundation, provide an operative development of its main contents.
- The Model, on the contrary, meets the specific indications provided by Legislative Decree 231/2001, aimed at preventing the commission of particular types of offences related to circumstances that, while apparently committed to benefit the Foundation, may entail an administrative liability for the offence under the provisions of the self-same Decree. The Model provides regulations that must be respected in order for a kind of exoneration from the liabilities, as provided by Legislative Decree 231/2001, to subsist.

2. PURPOSE AND FIELD OF APPLICATION

As the Terre des hommes Italia Onlus Foundation (hereinafter the "Foundation") has understood and approved the spirit of the regulation in question, it has recognised the need to guarantee the conditions of correctness and transparency in the conduction of its business transactions and the activities, in order to safeguard the position and image of the Foundation and the work of its employees, and has therefore considered it proper and in line with the policies of the organisation to proceed with the definition and implementation of an own organisation and management Model (hereinafter, the "Model") in accordance with the provisions of Legislative Decree 231/2001 (hereinafter, the "Decree").

The Foundation deems that the adoption of the Model, even if not obligatory, may represent a valid means of creating awareness in all those who act in the name and behalf of the Foundation, in order to assure that they, in the conduction of their activities, adopt correct and linear conducts, in order to prevent the risk of the commission of the offences contemplated by the Decree.

The Model has been prepared by the Foundation on the basis of the indications set forth in the Decree and the guidelines prepared on the subject by Confindustria, approved by the Ministry of Justice.

The purpose of the Model is the creation of an organised system, as well as a control activity, to be conducted also for purposes of prevention, in order to avoid the commission of the various kinds of offences contemplated in the Decree.

In particular, through the identification of “risk activity areas” and the consequent definition of procedures for the relative activities, the Model aims to:

- ensure that all those who act in the name and on behalf of the Foundation in the “risk activity areas”, are aware that they may, in case they violate the provisions set forth therein, commit illegal conducts that may entail the infliction of penalties, on a criminal and administrative level, with consequences not only for the perpetrator, but also for the Foundation;
- underscore that the aforesaid kinds of illicit conduct are severely condemned by the Foundation because, even in cases where the Foundation may appear to benefit from them, they are in any case against the law and the ethic and social principles the Foundation aims to follow in the pursuit of its mission, and they are punished by means of the disciplinary system set forth in art. 7;
- allow the Foundation, by means of monitoring the “risk activity areas”, to take action without delay to prevent or oppose the commission of these offences.

Other fundamental points of the Model comprise:

- the creation of awareness on all levels of the organisation, with regard to the rules of conduct and the procedures that have been defined;
- a map of the “risk activity areas” of the Foundation, and in other words the activities within which context one considers the possibilities that the offences contemplated by the Decree may be committed to be highest;
- the assignation of specific tasks of supervision of the efficient and correct functioning of the Model to the Control Body;
- the verification and documentation of risk operations;
- the respect of the principle of separation of functions;
- the definition of powers to grant authorisations that are coherent with the assigned responsibilities;
- the verification of conducts within the organisation, as well as the correct function of the Model with the consequent periodical updating.

3. AMENDMENTS OF AND ADDITIONS TO THE MODEL

The Board of Directors is responsible for amendments and additions. The Control Body may however participate in the necessary updating of the Model, providing specific indications, also in the absence of legislative novelties.

4. INTERNAL CONTROL BODY

4.1 Identification

The Control Body of the Foundation, as provided by art. 6 of the Decree, has been identified as the Board of Statutory Auditors in the following persons:

- Accountant Vittorio Bellotti President
- Accountant Giovanni Busio Member
- Dr. Michele Aita Member

The above persons have been chosen both due to their professionalism and because they meet the additional prerequisites of autonomy, independence and continuity of their activities that are necessary for their duties.

