




**ISTITUTO
ITALIANO DI
TECNOLOGIA**

Policy for internal regulatory system

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1. Definitions


Term/Acronym	Definition
Executive Committee	A collegial body entrusted, pursuant to the Articles of Association, with the ordinary and extraordinary administration of Fondazione IIT. It approves the IRS (Internal Regulations System) Policy and its updates.
Board	A collegial body which, pursuant to the Articles of Association, is responsible for approving multi-year activity programmes, verifying the use of resources, proposing strategic guidelines, approving general operating Regulations and assessing the results of Fondazione IIT's overall performance.
Sources of Law	Regulations from laws establishing or modifying the functioning of the Fondazione, and/or defining the regulatory obligations concerning publication to which the Foundation is subject; by way of example: European Laws and Regulations, State Laws and Regulations, other executive or interpretative acts issued by Public Administration organisations.
Regulatory Sources	The set of primary (legal or external regulatory) and secondary (self-regulatory) regulations that together make up Fondazione IIT's Internal Regulations System.
Functional Entity responsible for the IRS	The Functional Entity (General Counsel) that, on behalf of the Executive Committee and the Board, in the areas of their respective responsibilities, performs the activities described in this document, carrying out the general supervision of the implementation of IRS Policy within Fondazione IIT.
Applicant Functional Entity	This is the Functional Entity that requests the drafting/revision of Policies and Procedures on the basis of external input and/or an analysis performed resulting in an internal operational need.
Operating Instructions	Organisational documents that are of a purely operational nature and have the function of providing guidance for users in an ad hoc work process or in the performance of various tasks (for example, software manuals, guidebooks, etc.). These documents, analogous to operational guides, are drafted and disseminated directly by the Process Manager.
IIT or the Foundation	Fondazione Istituto Italiano di Tecnologia, the Italian Institute of Technology Foundation.

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Guidelines	Organisational documents that incorporate, in their fundamental principles, macro-processes of particular relevance; they are inspired by the general principles referred to in the Policies (for example, Guidelines for participation in the capital of companies and start-ups). They differ from the so-called "operational guidelines", which comprise documents analogous to the Operational Instructions for certain specific activities.
Minor changes	Non-substantial amendment to an Internal Regulation, namely: <ul style="list-style-type: none"> - Alignment with the forms in use; - Updates reflecting formal changes to the organisational structure (names of functional entities/structures/offices, in the case that responsibilities remain unchanged) already approved by the respective structures; - Update or introduction of new attachments; - Linguistic corrections (typing errors).
Substantial changes	Any change to be made to an internal regulation already in force that does not fall within the definition of a "minor change" (for example, addition, deletion, replacement or substantial amendment of principles and/or provisions, changes in the allocation of roles and responsibilities, alignment with different external regulatory requirements).
Policy	Organisational documents that transpose general principles on the respective subject area are issued to fulfil specific legal or regulatory obligations, for provisions regarding specific subjects. They introduce specialist rules of conduct linked to the Foundation's model of governance, with which all IIT staff and collaborators are required to comply. They are compiled in compliance with the primary reference regulations and the applicable national or international best practices. They are approved by the Executive Committee following proposal by the Scientific Director.
IRS Policy	This Policy on Fondazione IIT's Internal Regulations System.
Operational procedures	Organisational documents regulating, in their fundamental principles, the flow of activities constituting a given process and the technical-operational methods for correctly implementing it, according to the various responsibilities and in compliance with the timescales indicated. They are prepared by the respective Functional Entity in cooperation with the Organisational Development Office and the Compliance Directorate. They are approved by the Scientific Director,

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	and the Executive Committee is informed in cases of notable importance.
General operational regulations	Organisational document that includes the principles for implementing the primary regulations contained in the Articles of Association. They specify, in a more operational manner, the main topics of the Articles of Association, both with reference to the functioning of the organs, and to the various entities and top-level functional entities falling within Fondazione IIT's model of governance. They are issued and amended by the Foundation's Board, on occasions that can include proposal by the Executive Committee, in particular for those topics that have a direct impact on the Executive Committee's area of operation.
Internal regulations	Organisational documents that transpose or introduce detailed procedures relating to a single operational process or a specific organisational topic, whether of an administrative or scientific nature (for example, Fondazione IIT's functional chart, relating to the declaration of the powers of each functional entity in the Foundation's organisational chart, also falls within this type of internal regulations). They are approved by the Executive Committee following proposal by the Scientific Director.
Process Manager	This is the functional entity that, from a technical point of view, is responsible for the process covered by the internal regulations. This role supervises the creation and updating of the respective documents, with assistance from the Organisational Development Office and the Compliance Directorate in drafting and revising the documents.
IRS	Fondazione IIT's Internal Regulations System consists of: <ul style="list-style-type: none"> - primary regulations: the set of regulations established by law or deriving from external acts and measures (such as the Law of Incorporation and Articles of Association; acts issued by the public administration); - secondary internal regulations that implement primary provisions. Secondary-ranking internal regulations comprise, for example, Policies and additional Regulations whose purpose is to provide operational guidance for the effective implementation and enforcement of the principles contained in primary regulations; - further subordinate regulations. These are further internal regulations governing operational activities, such as Operating Procedures and Operating Instructions.
Articles of Association of the Fondazione	This is the main source of internal regulations and, in compliance with the principles of the Law of Incorporation, it comprises the

