



**MANAGEMENT & CONTROL ORGANIZATION MODEL**


**Pursuant to Legislative Decree No. 231 dated 8<sup>th</sup> June 2011, and subsequent amendments and additions**

**Approved of by resolution of the Board of Directors on May 31<sup>st</sup>, 2019 - rev.1**  
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## GENERAL SECTION

### 1. Definitions

#### The Company or the Organization

Gefit Spa (ID 00418680062), Alessandria (AL), Via De Negri 9, zip code 15121.

#### Sensitive Activities

The Company activities in which exists the risk of committing crimes.

#### Sensitive Area

The Corporate areas within which the sensitive activities, at risk of crime, are carried out.

#### CCNL (National Collective Labour Agreement)

The National Collective Labour Agreement in force and applicable to the Company employees.

#### Dedicated Company Committees and Structures

The Committees and Structures, set up as integration of the Corporate Governance system, identified as follows:

- Supervisory Body, pursuant to art. 6, paragraph 1, lett. b, Legislative Decree 231 of 2001 (SB)

#### Collaborators

Individuals who work within the Company, by force of a coordinated and ongoing collaboration work agreement (or a project-based collaboration), or because of an autonomous employment agreement.

#### Consultants/ Advisers

Individuals acting in the name and/or on behalf of the Company under a mandate contract or other contractual collaboration relationship.

#### Decree

Legislative Decree of 8<sup>th</sup> June 2001, n. 231, entitled "*Regulation of the administrative liability of legal entities, companies and associations, even without legal status (personality), according to art. 11 of the law of 29 September 2000, n. 300*", published in the "Gazzetta Ufficiale" journal n. 140 of June 19<sup>th</sup>, 2001 and subsequent amendments and additions.

#### Recipients

Called "recipients", and required to comply with the Model and the Code of Ethics, namely the following people/entities:

- The members of the Board of Directors, attorneys, managers, executives and all other employees, the consultants and other subjects operating as representatives or agents of the Company at any title, who are bound to keep to the Code of Ethics and the Model ("institutional recipients");
- The Board of Auditors, the Statutory Auditor and the Supervisory Body regarding the ethical principles and the recommended behaviours, to keep and get them be observed by everybody in the Company;
- The partners, such as suppliers and other subjects with whom the Company has economic-financial relationships, mainly required to comply with the Code of Ethics in their relationship with the Company.

#### Employees

Persons having an employment relationship with the Company, including the executives.

### **Provisions**

This term identifies the principles of behaviour and the protocols contained in the Decree or referred to by the Decree itself.

### **Guidelines**

“Confindustria” line of conduct for the creation of organizational, management and control models pursuant to art. 6, paragraph 3, of the Decree, last updated on January 2018 with the Guidelines on the combined (c.d.) "Whistleblowing".

### **Model**

Complex of behaviour principles and written and non-written protocols aimed at the prevention of crimes, as provided for by the articles 6 and 7 of the Decree, in addition to the Organizational and Control instruments in force in the Body (Code of ethics, Organization charts, Power of attorney, Delegations, Regulations, etc.). The Model also provides for the identification of the SB and the definition of the sanctioning system.

### **Sensitive Operation**

Operation or action pertaining to the aforesaid sensitive activities.

### **Corporate Bodies**

The Board of Directors, the Board of Auditors, the Shareholders' Meeting of the Company and their members.

### **Executive Body**

The executive body identifies itself with the Board of Directors of the Entity, which can delegate to a Managing Director the operational activities concerning the implementation and updating of the Organization and Management Model.

### **Supervisory Body or SB**

Control body, as envisaged by art. 6 of the Decree, having the task of supervising the Model operation and observance thereof, as well as seeing to its updating.

### **P.A. (Public Administration)**

P.A. is the Public Administration, and with reference to it, the public officials and the public service officers.

### **Partners**

The contractual counterparties of the Company, such as suppliers, distributors, financing bodies, service providers, with whom the Company reaches any kind of contract-regulated collaboration (temporary business association, joint ventures, unions, collaborations in general), wherever meant to cooperate with the Company in the scope of sensitive activities.

### **Sensitive Processes**

Business processes in which the potential risk of committing crimes exists.

### **Protocols**

A structured system of rules with the function of preventing crimes and controlling sensitive processes, in relation to the purposes pursued by the Decree. They can be found, in this Model, first in the Special Parts, then in the Internal Procedures.

### **Internal Procedures**

Procedures and operating instructions concerning the management systems formalized by the Company, approved of by the relevant bodies and enforced in the respective areas of competence.

### **Crimes /Misconduct**

It's the type of offences to which the rules provided for by Legislative Decree 231/2001 are applied, also after any subsequent amendments and additions thereof.

## Rules of Conduct

As rules of conduct (behaviour) within the scope of this Organization and Management Model, we mean the following:

- the Code of Ethics provisions;
- the internal procedures referred to in the Organization and management Model;
- the principles of conduct shown in paragraph 5.3 "General Principles of Conduct";
- the norms of the Criminal Code, the Civil Code and of the laws and decrees, referred to in the Decree quoting the "Types of crime";
- respect of the internal proxy statements and powers;
- the obligation to report to the Supervisory Board (SB);
- any other regulation or recommendation contained in this Model.

## 2. The Decree

The "Gazzetta Ufficiale" (Official Journal) n. 140 dated June 19<sup>th</sup>, 2001 reports **Legislative Decree June 8, 2001, n. 231** (hereinafter called the Decree) entitled "*Discipline of the administrative responsibility of legal persons, companies and associations, even without legal identity, pursuant to art. 11 of the law no. 300 dated 29<sup>th</sup> September 2000*".

More specifically, article 5 of the Decree establishes the Body's liability whenever certain offenses are committed in its interest or to its advantage by an individual person linked by a functional relationship with the Body itself.

The main crimes (offences) covered by the regulation under examination are, by way of example, though not exhaustive:

- **Crimes committed in the relations with the Public Administration**, art. 24 of the Decree (misappropriation of funds, fraud against the State or other public Body, or aimed at obtaining public funds, as well as computer fraud to the detriment of the State);
- **computer crimes and unlawful processing of data**, art. 24-bis<sup>1</sup>;
- **bribery (extortion), undue induction to give or promise utility and corruption**, art. 25<sup>2</sup>;
- **counterfeit currency, public credit cards and revenue stamps**, art. 25-bis<sup>3</sup>;
- **offences against industry and trade**, art. 25-bis.1.<sup>4</sup>;
- **corporate offences**, including accounting fraud and bribery between private individuals, art. 25-ter<sup>5</sup>;
- **crimes with the purpose of terrorism** or subversion of the democratic order, art. 25-querter<sup>6</sup>;
- **crimes against the person**, art. 25 quater 1<sup>7</sup>, art. 25-quinquies<sup>8</sup>;
- **market abuse**, art. 25-sexies<sup>9</sup>;
- **manslaughter and serious or very serious injuries** committed in violation of the accident prevention regulations and of the protection of hygiene and health at work, art. 25-septies<sup>10</sup>;
- **receiving (stolen goods), laundering and use of money, goods or assets of illicit origin, as well as self-laundering**, art. 25-octies<sup>11</sup>;
- **crimes on copyright infringement**, art. 25-novies<sup>12</sup>;

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1 Article added by Law 18 March 2008, no.48, art. 7.

2 With Law 9 January 2019 n. 3 the crime of illegal traffic (Art. 346-bis of the Criminal Code) was also included in the crime catalog.

3 Type of offenses introduced by art. 6 of Law 23 November 2001 n. 409 containing "*Urgent provisions in view of the introduction of the euro*".

4 Article added by letter b) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

5 Type of offenses introduced by art. 3 of Legislative Decree 11 April 2002 n. 61 "Regulation of criminal and administrative offenses concerning commercial companies, pursuant to article 11 of law no. 366 of 3 October 2001". The crime of corruption between private individuals was included with Law 6 November 2012 n. 190. Among the corporate crimes is also included the false accounting, provided for in Articles 2621 and 2622 of the civil code, following the amendment of the law with Law 27 May 2015 n. 69.

6 Type of offenses introduced by Article 3 of Law 14 January 2003 n. 7 "*Ratification and execution of the International Convention for the suppression of terrorism, made in New York on December 9, 1999, and rules for the adaptation of the internal system*".

7 *Practices of mutilation of female genital organs (art. 6, law 9/01/2006 n. 7)*.

8 Types of crimes introduced by Article 5 of Law 11 August 2003 n. 228 "*Measures against trafficking in persons*".

9 Type of offenses introduced by art. 9, paragraph 3 of the law of 18 April 2005 n. 62 "Community Law 2004".

10 Introduced by the art. 9 of the law of 3 August 2007, n. 123

11 Introduced by the art. 63 of Legislative Decree 21 November 2007, n. 231. The law also provides for the crime of self-laundering following its inclusion with Law 15 December 2014, n. 186.