4.2 Duties

The Control Body of the Foundation is entrusted with the task of supervising:

- that the persons to whom the Model applies comply with the instructions set forth therein, with regard to the different types of offences contemplated by the Decree;
- that the Model is truly efficacious and actually capable, in relation to the organisational structure, of preventing the commission of the offences described by the Decree;
- the advisability of updating the Model in cases where it needs to be adapted to new organisational conditions.

On a more strictly operative level the Control Body is responsible for:

- implementing the control procedures, keeping in mind that, also for risk activity areas, the operative managers are in any case entrusted with a primary responsibility, and play an essential role in the organisational process;
- closely follow the activity of the Foundation in order to assure an up-to-date mapping of the risk activity areas within the institution;
- conduct verifications from time to time, focused on certain operations or specific deeds implemented within the context of the risk activity areas as defined in point 10 of the model;
- promote initiatives for the diffusion of knowledge about, and an understanding of, the Model and prepare the internal organisational documentation that is necessary for purposes of assuring the correct implementation of the self-same Model, with the necessary instructions, clarifications or updating;
- gather, elaborate and store the relevant information (including data provided by the personnel of the foundation or by third parties) to guarantee the Model is observed, and to update the list of information that must be transmitted to the Control Body or kept available to it;
- coordinate its activities with those of other organisational areas (also by holding meetings for this purpose) to assure an optimal monitoring of the activities conducted in risk areas. For this purpose the Control Body shall be kept informed on the evolution of the activities in said risk areas, and shall have unlimited access to all the relevant documentation;
- control the actual presence, regular keeping and efficiency of the documentation required in accordance with the provisions set forth in point 10.2 of the Model for the different types of offence;



- conduct the internal investigations concerning presumed perpetration of violations of the indications provided by the Model;
- verify that the elements set forth in point 10.2 for the different types of offences (adoption of standard clauses, conduction of procedures, etc.) are in any case appropriate and meet the requirements in the sense that they comply with the indications provided by the Decree, and providing with updating the relevant elements if this is not the case;
- coordinate its activities with the managers of the other areas of the institutions, for the different aspects associated with the implementation of the model (definition of procedures, training of personnel, disciplinary measures, etc.).

4.3 Information relations with the Bodies of the Foundation

The Control Body shall submit a written report on the implementation of the Model to the Board of Directors, for the relative resolutions, every year.

The Control Body may be convoked at any moment by the Board of Directors of the Foundation, and may in its turn make a request in this sense, in order to provide information on the functions of the model or on specific situations.

5. SELECTION, TRAINING AND INFORMATION

5.1 Personnel selection

The Control Body shall, while coordinating its activities with the other interested areas of the organisation, consider the advisability of creating a specific system for personnel valuation during the selection phase, that takes the requirements of the Foundation in relation to the application of the decree into account.

5.2 Personnel training

The training of the personnel, for purposes of the implementation of the Model, shall be managed by informing the Control Body and shall be organised as follows:

- information included in the employment letter to newly hired staff, updating circulars when necessary, issue of the Ethical Code, this Model and the documents associated with the procedure manuals for "Management of local branches and Purchase procedure manual".

5.3 Selection of collaborators

On the suggestion of the Control Body, special systems may be created within the Foundation for the valuation and selection of the collaborators who will cooperate with the Foundation in the conduction of activities in risk areas.

5.4 Information to collaborators

Collaborators shall be informed on the strategies of the Foundation and on the procedures adopted on the basis of this Model and the Ethical Code.



6. INFORMATION TO THE CONTROL BODY

The documentation referred to in points 10.1 and 10.2 of the Model must be forwarded to the Control Body at the headquarters, according to the formalities set forth therein.

In addition to the aforesaid information, the following information must obligatorily be transmitted to the Control Body.