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	fundamental mechanisms relating to the Foundation's organisational functioning, and that of its organs and principal collegial entities.	

2. Executive Summary

This document:

- provides the definition and indicates the use of the principal regulatory documents that specify Fondazione IIT's mode of functioning (namely: Law of Incorporation and Articles of Association) including the documents transposed for the further implementation of Fondazione IIT's functioning (namely: General Operating Regulations; Policies and Guidelines; other Internal Regulations; Organisational Procedures and Operating Instructions) and which together constitute the IIT Internal Regulations System;
- defines, in terms of fundamental principles, the process of drafting, approving, disseminating and archiving Internal Regulation System Documents.


In view of the activities regulated by the IRS Policy and its potential impact, the document is also relevant for the purposes of Legislative Decree n° 231/2001. Therefore, any violation of this Policy will constitute a violation of the Model itself and may be sanctioned in accordance with its provisions; moreover, anyone who becomes aware of any violations of the provisions of the regulations shall promptly inform the Supervisory Board established pursuant to Legislative Decree 231/2001.

3. Objectives

The objective of the IRS Policy is to introduce Fondazione IIT's Internal Regulations System, whose purpose is to foster sound and effective governance. The Policy defines the hierarchy of internal regulatory sources, promoting their consistent interpretation within the Foundation and defining activities performed for their issue, revision and approval.

4. Approval and revision

The IRS Policy is approved by the Executive Committee, following proposal by the Scientific Director, following the outcome of the validation and compliance checks as described in this document.

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5. Implementation, monitoring and flow of information

The Compliance Directorate is responsible for supervising and supporting the implementation and monitoring of the IRS Policy, within Fondazione IIT, with the support of the General Counsel functional entity and the Organisational Development Office.

6. Hierarchy of Regulatory Sources within the Internal Regulations System

The hierarchy of the Regulatory Sources that govern the functioning of Fondazione IIT and determine the Internal Regulations System is as follows:

- 1) Fondazione IIT Law of Incorporation (L. 269/2003);
- 2) Articles of Association;
- 3) General Operating Regulations;
- 4) Policy and Guidelines;
- 5) Further Internal Regulations;
- 6) Organisational procedures;
- 7) Operating Instructions.

The types of documents listed above are determined according to the following elements:


- *Purpose*;
- *Contents*;
- *Addressees*.

A) Law establishing Fondazione IIT (L. 269/2003):

- *Purpose*: it sets out the founding regulations of IIT, its purpose and fundamental characteristics; it standardises the Foundation's general direction in terms of the statement of fundamental principles;
- *Content*: general primary legislation (statutory provisions) on fundamental institutions;
- *Addressees*: all those who in various capacities work on behalf of or within Fondazione IIT.

B) Articles of Association:

- *Purpose*: In accordance with the Law of Incorporation, the Articles of Association provide the fundamental principles for the functioning of the entities and, more generally, of Fondazione IIT;

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- *Contents:* fundamental regulations, introducing the main points of reference regarding the Foundation's purpose, its entities, and the main themes or institutes governing IIT's functioning;
- *Addressees:* all those who in various capacities work on behalf of or within Fondazione IIT.

C) General Regulations of Operation:


- *Purpose:* these Regulations introduce the principal secondary regulations, implementing the fundamental principles contained in the Articles of Association, for the functioning of the entities, the principal top-level scientific and administrative functional entities, and the entities and committees with collegial composition, set up to oversee specific purposes;
- *Contents:* internal regulations that, in reference to the institutions indicated in the Articles of Association, help to provide more specific elements regarding the area of application and scope of reference of each subject;
- *Addressees:* all those who in various capacities work on behalf of or within Fondazione IIT.

