

NHQA

NEW HORIZONS AHEAD

**Organizational, management and control
Model ex D. Lgs. 231/2001**



Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

General Part

REV.	DATE	APPROVED	NOTES
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For the purposes of this Organisational Model, unless otherwise specified, the following terms shall have the meanings set forth below:

- **"Code of Ethics"** means the document containing the ethical principles that guide the **Company** in the performance of its activities.
- **"Legislative Decree"** means Legislative Decree No. 231 of 8 June 2001, on the *"Administrative liability of legal entities, companies and associations (including those with no legal status) pursuant to Article 11 of Law No. 300 of 29 September 2000"*, published in the Official Gazette No. 140 of 19 June 2001, as subsequently amended and supplemented, including Law No. 146/2006, which refers to its application in Article 10.
- **"Addressees"** means the individuals to whom this **Organisational Model** is addressed and who are required to comply with it.
- **"Employees"** means individuals having an employment relationship with the **Company**.
- **"Entity (or Company)"** means a legal person, company or association, including those with no legal status. In this **Organisational Model**: **NHOA Corporate S.r.l.** (hereinafter also referred to as *"NHOA Corporate"* or *"Company"*).
- **"Corporate function"** means the function that carries out specific activities or performs specific actions in relation to one or more **Processes at Risk**.
- **"Organisational Model"** means the organisational, management and control model adopted by the **Company**, as provided for in Articles 6 and 7 of the **Legislative Decree**, as a cohesive set of principles, rules, provisions, organisational arrangements and related tasks and duties, aimed at preventing the **Offences** referred to in the **Legislative Decree**. In particular, **Organisational Model** means, jointly, the General Part, the Special Parts and the **231 Procedures**.
- **"Supervisory and Control Body (SB)"** means the body provided for in Article 6 of the Legislative Decree, tasked with monitoring the functioning of and compliance with the **Organisational Model** and keeping it up-to-date.
- **"Rules of Conduct"** means the general rules of conduct which the **Addressees** must follow when carrying out the activities envisaged by the **Organisational Model**.
- **"Processes at Risk"** means the company processes or phases thereof whose performance could give rise to the unlawful conduct (crimes or administrative offences) referred to in the **Legislative Decree**.
- **"231 Procedure"** means a specific procedure, containing the operating methods and parties involved in the **Processes at Risk**.
- **"Offences"** means crimes or administrative offences referred to in the **Legislative Decree**.
- **"Report"** means a communication concerning reasonable and legitimate suspicion or awareness of **Infringements**.
- **"Disciplinary System"** means the set of sanctions imposed on **Addressees** who commit **Infringements**.
- **"Third parties"** means all parties not belonging to the **Company** having contractual relations with it, therefore excluding **Employees** (by way of example, third parties include consultants, suppliers, customers, agents, business intermediaries, partners, agency workers placed with the **Company**, workers seconded to the **Company**, quasi-employees).

- **“Top Management”** means the President, Chief Executive Officer, and other members of the Board of Directors, the Employer and officers with delegated functions pursuant to Legislative Decree 81/2008.
- **“Infringement”** means any conduct, actions and omissions consisting in unlawful conduct relevant under the **Legislative Decree** or infringements of the **Organisational Model**.

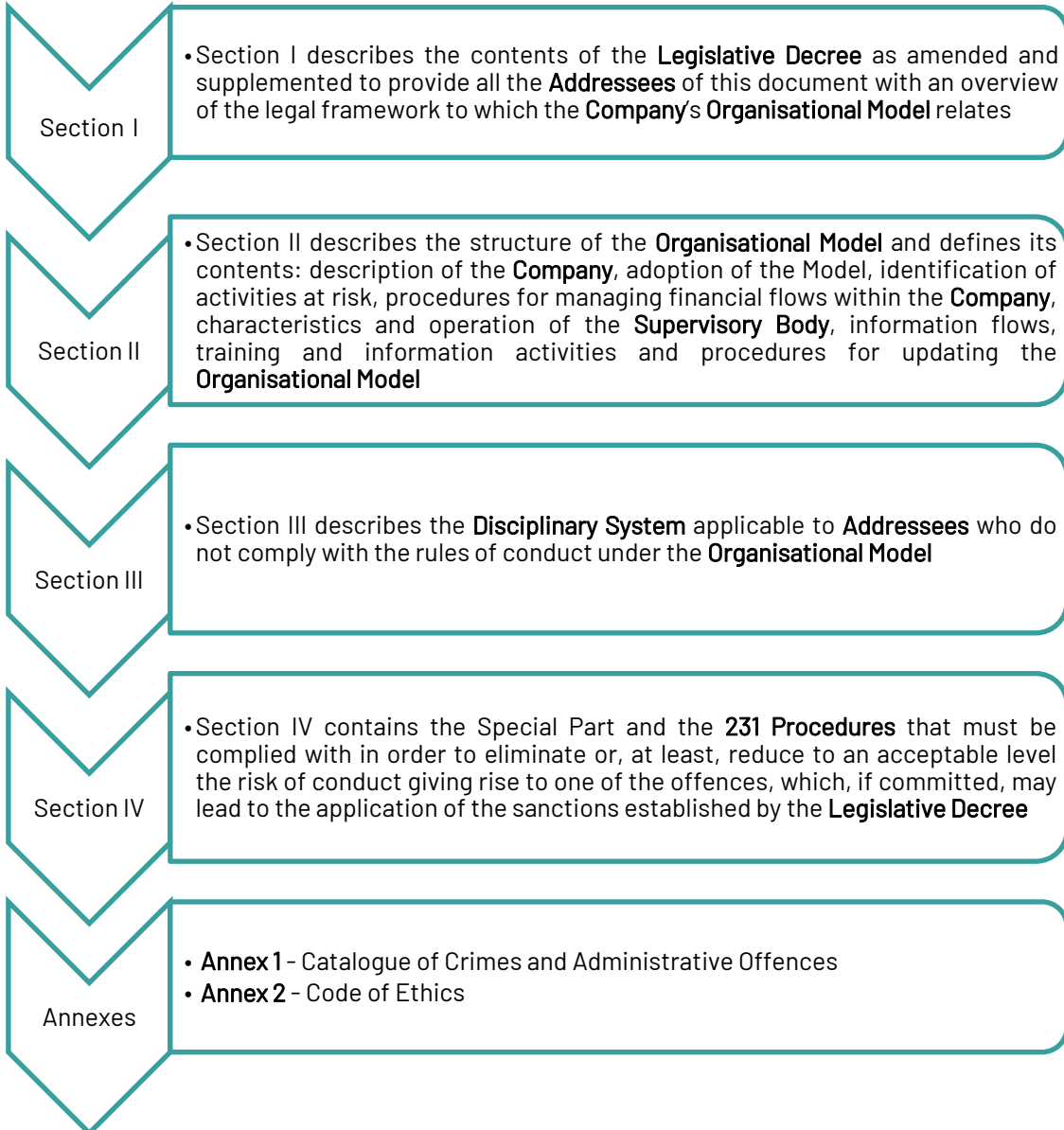
Terms defined in the singular form are also to be considered defined in their plural form where the context so requires and vice versa.

The definitions in this paragraph and in this document also apply where used in the Special Part and the **231 Procedures**.

1 Structure of the document

The purpose of this document is to explain the elements constituting NHOA Corporate's **Organisational Model**.

It is divided into four sections, the contents of which are summarised below.



2 The Legislative Decree

The **Legislative Decree** introduced a system for the administrative liability of **entities** into the Italian legal system.

The **Legislative Decree** was adopted to implement international obligations in national law.

The original text, which referred to a series of offences committed against the public administration, was supplemented by subsequent legislative measures that widened the list of offences whose commission may entail the **entity's** administrative liability. Furthermore, Law 146/06 established the **entity's** liability for certain offences (transnational crimes).

The **entity's** liability - similar to criminal liability - arises from the connection with one or more **Offences** committed by a party linked with the **entity** by a functional relationship.

The **entity** may be liable if the **Offences** were committed in its interest or to its advantage. On the other hand, the **entity** cannot be liable if the perpetrator acted exclusively in his/her own interest or in the interest of third parties.

The functional relationship linking the perpetrator of the **Offence** to the entity may be one of representation, subordination or collaboration, within the limits established by the **Legislative Decree**.

Where the perpetrator of the **Offence** is a natural person having representative, administrative, management or control functions in the **entity** or in one of its organisational units having financial and functional autonomy, or a person managing and controlling, even de facto, the **entity**, the entity is presumed to be liable for the offence. This is because, in such case, the natural person expresses, represents and implements the **entity's** management policy.

There is no presumption of liability on the **entity** when the perpetrator of the **offence** is an individual subject to the direction or supervision of one of the parties referred to in the preceding sentence. Consequently, in such a case, the action of the individual subject to direction or supervision leads to the **entity** being liable only if it found that perpetration of the offence was made possible by the entity's failure to fulfil its management and supervision obligations.