12 Article added by letter c) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

- **induction to fail to make statements or to make false statements to the judicial authority**, art. 25-novies<sup>13</sup>;
- **transnational crimes**, art. 10 of Law no. 146 dated 16<sup>th</sup> March 2006;
- **environmental crimes** art. 25 undecies<sup>14</sup>;
- **offense of employing citizens of third countries, whose stay is irregular**, art. 25-duodecies<sup>15</sup>;
- **crimes of racism and xenophobia**, art. 25-terdecies<sup>16</sup>.

The provisions of the Decree also apply to the combined provisions (so called) “transnational crimes”, according to art. 10 of the law 16th March 2006, no. 146;

For the detection of the crimes that are considered to be abstractly applicable to the activities carried out by the Companies (i.e., more precisely, the crimes that are potentially and abstractly supposed to be committed, considering the objective nature of the activities performed by the Company), please refer to paragraph 4.1 below, **to be read in conjunction with the Risk / Crime Matrix and the individual Special Parts of the Model.**

The regulations in question are the result of a legislative technique, which by adopting principles of the criminal and of the administrative offense, introduced into the Italian Law a punitive system of the Corporate offences (Entities and Companies with legal personality, and Companies and Association also without legal personality) which is in addition to, and integrated with the existing sanctioning systems.

The competent criminal court judge expected to judge (try) the author of the event is also appointed to judge, in the same proceeding, the administrative responsibility of the Body and to apply the resulting sanction in accordance with the timing and discipline typical of the criminal trial.

The liability of the Body arises because of the connection with the execution of one of the crimes specifically provided for by the Decree, by a natural person linked by a functional relationship with the Body itself.<sup>17</sup>

The Body can be held liable if the offence is committed in its own interest or to its advantage, while its responsibility ceases if the perpetrator has acted in his own exclusive interest or in that of a third party.

The type of functional relationship that binds the Body to the individual who commits the criminal offence can be of representation or subordination.

1. In the first case, that is when the perpetrator of the crime is a natural person who acts as representative, administrative or management of the Body or one of its organizational units with financial and functional autonomy, as well as a person who exercises, even in fact, the management and control of the Body itself (**top managers**), has the Legislator envisaged a presumption of guilt for the Body, in consideration of the fact that these subjects express, represent and implement the management policy of the same (in this case it is task of the Body to demonstrate the suitability of the Model and its concrete implementation to avoid conviction).
2. In the second case, when the perpetrator of the offence is an individual subject to the direction or supervision of others (subordinate subjects), will the Body be liable only if the commission of the crime was made possible by failure to comply with the direction and supervision obligations (in the latter case it is up to the Public Prosecutor

<sup>13</sup> Article added by paragraph 1 of the art. 4, L. August 3, 2009, n. 116, not taking into account the insertion of an article with identical numbering provided by letter c) of paragraph 7 of the art. 15, L. July 23, 2009, n. 99.

<sup>14</sup> Crimes introduced by Legislative Decree 7 July 2011, n. 121 and amended with Law 22 May 2015 n. 68.

<sup>15</sup> Crimes introduced by Legislative Decree 16th July 2012 n. 109.

<sup>16</sup> Crimes introduced by Law 20.11.2017 n. 167.

<sup>17</sup> The responsibility provided for by the Decree also takes place in relation to crimes committed abroad, in the interest or to the advantage of the Company, by the persons indicated in the art. 5 of the Decree, provided that the State does not proceed in the place where the offense was committed (Article 4 of Legislative Decree 231/2001).

Speciale cases:

- According to the art. 6, paragr.2, of the penal code, the offense committed abroad is deemed as committed in the territory of the State when the conduct took place there also in part; it is sufficient that in our Country any activity of participation by any of the participants has been carried out, no matter whether this partial activity does not in itself have the character of illegality, having to be meant as “fragment of a single criminal offense to be considere as essential ”(Criminal Court of Cassation 4284/2000);

- According to art. 9 of penal code the citizen who commits a crime in a foreign territory for which the Italian law provides for a specific penalty, is punished according to the same law, provided that he/she is in the State; if the law provides that the guilty party is punished at the request of the Ministry of Justice, proceedings are taken against the Entity only if the request is made against the latter (Article 4 of Legislative Decree 231/2001).

- On the basis of Law 146/2006, which introduces transnational crimes, it is necessary that all the recipients of Legislative Decree 231/2001 who operate outside the national borders, verify any critical issues among their activities, also in relation to what is indicated in the previous points.

3. to prove that the Model is not suitable or not correctly applied within the Company in a way such as to give rise to conviction).

The Body is not free from liability when the perpetrator of the offence has not been identified nor is he/she chargeable with it, and even in the event that the crime is extinguished due to a reason other than amnesty.

Articles 6 and 7 of the Decree provide for the Body a specific form of exemption from liability governed by art. 5, if it proves to have adopted and effectively implemented organizational, management and control models suitable for preventing crimes.

The Model shall be essentially based on a system of preventive controls to be performed also by the adoption of Protocols aimed at planning the education and implementing the decisions in the context of specific processes which include typical risk factors. The effectiveness of the Model shall be guaranteed through:

- The constant verification of its correct application;
- the adoption of an adequate sanctioning system.

On this purpose, the Body must create an internal **Supervisory Body (SB)**, endowed with autonomous powers of initiative and control, which verifies the operation, implementation and current stand of the Model.

The **system of sanctions** envisaged by the Model shall introduce specific sanctions against the recipients of the Model, graded according to the recipient qualification, the seriousness of the violation, the repetition of the conduct over time, the danger to which the Company has been exposed and in any case in relation to the current employment contract or to the mandate it has received.

The Company itself is subject to sanctions: the system of sanctions envisaged by the Legislator is characterized by the application to the Body of a pecuniary penalty commensurate to shares.

The Judge determines the number of quotas in relation to the seriousness of the offence and assigns a trade value to each individual quota (share).

For each offence a minimum number and a maximum number of quotas are provided; in addition, each quota can be applied from a minimum of 258 Euros to a maximum of 1,549 Euros. The Body (Organization), therefore, is subject to the application of maximum € 1,549,000 of pecuniary sanctions.

In addition to the pecuniary sanction, disqualification sanctions can be applied for the most serious cases, such as: the disqualification from the exercise of one's activities, the suspension or revocation of the authorizations, licenses or concessions, the prohibition to place contracts with the Public Administration, the exclusion from benefits, loans, contributions or subsidies, and the possible revocation of those already granted, or also the prohibition to advertise goods or services.

The sanctioning system envisaged by the Decree is completed with the application of the confiscation of the profit of the offence, and, wherever a disqualification sanction is applied, with the publication of the sentence (judgement).

Please refer to the regularly updated text of Legislative Decree 231/2001 via the link <https://www.aodv231.it/decreto-231/il-testo-del-decreto-legislativo-n--231-2001/>.

### 3. The Confindustria Guidelines

While preparing this Model, the Company was inspired by the Confindustria Guidelines updated to March 2014, and ultimately in January 2018, in relation to the combined "Whistleblowing" regulation, except for the necessary adjustments due to the organizational structure of the Company.

The basic points the Guidelines identify within the construction of the Models can be summed up as follows:

**implementation of a risk management system**, aimed at detecting and managing those company activities which entail a risk of crime, composed of the following activities:

- identification of the areas at risk, aimed at verifying in which area or corporate sector it is possible to carry out the offences envisaged by the Decree;
- analysis of the potential risks, aimed at identifying the possible ways to carry out the offences in already located areas of the Company;



- assessment, construction or adaptation of the system of preventive controls, so as to ensure that the risks of committing the crimes are reduced to an "acceptable level".

The threshold of tolerable risks, when it comes to **intentional crimes**, is represented by a prevention system that cannot be misled unless **fraudulently**.

On the other hand, in the event of **culpable crimes** committed under breach of the rules on health and safety at work, no threshold of tolerance is acceptable on the exemption purposes of the Decree, since only the **possibility of carrying out a conduct in violation** of the organizational model of prevention (and the underlying mandatory obligations prescribed by the prevention regulations) is punishable, despite the timely compliance with the supervisory obligations set forth by the specific Body.

In other words, there is no threshold of tolerance when it is in any case possible – or merely conceivable – to run a conduct in breach of the rules and prescriptions laid down in order to prevent risks, since in the event of culpable crimes it is unconceivable to turn to the concept of fraudulent evasion of the organizational models.

It then becomes clear that when it comes to culpable crimes, it is sufficient that these are wanted by the agent only as behaviour and not as an event; the latter, as a matter of fact, may occur even outside any possibility of control by the parties in charge (for example, out of an "abnormal" conduct of the worker, that is to say strange and unpredictable).