D) Policy and Guidelines:

- *Purpose:* Policy and Guideline documents transpose general principles for each respective subject area; they are issued to fulfil specific legal or regulatory obligations, offering provisions on specific matters;
- *Contents:* 1) Policy: These policy documents introduce specific rules of conduct linked to the Foundation's model of governance, which applies to all IIT staff and collaborators. They are drafted in compliance with the primary relevant area of regulations and to the respective national or international best practices; 2) Guidelines: as part of their fundamental principles, the Guidelines incorporate macro-processes of particular relevance; they are inspired by the general principles referred to in the Policies;
- *Addressees:* all those who in various capacities work on behalf of or within Fondazione IIT;
- *Example:* "P11_Policy ICT", which establishes the correct use of IT systems within Fondazione IIT, is a part of this category.

E) Additional Internal Regulations:

- *Purpose:* the Additional Internal Regulations incorporate detailed subject matter regarding a single topic or operational process, whether of an administrative or scientific nature;

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- *Contents*: declaratory and detailed indications regarding the subject matter for a specific topic or process;
- *Addressees*: all those who in various capacities work on behalf of or within Fondazione IIT;
- *Example*: Fondazione IIT's "*Functional Chart*", regarding the declaration of the roles attributed to each functional entity in the Foundation's organisational chart in force at the current time, is also comprised within this type of internal regulation.

F) Organisational procedures:

- *Purposes*: documents governing the fundamental principles of specific activities or operational processes;
- *Contents*: the contents of Organisational procedures describe the flow of activities constituting a given process and the technical-operational methods of correctly implementing it, according to the respective responsibilities and within the indicated timeframe;
- *Addressees*: all those who in various capacities work on behalf of or within Fondazione IIT;
- *Example*: the "*IO_HR_08 Recruiting Procedure*", which outlines the steps and operational flows required for the Foundation's recruiting activities, is included in this category of internal regulations.

G) Operating instructions:

- *Purposes*: Operating Instructions provide details on specific uses or operational purposes;
- *Contents*: they provide detailed indications regarding operation, in addition to what is indicated in the Organisational Procedures, and they can be employed by users for the correct execution of their respective activities;
- *Addressees*: all persons or users involved in the organisational process to which the operational instructions pertain;
- *Example*: "SAP USER GUIDE - WEB RELEASE PURCHASE REQUEST", which is the guide for the release of purchase requisition on the SAP management system, is included in this category of internal regulations.

7. Process of issuing/updating internal regulations (*)

(*) In consideration of the specific procedure specified by the Law of Incorporation with respect to the approval and amendment of Fondazione IIT's Articles of Association, the IRS Policy, with respect to the issuance process regulated herein, is to be understood as applying to the internal regulations referred to above, with the exclusion of the Articles of Association, for which the specific provisions of law in force apply.

While confirming the statement above, the process of issuing internal self-regulatory provisions consists of the following steps:

1. Drafting/Updating;
2. Conformity assessment/verification;
3. Approval;
4. Issue.

Drafting/Updating

The drafting of updated internal regulations, or the updating of an existing version, may be initiated or requested by:

- the Board (in the case of General Operating Regulations and any topics having a connection with matters pertaining to the Board)
- The Executive Committee;
- The Scientific Director;
- Process Manager (including the General Manager).

Any of the above-mentioned persons can take action for requirements related to their area of responsibility, or for the need to transpose a rule deriving from an external act of legislation, including measures by supervisory organisations.

The Process Manager is therefore responsible for drafting/updating the internal regulation, within the area of his/her competence and in compliance with his/her delegated powers.


In the drafting/updating phase, the Process Manager must involve all the administrative and/or scientific functional entities implicated in the process governed by the regulation. For these activities, he/she shall be assisted by the Organisational Development Office.

In the event of an update, the Process Manager shall indicate whether the changes made are to be considered minor or substantial, as defined in this IRS Policy.

Drafting Guide

The rules of the IRS must be simple and clear, as they will only be correctly applied and implemented if they are properly understood by the addressees.

The following principles are recommended when drafting an internal regulation:

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Language:

- Simplicity: use simple terminology that best expresses the meaning as understood in common usage; avoid the use of technical language wherever possible;
- Brevity: write short sentences and use only the words that are necessary;
- Clarity: communicate clearly and schematically, privileging the use of lists and bullet-point lists;
- Sentence structure: do not use excessively long sentences, and avoid ambiguities, such as the listing of exceptions.

Words and phrases:

- provide definitions of technical terms and whenever the meaning of words is not clearly comprehensible;
- avoid the use of synonyms (using synonyms instead of repeating the actual term in question could cause confusion for the recipients of the document).