The (administrative) liability of the **entity** is additional to and does not replace the (criminal) liability of the natural person who committed the Offence. Given the independent nature of (administrative) liability, the **entity** may be liable for the **offence** even if the perpetrator has not been identified or cannot be charged, or if the **offence** is extinguished for reasons other than amnesty. The criminal liability of natural persons remains governed by general criminal law.

The Italian legal system has established a **system of sanctions** for the administrative liability of entities, usually consisting of financial penalties.

Together with the financial sanction, in certain cases, prohibitory penalties may be applied, such as a ban on exercising its business, the suspension or withdrawal of authorisations, licences or permits enabling the commission of the offence, a prohibition on entering into new agreements with the Public Administration, exclusion from concessions, loans, grants or subsidies, the possible withdrawal of those already granted, and a ban on advertising goods or services.

In addition to the aforementioned financial penalties and prohibitory penalties, another possible penalty is confiscation (ordered with the guilty verdict) of the proceeds or profit from the **Offence** (also "by equivalence") and, in certain cases, the publication of the conviction.

Moreover, the Italian legal system provides that such prohibitory measures - where there is strong evidence of the **entity's** liability and there are specific grounds to believe that there is a real danger of similar offences being committed - be applied, at the request of the Public Prosecutor, as an interim measure, already in the investigation stage.

Where specific conditions are met, the court, when applying a prohibitory penalty that would interrupt the **entity's** business, may appoint an administrator to supervise continuation of the entity's business, for the duration of the prohibitory penalty that would have been applied.

Foreign companies that operate in Italy are also subject to the provisions of the **Legislative Decree**, regardless of whether or not there is similar legislation on the same subject in their country.

3 Offences giving rise to the Entity's administrative liability

The **Offences** which can give rise to the entity's administrative liability ("predicate offences") are expressly set out in the **Legislative Decree** and in subsequent legislative measures that have expanded the list of offences:

- undue receipt of funds, fraud against the State, a public authority or the European Union or to obtain public funds, computer fraud against the State or a public body and fraud in public procurement (Article 24 of Legislative Decree 231/2001);
- computer crimes and unlawful data processing (Article 24-bis of Legislative Decree 231/2001);
- organised crime offences (Article 24-ter of Legislative Decree 231/2001);
- embezzlement, extortion, illegal inducement to give or promise benefits, corruption and abuse of office (Article 25 of Legislative Decree No. 231/2001);
- forgery of money, public credit instruments, revenue stamps and distinctive instruments or signs (Article 25-bis of Legislative Decree No. 231/2001);
- crimes against industry and trade (Article 25-bis(1) Legislative Decree 231/2001);
- corporate crimes (Article 25-ter of Legislative Decree 231/2001);
- crimes for the purpose of terrorism or subversion of the democratic order (Article 25-quater of Legislative Decree 231/2001);
- female genital mutilation practices (Art. 25-quater(1) of Legislative Decree 231/2001);
- crimes against individuals (Article 25-quinquies of Legislative Decree 231/2001);
- market abuse (Article 25-sexies of Legislative Decree 231/2001);
- manslaughter or serious or grievous bodily harm, committed in breach of the rules on occupational health and safety (Article 25-septies of Legislative Decree 231/2001);
- receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering (Article 25-octies of Legislative Decree 231/2001);
- offences relating to non-cash payment instruments and fraudulent transfer of assets (Article 25-octies(1) of Legislative Decree 231/2001);
- copyright infringements (Article 25-novies of Legislative Decree 231/2001);
- inducement not to make statements or to make false statements to the legal authorities (Article 25-decies of Legislative Decree 231/2001);
- environmental offences (Article 25-undecies of Legislative Decree 231/2001);
- employment of illegally staying third-country nationals (Article 25-duodecies of Legislative Decree 231/2001);
- racism and xenophobia (Article 25-terdecies of Legislative Decree 231/2001);
- fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of Legislative Decree 231/2001);
- tax offences (Article 25-quinquiesdecies of Legislative Decree 231/2001);

- smuggling (Article 25-*sexiesdecies* of Legislative Decree 231/2001);
- crimes against the cultural heritage (Article 25-*septiesdecies* of Legislative Decree 231/2001);
- laundering of cultural assets and devastation and looting of cultural and landscape assets (Article 25-*duodevicies* of Legislative Decree 231/2001).

Moreover, Law 146/2006, although not further amending the body of the **Legislative Decree**, extended the liability of entities also to *transnational crimes*.

A description of the various conducts giving rise to criminal liability is included under **Annex 1 - Catalogue of Crimes and Administrative Offences**.

3.1 SANCTIONS

The Decree provides for four types of sanctions (Section II, Articles 9 - 23):

a) **FINANCIAL PENALTY** (Section II - Articles 10 - 12)

In case of an administrative offence dependent on a criminal offence, the administrative sanction always applies, and no reduction of its amount is allowed.

The amount of the fine is established by introducing a proportional quota system, whereby the court first establishes a number of quotas according to the seriousness of the offence and then determines the value of the quotas according to the entity's financial conditions.

Article No. 10(2) of the Legislative Decree provides that the number of quotas shall be between 100 and 1,000. Therefore, since Article 10(3) states that "The amount of a quota may range from € 258.2/each to € 1,549.4/each", the total amount of the fine can range from a minimum of € 25,820 to a maximum of € 1,549,400.

b) **PROHIBITORY PENALTIES** (Section II - Articles 13 - 17)

Prohibitory penalties can last between 3 months and 2 years and may consist of:

- ban on conducting business;
- the suspension or revocation of authorisations, licenses or permits that enabled perpetration of the offence;
- disqualification from concessions, loans, grants and subsidies and revocation of those already granted;
- ban on advertising goods or services.

c) **CONFISCATION** (Section II - Article 19)

The confiscation of the proceeds or profit from the offence is always ordered against the company upon conviction, except for the part that can be returned to the injured party. The rights acquired by third parties in good faith are not affected. When confiscation is not feasible, it may concern sums of money, assets or other benefits of equivalent value to the proceeds or profit of the offence.

d) **PUBLICATION OF THE CONVICTION** (Section II - Article 18)

Publication of the conviction may be ordered when a prohibitory penalty is imposed on the entity. The conviction shall be published once only, in abridged form or in its entirety, in one or more newspapers indicated by the court in the judgment and shall be posted in the municipality where the entity has its main office.

4 Organisation, Management and Control Models

The **Legislative Decree** provides for a **specific form of exemption from liability** for the entity if:

- a) the management body has adopted and effectively implemented, before the **offence** was committed, “*organisational, management and control models*” suitable for preventing the **Offence**;
- b) the task of monitoring the functioning of and compliance with the models and ensuring that they are kept up-to-date has been entrusted to a body of the entity that has autonomous powers to act on its own initiative and exercise control;
- c) the persons who committed the offence acted by fraudulently circumventing the aforementioned organisation, management and control models;
- d) there has been no omission or insufficient oversight on the part of the body referred to in point b).

The **Organisational Model** is the set of rules, set out in the Special Part and in the **231 Procedures**, both of conduct (“*Rules of Conduct*”) and of control, the observance of which - in the performance of activities within the **Processes at Risk** - makes it possible to prevent unlawful, improper or irregular conduct.

The **Addressees** who fail to comply with the **Organisational Model**, the **Code of Ethics** and/or the *Whistleblowing Procedure* can incur sanctions. To this end, the **Organisational Model** also includes a **Disciplinary System**, provided for and explained in this document.

5 The Guidelines issued by Confindustria

To prepare this document, NHOA Corporate followed the Confindustria Guidelines.

It is understood that the choice to not incorporate in the **Organisational Model** some of the instructions of the Confindustria Guidelines does not affect its validity, since every organisation, management and control model must be drafted with reference to the **Company’s** actual features.

6 Description of the Company

6.1 HISTORY AND BUSINESS OF NHOA CORPORATE

NHOA Corporate was established on 13 December 2022. On 10 October 2023, the partial spin-off of the company NHOA Energy S.r.l. was completed, by transferring part of its assets (more precisely, a business branch consisting of personnel and assets), to NHOA Corporate, which took over the central administrative functions managing the related services that NHOA Corporate performs in favour of NHOA Group companies.

NHOA Corporate's main activities are: (i) being the holding company of the three companies representing the group's three business lines: NHOA Energy S.r.l. (Energy Storage), Free2Move eSolutions S.p.A. (E-mobility - Joint Venture with Stellantis), Atlante S.r.l. (Fast Charging Network); (ii) coordinating and controlling all group companies; (iii) providing services in the following areas: Legal, Financial, Administrative, Accounting, Management Control, Treasury, Internal Audit, Communication and Institutional Relations, Worker Health and Safety, Human Resources, Information Technology, Sustainability.

6.2 CODE OF ETHICS

NHOA Corporate has adopted the NHOA Group's **Code of Ethics** (Annex 2), which defines the values that guide the **Company** in the performance of its business.

The **Code of Ethics** sets out the ethical principles and rules of conduct that **Top Management, Employees**, all those who work in the name of or on behalf of the **Company** as well as **Third Parties** are required to comply with and/or accept.

The provisions of the **Organisational Model** are inspired by the ethical principles and rules of conduct contained in the **Code of Ethics** and are integrated and compatible with the Code.