**A. identification and construction of the components of a preventive control system** consisting of:

- the Code of Ethics, with reference to the crimes considered;
- the organizational system, sufficiently formalized and clear, above all as far as the attribution of responsibilities, the hierarchy dependence lines, and the description of the tasks are concerned;
- the protocols and manual and IT procedures, such as to regulate the performance of the activities by providing appropriate control points, known within the Company thanks to instructions provided at the time of employment and / or at the beginning of the collaboration, and externally produced on request in written form;
- the authorization and signature powers, assigned consistently with defined organizational and management responsibilities;
- the management control system, able to provide prompt reporting of the existence and emergence of critical situations;
- the communication to staff and their training;
- the reports of the recipients, whose confidentiality must be protected for this purpose.

**B. Introduction of a disciplinary system** and sanctioning processes.

**C. Identification of the SB** through the definition of:

- requisites, such as autonomy and independence, professionalism, continuity of action;
- composition;
- tasks and powers;
- obligation to report to the SB

**4. The Model of Gefit Spa**

**4.1 Adoption and Structure of the Model**

The Company, with the adoption of the Model, has the target of availing itself of a number of behaviour principles, which in addition to the system of attribution of functions and delegation of power, as well as to the other internal organizational and control systems, responds to the objectives and rules envisaged by the Decree, both when preventing the crimes and when checking the Model implementation or also the application of sanctions, if any.

In particular, the Company intends to make the Recipients aware of the set of duties and ways of conduct they are expected to keep to when exercising their functions and/or assignments in hazardous processes, such as provided for in the successive Appendices.

The Model integrates the organizational and control tools indicated below:

- **Code of Ethics:** lists the representative principles of the corporate philosophy inspiring the choices and conducts of all those who, for various reasons and on different levels, act on behalf of, and in the interest of the Company, to which they must obey in compliance with the laws and regulations in force in all the countries the Body operates in. It guarantees, then, the regular course of business, the reliability of the management and ensures a high image;

- **Business Risk Analysis:** identification and analysis of the activities supposed to be bearing risks of committing the crimes envisaged by the Decree. The analysis takes place also by the documentation exam, survey in the production premises, interviews and talks with the personnel in charge of the departments;
- **Attribution of Powers:** Attribution of the powers necessary to run the Company operations to the Board of Directors, its members, the attorneys, the delegated parties, and to the managers. The System also allows to realize the coincidence between formal and substantial organization.
- **Protocols and Procedures:** they regulate the business processes. Each of them, whenever issued in written form, bears the date and the signature of the Chairman, the Vice President, the Managing Directors, or person delegated by them or by the Area Manager, indicates the corporate areas of application, identifies the various macro phases of the Process, gives the appropriate instructions to the different Managers, warns everybody to substantially comply with the rules therein contained. These instructions are provided in written form only if urgent situations occur or in case of extraordinary operations, while the daily and ordinary activities are handled with verbal instructions, known by practice.
- **Operating Instructions and Manuals:** they are produced to meet the needs of users of complex IT systems and represent a significant organizational tool. Users can consciously manage their data, get or provide information to other Company units in strict compliance with the safety and confidentiality conditions.

The Model is composed of:

- A **General Section**, introductory to the principles and general rules of conduct, to the targets the Company set by adopting the Model, and to the organization chosen to prevent crimes (the sanctioning system, the SB, the internal set of information);
- A **Risk/Crime Matrix**, which acts as an explanatory link between the General Part and the Special Parts;
- Several **Special Sections**, containing the specific elements and the organizational and structural characteristics of the Company as detected at the time of drawing up the Model, and constantly updated in order to maintain, within the Model, a truthful and faithful representation of the Body, useful for the organization of the control activity by the SB.

The Risk Matrix and the Special Parts, divided by type of offence, also report the other fundamental characteristics of the Model, such as the identification of sensitive activities and the general and specific rules established to prevent crimes from being committed.

#### 4.2 Function and Purpose of the Model

The Company, aware of the need to ensure conditions of transparency, legality and fairness in the conduct of business, and for the sake of protection of its employees' work, deemed as consistent with its corporate policies to implement the Model provisions of the Decree.

This Model was adopted by the Board of Directors which, in compliance with the Decree provisions, did set up an internal control body, the SB, whose task is to supervise the function, effectiveness and observance of the Model itself, as well as to update it.

Purpose of the Model is to define a structured and organic system of directives and control activities expected not only to prevent the several types of offences contemplated by the Decree, but also to act as an organizational tool of management and verification supposed to rationalize and monitor the Company behaviours.

By identifying the "areas subject to risky activities" and assigning to them the consequent procedure, is the Model essentially meant to:

- Arouse, in all those who operate in the name and on behalf of the Company, the awareness of incurring, in the event of infringement of the herein set forth provisions, an offence punishable both by criminal and administrative sanctions not only imposed to them but also to the Company;
- Emphasize that such unlawful forms of behaviour are strongly blamed by the Company, since even though the latter might apparently be able to take advantage of them, they are however against the provisions of the law as well as against the ethical principles the Company intends to keep to in the performance of its business mission;
- Enable the Company to act timely to prevent or oppose the perpetration of these crimes.

#### 4.3 Recipients

"Institutional" recipients are all subjects required to comply with the Code of Ethics and the Organization and Management Model, who, for whatever reason, while operating on behalf of and in the interest of the Company may

incur the perpetration of the crimes set forth in the Decree, bringing the liability back to the Company itself, pursuant to Article 5 of the aforementioned Decree.

"Institutional recipients" are therefore: Associates, members of the Board of Directors, Attorneys, Directors, Executives and all other Employees, Collaborators, Consultants and other Subjects, when they are representatives or agents, in various ways, of the Company.

The Board of Statutory Auditors, the Statutory Auditor and the Supervisory Body are also recipients, as regards compliance with the Code of Ethics in the relationship with the Company, and with regard to the obligation to make institutional Recipients respect, in cases specifically identified and falling within their own responsibilities, the principles of behaviour and the procedures adopted by the Company.

"Other Recipients", but only as far as compliance with the general principles of the Code of Ethics is concerned, are eventually: Suppliers, Consultants in general and Business Partners who do not have the representation of the Company, to whom specific communications concerning the commitment to respect the above in relations with the Company must be sent or provided.

#### **4.4 Spreading of the Model**

The effective implementation of the Model is also a function of its spreading and knowledge within the Company, and of the awareness, for all its employees, of the Company's willingness to operate according to an effective and constant application of the behaviour principles therein contained.

Once it is approved, shall the implementation of the Model be accompanied by:

- a formal presentation of the Code of Ethics and of the Model to the members of the Board of Directors, who will present the Model to the Shareholders' Meeting, the Attorneys, the Directors, the Executives, the Employees and to all those who can be included among the "institutional recipients";
- carrying out of meetings to illustrate, make personnel aware of, and train them on the contents of the Code of Ethics and the Model;
- the publication of the Code of Ethics and the Model (general part) on the Company's website, the publication of the Code of Ethics and the entire Model on the corporate intranet and on the notice board of the Company's registered office, available to employees and all other internal Recipients;
- the distribution of the Code of Ethics and the Model to the Statutory Auditors, the Statutory Auditor and the Supervisory Body (SB).

Since the behaviour of the collaborators or other subjects the Company has contractual relationship with (professionals, subjects acting as representatives of any kind or as agents of the Company), in contrast with the lines of conduct envisaged by this Model may raise the risk of committing a crime sanctioned by the Decree, it is absolutely necessary that the implementation of the Model goes with a specific distribution of its contents to those collaborators and third parties.

On this purpose, it will be necessary to:

- publish the Code of Ethics and the general part of the Model on the Company's website;
- ask collaborators and suppliers to diligently take note of the above-mentioned documents by indicating in the correspondence forwarded to them the specific web site address where the above documents can be found;
- ask them to engage, and undersign, to apply all appropriate measures to prevent any significant conduct according to the Decree, and to adapt the performance procedures to the organizational model and to the Code of Ethics adopted by the Company;
- make these external subjects aware that failure to apply the rules of conduct may lead to the termination of the contract and / or the application of the other sanctions indicated in the document.

#### **4.5 Training of the Personnel**

The executive Body, identified in the Board of Directors, which delegates the operational aspects to a properly appointed member of the Board of Directors and/or to the Attorneys, in agreement with the SB, ensures the training to the personnel with the purpose to guarantee appropriate knowledge, comprehension and application of the Model by both employees and managers.

The training shall be different between the general personnel and the one working in the specific areas of risk, as identified by this Model.

The contents of the training courses will be divided into:

## **A general section, directed to the majority of employees**

In this context, here are the minimum contents the training shall cover:

- Objectives and contents of the Code of Ethics: the importance of the document as a shared internal behaviour standard;
- Implementation of the Model;
- The general behaviour principles required;
- Disciplinary system of sanctions.

