



ORGANIZATION MODEL 231

General Part



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ORGANIZATION, MANAGEMENT, AND CONTROL MODEL

pursuant to Legislative Decree no. 231 of June 8, 2001 and subsequent amendments.

GENERAL PART

December 2020 Edition

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### 1.0 - Introduction

The objectives of the organizational model pursuant to Legislative Decree 231/01 pertain to the following domains:

**LAWFULNESS:** Understood as a guarantee of conducting the inherent activities of the organization in compliance with rules, laws, and regulations.

**ETHICS:** Viewed as a cornerstone of good governance and the proper fulfillment of the organization's objectives, especially in terms of its societal role.

**TRANSPARENCY:** Pertaining to the full and accurate dissemination of information both within the organization's administrative system and between this system and external stakeholders.

**EFFECTIVENESS OF ADOPTION:** This is all the more assured if rules, regulations, and laws are adhered to and respected in the interest of territorial policies.

Below are the essential elements that form the basis for constructing an Organizational Model in accordance with Legislative Decree 231/01:

- a) Definition of the Model for organization, management, and control.
- b) Establishment of the Ethical Code (or code of conduct).
- c) Identification and appointment of the Supervisory Body (OdV in Italian).

### STRUCTURE OF THE ORGANIZATIONAL MODEL 231:

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## 2.0 - Preface

Emmegi S.p.A. is an Italian company specialising in the hydraulics sector, manufacturing heat exchangers used in industrial machinery, mobile equipment, air compressors, internal combustion engines and general hydraulic systems. Founded in 1975 by the current owners, the company is based in Cassano d'Adda. Decades of presence on the market have allowed us to gain experience in a wide range of sectors and applications. Our technical department, supported by sophisticated calculation programmes, is able to design high technology products. Customers are assisted by qualified personnel throughout the design and production phases of the product. This approach has allowed us to meet the new challenges of the market over time, developing the company from a national context to a consolidated multinational reality. Today there are production plants in Italy (historical and administrative headquarters) and Slovakia, sales offices in Germany, the United Kingdom, Sweden, Turkey, the United States and Hong Kong, and a network of distributors in over 50 countries.

EMMEGI, always attentive to the continuous improvement of its processes, obtained the ISO 9001/2000 quality certification in 1998. Thanks to the diversification of experience gained over the years and to sophisticated calculation programmes, our technical department is able to design and develop high-tech products that meet and satisfy the growing demands of the market. The high quality standard of the EMMEGI range allows us to collaborate more and more successfully with the leading machine manufacturers in the sector. The management of Emmegi S.p.A. is aware that it is operating in an increasingly competitive market. In this context, it is essential to pursue continuous improvement in all the company's activities. For this reason, the following corporate values have been identified as the cornerstones of Emmegi's approach to work:

- **Quality System:** Adopting a quality system is a strategic choice that helps the organisation to improve its performance and provides a solid foundation for sustainable development initiatives. Particular attention is paid to the concept of risk management through risk-based thinking to prioritise process management methods.
- **Understanding and satisfying customer needs:** Understood as "empathy" with the technical and operational needs of customers in order to constantly achieve their full satisfaction, aware that the company's success depends solely on it.
- **Involvement of all employees:** Working at Emmegi means being part of a team that works together towards a common goal, which is first and foremost customer satisfaction. This means that each of us, whatever our role, is fully aware that our work is central and irreplaceable to achieving success.
- **Continuous growth and business development:** This means increasing production capacity, attracting new customers and developing Emmegi's full potential. This aspect means strengthening the organisational structure, investing in technology and machinery, constantly optimising production processes and constantly striving to reduce waste and errors in general.
- **Decisions based on "facts and data":** A goal we pursue through our continuous cultural development, supported by research and the implementation of tools that provide reliable data for making important decisions.
- **Compliance with current regulations and special attention to safety at work and the environment:** At Emmegi, safety in the workplace is the first absolute value that constantly guides all our choices, both

in production and beyond. In the same spirit, we are committed to constantly minimising the environmental impact of our activities, in compliance with current regulations.

Quality builds reputation and reliability. At Emmegi, the commitment of all participants in the value chain is necessary to ensure that the quality policy is understood, implemented and disseminated. Everyone at Emmegi is committed, motivated and involved in achieving and sharing quality objectives. The management promotes the Quality Policy and ensures that it is understood and shared at all levels of the organisation. The awareness of being able to rely on a reliable partner is a fundamental factor for the customer and gives further impetus to the company's growth and development in the market. With a view to continuous and constant international expansion, EMMEGI has, over the years, developed a dense distribution network that allows the product to be exported worldwide. With direct subsidiaries in Germany, Turkey, Sweden/Finland/Denmark, the United States, the United Kingdom and Slovakia, EMMEGI has consolidated its presence on the world market.