6.3 PURPOSE AND STRUCTURE OF THE ORGANISATIONAL MODEL

The Company has decided to adopt an **Organisational Model** in line with the provisions of the **Legislative Decree**, in particular with Articles 6 and 7 thereof, and to draw up its **Code of Ethics**, in the conviction that these documents can help raise the **Addressees'** awareness of the importance of acting lawfully and honestly in performing their duties, so as to prevent the risk of **Offences** being perpetrated.

More specifically, the **Organisational Model** has the following aims:

- a) to set up a structured and cohesive prevention and control system aimed at reducing the risk of commission of **Offences** relating to corporate activities and preventing/combatting any unlawful conduct;
- b) to ensure that all those who work in the name and/or on behalf of the **Company**, especially in the business areas exposed to risks, are aware that, in the event of non-compliance and/or confirmed **Infringement** of the provisions of this Model, they may incur liability for an offence punishable by sanctions, including criminal sanctions, and may also expose the **Company** to sanctions;
- c) to inform the **Addressees** that non-compliance and/or confirmed **Infringement** of the provisions contained in the **Model**, with which they are required to comply, will entail the application of appropriate sanctions and, in the most serious cases, termination of the contractual relationship;
- d) to reiterate that the Company will not tolerate unlawful conduct of any kind and irrespective of any purpose pursued, since such conduct (even if outwardly to the **Company's** advantage) is in any case contrary to the ethical principles the **Company** follows.

The **Organisational Model** prepared by the **Company** defines a preventive control system guiding the **Company's** decision-making and decision-implementation process in relation to the risks/**Offences** to be prevented. It comprises:

- the **Code of Ethics**, which identifies the **Company's** key ethical values and sets the general guidelines for its corporate activity. The Code outlines the general principles of conduct with which all Addressees must comply. It sets out the rules on professional conduct identified by top management as fundamental for working within the Company or collaborating with it. The principles of conduct set forth in the Code of Ethics, which are also disseminated via ad hoc information and training activities, are aimed, together with the specific safeguards contained in the Special Part, at mitigating the risk of the commission of predicate offences.
- an up-to-date, formalised and clear organisational system that guarantees a well-structured allocation of tasks and the appropriate segregation of duties. In particular, the General Part of the Organisational Model outlines the Company's overall compliance system, describing:
 - the reference regulatory framework, for the benefit of all Addressees of the Model;
 - The methodology followed to design the Organisational Model;
 - The establishment and operation of the Supervisory Body (requirements, appointment, composition);
 - The system of information flows to and from the Supervisory Body;
 - The channels for reporting potential conduct in breach of the Model (whistleblowing);
 - The ways of disseminating the Organisational Model and providing training to the Addressees about its contents;
 - The system of sanctions for infringements of the provisions of the Organisational Model.
- Special Parts and **231 Procedures** aimed at regulating the performance of activities, with a focus on processes at risk, by establishing appropriate control points and segregating duties between persons who perform crucial phases or activities within such processes. The corporate Functions involved in sensitive activities are also indicated.

The Mapping of at-risk processes contains a summary list of the activities at risk identified in the Schedules of the Special Part, grouped by corporate area (at-risk corporate processes), with indication, for each activity, of the corporate functions involved and the offences that could potentially be associated with them. The mapping of the processes at risk of offences also describes the information flows to the Supervisory Body associated with the individual company processes;

- clear allocation of authorisation and signatory powers, consistent with organisational and management responsibilities;
- control measures, relating, first and foremost, to the potential perpetration of **Offences**, enabling the prompt flagging of existing or emerging general and/or specific issues.

7 Addressees

This **Organisational Model** is intended for:

- **Top Management;**
- **Employees** or other persons - irrespective of their relationship with the **Company** - under the management or supervision of one of the aforementioned persons;
- all those who, although not functionally linked to the Company by an employment or quasi-employment relationship, are linked to it by a specific contract by virtue of which they act, even indirectly, on behalf of the Company (hereinafter also "**Third Parties**").

Third Parties must also comply with the provisions of the **Legislative Decree** and with the principles of conduct set out in the **Code of Ethics**; where possible, this requirement is set out in ad hoc contractual clauses.

8 Adoption of the Organisational Model by the Company

Given that NOHA Corporate already had a preventive control system, we took steps to adapt our control system to the provisions of the **Legislative Decree**.

By adopting the **Organisational Model**, the **Company** has designed a set of **Rules of Conduct** and operating procedures governing the decision-making and decision-implementing process in respect of the **Offences** to be prevented, in compliance with the system of allocation of functions and delegation of powers, and with its internal procedures.

The Special Part and the **231 Procedures**, which are the rules to be followed by the **Addressees**, are an addition to the existing organisational structure of NHOA Corporate (procedures, organisation charts and power allocation system) and are integrated and compatible with such structure.

The **Organisational Model** has been adopted by the Board of Directors of NHOA Corporate.

Amendments or additions to the **Organisational Model** must be approved by NHOA Corporate's Board of Directors.

The updating of the **Organisational Model** is periodically verified by the **SB**, which notifies the Company's governing body of any need for changes and/or additions.

For minor changes, the Board of Directors shall appoint a delegated person who may consult the **SB**. The changes shall be communicated to the Board of Directors that will ratify or, if necessary, expand or amend them at its first meeting. The changes will take immediate effect before their ratification.

The responsibilities for implementing the **Organisational Model** are distributed as follows:

- 1) the Board of Directors shall:
 - examine and approve updates to and revisions of the **Organisational Model** proposed by the **SB**;
 - appoint the members of the **SB** and decide on their replacement;
 - receive regular reports on the adequacy and functioning of the **Organisational Model**, ensuring that the main risks are constantly identified and appropriately managed.
- 2) the **SB** shall:
 - review the effectiveness of the **Organisational Model** in preventing the commission of offences;
 - verify that the **Organisational Model** is updated in line with the evolution of legislation and of the Company's internal structure;
 - periodically inform the Board of Directors of the results of the checks carried out.
- 3) the **Addressees** of the **Organisational Model** shall:
 - scrupulously comply with all the provisions of the **Organisational Model**;
 - make the **Reports** and transmit the Information Flows required by the **Organisational Model**;
 - facilitate the review process by the **SB**.

9 Identification of Processes at Risk

Article 6(2)(a) of the **Legislative Decree** expressly provides that the organisation, management and control model must "*identify the activities within which offences might be committed*". To this end, the **Company** has analysed its corporate activities, decision-making and implementation processes within the various business units, and the internal control systems.

In particular, as part of the above activities, NHOA Corporate, with the support of external consultants, has taken steps to:

- a) identify the corporate activities within which **Offences** might potentially be committed (hereinafter, the "**Processes at Risk**"), in order to enable the Company to put in place the most suitable protocols to prevent offences in the areas of activity deemed to be at risk and to enable the **SB** to identify the activities on which to focus its control activities;
- b) analyse the potential risks of offences and the ways in which they may be committed;
- c) identify the stakeholders and **Corporate functions** concerned;
- d) define and, if necessary, update the internal control system.

10 Detection and identification of activities at risk

The **Company** has identified the **Processes at Risk**, with the support of external consultants, through:

- a) examination of official company documentation;
- b) detailed mapping of the company operations, based on the **Company's** organisational units and carried out by means of interviews and survey questionnaires;
- c) detailed analysis of each activity, aimed at verifying the precise content, the actual operating methods, the allocation of responsibilities and the existence or non-existence of each type of **Offence**.

The **Processes at Risk** identified are set out below:

- Purchase of goods, services and consultancies;
- Financial and cash flows;
- Administrative and accounting management;
- Management of tax compliance;
- Management of corporate obligations;
- Management of legal disputes;
- Management of the environmental system;
- Management of promotion activities for NHOA Group services;
- Management of information and communications;
- Management of claims for expenses and entertainment expenses;
- Management of extraordinary transactions;
- Share capital transactions;
- Relations with Public Administrations or European Public Bodies;
- Intercompany relations;
- Preparation of financial statements, reports or corporate communications;
- Applications for and management of loans, grants, subsidised loans or other similar disbursements;
- Selection, recruitment and management of human resources;
- Health and safety management systems;

- Information systems.

With reference to the above-mentioned **Processes at Risk**, the following categories of **Offences** are applicable in abstract:

- **offences committed in relations with the Public Administration** (Articles 24 and 25);
- **computer crimes and unlawful data processing** (Article 24-bis);
- **organised crime offences** (Article 24-ter);
- **forgery of money, public credit instruments, revenue stamps and identification instruments or signs** (Article 25-bis);
- **corporate crimes** (Article 25-ter);
- **offences against individuals** (Article 25-quinquies);
- **market abuse offences** (Article 25-sexies);
- **manslaughter or serious or grievous bodily harm, committed in breach of the rules on occupational health and safety** (Article 25-septies);
- **receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering** (Article 25-octies);
- **offences relating to non-cash payment instruments** (Article 25-octies.1);
- **offences relating to breach of copyright** (Article 25-novies);
- **inducement not to make statements or to make false statements to the legal authorities** (Article 25-decies);
- **environmental offences** (Article 25-undecies);
- **employment of illegally staying third-country nationals** (Article 25-duodecies);
- **tax offences** (Art. 25-quinquiesdecies);
- **transnational crimes** (Law 146/2006);

The **Company**, in relation to its corporate activity, has deemed the safeguards set out in the **Code of Ethics** to be sufficient for the crime of **racism and xenophobia** (Article 25-terdecies).