## **Specific Part, directed to the employees working in risk areas**

The training contents will concern, in addition to the above quoted general topics:

- The crimes envisaged by the Decree;
- The risks, the Company may be faced to;
- The protocols determined in order to prevent crimes;
- The inspection activity of the appointed bodies;
- The obligation to provide information.

### **4.6 Modifications and Additions to the Model**

In compliance with the provisions of art. 6, paragraph 1, letter a) of the Decree, this Model is an act issued by the Management of the Body.

The Model is therefore adopted by the Board of Directors pointing out that the implementation and management of the Model itself, including the protocols, the Code of Ethics, the sanctioning system, and the guidelines of the SB, is assigned to the competences of one of the Board of Directors' members.

Since the Model is adopted by the Board of Directors, shall any relevant modification or addition be approved of by the Board itself; any adjustment or addition thereof, which does not essentially affect the Model structure and contents, can be adopted by a Managing Director, who will then report to the Board.

### **4.7 Commitment of the Governing Body (Management)**

The Governing Body identifies with the Board of Directors, and it is responsible for the operational activities connected with the management and updating of the Model.

The Board of Directors therefore ensures the development and implementation of the Model through the following actions:

- communicate to the organization the importance of complying, without reserve, with every rule of the Model;
- foster a policy of conformity to the Model;
- ensure that the objectives of compliance with the Model are defined;
- ensure the availability of resources;
- ensure the SB functioning;
- adopt the sanctioning tools;
- make sure that the responsibilities, tasks, delegations, and the authorities are defined and disclosed within the organization.

## **5. General Rules**

### **5.1 The system, in general**

All sensitive Transactions must be carried out in compliance with the laws in force, the Code of Ethics, the values and policies of the Company and the rules contained in this Model. As a rule, the organization system of the Company complies with the fundamental requirements of formalization and clarity, communication and separation of roles especially when it comes to the attribution of responsibility, representation, definition of the hierarchies and of the operating activities.

The Company has organizational tools (organization charts, communications, procedures, etc.) based on the general principles of:

- Knowability within the Entity;
- Clear and formal segregation of roles, with a careful description of the tasks, and relevant powers, each function does have.

The Protocols and Procedures are characterized by the following elements:

- Maximum possible separation, within each process, between the person who initiates it, the one who performs and concludes it, and the person who controls it;
- Written record of each relevant step of the process;
- Adequate level of formalization.

## 5.2 The system of delegations and proxies

The system of delegation and powers of attorney must be characterized, as a rule, by elements of "security" for the purpose of preventing crimes (traceability and evidence of activities in the context of sensitive Operations) and, at the same time, it must allow the efficient management of the business activity.

### A. Delegations

It is meant, by delegation, the internal act of attribution of functions and tasks, contained in the system of organizational communications.

The essential requirements of the delegation system, for the purposes of effective crime prevention, are the following:

- the delegations must connect each management power with the corresponding responsibility and with an adequate position in the organization chart, and be updated as a result of organizational changes;
- each delegation must clearly define:
  - the powers of the delegate;
  - the subject (body or individual) the delegate reports hierarchically to.
- the delegate should be in a condition to have adequate spending powers for the functions he's been awarded with.

### B. Proxies

It is meant, by proxy, the unilateral legal transaction with which the Company assigns powers of representation to third parties.

Holders of a corporate function, who require powers of representation for the performance of their duties, are given a "functional general power of attorney" of adequate extension and consistent with the functions and management powers attributed to the owner through the delegation.

The essential requirements of the system of attribution of powers of attorney, aimed at an effective prevention of crimes, are the following:

- the **general functional powers of attorney** are conferred exclusively to individuals with internal delegation; the general powers of attorney describe the conferred management powers and, where necessary, are accompanied by a specific corporate communication which establishes the extension of the powers of representation and the numerical spending limits.
- **Special powers of attorney:** when released to perform a specific operation. This power of attorney ceases either with the completion of the activity described therein, or with the subsequent revocation if such activity has not yet been performed or should no longer be performed.

The SB periodically checks the system of proxies and powers of attorney in force, their compliance and application and their consistency with the system of organizational communications (the internal documents with which the proxies are given), while possible changes are recommended by the SB itself if irregularities are found.

## 5.3 General Principles of Behaviour

All **Recipients** must adopt rules of conduct in accordance with the prescriptions, in order to prevent the occurrence of the crimes envisaged by the Decree.

### A. Prohibitions

The Recipients are expressly prohibited from:

carrying out (or attempting to) actions or conduct aimed at committing the crimes considered above, such as, for example:

#### Offences against the Public Administration (Article 24 of the Decree):

- allocate to purposes other than the realization of the works, or from the performance of activities of public interest for which the Company has obtained from the State or another public body or from the European Community contributions, subsidies or financing (embezzlement against the State, art. 316 -bis penal code);

- have the Company unduly obtain, through the use or presentation of statements or false documents whose contents is untrue, or through the omission of due information, contributions, loans, subsidized loans or other disbursements of the same type granted or paid by the State or other public bodies or by the European Community (undue receipt of funds to the detriment of the State, Article 316-ter of the Italian Criminal Code);
- mislead the State or another public body, using stratagems or tricks, in order to obtain an unfair profit or public disbursements (fraud to the detriment of the State, articles 640 and 640-bis of the Criminal Code);
- alter, to the detriment of the State or a public body, the operation of an IT or telematic system or interfering without any right in any way on data, information or programs contained in a public or computerized system or relevant thereto (computer fraud to the detriment of the State or of a public body, Article 640-ter of the Criminal Code).

**Crimes Against Industry and Commerce (Art. 25-bis.1 of the Decree):**

- if aware of the existence of the industrial property title, manufacture or industrially use objects or other goods made by usurping an industrial property title (art. 517-ter. Criminal Code: Manufacture and trade of goods made by usurping industrial property rights).

**Computer crimes and unlawful data processing (art. 24-bis):**

- make or alter public or private electronic information documents (defined as "computerized representation of legally relevant deeds, facts or data") that have evidentiary effects (false statements in IT documents, art. 491-bis of the Criminal Code);
- illegally enter an IT or electronic system protected by security measures or to stay there against the express or tacit will of those who have the right to exclude it (abusive access to an IT system, Article 615-ter of the Italian Criminal Code);
- unlawfully get, copy, spread, communicate or hand out codes, keywords or other means aimed at having access to an information or telecommunication system protected by security measures, or provide indications or instructions suitable for the aforementioned purpose (illegal holding and dissemination of codes of access to information or telecommunication systems, article 615-quater of the Criminal Code);
- fraudulently intercept communications relating to an IT or telematic system or between multiple systems, or prevent or interrupt them (unlawful interception, obstruction or interruption of computer or electronic communications, Article 617-quater of the Italian Criminal Code);
- destroy, damage, delete, alter or eliminate information, data or computer programs of third parties (damage to information, data and computer programs, art. 635-bis of the Italian Criminal Code);
- destroy, deteriorate, erase, alter or suppress information, data or computer programs used by the State or other public body or relevant to them, or in any case being of public utility (damage to information, data and computer programs used by the State or other public body or in any case of public utility, Article 635-ter of the Italian Criminal Code).

**Bribery, undue induction to give or promise utility and corruption (art. 25 Decree):**

- to offer or promise money or other benefits to a public official, a person in charge of a public office or to parties related to these in order to perform, omit or delay an act of his/her office (corruption and / or extortion);
- to be induced to give or promise to a public official, to a person in charge of public office or to subjects related to them, money or other utilities in order to perform, omit or delay an act of his/her office (undue induction to give or promise utility).

**Receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering (article 25 octies Decree):**

- to replace, transfer, carry out operations aimed at hindering the criminal origin of money or other benefits deriving from a non-culpable crime;
- to use, replace, transfer, in economic, financial, entrepreneurial or speculative activities, money, goods or other utilities coming from the perpetration of malicious crime, in order to concretely hinder the identification of their criminal origin.

**Corporate crimes (article 25 ter Decree):**

- to produce false social (corporate) communications;
- to prevent controls by the deputy bodies;

- to work out documents aimed at a fictitious formation of capital;
- to unduly return capital contributions;
- to operate in the scope of company activities, or authorize operations, without the due DILIGENCE or PRUDENCE, or in any case without the necessary SKILFULNESS of one's own or of the subjects the activities are delegated to, such as to be able to exclude that the guilt of harmful events can go back to the Company or to any of the Recipients of the Decree;
- to carry out actions or behaviours that, even though they are such as not to constitute in themselves cases of crime falling within those provided for by the Decree, can potentially become such;
- to implement any situation of conflict of interest towards the Public Administration or people in charge of a public service, in relation to the provisions of the afore mentioned offenses;
- to promise money or other benefits for themselves or others, to directors, general managers, managers in charge of working out corporate accounting documents, auditors, liquidators, to perform or omit acts in violation of the obligations applicable to their office or loyalty obligations, causing therefore harm to the Company.