Products: Initially, Emmegi's production focused on a range of standardised products for air and water cooling. With the acquisition of the necessary technical skills, our production has evolved over time, integrating more specific and much more complex product ranges. This has allowed customers to see Emmegi as a reliable partner to face the challenges of the market over time.

Production: In response to market demands, Emmegi has created an organisational structure that enables it to respond quickly to customer requests. On the production side, Emmegi has equipped itself with machinery that complies with the best operating standards. Particular attention is paid to the internal optimisation of production processes and the introduction of environmentally friendly systems. Starting from the raw materials, Emmegi directly carries out all the processing necessary to develop the final product according to the specific requirements of the customer.

## 2.1 - The content of Legislative Decree 231/01

In order to implement the delegation provided for in Article 11 of Law No. 300 of 29 September 2000, Legislative Decree No. 231 was issued on 8 June 2001 and entered into force on 4 July 2001. By means of this decree, the legislator has brought domestic legislation into line with international conventions on the liability of legal persons. These include, in particular, the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests, the Convention signed in Brussels on 26 May 1997 on combating corruption involving officials of the European Community or its Member States and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

The decree, entitled "Discipline of administrative liability of legal persons, companies and associations, even without legal personality", introduced a system of administrative liability (essentially similar to criminal liability) for legal persons (to be understood as companies, associations, consortia, etc., hereinafter referred to as "entities") for specifically listed offences committed in their interest or for their benefit:

by natural persons who hold positions of representation, administration or management of the entities themselves or of their organisational unit with financial and functional autonomy, as well as by natural persons who exercise, even de facto, the management and control of the entities themselves, or

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by natural persons who are subject to the direction or supervision of one of the aforementioned persons. The liability of the legal person is additional to that of the natural person who materially committed the offence. The provision of administrative liability under the Decree includes the entities that have participated in and/or benefited from the commission of the offence.

Based on the provisions of Legislative Decree 231/01 and subsequent amendments, the administrative liability of the entity is established with reference to the following types of offences:

Offences related to public administration	Article 24   Legislative Decree 231/01
Computer crime and illegal data processing	Article 24-bis   Legislative Decree 231/01
Offences related to organised crime	Article 24-ter   Legislative Decree 231/01
Offences committed in relation to public administration Extortion and corruption	Article 25   Legislative Decree 231/01
Counterfeiting, issue and uttering of currency, prior agreement on counterfeit currency	Article 25-bis   Legislative Decree 231/01
Offences against industry and commerce	Article 25-bis.1   Legislative Decree 231/01
Corporate offences	Article 25-ter   Legislative Decree 231/01
offences with the purpose of terrorism or subversion of the democratic order,	Article 25-quater   Legislative Decree 231/01
practices of female genital mutilation,	Article 25-quater.1   Legislative Decree 231/01
Offences against individual personality, etc.	Article 25-quinquies   Legislative Decree 231/01
Financial offences or market abuses	Article 25-sexies   Legislative Decree 231/01
Manslaughter or injury committed by violating safety at work rules	Article 25-septies   Legislative Decree 231/01
Receiving stolen property, money laundering, and the use of illegally obtained money, self-laundering	Article 25-octies   Legislative Decree 231/01
Offences relating to copyright infringement	Article 25-novies   Legislative Decree 231/01
Inducing individuals not to make statements or to make false statements to the judicial authority	Article 25-decies   Legislative Decree 231/01
Environmental offenses	Article 25-undecies   Legislative Decree 231/01
Offences involving the irregular employment of foreign workers	Article 25-duodecies   Legislative Decree 231/01
Offences of racism and xenophobia	Article 25-terdecies   Legislative Decree 231/01
Fraud in sports competitions, the abusive operation of gambling or betting, and gambling operated through prohibited devices	Article 25-quaterdecies   Legislative Decree 231/01
Tax offenses	Article 25-quinquedecies   Legislative Decree 231/01
Attempted offenses	Article 26   Legislative Decree 231/01
Transnational offenses	Law No. 146/20016

Entity liability for administrative offenses resulting from crimes	Article 12 Law No. 9/2013
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## 2.2 - Exemption from Administrative Liability for Entities

Upon establishing administrative liability for entities, Article 6 of the Decree states that the entity will not be held liable if it can prove that it adopted and successfully implemented "organization, management, and control models suitable for preventing offenses of the type that occurred," prior to the commission of the offense.

The aforementioned regulation necessitates the formation of an internal control department within the organization, which is accountable for overseeing the performance, efficiency and adherence to the aforementioned models, along with supervising their updates.