The **Company** does not consider the following **Offences** to be applicable in relation to its business activities:

- **crimes against industry and trade** (Article 25-bis 1);
- **crimes for the purpose of terrorism or subversion of the democratic order** (Article 25-quater);
- **female genital mutilation practices** (Art. 25-quater 1);
- **fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices** (Article 25-quaterdecies) introduced by Law 39/2019;
- **smuggling** (Article 25-sexiesdecies);
- **crimes against the cultural heritage** (Article 25-septiesdecies);
- **laundering of cultural assets and devastation and looting of cultural and landscape assets** (Article 25-duodevicies).

The **Company** undertakes to continuously monitor its activities, both in relation to the **Offences** listed above and in relation to possible amendments of and additions to the **Legislative Decree**.

10.1 EVALUATION OF CONTROLS

The existing controls within each relevant business process are identified by means of:

1. interviews with process managers;
2. analysis of any procedures, manuals, guidelines and instructions describing the performance of activities;
3. analysis of any paper or computer documents present at the beginning, during or at the end of the process.

The overall effectiveness of the control system for each activity at risk is assessed to mitigate the existing inherent risks, taking into account:

- the compliance of the process with established best practices;
- the existence of written procedures, manuals or guidelines governing the activity in question;
- the existence of IT tools or other automated activity control tools;
- the existence and extent of segregation of duties within the process;
- the presence of formalised lines of authority and first-level controls within the process.

In order to identify and analyse in detail the existing control model for protecting the sensitive areas highlighted in the assessment activity described above, and to evaluate the model's compliance with the provisions of the Legislative Decree, a comparative analysis (gap analysis) is carried out between the existing model ("as is") and an abstract reference model assessed on the basis of the provisions of the Legislative Decree ("to be").

The gap analysis identifies areas for improvement in the existing internal control system. On the basis of these findings, a plan is drawn up to identify the requirements for an organisational, management and control model complying with the Legislative Decree and the actions to improve the internal control system.

Thus, following the risk assessment described above, the Company shall adopt appropriate control plans for the management of risks, which are summarised in the Special Part Sheets, and a process for the continuous improvement of the control system, which will be periodically reviewed by the Supervisory Body, also to regularly assess the risk level remaining after the continuous improvement of the control system's effectiveness.

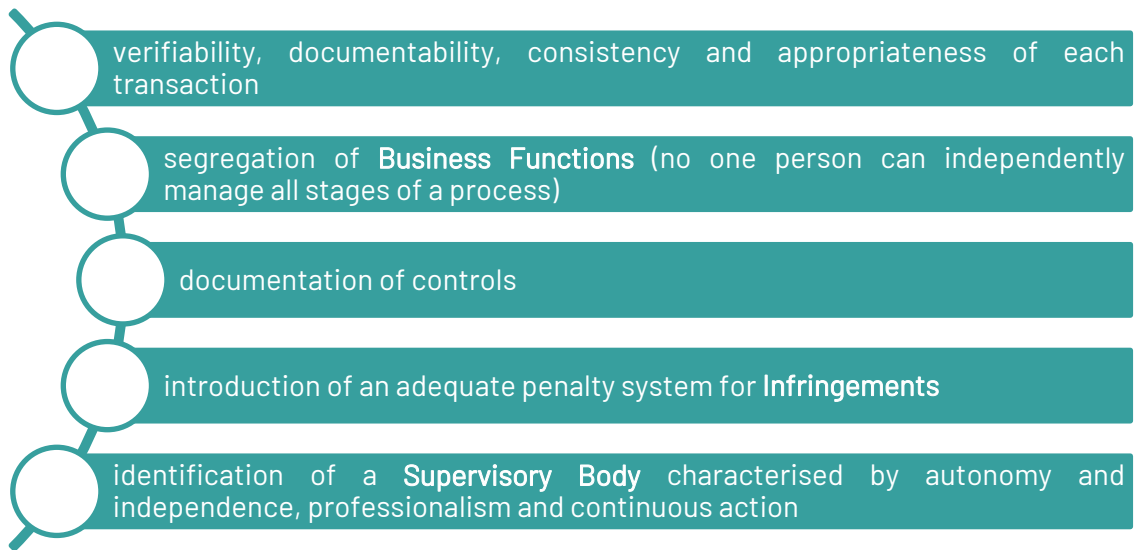
10.2 DESIGN OF ORGANISATIONAL AND PROCEDURAL SAFEGUARDS

Article 6(2) of the **Legislative Decree** states that the **Organisational Model** must, among other things, *"establish specific protocols governing the entity's decision-making and decision-implementation process in relation to the Offences to be prevented"*.

This provision emphasises the need to establish - or improve, where they already exist - appropriate standard procedures for decision-making and decision-implementation, to ensure that the various stages of each business process are documented and verifiable.

It is therefore clear that the set of organisational structures, activities and operating rules applicable within the company - as indicated by management - must be directed towards this specific objective, to ensure with reasonable certainty the achievement of the aims of an appropriate and efficient risk-monitoring system, including, inter alia, the aim of preventing the Company's liability under the **Legislative Decree**.

The organisational system in place is inspired by the following principles:



11 Dissemination, Communication and Training

The need for staff to be adequately trained and constantly/periodically informed about the principles and prescriptions contained in the **Organisational Model** is of great importance for the correct and effective implementation of the company's prevention system.

The **Addressees** must have a full understanding of the objectives of fairness and transparency that guide the **Organisational Model** and of the ways in which the **Company** intends to pursue them, by setting up an appropriate system of procedures and controls.

11.1 INITIAL COMMUNICATION

The adoption of the **Organisational Model** with its annexes and the Whistleblowing Policy shall be promptly communicated to all **Addressees**.

Newly recruited resources shall be given or, in any case, given access to, an information pack containing this "Organisation, Management and Control Model pursuant to Legislative Decree 231/2001" with its annexes and the Whistleblowing Policy. The delivery of the aforementioned documents shall be confirmed by mechanisms - including computerised ones - capable of proving their actual receipt; in compliance with current labour law, the Organisational Model may be posted in a place accessible to all.

11.2 COMMUNICATION OF CHANGES TO THE ORGANISATIONAL MODEL

Any changes to the **Organisational Model** must be communicated to the **Addressees**, with description of the changes, by mechanisms - including computerised ones - proving that the communication was actually received and understood.

12 Defence of the entity and appointment of the defence counsel

Pursuant to Article 39(1) of the Legislative Decree¹, if legal proceedings are brought against the Company pursuant to the Legislative Decree, the appointment of a defence counsel must be made by a person with the necessary powers, after checking that such person has no conflicts of interest

¹"The entity shall take part in the criminal proceedings with its legal representative, unless such representative is charged with the crime on which the administrative offence depends".

with the Company. In such cases, the Company's defence counsel may not be appointed by a person who is under investigation or a defendant in the above-mentioned proceedings².

13 Supervisory and Control Body

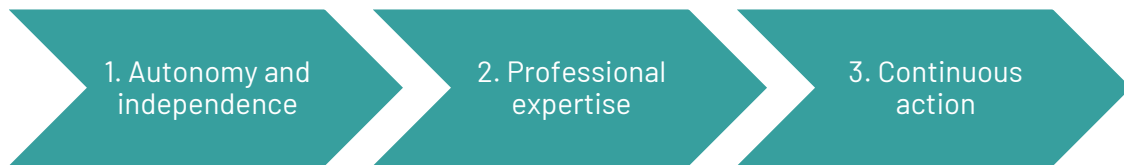
13.1 ROLE OF THE SUPERVISORY BODY

To be exempted from administrative liability, the entity must establish a body having independent power of control (to supervise the functioning of and compliance with the **Organisational Model**) and independent power of initiative, to ensure that the Model is constantly updated.

To implement the provisions of the **Legislative Decree**, the BoD of NHOA Corporate has established the **Supervisory and Control Body (SB)**, which has the task of **supervising the functioning of and compliance with the Organisational Model**, and of updating the Model by making recommendations and proposals for changes to the **Organisational Model** to the Board of Directors and subsequently monitoring their implementation. The **SB** is therefore responsible for the supervisory and control activities provided for by the **Organisational Model**.

The appointment of the **SB**, as well as any dismissal (for just cause), is the responsibility of the Board of Directors. The **SB** reports directly to the Board of Directors.

According to the provisions of the **Legislative Decree** (Articles 6 and 7) and the indications contained in the accompanying Report to the **Legislative Decree**, the characteristics of the **SB** must be:



1. Autonomy and independence

The requirements of autonomy and independence guarantee the effective fulfilment of the tasks and functions assigned to the **SB**.