With particular reference to the aforesaid behaviours (also sanctioned by the Code of Ethics adopted by the Company) it is forbidden to:

- make cash payments to public officials or public service officers or, in general, to representatives of the Public Administration ("Government Officials");
- distribute gifts and presents out of the scope of the company procedures; any form of gift to Italian and foreign "Government Officials" or to their families, which may influence the independence of judgment or induce to ensure any kind of advantage for the Company is particularly forbidden. The allowed gifts must always be distinguished by their small value or because their aim is to promote the Company image, while they shall be accompanied by adequate documents to allow the necessary checks;
- grant other advantages of any kind (i.e. promises of employment) in favour of "public officials" (or their family members), which may determine the same consequences envisaged in the previous point;
- perform, in favour of Partners, services which are not adequately justified in the context of the associative or collaborative relationship established with the Partners themselves;
- award collaborators with compensations that are not adequately justified in relation to the type of task to be performed and to the practices in force;
- accept donations, presents or gifts out of the company practice for oneself or for one's family members, as well as other benefits or services of any kind, which may influence the independence of judgment or lead to ensuring any advantage, even indirect, to the Company;
- submit untruthful declarations to national or EU public bodies in order to obtain public funds, contributions or subsidized loans;
- allocate sums received from national or EU public bodies by way of grants, contributions or loans for purposes other than those for which they were intended;
- prevent the performance of controls or checks by company bodies or third parties, on behalf of the same bodies;
- alter the data contained in the Company computer archives or in the databases to which the Company has access;
- produce documents of any kind or declarations not compliant with the results of the corporate information system of accounting data, and of the resolutions of the corporate bodies;
- hold material and data concerning the human exploitation, especially if it comes to minors, or access websites showing such data and images;
- make donations to organizations or associations whose activity or subsequent allocation of funds is not clearly known;
- present, in the financial statements, reports or other social communications, facts that are not real yet aimed at obtaining an unfair profit;
- directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators are strictly forbidden from intentionally disclosing in the financial statements, reports or other corporate communications addressed both to the shareholders or the public, important material facts that are untrue, or omitting relevant material facts, whose spreading is imposed by the law, on the economic, patrimonial or financial situation of the company or of the Group this latter belongs to, in a way expected to lead others into errors;
- omit information whose disclosure is required by law, on the economic, equity or financial situation of the Company, to mislead the recipients on the aforesaid situation;
- start and keep business relationships with Companies and Entities whose involvement in activities aimed at terrorism or subversion of the democratic order or against the individual personality is known;
- purchase production assets whose illicit origin is acquainted or easily traceable;
- replace, transfer or however use capital of illicit origin;

- employ money, goods or other utilities of illicit origin in the business.

### **Tax Crimes**

- using cash or other bearer financial instruments exceeding the limits allowed by law, for any collection, payment, transfer of funds, use or other deployment of financial assets, as well as the prohibition of the use of current accounts or savings books in anonymous or fictitious names;
- accepting and executing payment orders from unidentifiable persons, who are not present in the register and whose payment cannot be traced (amount, name/denomination, address and current account number) or if it is not ensured, after carrying out checks when opening/changing the supplier/customer register in the system, that the name of the supplier/customer fully corresponds to the header of the account to which the payment is to be sent/from which it is to be accepted;
- receiving or concealing money or things deriving from any offence where it would have been possible, by applying ordinary professional diligence, to ascertain the unlawful origin of what was received;
- acquiring goods resulting from any crime/offence/illicit act;
- paying cash or in no-traceable ways;
- replacing or transferring money, goods or other benefits resulting from a non-culpable crime in the performance of acts of negotiation or in other transactions in such a way as to obscure their criminal origin;
- using in economic or financial activities money, goods or other assets resulting from an offence where, by using normal professional diligence, it would have been possible to identify the unlawful origin of what had been received;
- establishing business relations with persons (natural or legal) known or suspected to be members of criminal organisations (money laundering, drug trafficking, usury);
- holding, promoting, collaborating in or causing the commission of behaviours which, taken individually or collectively, directly or indirectly constitute the types of offences included among those considered in Special Section M;
- in general, the perpetration of any non-culpable crime (mainly among those provided for in Legislative Decree no. 231/2001) and the subsequent use, replacement, transfer, in economic, financial, entrepreneurial or speculative activities, of the money, goods or other benefits resulting from the commission of such crime, in such a way as to effectively hinder the identification of their criminal origin (self-laundering offence);
- using even occasionally the Company or one of its business units for the purpose of enabling or facilitating the carrying out of tax crimes.

### **B. Obligations**

#### **Protection of Health and Safety at Work**

- In order to ensure the adoption and respect of the general measures to protect health and safety of workers on the workplace, both the Employer and the persons from him/her appointed must keep to the following provisions:
- arrange the assessment of all the risks for health and safety on each workplace and for each type of activity;
- prepare the prevention planning;
- provide for the elimination of risks, and, wherever not possible, reduce them to the minimum in relation to the knowledge acquired in the technical progress;
- consider the ergonomic principles in work organization, in the choice of equipment, and in the definition of work and production methods;
- reduce risks at source;
- replace what is dangerous with what is safe or less dangerous;
- minimize the number of workers who are, or may be, exposed to risk;
- limited use of chemical, physical or biological agents in the workplace;
- give priority to collective protection measures over individual protection measures;
- ensure the workers' health with medical control;
- keep the worker away from exposure to risk due to health reasons of his/her own, and assign him/her where possible, to another task;
- grant adequate information and training for workers, managers, supervisors and workers' safety representatives;
- ensure the participation and consultation of workers and workers' safety representatives;
- plan measures deemed as appropriate to ensure the improvement of safety levels over time, also through the implementation of codes of conduct and good practices;



- take emergency measures to be implemented in case of first aid, firefighting, evacuation of workers and serious, sudden danger;
- ensure the use of warning and safety signs;
- guarantee a regular maintenance of environments, equipment, installations, with focus to safety devices in compliance with the manufacturers' guidelines.

## **Environmental Protection**

- In order to guarantee the adoption and respect of the general environmental protection measures, the recipients of the Model are prohibited from:
- causing, even negligently, significant and measurable impairment or deterioration: 1) of water or air, or of extensive or significant portions of the soil or subsoil; 2) of an ecosystem, biodiversity, including agriculture, flora or fauna;
- illegally causing, even carelessly, an environmental disaster, such as: 1) the irreversible alteration of the balance of an ecosystem; 2) the alteration of the balance of an ecosystem whose elimination is particularly onerous and achievable only with exceptional measures; 3) the offense against public safety due to the relevance of the fact because of the extent of the compromise or for its harmful effects, or for the number of people injured or exposed to danger;
- illegally transferring, purchasing, receiving, transporting, importing, exporting, providing others with, illegitimately holding, transferring, abandoning or disposing of highly radioactive material;
- unlawfully joining for the purpose of committing one of the crimes as per points 1 to 3 above.
- introducing into the atmosphere vapours or gases that might engender or contribute to causing the concrete danger of a lasting or significant jeopardizing of the air for life, or people and/or wildlife safety;
- disposing or storing huge quantities of waste without the necessary authorizations or through subjects who are unable to prove neither the authorizations thereof nor the locations and method of disposal and storage;
- removing or damaging minerals or plants, causing, or contributing to, the concrete danger of a lasting or significant compromise for the flora or the natural heritage;
- disposing of water in the environment that could cause, or contribute to, the concrete danger of a lasting or significant compromise of the soil, subsoil or water for the life or safety of people, for wildlife or flora;
- wholly or partially counterfeiting, physically or in the contents, the prescribed documentation or make use of false documentation;
- denying, or preventing, or hindering the activity of control of one's settlement or part of it, by setting up obstacles or artificially modifying the status of the places.

## **6. Supervisory Body**

### **6.1 Constitution, Appointment and Composition of the Supervisory Body**

The Supervisory Body (hereinafter named the SB) is composed of two members, and in accordance to what the Board of Directors deliberates, is appointed by the latter and has independent powers of initiative and control.

The Board of Directors appoints the members or members of the SB and assigns them the annual compensation and the annual expense budget that may be used by the SB, at its own discretion, in performing the tasks they've been entrusted with for external consultancy fees, travel expenses, operating activities, services requested from external bodies.

The members of the Supervisory Body cannot hold management, executive or control offices that may engender conflict of interest situations.

The main expected requirements are:

**A) autonomy:** the SB has decision-making autonomy. The SB is independent with respect to the Company, i.e. it is not involved in any way in operating activities, nor is it a participant in management activities. Furthermore, the SB has the possibility to play its own role without direct or indirect conditioning by the controlled parties. The activities carried out by the SB cannot be syndicated by any other corporate body or structure. The SB is also autonomous, as far as rules are concerned, i.e. it can determine its own behavioural and procedural rules within the powers and functions set forth by the Board of Directors. The SB is given a budget within which it can move independently. The budgeted amount shall be defined year by year by the company for supervisory purposes, according to the activities planned and exposed by the SB. When the SB recognizes the need to use the budget for certain supervisory activities, it will communicate to the company the reasons why it intends to proceed with such activities, but it the company itself to ask for estimates and quotations. The "technical-professional" evaluation of the professionals involved in these activities (curricula vitae) will be submitted to the SB.