The models, also known as organization, management and control models (hereinafter referred to as "Models") according to Article 6, paragraphs 2 and 3 of Legislative Decree 231/01, must satisfy the following criteria:

- Identify the activities in which offenses listed in the Decree may be committed.
- Provide specific protocols for planning the entity's implementation of decisions to prevent the listed offenses.
- Identify methods for managing financial resources to prevent the commission of such offenses.
- Include reporting obligations to the body responsible for monitoring the entity's compliance with the Models.
- A disciplinary system should be implemented to penalise non-compliance with the measures detailed in the Model.
- If individuals in positions of representation, management, or administration within the entity or its autonomous financial and functional organizational units, or those who exercise management and control of the entity, commit an offence, the entity will not be held liable if it demonstrates that:
  - The governing body had implemented a suitable Model for preventing offenses of the type that occurred before the commission of the offence. that occurred and with effective results
  - The entity entrusted a body with autonomous powers of initiative and control to monitor Model operations, compliance and updates
  - The individuals committed the offense by fraudulently evading the Model
  - There was no omission or inadequate supervision by the control body regarding the Model implementation.

If the offense is committed by individuals who are under the direction or supervision of one of the individuals stated above, the entity will be accountable if the offense was possible due to non-compliance with the obligations of direction and supervision. However, non-compliance with such obligations will not be

considered if the entity had already adopted and implemented an effective Model for preventing offenses of the same type before the offense was committed.

Article 6 of the Decree stipulates that organizations can implement management models based on codes of conduct devised by industry associations. These codes of conduct must be shared with the Ministry of Justice, which will collaborate with relevant Ministries to assess their effectiveness in reducing criminal activities within a 30-day period.

### 2.3 - Confindustria's Guidelines

By specific legislative provision (Article 6, paragraph 3, Legislative Decree 231/2001), organizations may adopt management models based on codes of conduct developed by representative industry associations and communicated to the Ministry of Justice.

Our company is a member of Confindustria, which has released an updated version of its "Guidelines for the development of Organization, Management, and Control Models pursuant to Legislative Decree 231/01" on March 31, 2008.

The Ministry of Justice granted approval of the aforementioned Guidelines on April 9th, 2008, considering the revision "appropriate and fitting for the intentions delineated in Article 6 of the Decree."

Confindustria's Guidelines outline a process that can be summarized as follows:

- Identification of areas of risk to highlight the company's functions in which the prejudicial events provided for in the Decree can occur.
- Preparation of a control system capable of preventing risks by adopting specific protocols.

The most relevant components of the control system devised by Confindustria are:

- Code of Ethics
- Organizational system
- Manual and computer procedures
- Authorization and signature powers
- Control and management systems
- Communication to employees and training

The components of the control system must be based on the following principles:

- Verifiability, documentation, coherence, and consistency of each operation
- Application of the principle of segregation of duties
- Documentation of controls



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- Provision of an adequate sanctioning system for violations of the rules of the Code of Ethics and procedures

Identification of the requirements of the Control Body, which can be summarized as:

- Autonomy and independence
- Professionalism
- Continuity of action
- Methods for managing financial resources
- Obligations to inform the control body

The failure to adhere to particular aspects of these Guidelines does not impact the Model's validity. Indeed, the Entity's Model must be formulated with explicit regard to the company's unique circumstances. Consequently, it may differ from Confindustria's general Guidelines, which, by their nature, are of a general nature.

These guidelines, being a natural reference point for the models of individual companies, are attached to this Model as an integral part in the most up-to-date version available.

### 3 - Adoption of the Organization, Management, and Control Model

#### 3.1 - Objectives and Purposes Pursued through the Adoption of the Model

The business is dedicated to guaranteeing fairness and transparency in its operations and corporate undertakings. Hence, despite the absence of legal mandates, the company has commenced a venture to evaluate its organizational, managerial, and regulatory mechanisms to determine their compliance with the prescribed behavioural protocols and procedures in the Decree.

This initiative has been launched with the conviction that the implementation of the Model can be an essential means of enhancing awareness among all those working on behalf of the company, inspiring them to demonstrate proper and ethical conduct in the performance of their duties, thereby mitigating the risk of committing offences as set forth in the Decree.

Specifically, through the adoption of the Model, the company aims to achieve the following main objectives:

- Raise awareness among all individuals working for the company in risky areas that they may be subject to criminal sanctions for any violations of the guidelines stated in the Model, as well as administrative sanctions against the company.
- Stress that such illegal conduct is firmly despised by the company, as it goes against not only legal regulations but also the "Code of Ethics" that the company aims to follow in its business dealings.
- The company will be empowered to promptly intervene in high-risk areas to prevent or counter the commission of offenses through monitoring.

With the aim of implementing systematic and rational interventions to adapt its organisational and control models, the company has created a chart of its business activities and identified the so-called "at-risk" activities. These activities, due to their nature, are subject to analysis and monitoring in line with the Decree's provisions.

After identifying the at-risk activities, the company deemed it appropriate to establish guiding principles for the Organisational Model it intends to implement. This includes consideration of not only the provisions of the Decree but also guidelines provided by industry associations.