- measures or information received from Judiciary Police Entities or any other authority, that reveal that investigations are being conducted, also against unknown parties, concerning the offences contemplated by the Decree;
- requests for legal assistance presented by managers and employees in case of notification of judiciary procedures concerning the offences contemplated by the Decree;
- any reports prepared by managers of other areas of the foundation within the context of their activity of control, that may reveal facts, acts, events or omissions that may expose the Foundation to the risk of an offence;
- information concerning the actual implementation, on all levels of the foundation, of the Model with indication of the disciplinary procedures followed and any penalties inflicted, or the measures adopted or the dismissal of said procedures, with the relative motivations.

7. DISCIPLINARY SYSTEM

To guarantee an efficient application of the Model, a system of penalties applicable to cases of violation of the rules of conduct defined to prevent the offences set forth by the Decree, and of the internal procedures provided by the self-same Model in general, has been prepared.

The application of the disciplinary penalties does not depend on the result of any criminal trial, since the rules of conduct established by the model have been adopted by the Foundation in full autonomy, regardless of the actual consequences of the self-same lines of conduct.

7.1 Penalties applicable to internal personnel

a) Employees

The provisions of the model represent an essential part of the contractual obligations assumed by the Employees (clerks and middle management). Any conducts of employees that violate the rules of conduct provided in points 10.1 and 10.2 of this Model are defined as disciplinary offences. Said violations may therefore represent default on the contractual obligations, with every penalty and consequence provided by the law, also with regard to any reparation of damages, in particular under articles 2103, 2106 and 2118 of the Civil Code, art. 7 of law no. 300/1970 ("Statute of labourers"), law no. 604/1996 and subsequent modifications and supplementations on individual dismissals as well as the collective employment contracts, and finally the applicability of art. 2119 of the Code which provides the possibility of dismissal for just cause.

In particular, the following system of penalties provides the disciplinary measures that may be inflicted:

- a) verbal reprimand;
- b) written warning;
- c) fine;
- d) suspension from work and salary for a maximum of three days;
- e) dismissal.

b) Directors

In case of violation of the Model on the part of Directors of the Foundation, the Control Body shall inform the entire Board of Directors and the Board of Statutory Auditors which shall adopt the appropriate measures in accordance with the regulations in force.

In particular, the following system of penalties provides the disciplinary measures that may be inflicted:

- a) written reprimand;
- b) temporary suspension from office;
- c) revocation from office.

7.2 Measures adopted in relation to collaborators

Every conduct on the part of collaborators that violates the lines of conduct indicated by this Model, of a kind that may entail the risk of the commission of an offence punished by the Decree may, according to the provisions of the specific contractual clauses set forth in the appointment letter or in the partnership agreements, determine the termination of the contractual relationship, without prejudice to any request for reparation of damages in case said conduct should provoke concrete damage to the Foundation as in the case of application, by a Judge, of the measures set forth by the Decree.

7.3 Measures applicable to members of the Board of Statutory Auditors and the Control Body

In case of violation of the Model on the part of one or more members of the Board of Statutory Auditors, the Control Body shall inform the entire Board of Statutory Auditors and the Board of Directors, which shall adopt the appropriate measures, coherently with the seriousness of the violation and in accordance with the powers provided by the law and/or the By-laws.

Whenever the Board of Directors should be informed of violations of the Model on the part of one or more members of the Control Body, the Board shall provide for adopting the measures that are considered most appropriate, coherently with the seriousness of the violation and in accordance with the powers provided by the law and/or by the By-laws.

Whenever the Board of Directors should be informed of violations of the Model on the part of one or more members of the Control Body, the Board shall provide for adopting the measures considered most appropriate, coherently with the seriousness of the violation and in accordance with the powers provided by the law and/or by the By-laws.

8. PERIODICAL VERIFICATIONS



At least once a month the Control Body shall proceed with:

- verifying the most significant activities conducted by the Foundation in risk activity areas;
- verifying that this Model actually functions correctly;
- examining all notifications received during the year;
- examining any events considered risky;
- verifying the awareness of the personnel with respect to the hypotheses of offence provided by the Decree.