**B) independence:** the non-subjection to any bond of subordination towards the Company is a necessary condition. Independence is achieved through a correct and adequate hierarchical position: the SB depends directly and solely only on the Board of Directors.

**C) professionalism:** the SB must be professionally capable and reliable. Therefore, the technical-professional competences adequate to the functions that he is called upon to perform must be guaranteed. Specific skills must be ensured in inspection and consulting activities.

**D) continuity of action:** in order to guarantee the effective and constant implementation of the Model, the SB operates without interruption. The SB, therefore, guarantees a constant commitment in the operating solutions adopted, even though not necessarily exclusive, suitable however to effectively and efficiently fulfil its institutional tasks.

The SB holds office for three years with the possibility of renewal.

The following cases constitute grounds for ineligibility and/ or forfeiture of the member of the SB:

- one of the occurrences described by art. 2382 of civil code (c.c.);
- one of the situations in which the autonomy and independence of the individual member can be compromised (e.g. direct assignments on behalf of the Company, related kinships, and so on);
- having reported a criminal conviction for crime, also in the form of the penalty application pursuant to art. 444 of the Criminal Procedure Code (C.p.p.);
- a pending crime proceeding against S.B. for which the criminal action is brought.

The SB also reserves the right to withdraw from the office by giving written notice by registered mail with proof of delivery within 30 days.

The SB ceases its role due to renunciation, unexpected incapacity, death or revocation.

Members of the SB may be revoked:

- in the event of repeated failure to fulfil duties, or unjustified inactivity;
- in the event of the imposition of disqualification sanctions against the Company, due to its inactivity;
- when violations of the Model are detected by the obliged parties and there is a failure to report such violations and in the verification of the suitability and effective implementation of the Model in order to propose any changes;
- if, after the appointment, one of the causes of ineligibility set forth above occurs.

The revocation is approved by the Board of Directors, with immediate notification to the Shareholders' Meeting and to the Board of Statutory Auditors.

In case of renunciation, unexpected incapacity, death or revocation of a member, the Board of Directors must appoint a substitute.

## 6.2 Powers and Tasks

The SB has its own internal regulation containing a description of the procedures for carrying out the tasks entrusted to it. The SB will periodically meet (at least once a year) the company management and any internal contacts according to the needs emerged from time to time during the Supervisory activities.

The SB is entrusted with the task of supervising:

- compliance with the Model by the social bodies, employees, and within the limits set by the consultants, suppliers, partners and service companies;
- the effectiveness and adequacy of the Model, in the prevention of crimes, in relation to the corporate structure;
- the opportunity to update the Model, where there is a need to adapt it in relation to changed company, regulatory and / or socio-environmental conditions, by requesting the competent bodies for this purpose, in accordance with the provisions of the Model itself.

More specifically, in addition to the tasks already mentioned in the previous paragraph, the SB is entrusted with the activities of:

### A) verification:

- collection, processing and storage of relevant information regarding compliance with the Model,
- carrying out surveys on company activity aimed at monitoring and updating the mapping of sensitive activities,
- periodic verification of targeted checks on certain operations or specific acts performed by the Company, especially in the context of sensitive activities, the results of which must be summarized in a specific report to be illustrated during a meeting to the appointed corporate bodies,
- implementation of the control procedures envisaged by the Model also through the issue, or proposition, of internal (rules-wise and/or information-wise),

- activation and performance of internal audits under connection, each time, with the company departments concerned to acquire additional elements,
- coordination with the other company functions in order to better monitor the activities in relation to the procedures established in the Model.

**B) update:**

- interpretation of the relevant legislation in coordination with the external legal advisors of the Company and verification of the adequacy of the Model to these regulatory requirements;
- periodic updating of the list of information that must be kept at SB disposal;
- assessment of the needs to update the Model, also through special meetings with the various corporate functions involved;
- monitoring of the updating of the company organization chart, which describes the organization of the Company as a whole with the specification of the areas, structures and offices, and related functions.

**C) training:**

- coordination with human resources to set the training programs for personnel and the contents of periodic communications to be sent to managers, employees and corporate bodies, aimed at providing them with the necessary awareness and basic knowledge of the legislation referred to in Decree;
- verification of the space updating on the Company's intranet-internet with reference to the information about the Decree and the Model;
- monitoring of initiatives to spread the Model's knowledge and understanding, and preparation of the internal documentation necessary for its effective implementation, containing instructions for use, explanations or updates thereof.

**D) sanctions:**

- reporting any violations of the Model to the Board of Directors and to the Function that will evaluate the sanction application, if any;
- coordination with the competent company departments/functions to assess the choice of any sanctions or measures, without prejudice to the competences of the same for the imposition of the adoptable measure and the relevant decision-making procedure;
- update on the outcomes of filing or application of sanctions.

Due to the tasks the Board of Directors is entrusted with, this latter is anyway the only corporate body called upon to supervise the adequacy of the intervention of the SB, since the ultimate responsibility for the functioning and effectiveness of the Model still falls to the Management body.

As required by law, the SB has autonomous powers of initiative and control in order to supervise the functioning and respect of the Model, but it does not have any coercive nor intervention powers such as to modify the company structure, nor sanction powers against managers, employees, social bodies, consultants, service companies, partners or suppliers; these powers are delegated to the corporate bodies or to the competent corporate functions.

In order to carry out its inspection activities, the SB has access, within the limits set by the Privacy Regulations (Legislative Decree 196/03 and RG EU 679/2016) and the Workers' Statute, to all company documentation that it considers relevant, as well as to the IT and information tools concerning the activities classified or classifiable as being at risk of crime.

The SB can avail itself not only of the assistance of all the Company's structures, but, under its direct supervision and responsibility, of external consultants with specific professional skills on the matter, for the execution of the technical operations necessary for the control function.

These consultants must always report their work results to the SB.

The autonomy and independence that must necessarily characterize the SB's activities have made it necessary to introduce some forms of protection in its favour, in order to guarantee the effectiveness of the Model and to avoid that its control activity can produce forms of retaliation against it. Therefore, decisions regarding the appointment, renewal or revocation of the appointment are assigned to the exclusive competence of the Board of Directors.

### **6.3 Information Obligations towards the SB**

The SB must receive from Employees, Members, Administrators and any other recipient of the Model (mandatory and immediately) the information concerning:

- measures and / or news from judicial police bodies, or from any other authority, from which the execution of criminal investigations is inferred, even against unknown persons provided such investigations involve the Company or its employees, corporate bodies, suppliers, consultants, partners;
- requests for legal assistance made by employees in the event of criminal proceedings start against them;
- the reports prepared by the managers of other business functions of the Company within the scope of their control activity, and from which facts, actions, events or omissions with profiles of criticality as to compliance with the provisions of the Decree could emerge;
- news about the sanctioning procedures carried out and the possible measures imposed or about the dismissal of such proceedings with the corresponding reasons, if they are related to the commission of crimes or violation of the rules of behaviour or procedure of the Model;
- the conclusions of the audits ordered by internal control functions or internal commissions from which responsibility for the perpetration of crimes set forth in the Decree derives;
- communications of the start of proceedings by the judicial police;
- requests for legal assistance proposed by shareholders, directors, managers, for the defense in proceedings for significant crimes according to the Decree;
- communications regarding variations of the organizational structure, or changes in delegations and powers;
- changes of the areas at risk;
- the execution of operations considered at risk based on the relevant legislation;
- contracts concluded with the Public Administration and provision of funds and public contributions to the Company;
- significant news about health and safety in the workplaces;
- important news on money laundering;

Furthermore, the SB must be constantly informed by the competent corporate functions:

- on aspects of the business that may expose the Company to the risk of committing one of the crimes envisaged by the Decree;
- on relations with service companies, suppliers, consultants and partners that operate on behalf of the company in the context of sensitive activities;
- on the extraordinary transactions undertaken by the Company.

The reporting obligations, as well as the related sanctions in the event of non-compliance with the Model, concerning non-employees of the Company, such as Consultants, Customers, Suppliers and Partners, are described in specific documents signed by such subjects, or in clauses reported into contracts binding these subjects to the Company.

#### **6.4 Reports of Model Violations**

The Officials, Executives, Employees, members of the Board of Directors, Attorneys and Members of the Company, as well as the recipients in general of the provisions contained in the Model, may report in writing to the SB on the presence of possible violations or the commission of sanctioned offenses.