The company is devoted to constantly monitoring its activities related to the aforementioned offenses and any changes to the legislative framework relevant to Decree 231. If any of the aforementioned offences or any newly introduced offences under Decree 231 are deemed relevant, the company will contemplate the potential inclusion of new control measures and/or specific provisions into the Model.

### 3.2 - Key Elements of the Model

In accordance with the "requirements" set out by the legislature within the Decree, the company has identified key elements in outlining the Model, which may be summarised as follows:

- Identification of vulnerable business activities, which by their nature may facilitate offences covered by Decree 231/01, and are thus subject to analysis and monitoring.
- Analysing current protocols and defining any required actions to guarantee control principles for sensitive business activities (refer to point 4).
- Strategies for managing financial resources to prevent the commission of offences.
- Identifying the Supervisory Body (hereafter referred to as "Supervisory Body" or "SB"), a role given to external professionals within the company. The SB is allocated specific supervisory tasks to ensure the effective and correct functioning of the Model.
- Defining information flows to the Supervisory Body.
- Conducting activities to inform, raise awareness, and disseminate behavioral rules and set procedures across all company levels.
- Clarifying the roles for approving, adopting, integrating, and implementing the Model, as well as for verifying its functionality and corporate behavior through subsequent periodic updates (ex post control).

It should be noted that the company's activities fundamentally feature a strict internal control system based on the execution and implementation of Quality, Environment, and Safety Management Systems according to the subsequent standards. Hence, the organizational model laid out in Legislative Decree 231/01 brings nothing new to the company.

- UNI EN ISO 9001:2015

integral parts of Model 231.

In addition, the company has implemented a Self-Regulation Code for personal data to guarantee compliance with the European Regulation 679/2016, commonly known as GDPR. Moreover, an assessment of current

internal organizational structures has been conducted to ensure formal compliance with Legislative Decree 231/01 and integrate existing Management Systems into Organizational Model 231.

### 3.3 - Model, Code of Ethics, and Disciplinary System

The company has deemed it appropriate to formalize the ethical principles that the company daily follows in the management of its business activities within a Code of Ethics, especially considering the behaviors that could lead to the commission of offenses as outlined in the Decree.

The objectives that the company aims to achieve through the definition of the Code of Ethics can be summarized as follows:

- Impose fairness and transparency principles on relationships with third parties, particularly with the Public Administration.
- Draw the attention of employees, collaborators, suppliers, and, in general, all stakeholders to the strict adherence to applicable laws, the rules outlined in the Code of Ethics, and the procedures governing business processes.
- Establish a disciplinary system capable of sanctioning non-compliance with the measures set out in the Model.

The reference principles of the Model align with those of the Code of Ethics adopted by the company, although the Model, for its specific purposes in implementing the Decree's provisions, has a different scope compared to the Code of Ethics. In this regard, it is important to clarify that:

- The Code of Ethics provides a comprehensive set of "corporate ethics" principles that the company recognises as its own and expects all its employees and collaborators to adhere to while working towards achieving the company's goals.
- The Code of Ethics also refers to the company's internal disciplinary system, which is aimed at penalising non-compliance with the measures specified in the Model, as stated in Article 6, paragraph 2, letter e) of the Decree.

The Model, however, follows precise provisions outlined in the Decree to prevent the occurrence of certain offenses (actions that, when executed for the benefit or interest of the company, could result in administrative liability under the provisions of the Decree).

### 3.4 - Approval and Incorporation of Model and Code of Ethics Reference Principles

Since the Model is an "act issued by the governing body" (in accordance with the provisions of Article 6, paragraph 1, letter a) of the Decree), the Board of Directors (BoD) has the responsibility for approving and incorporating it through a specific resolution.

Likewise, the BoD has approved the Code of Ethics as an integral part of the Organisational Model to which it is attached.

#### 4.0 - Potential Areas at Risk and Instrumental Processes

The pertinent activities for the preparation of the Model are those that, following a specific risk analysis, have exhibited risk factors related to the commission of violations of criminal laws as indicated by Legislative Decree 231/01 or, more generally, by the company's own Code of Ethics.

The risk analysis has been structured to assess, for each phase of the processes, which elements are potentially at risk concerning specific provisions of Legislative Decree 231/01. For this purpose, the following table has been created to evaluate these aspects and prioritize intervention:

	Probability "P"	Damage "D"	Value
Inevitable	≥ 30%	Altissimo	5
High	5% ≤ P < 30%	Alto	4
Moderate	1% ≤ P < 5%	Moderato	3
Low	0,01% ≤ P < 1%	Basso	2
Remote	< 0,01%	Negligible	1

P x D					
	1	2	3	4	5
	2	4	6	8	10
	3	6	9	12	15
	4	8	12	16	20
	5	10	15	20	25

If P x D	0 – 5	No action required
If P x D	6 – 10	Action required within 1 year
If P x D	11 – 16	Action required within 1 month
If P x D	17-25	Action required within 2 days

The primary potentially at-risk areas of activity are listed in the special sections of this model.