The requirement of autonomy is to be understood in more than just a formal sense, as the **SB** must:

- have effective powers of inspection and control;
- have access to relevant company information;
- be equipped with adequate resources (including financial);
- be able to make use of tools, supports and experts in the performance of its monitoring activities.

The **SB** must also be hierarchically independent: its members must not be directly involved in management activities or hold executive functions within the Company, since participating in operational decisions and activities would undermine their objectivity when monitoring conduct and compliance with the **Organisational Model**. Similarly, the **SB** must not be hierarchically subordinate to those performing the monitored activities.

The members of the **SB** must not be linked to the Entity or its managers by any family ties, significant economic interests (e.g. shareholdings) or any situation that might generate actual or potential conflicts of interest.

² In accordance with the conclusions of recent case law (i.e. Supreme Court of Cassation no. 35387/2022 of 22 September 2022).

2. Professional expertise

The **SB** must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with its independence, will guarantee the SB's objective judgement.

The SB's members, taken together, must possess adequate professional expertise in legal-criminal matters and in corporate organisation and management in the company's technical/production sector.

3. Continuous action

The **SB** must:

- 1 constantly work on supervising the **Organisational Model** with the necessary powers of investigation, also with the support of external consultants;
- 2 supervise the implementation of the **Organisational Model** and ensure that it is constantly updated;
- 3 not perform operational duties that could affect its general overview of company activities.

The SB should be characterised by limited revocability. The term of office of the SB must also be sufficiently long to allow for stable and professional performance of its function.

13.2 COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BODY

The **SB** shall remain in office for the period established by the Board of Directors in the deed of appointment and may be re-elected.

The replacement of one or more members of the **SB** before the expiry of their term of office is only allowed for just cause or for a justified reason, including but not limited to:

- voluntary resignation by the **SB**;
- incapacity due to natural causes;
- the occurrence of any of the causes of ineligibility, expiry of term of office, suspension and revocation referred to in paragraph "13.3 Causes of (in)eligibility, revocation, expiry of term of office and suspension of the Supervisory Body" below.

The **Company's** Board of Directors shall establish, for the entire duration of the office, the annual remuneration due to the **SB**, so that the **SB** can perform its duties with full independence, without limitations due to insufficient financial resources. In any case, the **SB** may request further resources from the Board of Directors, in addition to the allocated budget, to enable its normal operations and the performance of the analyses and investigations deemed necessary to verify the adequacy of the **Organisational Model**.

In the event of expiry of term of office, suspension or revocation of a member of the **SB**, the Board of Directors shall replace the outgoing member.

In any case, the **SB** shall cease to hold office if the majority of its members resign or are otherwise terminated. In this case, the Board of Directors shall appoint the new members.

If the **SB** is a collegial body, it will adopt its own rules of procedure to ensure its optimal functioning. Such rules shall be brought to the attention of the Board of Directors at its first meeting.

13.3 CAUSES OF (IN)ELIGIBILITY, REVOCATION, EXPIRY OF TERM OF OFFICE AND SUSPENSION OF THE SUPERVISORY BODY

Ineligibility and expiry of term of office

Without prejudice to the assessment by the Board of Directors described below, the following are grounds for **ineligibility to/removal from the SB**:

- a) being related by kinship to the second degree or marriage (or being in de facto cohabitation comparable to marriage) with **Company** Directors or **Senior Managers**;
- b) having actual or potential conflicts of interest with the **Company** and/or its subsidiaries such as to jeopardise the independence required by the **SB**'s role and duties;
- c) holding, directly or indirectly, shareholdings of such size as to entail control or significant influence over the **Company**, also pursuant to Article 2359 of the Italian Civil Code;
- d) performing administrative functions with delegated powers or executive functions in the **Company**;
- e) being legally disqualified, ineligible, bankrupt or having received a sentence entailing disqualification, even temporary, from public office or from holding executive offices;
- f) being subject to personal preventive measures ordered by the judicial authorities, without prejudice to the effects of rehabilitation;
- g) having been convicted by final judgment, without prejudice to the effects of rehabilitation:
 - o to a custodial sentence for one of the crimes established by the legislation on banking, financial, securities, and insurance activities or by the legislation on markets, securities and payment instruments;
 - o for one of the **Offences** referred to in the **Legislative Decree**;
 - o to a custodial sentence for one of the offences established in Title XI of Book V of the Civil Code or for one of the offences established in the bankruptcy law;
 - o to a custodial sentence of two years or more for any intentional crime;
- h) having received criminal convictions or other sanctions in other countries for offences corresponding to those referred to above.

For the purposes of this paragraph, "criminal conviction" includes that issued under Article 444 of the Code of Criminal Procedure, unless the court has declared the offence extinguished pursuant to Article 445(2) of the Code of Criminal Procedure.

The appointed **SB** members must self-certify that they are not in any of the above-mentioned conditions, and must undertake to promptly inform the **Company**'s Board of Directors of any changes to the content of their declaration as soon as they occur.

If one of the above-mentioned reasons for disqualification from office occurs, the Board of Directors, after carrying out the appropriate investigations and hearing the person concerned and the other **SB** members, must adopt, by absolute majority, the measures it deems appropriate until the member is declared to have ceased to hold office.

The resolution of disqualification from office must be communicated to the Shareholders' Meeting at the earliest opportunity.

Suspension

The following are grounds for **suspending** an **SB** member from office:

- a) conviction by non-final judgment for the **Offences** indicated in point g) among the causes of ineligibility and disqualification from office;
- b) being provisionally subject to one of the measures provided for in Article 10(3) of Law No. 575 of 31 May 1965, as replaced by Article 3 of Law No. 55 of 19 March 1990, as subsequently amended and supplemented.

If one of the above-mentioned grounds for suspension occurs, the Board of Directors, after carrying out the appropriate investigations and hearing the person concerned and the other **SB** members,

must adopt, by absolute majority, the measures it deems appropriate until the member is declared suspended.

The suspension resolution must be communicated to the Shareholders' Meeting at the earliest opportunity.

Revocation

The following are grounds for revocation of **SB** members, by way of example and without limitation:

- material breaches of the duties of the office, with regard to the tasks indicated in the **Organisational Model**;
- infringement of the obligations set out in the **SB** Rules of Procedures, where adopted;
- non-attendance at three or more meetings, even if not consecutive, without a justified reason within a period of twelve consecutive months;
- the occurrence of circumstances that seriously and materially impair the member's independence or autonomy of judgement;
- a final judgment of conviction of the **Company** pursuant to the **Legislative Decree** or a final sentence delivered at the parties' request, where the court determines "failed or insufficient control" by the **SB** in accordance with Article 6(1)(d) of the **Legislative Decree**;
- a final judgment, without prejudice to the effects of rehabilitation, or a final sentence delivered at the parties' request, unless the offence has been extinguished, issued against one of the **SB**'s members for having committed one of the **Offences**;
- infringement of confidentiality obligations.

If one of the above-mentioned grounds for revocation occurs, the Board of Directors, after carrying out the appropriate investigations and hearing the person concerned and the other **SB** members, must adopt, by absolute majority, the measures it deems appropriate until the member is declared revoked.

The revocation resolution must be communicated to the Shareholders' General Meeting at the earliest opportunity.

If any **SB** members are **Employees**, for the duration of their term of office and for six months after ceasing from office their employment may not be terminated - unless they resign - on any grounds other than just cause or justified reason pursuant to the law. In the latter two cases, due reasons must be provided. The termination of an employee's employment with the **Company**, for any reason whatsoever, leads to the simultaneous ceasing from the role of **SB** member, unless otherwise decided by the management body.

13.4 ACTIONS TO VERIFY THE EFFECTIVENESS AND CONTINUOUS UPDATING OF THE ORGANISATIONAL MODEL AND ACTION PLAN

The **SB** must periodically verify the effectiveness and suitability of the **Organisational Model** to prevent the offences referred to in the **Legislative Decree** from being committed. In particular, the following checks are performed:

- 1 checks on individual acts - to this end, the **SB** will periodically audit the acts and contracts relating to the processes at risk, following procedures established by the **SB** itself;
- 2 checks on the Special Part and 231 Procedures - to this end, the **SB** will periodically review the effectiveness and implementation of the Special Part and **231 Procedures** of this **Organisational Model**;
- 3 checks on the level of knowledge of the **Organisational Model** also by analysing requests for clarification or **Reports** received;
- 4 periodic re-performance of Risk Assessment to review the map of potentially at-risk activities, particularly in the event of changes in the **Company**'s organisation or business whenever the **Legislative Decree** is amended or supplemented.

To fulfil its supervisory duties in a planned manner, the **SB** shall submit its annual Action Plan to the Board of Directors, covering its intended monitoring activities and the areas concerned. Moreover, the **SB** can carry out additional “spot checks” not included in the Action Plan, focusing on sensitive corporate activities and whenever it deems such spot checks necessary for the performance of its functions.

In implementing its Action Plan, the **SB** shall follow effective procedures for its supervisory and control activities, which it shall communicate to the corporate functions concerned, and may set up working groups on specific themes. In special circumstances (e.g. allegations of repeated **Infringements**), the **SB** shall apply systematic monitoring and detection procedures for the target risks.