As result of the verification, the Control Body shall prepare a report, indicating any shortcomings and suggesting the relevant measures.

9. TYPES OF OFFENCES

9.1 Relations with the Public Administration (Articles 24 and 25 of the Decree)

The offences contemplated by Articles 24 and 25 comprise:

- Embezzlement against the State or the European Union;
- Obtainment of undue contributions, to the damage of the State or the European Union;
- Concussion;
- Corruption through official duty or contrary to official duty;
- Instigation of corruption;
- Corruption in judiciary deeds;
- Fraud against the State, another Public Institution or the European Union;
- Aggravated fraud aimed at obtaining public funds;
- Information technology fraud against the State or another Public Institution.

9.2 Corporate (Art. 25 ter of the Decree)

The offences contemplated by Art. 25 ter comprise:

- Falsehood in financial statements, in reports and other corporate notifications;
- Falsehood in prospectus;
- Prevention of control;
- Fictitious formation of capital;
- Undue return of conferments;
- Operations causing damage to the creditors;
- Undue subdivision of corporate assets on the part of the receivers;
- Undue influence on the Shareholders' meeting;
- Obstacle to the exercise of the functions of the public supervisory authority.

9.3 Law 626/94 "Safety at work" and subsequent updated versions

- Manslaughter;
- Serious or very serious culpable injury.

10. RISK AREAS

The Directors of the Foundation have analysed the activities conducted by the Foundation and have identified, as potential risk areas, those associated with procedures for the raising, management and reporting of:

- Funds raised through the application of Law 49/87 on Italian Cooperation;
- Funds raised as a result of contracts stipulated with the Commission of the European Union;
- Funds raised as a result of contracts stipulated with the World Bank or other Agencies of the United Nations;
- Funds obtained from Public Institutions, both Italian and foreign;
- Tax and assistance formalities for which the Foundation is responsible;
- Formalities provided by the application of law 626/94.

Additions to the above risk activity areas may be made by the Board of Directors, if applicable on the suggestion of the Control Body, which shall identify the relative hypotheses and define the appropriate operative measures.

10.1 General principles of conduct and implementation of the decision-making process in risk activity areas

It is prohibited for all personnel of the Foundation (directors, employees) on a direct basis, and for collaborators on a contractual basis, to perpetrate the following conducts:

- to act in such a way as to give rise to the aforesaid offences (Articles 24 and 25 of the Decree);
- to act in ways that do not as such give rise to offences contemplated by the above provisions, but that may potentially become such offences.

Within the context of the aforesaid conducts, it is in particular prohibited to:

- pay amounts of money to public functionaries;
- distribute presents and gifts that exceed the routine of the Foundation (and that in other words exceed normal practices of commerce and courtesy) or that are in any case aimed at obtaining favourable treatments in the conduction of the organisational activities. In particular, any form of gift to public functionaries or to their relatives that may influence their independent judgement or induce them to grant the Foundation any kind of advantage, is prohibited. Allowed gifts must always be characterised by an insignificant value, or by being aimed at promoting the Foundation. The gifts that are offered must be appropriately documented, to allow the required verifications;
- grant other advantages of any kind (promises of employment, etc.) in favour of representatives of the Public Administration that may give rise to the consequences described in the foregoing point;

- grant compensations in favour of any external collaborators or partners that are not sufficiently justified in relation to the type of assignment to be conducted, and the practices in use in a local context;
- present untruthful declarations to national or EU public organisms in order to obtain the granting of public funds, contributions or loans at favourable terms;
- allocate amounts received from national or EU public organisations in the form of disbursements, contributions or loans for other purposes than those for which they have been granted.