It is worth noting that offenses under Article 25-septies of the Decree, which pertain to involuntary manslaughter and serious or very serious involuntary bodily harm committed in violation of occupational health and safety laws, are attributable to all areas within a company due to their inherent nature. The company has implemented a corporate policy concerning occupational health and safety, alongside prevention and protection structures, in line with applicable regulations (Law 123/2007 and Legislative Decree 81/08 and subsequent amendments).

### 5.0 - Principles of control in areas of potential risk activity

As part of the development of the protocols necessary to prevent criminal risk scenarios, the main processes, sub-processes or activities in which crimes could potentially occur, or in which opportunities and means to commit them could be configured in principle, have been identified based on knowledge of the internal structure and company documentation.

With reference to these processes, sub-processes or activities, the existing management and control system has been examined, focusing the analysis on the presence/absence of the following control elements

**Policies:** the existence of appropriate policies to ensure that business activities are conducted in compliance with laws, regulations and the integrity of the Company's assets.

**Procedures:** the existence of internal procedures for monitoring the processes within which the offences defined by Legislative Decree 231/01 could occur or within which the conditions, opportunities or means for committing such offences could be configured. The minimum characteristics that have been examined include

Definition and regulation of the methods and timing of activities.

Traceability of acts, operations and transactions through adequate documentation confirming the characteristics and motivations of the operation and identifying the parties involved in the operation in various capacities (authorisation, execution, registration, verification of the operation).

Clear definition of activity responsibilities.

The existence of objective criteria for making corporate decisions.

Adequate formalisation and dissemination of the corporate procedures under review.

**Segregation of duties:** the proper allocation of responsibilities and the provision of adequate levels of authority to avoid functional overlap or operational assignments that concentrate critical activities in a single individual.

**Levels of authority:** clear and formalised allocation of authority and responsibility, with explicit limits on the exercise of authority in line with assigned roles and positions within the organisational structure.

**Control activities:** the existence and documentation of control and monitoring activities performed on business transactions.

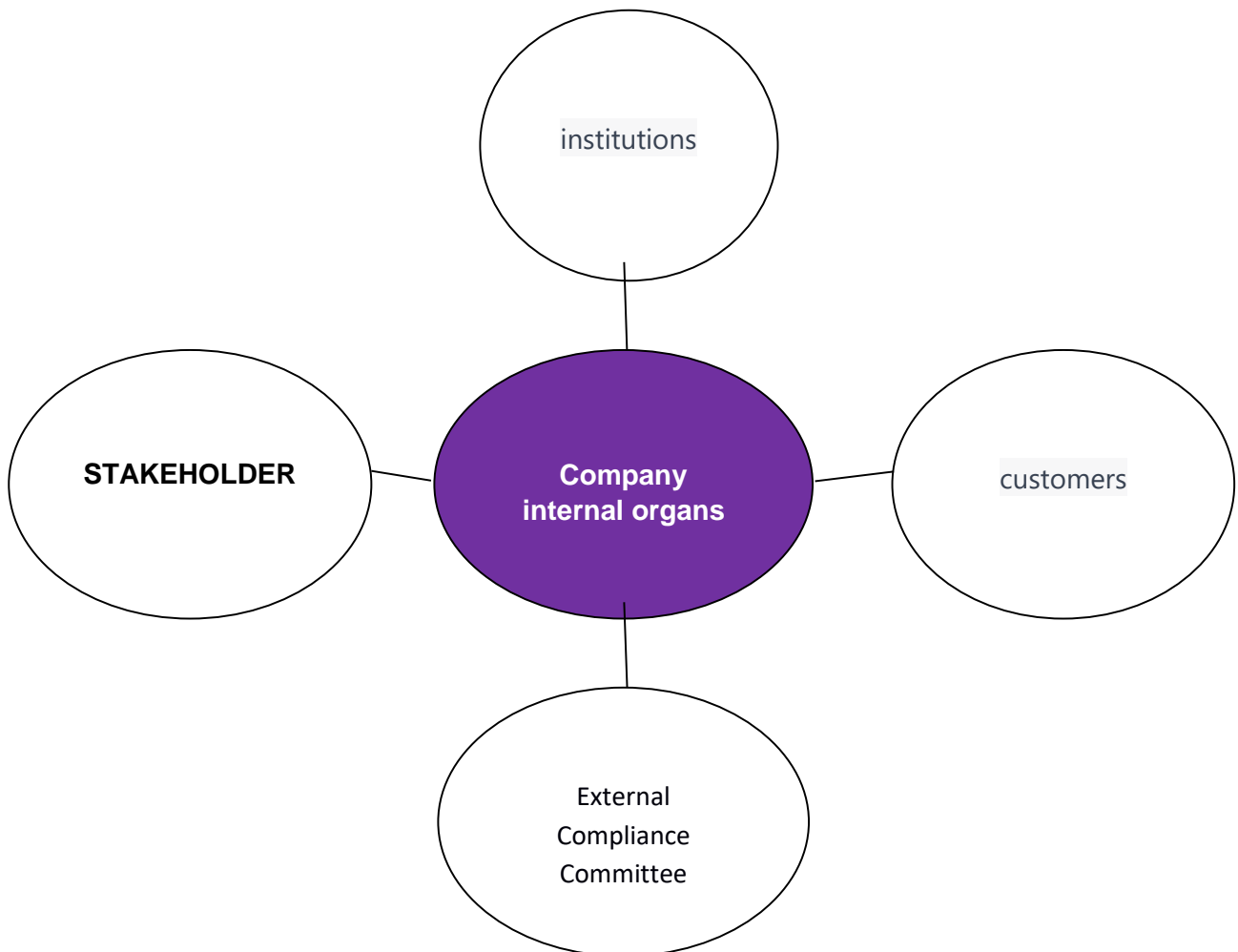
**Monitoring activities:** the existence of security mechanisms that ensure adequate protection/access to company data and assets.