The Company shall arrange a dedicated communication channel for reporting violations of its ethical principles and of the rules contained in the Model. For the purposes of this Model, this channel is accompanied by the possibility of free and confidential consultation of the SB through an e-mail address made known to the company personnel, to which any reports can be sent and whose access is reserved exclusively to SB. These methods of reports transmission are aimed at guaranteeing the utmost confidentiality of reporting parties in order to avoid, also, retaliatory attitudes or any other form of discrimination or penalization against them.

Communications may also be anonymous and should be sent, alternatively, to the following addresses:

- to the inbox of the SB;
- to the SB itself, at one of its members address that will be communicated later.

The SB will evaluate the reports received, and may decide to call, wherever appropriate, both the whistle-blower to get more information, and the alleged author of the violation, giving rise, as well, to all the investigations necessary to ascertain the merits of the reporting.

Once the reporting has been ascertained as valid, shall the SB act as follows:

- for violations committed by employees, it shall immediately notify - in writing - the Board of Directors or its member in charge of maintaining relations with the SB, about the start of the consequent actions;
- for violations of the Model and / or the Code of Ethics, deemed to be legitimate by top management individuals of the Company, it shall immediately notify the Board of Directors or its member in charge of maintaining relations with the SB;

- for violations of the Model and / or the Code of Ethics, deemed to be legitimate by one or more members of the Board of Directors, it shall immediately notify, jointly or severally, the Board of Directors, the Shareholders' Meeting and the Board of Statutory Auditors;

The SB may also take into consideration anonymous reports whether it deems it useful.

In any case, the SB undertakes to keep the name of the reporting person confidential. If this is not possible, the SB undertakes to protect, as much as possible, from any form of discrimination, retaliation, and penalties those who make reports for behaviours against the Model principles, or, at least, not in line with them. The SB evaluates the reports at its discretion, requesting any information, if necessary. The reasons of filing, if any, are stated in writing by the SB.

The SB must in any case keep the owners of the confidential reporting service already adopted by the Company, informed.

### **6.5 The SB's Reporting Activity towards Other Corporate Bodies**

The reporting activity of the SB always concerns:

- the activity carried out by the office of the SB;
- the implementation of the Model;
- any critical issues arising both in terms of behaviour or events within the Company, and in terms of the Model's effectiveness.

The SB has two reporting lines:

- directly to the Chairman of the Board of Directors and / or to the member of the Board of Directors responsible for maintaining relations with the SB on an ongoing basis;
- on an annual basis, to the Board of Directors and the Board of Statutory Auditors.

The SB annually prepares a descriptive report for the Board of Directors and the Board of Statutory Auditors containing, mainly, a summary of all the activities carried out during the previous year, the verifications carried out, as well as the possible updating of the mapping of sensitive activities and other major issues; in this report the SB also prepares an activities' plan for the year and the request for budget.

Should the SB detect critical issues referable to any of the bodies above mentioned, must the corresponding communication be addressed promptly to one of the other bodies.

When, for example, profiles of responsibility linked with violation of the Model come out, the consequence of which is the commission of specific crimes by one of the members of the Board of Directors, must the SB promptly contact the Chairman of the Board of Directors, who shall join together the Board of Directors itself, and in the event of omission or delay, must the SB contact the Board of Statutory Auditors, who in turn shall invite the Board of Directors to meet, and in the event of further delay or omission it will take action according to art. 2406 C.C.(Civil Code).

Meetings with the bodies to which the SB reports must be minuted and copies of the minutes must be kept by the SB and the bodies involved from time to time.

The SB must also coordinate with the competent functions present for the different specific profiles and / or consultants, and namely with:

- the external legal advisors of the Company for everything related to the interpretation of the relevant legislation, to determine the contents of the contractual clauses and the declarations of commitment for directors, managers and auditors;
- the administrative function for the corporate fulfilments that may be relevant for the purpose of committing corporate crimes and for monitoring the results of the activity carried out according to the Decree; for the control, then, of the compliance by the consultants, suppliers, partners and service companies with administrative and accounting procedures within sensitive activities;
- the human resources function with reference to the staff training, and in the event of organization modifications affecting the mapping of sensitive activities;
- the human resources function and the administrative function with reference to any disciplinary proceedings.

Whenever it deems it appropriate, may the SB coordinate with the company function useful to get as much information as possible, or for carrying out its activities at the best.

### **6.6 Operational and Financial Autonomy**

To guarantee autonomy in the performance of the functions assigned to the SB, the Company's Organization Model has provided that:

- the activities of the SB must not be previously authorized by any entity;
- the SB has access to all Company information, including those on IT support, and can directly request information to all personnel;
- failure to cooperate with the SB does constitute a disciplinary offence;

- the SB has the right to have the financial resources allocated by the Board of Directors available, autonomously and without any prior consent, in order to carry out the activity it has been entrusted with;
- the SB is assisted in its activity by a secretarial office, supposed to collect and keep of the documents (minutes, reports, etc.) and papers; to receive and forward correspondence; to communicate the schedule of meetings; to perform any other back office activity that becomes necessary.

## **7. Disciplinary System**

### **7.1 Function of Disciplinary System according to D.Lgs. n. 231/01**

With reference to the Decree, a system of sanctions is here expected to be applied in the event of violation of the rules of conduct introduced by the Model, the related procedures and the Code of Ethics, in order to guarantee effectiveness of the control activity exercised by the SB and ensure the effectiveness of the Model itself.

It is therefore clear that the disciplinary system drawn up here is applicable to conduct principles that could constitute violations of the law (Decree or other mandatory regulations).

The implementation of the disciplinary system constitutes, according to the Decree, an essential requirement of the Model, provided by law for the benefit of exemption of the Company's liability.

This Disciplinary Code therefore intends to operate in compliance with the regulations in force, including, where applicable, those provided for by the collective sector negotiation, and is eminently internal to the company, as it cannot be considered a substitute, but rather an addition to the laws or regulations in force, as well as an integration to the other intra-company regulations, including the disciplinary ones addressed to employees.

More precisely, the penalties provided for in this Disciplinary Code integrate, without replacing them, those stated by the Civil Code, the Workers' Statute and the category Collective Labour Agreements, regardless of the possible institution of a criminal judgment, and its outcome, for the crimes envisaged by the Decree, its subsequent amendments and additions.

For the purposes of the Decree, the disciplinary system:

- is structured differently according to the subjects to which it is addressed and above all to the tasks performed by the latter;
- identifies the sanctions to be applied in the event of infringements, violations, evasions in a timely manner, according to the cases;
- provides for an assessment procedure for the aforesaid violations, as well as a specific procedure to impose penalties;
- introduces appropriate methods of publication and diffusion.

It is essentially addressed to:

- all those performing the function of representation, administration or management for the Company;
- those having financial and managerial autonomy for their functions;
- in general, to all employees.

The application of disciplinary sanctions is independent from the outcome of any criminal proceedings against the offender. The sanctioning system is made public and widespread and is regulated by the Disciplinary Code adopted by the Company.

### **7.2 The Disciplinary System of Gefit Spa**

Gefit has been adopting an internal disciplinary code for quite a time.

This disciplinary system, therefore, does not replace that code, but on the contrary, it is issued in application of the provisions contained in Chapter VI of the Model and of the provisions set out in articles 6, second paragraph, lett. e) and 7, fourth paragraph, letter b) of the Decree, rules according to which the Model is suitable to achieve the purpose envisaged by the Law only if, among other requirements, it is provided with a suitable and adequate disciplinary system.

The disciplinary system is therefore introduced in order to sanction the non-compliance with the measures indicated in the Model itself, the related Procedures and the principles indicated in the Code of Ethics.

It is therefore prohibited and liable to this disciplinary system:

- any violation of the Code of Ethics, the Model and the preventive protocols referred to in the risk / crime matrix;
- any form of retaliation, including the violation of confidentiality, against the employee or collaborator who has reported, in good conscience, offenses concerning the matter regulated by the Decree.

### **7.3 Disciplinary Sanctions for Employees (Non-Managers)**

When it comes to employees, must the disciplinary system envisaged and required by letter b), paragraph 4 of the art. 7 of the Decree provide for suitable sanctions to punish violations of the Model. Reference is made to the penalties provided for by the Workers' Statute (Law 300/1970) and to the provisions of the C.C.N.L. (Collective Labour Agreement) applicable, by possibly integrating the procedures and sanctions provided for therein.