In particular, the **SB** may request access to the documentation on the activities carried out by the specific corporate units and the persons in charge of the processes at risk to be monitored/audited, extracting a copy if necessary. It may also conduct interviews and, where appropriate, request written reports. During its operations, the **SB** shall constantly inform the head of the organisational unit concerned.

After its checks, the **SB** may submit its observations and/or suggestions to the line manager of the person who committed the non-compliance and/or the **Infringement**.

The activities carried out by the **SB** must be documented, even in summary form. The **SB** must keep a documentary record of its audit, so as to ensure its confidentiality, also in compliance with personal data protection legislation.

On the basis of the checks carried out, of the legislative changes that may occur from time to time, and the identification of new at-Risk Processes, the **SB** shall propose to the Board of Directors changes and updates to the **Organisational Model** that it deems appropriate.

For its audits, the **SB** may rely on the support of external advisors with appropriate expertise in the field.

13.4.1 INFORMATION FLOWS TOWARDS THE SB

To ensure that the implementation of the **Organisational Model** is effectively monitored, the **Addressees** must, according to their role and responsibilities, transmit to the **Supervisory Body** the information flows indicated in the **Organisational Model** in compliance with the “Procedure for Managing Flows to the Supervisory Body”, which maps all the Information Flows and describes the manner of their transmission (hereinafter the “**Information Flows**”).

The Information Flows towards the **SB** are divided into:

- Information flows defined by the Model; divided into:
 - o Event-driven information flows;
 - o Periodic Information Flows;
- Information flows at the **SB**’s request, i.e. any information specifically requested by the **SB** to support the **SB**’s monitoring of the efficacy, effectiveness and updating of the Company’s **Organisational Model**.

Each Addressee must report as soon as possible any problems or issues encountered applying the provisions of the **Organisational Model**. In particular, each Addressee must:

- promptly report any offences covered by the **Legislative Decree**; or
- promptly report any infringements of the **Organisational Model** of which he/she has become aware by reason of his/her duties.

Information Flows can be submitted in the following ways:

- to the following e-mail address: odv@nhoagroup.com
To the attention of the Supervisory Body of
NHOA Corporate S.r.l.
- to the postal address: Piazzale Lodi No. 3
20137, Milan

In any case, the **SB** is vested with all the powers under the **Organisational Model** to request at any time any information, data or documents from the **Addressees**. The **Addressees** must promptly provide the **SB** with the information requested.

Furthermore, any information or reports that may be considered relevant under the **Organisational Model** must be promptly forwarded to the **SB**.

In addition to said **Information Flows**, **Top Management** must inform the **SB** of:

- a. any change concerning the system of delegated powers or the organisational structure of the **Company**;
- b. any extraordinary corporate transactions entered into by the **Company**;
- c. any new business activity;
- d. any information relevant for complying with, implementing and updating the **Organisational Model**.

13.4.2. ARCHIVING

All **Information Flows** sent to the **SB** are processed and stored by the **SB** in a dedicated computerised database and/or paper archive kept in accordance with the provisions of Regulation (EU) 2016/679 on the protection of personal data (GDPR).

13.5 REPORTS OF INFRINGEMENTS - WHISTLEBLOWING

Addressees who decide to file a **Report** of an **Infringement** must follow the procedures set out in the Whistleblowing Policy.

The **Reports** may be sent by the following methods:

IT platform	Integrity Line - accessible from the AGILE HR intranet and the NHOA Group website
Voice Messaging	A <u>system integrated into the IT platform</u> , which includes additional confidentiality protection functionality such as voice "morphing".
Face-to-face meeting	By means of a request to schedule a direct meeting with the Recipient Body sent by e-mail to the following address ethics-compliance@nhoagroup.com The subject of the request should be "Request for a direct meeting with the Recipient Body " without stating the reasons or other references relating to the subject of the Report . The meeting must be scheduled within a reasonable time.

The prohibition of retaliation is laid down in Article 17 of Legislative Decree 24/2023, which is fully referred to.³ Any acts performed in breach of this prohibition are null and void.

13.6 INFORMATION FROM THE SUPERVISORY BODY TO THE CORPORATE BODIES

The **SB** shall report on its activities to the Board of Directors:

- periodically, by submitting an annual report, describing the audits carried out and any anomalies found, and making proposals for corrective actions. A copy of the report shall also be provided to the Board of Statutory Auditors, which may consult the documentation whenever necessary;
- from time to time, without delay, in case of Reports of Infringements of the Group Code of Ethics and/or the **Organisational Model** by any **Addressee** of said documents, to enable the management bodies to issue the appropriate sanctions.

All minutes of the **SB**'s meetings shall be held on file and made available to the Board of Directors if necessary.

The **SB** may be consulted at any time by the Board of Directors and the Board of Statutory Auditors, if appointed, to report on the functioning of the **Organisational Model** or on specific situations. Whenever necessary, the **SB** may inform the corporate bodies directly on its own initiative.

The Supervisory Body must be constantly informed of the aspects that may expose the Company to the risks of potential commission of the Offences covered by the **Legislative Decree**.

14 Management of Financial Resources

Under Article 6(2)(c) of the **Legislative Decree** appropriate financial resource management procedures must be put in place to prevent the **Offences**. Thus, to establish for each type of transaction the individuals involved and their powers, the payment methods to be used and the links with the administrative/accounting system, in addition to adopting the Special Part of the **Organisational Model**, the **Company** has drawn up the following **231 Procedures**:

- NHOA_Financial Flow Management;
- NHOA_Accounting records, bookkeeping, tax compliance;
- NHOA_Annual Report and Reporting Package

15 Training and Communication on the Content of the Model

15.1 STAFF TRAINING AND INFORMATION ON THE ORGANISATIONAL MODEL AND THE WHISTLEBLOWING POLICY

15.1.1. TRAINING ON THE ORGANISATIONAL MODEL

³Article 17(1) "The entities or persons referred to in Article 3 must not incur any retaliation" refers to:

- a) reporting persons (as defined in the *Whistleblowing Procedure*);
- b) facilitators (as defined in the *Whistleblowing Procedure*);
- c) persons in the same work environment (as defined in the *Whistleblowing Procedure*) as the reporting person who are related to the reporting person by a stable personal relationship or kinship up to the fourth degree;
- d) the reporting person's coworkers who work in the same work environment as the reporting person and who have a habitual and current relationship with that person;
- e) entities owned by the reporting person or for which the reporting person works and entities operating in the same work environment as the reporting person.

To effectively implement the **Organisational Model**, the **Company's People, Inclusiveness & Organisation Function**, in coordination with the **Company's Governance, Ethics & Compliance Function**, prepares an annual training plan for the members of the corporate governance bodies, **Employees**, and **Third Parties** working directly within the **Company** structure.

The training covers, inter alia, the **Organisational Model** as a whole, the **Code of Ethics**, the functioning of the **SB**, the Information Flows to the SB, the **Disciplinary System**, the **231 Procedures** provided for by the **Organisational Model**, and specific information on the Offences.

The training will be tailored as necessary, to provide the tools for full compliance with the provisions of the **Legislative Decree** according to the area of operations and the duties of the training **Recipients**.

The content and delivery of the training is adapted to the Recipients' qualification, the risk level of the area in which they operate, and whether or not they are empowered to represent the **Company**.

At the time of hiring **Employees**, contracting **Third Parties** to operate mainly within the **Company's** premises, or appointing collaborators, such parties are provided with or given access to an information pack to ensure that they have the basic knowledge considered essential to work within the **Company**.

The **SB** is informed by the competent **Corporate function** about the training programme and verifies its appropriateness and effective delivery. Training sessions may also be held online or through the use of IT systems.

The attendance of training sessions by **Employees** and members of corporate bodies is mandatory. The People, Inclusiveness & Organisation **Corporate Function**, in coordination with the Governance, Ethics & Compliance **Corporate Function**, shall document the **Employees** and collaborators' attendance of training modules and provide training records to the **SB** for monitoring purposes.

Appropriate means of communication, if necessary in addition to the sending of updates by e-mail, will be used to update the members of the corporate bodies and **Employees** on any changes made to the **Organisational Model**, as well as any relevant procedural, regulatory or organisational changes.

15.1.2. WHISTLEBLOWING POLICY TRAINING

In accordance with the provisions of Article 4(2) and Article 5(1)(e) of Legislative Decree 24/2023, the Company shall disseminate and ensure awareness of its Whistleblowing Policy by publishing it on its website, its corporate IT platform and its intranet.

The Whistleblowing Policy shall be sent to all company resources as an integral part of the **Organisational Model**.

Furthermore, to ensure appropriate awareness of the purposes and safeguards established by Legislative Decree 24/2023, and to promote a culture of integrity and responsibility within the Company, the Company holds staff training sessions on the legislation underpinning the Whistleblowing Policy, in particular on the issues relevant to all internal staff (including personal data processing rules).

Moreover, at least once every two years or in the event of amendment of the legislation on the handling of whistleblowing Reports, the Company provides ad hoc training for the Recipient Body and any other persons involved in receiving and managing **Reports**. In order to ensure that the **Reports** received are dealt with appropriately and in accordance with the applicable provisions, the training will cover, among other topics:

- regulatory aspects;
- procedures and prerequisites;

- general principles and rules of conduct.