Specifically, the control systems in place for each identified business area/process are summarised in the specific sections of this model.

### 6.0 - Recipients of the Model

Recipients of the Model (hereinafter referred to as "Recipients") include all those who work to achieve the Company's purpose and objectives. Recipients of the Model include members of the Company's governing

bodies, persons involved in the functions of the External Compliance Committee, employees of the Company, external consultants, and business and financial partners.



## 7.0 - External Compliance Committee

### 7.1 - Requirements

Article 6, paragraph 1, letter b) of Legislative Decree no. 231/01 establishes the establishment of an External Compliance Committee as a condition for the company's exemption from "administrative" liability for the commission of the offences specified in the same Legislative Decree. The requirements that the External Compliance Committee must meet in order to effectively perform these functions are as follows

**Autonomy and independence:** the External Compliance Committee must not have any operational tasks and must only have a staff relationship - as will be explained later - with the operational management of the company and the Board of Directors.

**Professionalism in the performance of its institutional duties;** to this end, the members of this body must have specific knowledge of all the techniques that are useful for preventing crimes, detecting crimes that

have already been committed, identifying their causes and ensuring compliance with the models by the members of the company's organisation.

Continuity of action, in order to ensure continuous monitoring and updating of the model and its adaptation to changing company conditions.

## 7.2 - Identification

In view of the above characteristics, the specificity of the tasks assigned to the External Compliance Committee and the organisational structure currently adopted by the Company, it is appropriate to define and regulate this body as follows:

The External Compliance Committee shall have a collegial structure and shall be composed of a minimum of two and a maximum of five members.

In order to ensure that the above requirements are met, the Board of Directors shall periodically review the adequacy of the External Compliance Committee in terms of its organisational structure and powers, and shall make any changes and/or additions it deems necessary.

The External Compliance Committee is set up as a vertical staff unit reporting directly to the Board of Directors.

The functioning of the External Compliance Committee is governed by a specific regulation drawn up by the Committee itself and approved by the Board of Directors. This regulation includes the functions, powers and duties of the External Compliance Committee.

## 7.3 - Appointment

The Board of Directors of the Company appoints the members of the External Compliance Committee.

The term of office of the members of the External Compliance Committee shall be determined by the Board of Directors of the Company.

The External Compliance Committee defines and carries out its responsibilities in accordance with the principle of collegiality and is endowed with autonomous powers of initiative and control, as provided for in Article 6, paragraph 1, letter b) of Legislative Decree 231/01.

## 7.4 - Functions and Powers of the External Compliance Committee

Based on the text of Legislative Decree 231/01, the functions of the External Compliance Committee can be summarised as follows

Monitoring the effectiveness of the model, which involves verifying the consistency between concrete behaviours and the established model.

Assessing the adequacy of the model, i.e. the suitability of the model in relation to the type of activity and the characteristics of the company in reducing the risks of criminal scenarios to an acceptable level.

This requires an activity of updating the models in the light of both changing organisational realities within the company and any changes in the law. The update can be proposed by the External Compliance Committee but, as already mentioned, must be approved by the Board of Directors.

In particular, the External Compliance Committee has the following tasks:

Monitor the effectiveness of the model by implementing the control procedures provided.

Verify its effectiveness in preventing unlawful behaviour.

Verify that the required qualifications are maintained over time and promote the necessary updates as required.

Promote and contribute, in conjunction with other relevant units, to the continuous updating and adaptation of the Model and the system for monitoring its implementation.

Ensure the flow of relevant information.