For purposes of the implementation of the above conducts:

1. Association agreements with partners must be defined in writing with highlighting of all the terms of each agreement, in particular the economic ones;
2. Assignments entrusted to collaborators must also be prepared in writing, with indication of the agreed compensation;
3. Declarations made to national public organisms in order to obtain contributions must only contain completely truthful elements; in case they are granted, a specific statement must be issued;
4. Those in charge of controlling the formalities associated with the conduction of the aforesaid activity (payment of invoices, allocation of funds obtained from the State) must pay particular attention to the implementation of said formalities and immediately report any situations of irregularity to the Control Body.

10.2 Fundamental elements of the decision-making procedure

Due evidence must be provided for every risk operation. For this purpose the Management is obliged to appoint a person (the **Project Officer /Case/File Officer**) in charge of the operation in question.

The **Project Officer**:

- shall act as contact person and responsible party for the risk operation;
- shall in particular be responsible for relations with the Public Administration within the context of the procedure to be carried out.

The **Project Officer** must compile a specific Summary for every risk operation, which must be kept up to date during the conduction of the activity. The following data must be recorded:

1. Decisions concerning the risk operation, with highlighting, even if only indicative, of the economic value of the self-same operation;
2. The Public Administration in charge of the procedure on which the operation centres;
3. The name of the **Project Officer** and his or her position within the organisation of the Foundation;
4. A declaration by the Officer which confirms that he or she is fully aware of what formalities must be completed and the obligations that must be respected during the

conduction of the operation, and that he or she has not committed the offences contemplated by the Decree;

5. The name of any other parties to which the Officer, without prejudice to his or her responsibilities, has sub-delegated certain functions, with clear indications of their position with the Foundation;
6. The declaration of any sub-delegates, confirming that they are conscious of the necessary formalities and the relative obligations, and that they have never committed the offences contemplated by the Decree;
7. Indication of the main initiatives and formalities conducted within the context of the operation. In particular, in relation to participation in procedures aimed at fund-raising:
 - request for funds;
 - significant phases of the procedure;
 - result of the procedure;
 - statement on how any amounts obtained from the disbursement, contribution of public funding have been used.
8. Indication of any collaborators entrusted with the task of assisting the Foundation in the participation in the procedures (with indication of the motives for the choice of said collaborators, the verification of their prerequisites, the type of duties assigned, the compensation recognised, any particular conditions applied);
9. A declaration made by the aforesaid collaborators, which confirms that they are fully aware of the formalities that must be carried out and the obligations that must be respected while carrying out the operation;
10. Other elements and circumstances associated with the risk operation (for instance movements of money effectuated within the context of the procedure).

The **Project Officer** must in particular:

- inform the Control Body of the opening and start-up of the operation, by forwarding the initial data of the Summary to the former;
- assure that the self-same Summary and any enclosed documents are available to the Control Body, and provide for updating it during the conduction of the procedure;
- inform the Control Body of the conclusion of the operation.

10.3 Instructions and verifications of the Control Body

The Control Body is responsible for:

- a. Providing for the issue and updating of any written instructions concerning:
 - a homogeneous and coherent compilation of the Summary;
 - the attitudes one should assume in relation to risk activities and, in general, in relations with the Public Administration;



- b. Periodically verifying the system of delegations, recommending modifications in case the **Project Officer** or his or her sub-delegates do not possess the qualifications required for the power of representation with which they are entrusted;
- c. Periodically verifying the validity of any procedures aimed at:
 - the compliance with the provisions of the Decree, on the part of the persons to whom the latter applies;
 - the Foundation's possibility to conduct efficient control actions in relation to the parties disciplined by the Model, for purposes of verifying compliance with the indications set forth therein;
 - the implementation of any penalty mechanisms whenever violations of the instructions should be verified.
- d. Introduce controls and measures capable of monitoring the financial resources of the Foundation, that may register the existence of any financial flows that are atypical and characterised by greater discretionary margins than those which are ordinarily contemplated.

11. APPROVAL OF THE MODEL

This Model has been approved by the Board of Directors of the Foundation with resolution of 17 December 2007.