15.1.3 COMMUNICATION

Each member of the corporate bodies, each **Employee** and each **Third Party** working predominantly within the company premises must:

- know the contents of the **Organisational Model**, including the annexes and the other documents that form an integral part of it;
- know the operating methods that they must employ in performing their duties;
- contribute actively, in line with their role and responsibilities, to the effective implementation of the **Organisational Model**, by reporting any weaknesses found in it.

To ensure guarantee effective and rational communication, the **Company** promotes and facilitates its **Employees'** knowledge of the contents of the **Organisational Model**, to varying degrees of detail according to each Employee's level of involvement in "sensitive activities" as defined in the Special Part of the **Organisational Model**.

Members of the corporate bodies, **Employees** and **Third Parties** operating mainly within the company premises will be informed of the content of the **Organisational Model** by means of:

- delivery or, in any event, disclosure of the **Organisational Model** and its annexes, including the **Code of Ethics** and the Whistleblowing Policy, at the time of their hiring/appointment, even electronically;
- information e-mails, also to send periodical updates of the **Organisational Model**;
- dissemination of the **Organisational Model**, **Code of Ethics** and the Whistleblowing Policy in a dedicated area of the **Company's** website.

The Head of the People, Inclusiveness & Organization **Corporate Function** is responsible for the dissemination of the **Organisational Model** and its updates. In particular, said **Function** sends the documents to the **Addressees** by e-mail and receives through the same channel each **Addressee's** acknowledgement of receipt. The **SB** monitors that the competent **Corporate Functions** properly disseminate the **Organisational Model** and its updates.

All members of the corporate bodies (directors and auditors, where appointed) and **Employees** must sign a form in which they declare they have read the **Organisational Model** and undertake to comply with its provisions.

15.2 COMMUNICATION TO THIRD PARTIES OPERATING PRIMARILY OUTSIDE COMPANY PREMISES ("EXTERNAL PARTIES")

The principles underpinning the **Organisational Model**, as summarised in the **Code of Ethics**, are also communicated to the **Addressees** of the **Whistleblowing Policy** who have contractual relations with the **Company**, but are not **Employees**, **Third Parties** operating predominantly within the company premises or members of corporate bodies.

To this end, the **Company Function** that has procured the service from the **External Party**, when signing the relevant contract, shall make the **Code of Ethics** and the **Organisational Model** available to the **External Party**, who is required to declare in writing that it has read the contents of the **Code of Ethics** and the **Organisational Model** and undertakes to comply with their provisions, under penalty of termination of the contract with the **Company**.

16 Disciplinary System

16.1 PRINCIPLES

Establishing an adequate Disciplinary system, with sanctions proportionate to the seriousness of the infringement by the addressees of the rules set out in the Organisation, Management and Control Model, is a prerequisite for the full effectiveness of the Model. Article 6(2)(e) (Persons in senior management positions) and Article 7(4)(b) (Persons under the direction of others) of the **Legislative Decree** expressly provide that the organisation, management and control model adopted must introduce “an appropriate disciplinary system to punish failure to comply with the measures set out in the model”.

The Disciplinary System is designed to punish non-compliance, including **Infringements** identified as a result of a whistleblowing **Report** (as described in the Whistleblowing Policy).

The offences that may give rise to the sanctions described in the following paragraphs include:

- a) The adoption by employees, managers, corporate bodies or third parties of direct or indirect retaliatory or discriminatory acts against the person who made a report pursuant to paragraph 13.4.1 above, for reasons directly or indirectly linked to the report; and
- b) Making, with intent or with gross negligence, pursuant to paragraph 13.4.1 above, whistleblowing Reports which turn out to be unfounded.

The Disciplinary System has been prepared in accordance with the provisions of Article 7 of Law 300/1970 as amended (Workers’ Statute), the sectoral National Collective Labour Contracts (CCNL) applied to the employees and the regulatory and employment contract provisions.

Disciplinary sanctions for Infringements shall be imposed irrespective of the possible opening of criminal proceedings and the outcome of the consequent trial for perpetration of one of the Offences.

Disciplinary action shall be taken by the holder of disciplinary power irrespective of the initiation or outcome of any criminal proceedings for the Infringement at issue. Indeed, with this document, the **Company** intends to prevent the commission of **Offences**, and therefore punishes even conduct that may even only in theory and/or potentially prepare or support the commission of **Offences** and regardless of whether such Offences actually occur.

The disciplinary measures applied shall not relieve the **Addressees** of any civil or criminal liability they may incur.

Disciplinary action shall be taken by the People, Inclusiveness & Organization Function irrespective of the opening or outcome of any criminal proceedings for the Infringement at issue.

Disciplinary action must be taken promptly and immediately and shall also concern, when appropriate, persons responsible for negligently failing to detect an **Infringement**.

After discovering an **Infringement**, the **Company** shall take appropriate measures to prevent future **Infringements**.

The provisions contained in the **Disciplinary System** shall not preclude the **Addressees** from exercising all their rights, including disputing or opposing the disciplinary measure, or the right to refer the case to an arbitration panel, where allowed by laws or regulations, collective bargaining and/or company regulations.

For all matters not provided for in this **Disciplinary System**, the provisions of the law, of collective bargaining and company regulations, where applicable, shall apply. In any event, in selecting and

imposing sanctions, due account must be taken of the principles of proportionality and appropriateness with respect to the alleged **Infringement**.

The **Company** shall inform all the **Addressees** of the **Organisational Model** about the **Disciplinary System** applicable to any **Infringements** thereof. Each new fixed-term and permanent employee shall be given - or given access to - a copy of the applicable National Collective Labour Contracts (CCNL). The disciplinary rules on sanctions, the infringements to which each sanction may apply and the procedures for challenging sanctions, shall be communicated to workers by posting or publishing them in a place accessible to all (company's intranet).

16.2 ADDRESSEES OF THE DISCIPLINARY SYSTEM

The addressees of the **Disciplinary System** are:

- **Top Management**, since these persons bear specific responsibilities for compliance with the **Organisational Model**, its annexes and the other documents that form an integral part of it, according to their respective functions and institutional tasks;
- the **Employees**, given that compliance with the rules contained in this **Organisational Model**, in the annexes and in the other documents that form an integral part of it must be considered an essential part of the contractual obligations of the **Company's Employees** pursuant to and for the purposes of Article 2104 of the Civil Code (Employee's Diligence);
- the members of the **SB**, who are required to comply with the rules and principles set out in the **Organisational Model** while carrying out, in favour of the **Company**, the activities that the law expressly reserves to them;
- **Third Parties**, who are subject to the provisions of the **Organisational Model**, the annexes and other documents forming an integral part thereof, and of this **Disciplinary System** by virtue of ad hoc clauses in the contracts they signed with the **Company**. Any non-compliance and/or confirmed **Infringement** by said Third Parties may therefore constitute a breach of contractual obligations, with all legal consequences, including termination of the contract and/or appointment, and may entail liability for damage caused to the **Company**.

16.3 RELEVANT CONDUCT

Relevant conduct includes, by way of example, the following types of non-compliance and/or confirmed **Infringements**:

- 1) non-compliance with the provisions of the **Code of Ethics**, the Whistleblowing Policy and/or the **Rules of Conduct**;
- 2) non-compliance with the **Organisational Model**, its annexes and the other documents that form an integral part of it, where such non-compliance and/or confirmed **Infringement** may constitute an attempt to commit one of the **Offences**, or an infringement aimed at committing one of the **Offences**, or in any case where there is a danger that the **Company** may be held liable pursuant to the **Legislative Decree**;
- 3) failure to comply with the **231 Procedures** or with the arrangements for documenting, storing and controlling the documents relating to the **231 Procedures** of the **Organisational Model**, in such a way as to prevent the transparency and verifiability of such Procedures;
- 4) circumventing the control system by removing, destroying or altering the documentation required by the **231 Procedures** of the **Organisational Model** or by preventing the control of or access to information and documentation by the persons in charge, including the **SB**, or by failing to cooperate in any way with the **SB** in the performance of its functions;
- 5) non-compliance with the provisions on signatory powers and the delegation system;
- 6) the failure of hierarchical superiors to supervise the conduct of their subordinates with regard to the correct and effective application of the principles contained in the **231 Procedures** laid down in the **Organisational Model**.

This list of cases is intended as an example and is not exhaustive.

16.4 GENERAL CRITERIA FOR APPLYING SANCTIONS

Where the relevant conduct referred to in paragraph 16.3 above is ascertained, the type and extent of the sanctions to be applied shall be proportionate to the following general criteria:

- seriousness of the non-compliance;
- level of hierarchical and/or technical responsibility of the perpetrator of the non-compliance and/or the confirmed Infringement;
- subjective element of the conduct (distinction between intent and negligence);
- relevance of the infringed obligations;
- consequences for the **Company**;
- possible joint liability of other parties;
- aggravating or mitigating circumstances with particular regard to professional skills, previous work performance, disciplinary record, and the circumstances in which the act was committed.