Ensure the implementation of planned and unplanned control measures.

Report any breaches of the Model to the relevant functions and oversee the application of disciplinary sanctions.

In carrying out its functions, the External Compliance Committee has the authority to:

Issue regulations and service orders to regulate the activities of the External Compliance Committee.

To have access to all company documents relevant to the performance of the functions assigned to the External Compliance Committee by Legislative Decree 231/01.

To have recourse to external consultants of proven professionalism in cases where it is necessary to carry out verification and control activities or to update the model.

Requiring the heads of the Company's functions to provide in a timely manner the information, data and/or news requested by the External Compliance Committee in order to identify aspects related to the various relevant activities of the Company.

The External Compliance Committee may be convened at any time by the Board of Directors and may, in turn, request to be heard at any time to report on the functioning of the Model or specific situations.

## 7.5 - Information Flows from the External Compliance Committee to the Company's Senior Management

### Delegation system

The External Compliance Committee shall receive and keep up to date all documents relating to the system of authority and delegation in force in the Company.

### Reports from company representatives or third parties

At the same time, the External Compliance Committee must be informed of any information deemed relevant to the implementation of the Model in the areas of risk activities identified in the Model. This obligation primarily concerns the results of the activities carried out by the company, as well as anomalies and irregularities detected.



In this regard, the following provisions shall apply

All reports regarding the possible commission of any of the offences specified in the Decree or any behaviour not in compliance with the Code of Conduct adopted by the Company must be collected.

The External Compliance Committee will evaluate the reports received and take appropriate action after hearing, if deemed appropriate, the author of the report and the alleged violator.

Reports must be made in writing and should cover any violation or suspected violation of the Code.

It is the responsibility of the External Compliance Committee to ensure that those who report are protected from any form of retaliation, discrimination or punishment, and that the identity of the reporter remains strictly confidential.

In addition, the External Compliance Committee should be provided with any information relevant to its oversight activities, such as

Decisions or reports from law enforcement agencies or other authorities indicating the initiation of investigations into the crimes specified in the Decree.

Any request by the Company for legal assistance.

Any request for the allocation of public funds in the management or for obtaining forms of financing for funds already in the management.

Information on the implementation of the organisational model at all levels of the company, with particular reference to disciplinary proceedings initiated and any sanctions imposed or decisions to archive such proceedings.

With regard to reporting obligations, the following rules shall apply:

All reports of the commission of the offences specified in the Decree and of behaviour that does not comply with the adopted rules of conduct must be collected.

The inflow of reports should be channeled to the Company's External Compliance Committee.

The External Compliance Committee will take appropriate action after evaluating the reports received.

Reports should be documented in writing.

Reports must cover any violation or suspected violation of the Model.

The External Compliance Committee is responsible for ensuring that reporters are protected from any form of retaliation, discrimination or punishment, while protecting the confidentiality of the reporter's identity and the rights of the Company or individuals who have been wrongly accused and/or acted in bad faith.

## 8.0 - Information, Training, and Updates

In order to promote a corporate culture of legality and transparency, the Company shall ensure that the Model is widely disseminated and that it is effectively known by those required to comply with it.

A copy of the Model, as well as a copy of any subsequent amendments and updates, will be provided to the Board of Directors and to each member of the External Compliance Committee, as well as to each employee and other person subject to the provisions of the Model.

A copy of the Model in electronic format will also be placed on the Company's internal server for employees to access on a daily basis, and will be published on the Company's website to make it available to all stakeholders.

New employees are provided with a copy of the Model prior to commencement of employment.

The adoption of the Model and its subsequent amendments and additions will be communicated to all entities with which the Company has significant business relationships.

The company will establish an annual training plan for its employees and managers to ensure full understanding of the Model's management content.

#### 9.0 - Sanctioning, Disciplinary, and Civil Law System

Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree No. 231/01 provide, with reference to both senior managers and persons under the direction of others, for the need to establish "a disciplinary system capable of sanctioning failure to comply with the measures indicated in the Model".

The effective implementation of the Model and the Code of Conduct cannot be separated from the establishment of an adequate system of sanctions, which plays an essential role in the context of Legislative Decree No. 231/01 as a safeguard for internal procedures.

In other words, the provision of an appropriate system for sanctioning violations of the provisions and organisational procedures referred to in the Model is a defining element of the Model and an indispensable condition for its practical operability, application and compliance by all addressees.

It is important to clarify that the application of sanctions does not depend on the actual commission of an offence or the initiation of criminal proceedings. The purpose of the sanctions provided for herein is to discourage any violation of the model provisions established for the prevention of criminal offences and to promote in the Company's personnel and in all those who cooperate with the Company, a strong awareness of the Company's firm intention to prosecute any violation of the rules established for the proper performance of assigned tasks and duties.