The disciplinary procedure must be articulated, therefore, in the following phases:

- Dispute: the contestation of the fact or facts underlying the charge must be in writing (with means certifying the receipt, for example, a letter delivered by hand or a registered letter with return receipt or by PEC) within and not later than 10 days since the employer has become aware of the facts and / or breaches relevant to the disciplinary purposes;
- justifications / counter-arguments: within the term granted by the trust company -minimum 5 days - from receipt of the contestation, the worker may (this being a mere faculty) make justifications and counter-arguments in his own defence, verbally or in writing, personally or with the assistance of a union representative;
- imposition of the sanction: the possible adoption of the disciplinary measure must be communicated to the worker in writing within 15 days from the expiry of the term assigned to the worker himself to present his counterarguments and decision about it. The above term can be extended by 30 days, provided that the trust company gives prior written notice to the employee concerned. Once this deadline expires without the trust company expressing its intention to sanction the disputed episode, the worker can no longer be punished for that fact;
- the most serious disciplinary measures of the verbal reminder can be applied not earlier than 5 days after the formal notification in writing of the act that gave cause, and, as a rule, no later than the 30th day from receipt of the justifications.

These are the sanctions that, as an example, can be imposed:

- verbal warning;
- written warning;
- fine not exceeding the amount of 4 hours of remuneration;
- suspension from work and pay for a period not exceeding 10 days of actual work;
- dismissal.

### **7.4 Disciplinary Sanctions for Managers**

In compliance with the provision of art. 6 paragraph 2 letter. e) of the Decree, the institutions (entities) must introduce a "disciplinary system suitable to sanction the failure to comply with the measures indicated in the Model" by "top" subjects.

Generally speaking, towards executives (including in particular top managers), although a specific disciplinary system is not available a priori, the Company, in compliance with the recognized applicability of the art. 7 of the Workers' Statute, can extend to executives the above sanctioning model meant for employees, with the marginal adaptations determined by the particularity of the managerial relationship.

Without prejudice, therefore, to any compensation action against the manager, in the event of a disciplinary offense the applicable sanctions can be consistently identified in the following:

- verbal warning;
- written warning;
- fine not exceeding the amount of 10 hours of remuneration;
- suspension from work and pay for a period not exceeding 15 days of actual work;
- dismissal for faults with or without notice, depending on the seriousness of the violation committed.

For the dispute and the imposition of the sanctions thought as appropriate by the trust company, the procedure referred to in the previous paragraph must be applied, and in any case, the second and third paragraphs according to art. 7 of the Workers' Statute shall be applied.

The penalty system for managers is made available by posting a notice in a special visible place within the company, and through publication on the company intranet.

The competence to exercise disciplinary action against those who hold a managerial position shall be entrusted to the Board of Directors.

### **7.5 Enforceable Measures and Remedies towards the Board of Directors and the SB**

For the same purpose as in art. 6 paragraph 2 letter. e), even about the members of the Company's Board of Directors, measures are envisaged with explicit sanctioning purposes:

- censorship / formal reminder;

- pecuniary measure from a minimum to a pre-established maximum, to be donated, for example to a special fund for the training of the trust company personnel;
- suspension, with corresponding loss of emoluments;
- revocation of operational powers, especially those whose fulfilment/ non-fulfilment is (directly or indirectly) connected to the actually ascertained violation;
- revocation of the office

The Company formally communicates the sanctioning provisions identified for the directors, by ensuring maximum knowability and accessibility for everyone, and applies the measures in compliance with the cross-examination with the offender.

The Company shall also establish methods and competence for the application of the measures towards the directors, for example: the competence for the censorship / formal recall, the pecuniary measure, the suspension, and the revocation of operational delegations can be attributed to the Administrative Body, with a resolution passed by a majority of its members and with compulsory abstention by the director charged with the infringement; the jurisdiction for the revocation of the office can be attributed to the Ordinary Meeting.

#### **7.6 Repercussions of the Penalty System on the Remuneration and Reward System**

The sanctioning and disciplinary system determines repercussions also on what concerns the reward system adopted, if necessary, by the company. From this point of view, the possible recognition of bonuses for the achievement of production targets must be considered subordinate to the essential condition of having respected the principle of legality in the work activities (or performance-wise activities), carried out in the interest or to the advantage of the company, which entailed the achievement of the objectives. This is because the Company repudiates unlawful or improper behaviour by its supervisors and accepts neither the risks nor the benefits.

If the objectives have been achieved using unlawful or fraudulent means, the recipients will not be entitled to any award and, should this award already been paid on the date on which the company became aware of the deviant behaviour of the recipient, may the Company take legal action against the unjustified enrichment of the recipient himself.

For this purpose, any reward system should be formalized in writing, in particular as regards objectives, fees and payment terms, and it must also specifically provide for compliance with the law as a necessary condition for having the achievement of the objective recognized and get the consequent prize.

It is also advisable that the reward system does not entail variables for the functions in charge of controls, so that they maintain their autonomy of evaluation and independence of judgment, and that the system itself provides for bonuses linked to factors of compliance with the rules.

### **8. Reporting unlawful Conduct under the Whistleblowing Legislation**

The recent national legislation on whistleblowing, provided for by Legislative Decree No. 24 dated 10 March 2023 pursuant to Directive (EU) 2019/1937, completely repealing the previous regulations, incorporates in a single text a system of rules intended for the public and private sectors. The new code provides for the establishment and regulation of special reporting procedures, ensuring confidentiality and establishing a specific scheme to be applied in case of retaliation. GEFIT, in compliance with the reference legislation on whistleblowing, has updated the 'PROCEDURE FOR REPORTING MODEL VIOLATIONS', MOG-11.

In compliance with the provisions of the regulation, GEFIT has in fact implemented a system for managing reports as an alternative to the mailbox addressed to the Supervisory Board, and specifically dedicated to circumstantiated reports of potentially unlawful and relevant conduct pursuant to Decree 231, based on precise and consistent factual elements and violations of GEFIT's Organisational and Management Model, which the reporter has become aware of as a result of the functions performed.

The channels to receive whistleblowers' reports are conceived, developed and managed in a secure manner so as to ensure the confidentiality of the whistleblower's identity, as well as that of any third parties named in the report. The whistleblower will be allowed to report in writing and to transmit reports by mail, through a complaint box and online platform. In addition, at the whistleblower's request, it will be possible to report by means of face-to-face meetings with the recipient in charge. Within seven days, the whistleblower will receive an acknowledgement of the report receipt and within three months feedback will be given on the report.



## Reporting Modes

In order to be taken into account, reports must be circumstantiated, i.e. based on precise and consistent factual elements concerning the commission or suspected commission of unlawful acts.

It is therefore appropriate that each report, in order to be considered circumstantiated, is supported by the following elements:

- a clear and complete description of the facts that are the object of the report;
- the indication of the circumstantial elements of time and place concerning the reported facts;
- the identity of the reported person, if known, or other elements suitable to identify the reported subject;
- any indication of other subjects who can confirm the reported facts or add other essential elements to the report;
- any documents that may corroborate and/or confirm the accuracy of the reported facts;
- any other essential information and/or element that may provide useful evidence of the reported facts.

The Recipient of the Reports shall act so as to protect the authors of the reports against any form of retaliation, discrimination, penalisation or any consequence arising therefrom, ensuring their confidentiality and anonymity as to their identity, without prejudice, however, to legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or in bad faith. It should also be recalled that, pursuant to Article 6, paragraph 2-ter of Decree 231, those who violate the measures for the protection of whistleblowers, as well as whistleblowers who maliciously or with gross negligence make reports that turn out to be unfounded, may be subject to disciplinary sanctions. The Addressee, in addition to verifying that all communication channels are active and available to all users, shall provide for the following:

- to receive and process the report;
- to keep the content of reports and the identity of the reporter confidential;
- to interact with the other functions of the Company, in compliance with the confidentiality established by the rule.

Reports must be made known to the Report Recipient through one of the following channels:

- sending a registered letter to the Addressee, at GEFIT's registered office. On the sealed envelope, in case of a paper report, the following must be indicated: " Private - Confidential";
- Use of the special "Whistleblowing" boxes located in the company
- Via the link <https://whistleblowing.gefit.com/#/> . The platform is managed by an independent third-party company, Cyberoo51 S.r.l., and this allows the identity of those using it to be protected as well as the content of the reports. The services are available 24 hours a day, seven days a week.

GEFIT adequately protects the whistleblower and the other persons envisaged by Legislative Decree 24/2023 against retaliatory, discriminatory or in any case unfair conduct resulting from the report, in a climate of respect for their dignity. To this aim, it should be recalled that:

- a) retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower, the facilitators and the other persons indicated by Legislative Decree 24/2023, for reasons directly or indirectly linked to the report, are forbidden;
- b) retaliatory dismissal and organisational measures having direct or indirect negative effects on working conditions shall be invalid, unless it is proved that they have no retaliatory nature and that they are based on reasons unrelated to the report;
- c) the adoption of discriminatory measures may be the object of a report inside and outside the company;
- d) those who violate the confidentiality obligations concerning the identity of the whistleblower or the prohibition of discriminatory acts are liable to sanctions, especially of a disciplinary nature.

It should be noted that those who maliciously or with gross negligence report facts that turn out to be unfounded are liable to sanctions, primarily of a disciplinary nature.