Validation/Verification of Conformity

Validation


The Organisational Development Office, after verifying the potential organisational impacts and the compliance of the regulation with organisational governance, must initiate the validation process by forwarding the document to the following functional roles:

- Scientific Management and General Management, for prior notification, for determination of responsibility, and coordination of the functional entities involved in the IRS Policy, according to their respective delegated functions;
- General Counsel (the functional role responsible for the IRS), to check whether, in view of the aspects governed by internal regulations, and especially in the case of General Operations Regulations, the Board or the internal council committees should be involved;
- Risk Management Function, assisting the Process Manager in the identification of potential impact on the risk management system;
- Supervisory Board, to assess the relevance of the regulation for the purposes of the Organisational, Management and Control Model adopted by the Foundation pursuant to Legislative Decree 231/2001, and to supplement it, where necessary, with the respective provisions of said Decree 231.

The checks by the above-mentioned functional roles also apply in the event of an update to the IRS Policy.

Compliance Audit by the Compliance and Legal Affairs Directorates

The Organisational Development Department must submit the validated regulation to the Compliance Directorate and the Legal Affairs Directorate for verification of its compliance with external and self-regulation. The Conformity Assessment Phase must not exceed [15] working days from the date of submission of the document. Exceptions may be justified by the technical complexity of the matter or by special circumstances (for example, in the case of a complex regulatory system, or one still in a state of development).

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The checks by the above-mentioned functional entities also apply in the event of an update of IRS Policy.

Approval

The Articles of Association, as mentioned in Paragraph 7) above, are approved in compliance with the specific procedure set forth therein, by means of a Decree of the President of the Republic, following a proposal by the President of the Council of Ministers, after consultation with the supervising Ministers.

The General Operating Regulations are approved by the Board, after preliminary examination by the Nomination, Remuneration and Governance Committee, following proposal by the Board itself or by the Executive Committee, in the respective cases.

Policies, Guidelines and further internal Regulations are approved by the Executive Committee on proposal by the Scientific Director, in accordance with the system of delegated powers.


Once the above-mentioned organisational documents of the Internal Regulations System have been approved, the General Counsel and Secretary of the entities shall confirm them to the Organisational Development Office. Approval of Minor Amendments is delegated to the Chief Scientific Officer, upon completion of the validation and verification activities as described in this document.

The Operating Procedures are approved by the Scientific Director, on proposal by the Process Manager in compliance with the delegations conferred in coordination with the Organisational Development Office, and following the completion of the validation and verification activities as described in this document. If the Process Manager reports hierarchically to the General Manager, the latter must give his or her opinion before approval by the Scientific Director. In any case, the Scientific Director may decide to make the approval of the procedure subject to the approval of the General Manager, if the topics dealt with or the organisational impacts make this necessary.

Issue

The Organisational Development Office is responsible for the process of formalising, translating, disseminating and archiving the organisational documents covered by the IRS Policy, with the exception of Operating Instructions, for which these operations are the responsibility of the Process Manager. With the support of the Compliance Directorate, the Organisational Development Office contributes to verifying:

- the completeness and clarity of the information contained.
- any possible conflicts with other documents or the need for harmonisation.
- the adoption of the correct standards.

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All documents must be drafted in two versions (Italian and English), and where there is any doubt as to interpretation, the Italian version shall prevail.

Dissemination


Once the document has been approved, the Organisational Development Office will:

- publish the document on the relevant electronic archives.
- inform the Supervisory Board of publication.
- inform all recipients of the document of its publication.
- archive the document.
- update the database containing the Foundation's documentation information.

8. Summary outline for the creation/update, approval and dissemination of regulatory documents (*)

(*) Excluding those (namely the Articles of Association) for which the Law of Incorporation provides specific procedures or, as in the case of the Law of Incorporation itself, a subsequent regulatory measure by the respective institutions.

Type	Contents	Proposal	Validation and Verification	Approval	Dissemination
General Operating Regulations	These recall the institutes indicated in the Articles of Association and provide more specific information on the application and scope of each topic	Board (Nomination, Remuneration and Governance Committee) / Executive Committee	General Counsel, Compliance Directorate Legal Affairs Directorate	Board	Supervisory organisation All personnel
Policy and Guidelines	Rules of conduct	Scientific Director	Process Manager Organisational Development Office Compliance Directorate Legal Affairs Directorate	Executive Committee	Supervisory organisation All personnel
Further Internal Regulations	These contain detailed information on a single topic or operational process	Scientific Director	Process Manager Organisational Development Office Compliance Directorate	Executive Committee	Supervisory organisation All personnel

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Legal Affairs Directorate					
Organisational procedures	These contain a detailed description of how a given process is to be performed, indicating actors/provisions/times/control points, making use of "flow diagrams" where appropriate	Process Manager	Process Manager Organisational Development Office Compliance Directorate Legal Affairs Directorate	Scientific Director	Supervisory organisation All personnel
Operating Instructions	These contain detailed indications for specific uses or operational purposes	Process Manager	Hierarchical manager	Hierarchical manager	Addressees of operational processes