For this reason, the disciplinary system applicable in the event of a violation of the provisions of the Model aims to make the adoption of the Model and the actions of the External Compliance Committee effective, also in accordance with the provisions of article 6 of the Decree.

A fundamental requirement of the sanctions is their proportionality to the violation found, which should be assessed on the basis of three criteria:

The seriousness of the offence.

The type of employment relationship established with the employee (subordinate, quasi-subordinate, managerial, etc.), taking into account the specific discipline existing at the normative and contractual levels.

Any recidivism.

## 9.1 - Breach of the Code

For the purpose of complying with Legislative Decree 231/2001, examples of violations of the Code include, but are not limited to

The performance of actions or behaviours that do not comply with the requirements of the Model, or the omission of actions or behaviours prescribed by the Model, in the performance of activities at risk of criminal offences (i.e. sensitive processes) or activities related to them.

Performing actions or behaviours that do not comply with the principles contained in the Code of Ethics or omitting actions or behaviours prescribed by the Code of Ethics in the performance of sensitive processes or activities related to them.

The following sanctions are foreseen for different categories of addressees.

### 9.1.1 - Reporting Model Violations - Employee Protection

In order to protect employees who report crimes or irregularities in violation of the Model, the Company has established an internal control procedure, P-INT-24, "Suspicion Reporting - Whistleblowing", with related forms and instructions, which it distributes to all employees upon hiring and makes available on the Intranet site.

## 9.2 - Actions against the management

The Company will rigorously evaluate violations of this Code committed by those who represent the top management of the Company and who project its image to employees, shareholders, creditors and the public. The development and consolidation of a corporate ethic that is sensitive to the values of honesty and transparency presupposes that these values are first acquired and respected by those who guide the Company's decisions, in order to serve as an example and stimulus to all those who work for the Company at any level.

In the event of a violation of the Code by the Board of Directors, the External Compliance Committee will take the appropriate measures, including, for example, convening a Shareholders' Meeting to adopt the most appropriate measures provided for by law and/or revoking any delegated powers granted to the Administrator.

In any case, the Company reserves the right to propose legal and compensatory measures.

## 9.3 - Measures and sanctions against employees

Failure to comply with the procedures described in the model adopted by the Company pursuant to Legislative Decree no. 231/2001 shall entail the application of the disciplinary sanctions established for the addressees, which shall be applied in accordance with the procedures provided for in Article 7 of Law no. 300/1970.

In the event that one or more of the infringements referred to in the previous section are found to have occurred, the following disciplinary measures will be applied, taking into account their seriousness and the possibility of their recurrence, on the basis of the specific national collective agreements for the sector (CCNL):

Verbal warning

Written warning

A fine not exceeding the amount of three hours of pay

Suspension from work without pay for a maximum of 3 days

Dismissal without notice

The imposition of disciplinary sanctions is subject to the procedural rules laid down in Article 7 of Law No. 300/1970 and in the current CCNL, in accordance with the principle of proportionality (based on the seriousness of the offence and taking into account any recidivism).

In particular, the nature and extent of each of the above-mentioned sanctions will be applied on the basis of

The intention of the behaviour or the degree of negligence, carelessness or inexperience, taking into account the foreseeability of the event.

The general conduct of the employee, in particular the presence or absence of previous disciplinary actions by the same employee, within the limits allowed by law.

The worker's duties.

The functional position of the persons involved in the events constituting the violation.

The violation of the company's internal rules, laws and regulations.

Other specific circumstances related to the disciplinary violation.

In all cases, the External Compliance Committee will be informed of the sanctions imposed and/or the violations found.

#### 9.4 - Measures and sanctions against persons having contractual relations with the Company

Failure by suppliers, collaborators, external consultants and partners who have contractual/commercial relationships with the Company to comply with the provisions of the model adopted by the Company pursuant to Legislative Decree no. 231/2001 may result in the termination of the relevant contract, in accordance with the provisions of the specific contractual relationship. The Company also reserves the right to seek compensation for any damage resulting from such behaviour, including damage resulting from the application of the measures provided for by Legislative Decree 231/2001.

#### 10.0 - Modification, implementation and verification of the model operation

##### 10.1 - Amendments and additions to the reference principles of the Model

The Board of Directors is responsible for making any subsequent amendments and additions to the Model's reference principles, in order to ensure that the Model continues to comply with the requirements of the Decree and with any changing conditions in the organisation.

## General Part

## 10.2 - Model Implementation and Implementation of Controls on Risk Areas

The Board of Directors of the Company is responsible for the implementation of the Model by evaluating and approving the measures necessary to implement its fundamental elements. The Board is assisted by the External Compliance Committee in identifying these measures. The Board also ensures that the Model is periodically updated to meet future needs.

The effective and concrete implementation of the model approved by the Board of Directors is verified by the External Compliance Committee, which exercises the control powers vested in it over the activities of the various corporate functions in risk areas.