The seriousness of the infringement will be assessed on the basis of the following circumstances:

- a) the exact time and manner of the infringement;
- b) whether the conduct was intentional and if so to what degree;
- c) the extent of the damage or danger resulting from the infringement for the **Company** and the **Employees**;
- d) predictability of the consequences;
- e) the circumstances in which the infringement took place.

If several infringements, punishable by different sanctions, are committed by a single act, the greatest sanction may be applied.

16.4.1 NON-COMPLIANCE AND/OR INFRINGEMENTS ATTRIBUTABLE TO SENIOR MANAGERS

In the event of suspected non-compliance and/or **Infringement** on the part of a **Senior Manager**, who is not an employee of the **Company**, the Corporate Governance, Ethics & Compliance Affairs **Corporate Function**, with the support of the People, Inclusiveness & Organisation Function, shall submit a report to the Board of Directors containing:

- the description of the conduct;
- the reference to the provisions of the **Organisational Model** and/or the Whistleblowing Policy that have been infringed and/or not complied with;
- the identification details of the person responsible for the **non-compliance/Infringement**;
- any documents proving the **non-compliance/Infringement** and/or other evidence;
- the reporting Function's proposal as to the appropriate sanction in the specific case.

The Board of Directors shall promptly convene the Senior Manager for a meeting to be held as soon as possible and, in any event, not later than thirty days from receiving the report. The call must:

- be made in writing;
- contain a description of the alleged conduct and the provisions of the **Organisational Model** and/or the Whistleblowing Policy which are alleged to have been infringed;
- inform the person concerned of the date of the meeting, with notice of the right to make any written or verbal remarks and/or submissions.

The Board of Directors, on the basis of the elements acquired, determines the sanction to be applied.

The Board of Directors shall call the **Company's** Shareholders' Meeting for the relevant resolutions if:

- the sanction deemed applicable consists in removal from office;
- the Senior Manager is part of the Top Management;
- whenever it deems it appropriate in relation to the measures to be taken.

In the event of non-compliance and/or **Infringement** on the part of a Director who is a **Company** employee, the procedure under paragraph 16.5.2 below or, if the employee is a manager, paragraph 16.5.3 below shall be applied. If at the end of such process the sanction of termination of employment is imposed, the Board of Directors shall convene the Shareholders' Meeting without delay to resolve on the removal of the Director from office.

16.4.2 NON-COMPLIANCE AND/OR INFRINGEMENTS BY EMPLOYEES

In the event of non-compliance and/or **Infringement** by an Employee (with the exception of executives), the disciplinary procedure under Article 7 of the Workers' Statute and the National Collective Labour Contracts (CCNL) for the Metalmechanical industry shall apply.

In this case, a report shall be sent to the People, Inclusiveness & Organisation **Corporate Function** and/or the manager with disciplinary power, containing:

- the description of the conduct;
- a description of the provisions of the **Organisational Model** and/or the Whistleblowing Policy thought to have been infringed;
- the name and role of the employee who committed the conduct;
- any documents proving the **non-compliance/Infringement** and/or other evidence;
- a proposal on the penalty potentially applicable for the alleged conduct.

On receiving the report or identifying the **Infringement**, the People, Inclusiveness & Organisation **Corporate Function** and/or the officer with disciplinary power shall promptly notify the conduct to the Employee concerned, by delivering to him/her a letter of claim pursuant to Article 7 of the Workers' Statute, containing:

- the precise indication of the alleged conduct and the provisions of the **Organisational Model** and/or of the Whistleblowing Policy affected by the non-compliance/**Infringement**;
- notice of the right to submit any arguments and/or written justifications within five days of receipt of the communication, and of the right to request the involvement of the representative of the trade union association to which the Employee belongs or which he/she appoints.

After receiving and assessing any explanations submitted by the Employee concerned, the officer with disciplinary power shall select the disciplinary measure in compliance with the law, the provisions of the national collective bargaining agreement and company regulations, where applicable.

The **SB** shall receive a copy of the disciplinary measure and verify its application.

Failure by (non-executive) **Employees** to comply with the provisions of the **Code of Ethics**, the Whistleblowing Policy and the **Organisational Model**, its annexes and other documents forming an integral part thereof, may give rise, depending on the seriousness of the breach, to the application of the following measures:

- a) verbal warning;
- b) written reprimand;
- c) fine not exceeding three hours' hourly pay calculated on the minimum wage;
- d) temporary suspension from work and deduction of pay for up to three days;
- e) termination with notice;
- f) termination without notice.

Consistent with their type and severity, the above sanctions will be applied in proportion to:

- a) the degree of intentionality of the conduct or the degree of negligence, imprudence or inattention, also with specific regard to the predictability of the event;
- b) the worker's overall conduct, with particular regard to whether or not he or she has a disciplinary record, and in any case to the extent permitted by law;
- c) the person's duties, tasks and responsibilities;

- d) the functional position of the person involved in the facts constituting the non-compliance or infringement;
- e) any other special circumstances that may accompany the disciplinary infringement.

16.4.3 NON-COMPLIANCE AND/OR INFRINGEMENTS BY MANAGERS

In the event of an **Infringement** by a manager, the disciplinary procedure provided for in Article 7 of the Workers' Statute applies, in accordance with the provisions of the National Collective Labour Contracts (CCNL) for Industry Managers. In particular, a report shall be sent to the People, Inclusiveness & Organisation **Corporate function** and/or the holder of the disciplinary power, containing:

- the description of the conduct;
- a description of the provisions of the **Organisational Model** and/or the Whistleblowing Policy thought to have been infringed;
- an indication of the name and role of the manager who committed the conduct;
- any documents proving the **non-compliance/Infringement**;
- a proposal on the penalty potentially applicable for the alleged conduct.

On receiving the report or identifying the **Infringement**, the People, Inclusiveness & Organisation **Corporate Function** and/or the officer with disciplinary power shall promptly notify the conduct to the Manager concerned, by delivering to him/her a letter of claim pursuant to Article 7 of the Workers' Statute, containing:

- the precise indication of the alleged conduct and the provisions of the **Organisational Model** and/or of the Whistleblowing Policy affected by the non-compliance and/or **Infringement**;
- notice of the right to submit any written arguments and/or justifications within five days of receipt of the notice.

With regard to managers, in view of the special relationship of trust with the employer, if relevant conduct is committed, the officer with disciplinary power shall take the measures deemed appropriate to the **Infringements** committed, in accordance with the provisions of the applicable National Collective Labour Contract, taking into account that such infringements constitute a breach of the obligations arising from the employment relationship.

16.4.4 NON-COMPLIANCE AND/OR INFRINGEMENTS BY MEMBERS OF THE SB

If an alleged non-compliance or an ascertained **Infringement** is found to be committed by one or more members of the **SB**, the other members shall immediately inform the Chairman of the Board of Directors or the Chief Executive Officer, who shall convene the Board of Directors without delay to enable it to take the appropriate measures. The **SB's** member involved in the disciplinary procedure must be notified, in detail of the alleged non-compliance and/or **Infringement**, and must be given adequate means of defence. The same procedure described above also applies if the Chair of the Board of Directors or the Chief Executive Officer becomes aware of relevant disciplinary facts directly and/or through persons that are not member of the **SB**.

16.4.5 NON-COMPLIANCE AND/OR INFRINGEMENTS BY THIRD PARTIES, INCLUDING THE STATUTORY AUDITORS - IF APPOINTED - AND THE INDEPENDENT AUDITORS

In the event of an **Infringement** by a **Third Party**, a statutory auditor - where appointed - or by the Independent Auditors, a report shall be submitted to the Governance, Ethics & Compliance **Corporate Function** containing:

- the description of the conduct;
- a description of the provisions of the **Organisational Model** and/or the Whistleblowing Policy thought to have been infringed;
- the person responsible for the non-compliance/**Infringement**;
- any documents proving the **non-compliance/Infringement** and/or other evidence;

- the reporting Function's proposal as to the appropriate sanction in the specific case.

On receiving the report, the Governance, Ethics & Compliance **Corporate Function** shall promptly send, to the Third Party concerned, a written notice, containing a description of the alleged conduct and the provisions of the **Organisational Model** and/or of the Whistleblowing Policy affected by the non-compliance and/or **Infringement** ascertained, as well as the contractually applicable remedy.

After examining any arguments submitted by the Third Party, and in any case no later than 30 days after the notice referred to in the preceding paragraph, the Governance, Ethics & Compliance **Corporate Function**, together with the persons identified on the basis of the system of proxies and powers of attorney, shall decide on the type and practical application of the disciplinary measure.

Any conduct by **Third Parties** infringing the **Organisational Model** and/or the Whistleblowing Policy may result, in accordance with the provisions of the specific contractual clauses included in the engagement letters or in the agreements, as well as of the relevant general rules in force, in the contractual relationship being terminated, without prejudice to any claim for compensation should such conduct cause damage to the **Company**.

LIST OF ANNEXES

Annex 1 - Catalogue of Crimes and Administrative Offences

Annex 2 - Code of Ethics