

## ATOP S.p.A.

Registered office in Barberino Tavernelle (FI),  
Strada Sant'Appiano, 8/A, loc. Barberino Val d'Elsa

### ORGANISATION,

#### MANAGEMENT AND CONTROL MODEL

pursuant to Legislative Decree 231 of 8 June 2001  
on "Corporate Administrative Liability"

### General Section

*The Organisation, Management and Control Model (Model) of ATOP S.p.A. has been written and revised in accordance with the provisions of Articles 6 and 7 of Leg. Dec. no. 231/01.*

*The revision of the Model was approved by the Company Board of Directors on 14 March 2024 and will be effectively implemented through progressive implementation by the Board of Directors and the Supervisory Committee.*

*The Model is the management reference designed to be the tool for prevention of the offences set out in the aforementioned Leg. Dec. in accordance with the corporate ethical policy adopted by the Company.*

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Revision	Date	Approval	Approval
00	21/12/2015		Board of Directors
01	28/03/2019		Board of Directors
02	04/11/2021		Board of Directors
03	14/03/2024	<i>General Section: new paragraphs dedicated to Whistleblowing, in accordance with Legislative Decree No. 24, 10 March 2023. Annexes A and B updated. Special Section: introduced a Regulatory Appendix and added a part dedicated to Smuggling offences</i>	Board of Directors

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## A. DEFINITIONS

<i>Director(s)</i>	Member(s) of the ATOP S.p.A. Board of Directors
<i>Managing Director or MD</i>	The director in charge of implementing the executive actions aimed at pursuing the business purpose; also the holder of the powers of ordinary management of the Company and of representation necessary for the performance of the above duties, with the exceptions outlined in the nomination letter.
<i>Areas at Risk of Offence</i>	The functions, offices and/or departments within which Predicate Offences could, in theory, be committed.
<i>ATOP or Company</i>	ATOP S.p.A., with registered office in Barberino Tavernelle (FI), Strada Sant'Appiano n. 8/A.
<i>Activities at Risk of Offence or Sensitive Activities</i>	Processes, operations or actions, or a set of operations and actions, during which it is theoretically possible for individuals working within the Company's organisation to commit one of the Predicate Offences.
<i>National Collective Labour Agreement (CCNL)</i>	National Labour Collective Agreements applied by ATOP.
<i>Code of Ethics</i>	IMA Group Code of Ethics adopted and approved by the ATOP Board of Directors, the full text of which can be viewed in the intranet area and on the website of ATOP. It states the general rules of conduct, recommendations, obligations and prohibitions on which the Company's operations are based, and with which employees are expected to comply. For the purposes of the Organisation Model, reference to the Code of Ethics is limited exclusively to those rules of conduct and behaviour (specified therein) the breach of which and/or failure to comply with which may result in (or be instrumental to) the commission of a Predicate Offence.
<i>Board of Auditors</i>	Mandatory body exercising the duty of supervision over the company's activities in order to comply with the law, the Bylaws and the principles of proper administration, in particular with regard to the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete functioning.
<i>Board of Directors</i>	ATOP Board of Directors.
<i>Collaborators</i>	This term refers to any individual with an ongoing collaboration agreement, also with powers, with ATOP, but without any restriction of permanent employment, agency, representation and/or other professional relations that are not of a permanent nature.
<i>Consultants</i>	Individuals acting in the name and/or on behalf of ATOP by virtue of a mandate agreement or other professional collaboration arrangement.
<i>Parent company or IMA S.p.A. or IMA</i>	IMA Industrie Macchine Automatiche S.p.A., with registered office in Ozzano dell'Emilia (BO), via Emilia n. 428 – 442 and

	owner of the majority of the share capital of ATOP, and owner of the IMA Group.
<i>Corporate Governance</i>	The set of standards, regulations and procedures for ATOP corporate governance.
<i>Decree or Leg. Dec. 231/01 or Decree 231/01</i>	Legislative Decree no. 231 of 8 June 2001, as subsequently amended and supplemented.
<i>Recipients</i>	Individuals required to comply with the provisions of this Model under the terms of the Decree, including but not limited to the Corporate Bodies, Directors, Auditors, Employees, Consultants, agents, Collaborators and Partners and anyone acting on behalf of the Company, and anyone who directly or indirectly, on a permanent or temporary basis establishes any legal or de facto relationship, negotiation or collaboration in the interests of the Company.
<i>Employees</i>	All individuals with a permanent contract of employment or a parasubordinate relationship with ATOP, including managers.
<i>DUVRI or Third Party Risk Assessment Report</i>	Written document, envisaged by art. 26 of Leg. Dec. no. 81/2008, which assesses risks and states the measures adopted to eliminate or, where that is not possible, minimise the risks from interference between the activities entrusted to contractors and freelance workers, and their eventual subcontractors, and the activities carried out in the same workplace by the Customer. This document informs the economic entities in charge of the specific risks present in the place where they are to operate and the preventive and emergency measures adopted; it is usually attached to the contract.
<i>Entity</i>	The term used in Leg. Dec. 231/2001 to indicate the legal entity with responsibility for the purposes of the Decree.
<i>Suppliers</i>	Suppliers of ATOP goods and services who are not defined as Partners.
<i>IMA Group or Group</i>	World leading group operating in the design and manufacture of automatic machines headed by I.M.A. Industria Macchine Automatiche S.p.A., based in Via Emilia, 428-442, Ozzano dell'Emilia (BO)
<i>Guidelines</i>	"Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree 231/2001", prepared by Confindustria in March 2002 and subsequent amendments.
<i>Model, Organisation Model or MOGC</i>	The organisation, management and control model adopted by ATOP, in accordance with articles 6 and 7 of the Decree. The Model consists of the General Section, the Special Sections and the Annexes.
<i>Corporate Bodies</i>	ATOP Board of Directors and Board of Auditors.
<i>Supervisory Committee</i>	The individual/committee responsible for supervising the functioning of and compliance with the Model and its

	updating at ATOP in accordance with Article 6 of Legislative Decree no. 231/01.
<i>Partner</i>	A party (including customers) with whom ATOP has established a contractual relationship that cooperates with ATOP with regard to At-Risk Activities.
<i>General Section</i>	The section of the Model that contains, among other things, a description of the functions of the Model and of the Supervisory Committee, as well as a description of the organisation and structure of ATOP.
<i>Special Section(s)</i>	The parts of the Model expressly dedicated to each Offence identified as being relevant to ATOP's business. They describe the characteristics of the offences, the areas and activities at risk of those offences, the main characteristics of the control and prevention system, and the auditing and monitoring activities of the Supervisory Committee.
<i>Company procedures</i>	Indicates the individual organisational and management procedures adopted by the Company and an integral part of the Organisation Model (including manuals, general procedures, operating procedures, forms and records, SGQ, SGSL and SGA procedures and Management Information System procedures).
<i>Public administration (P.A.)</i>	The public-law institutions (government, ministries, regional, provincial and municipal authorities) and at times public-law organisations (agencies, contracting authorities, public/private companies etc.), as well as any other entity acting in some way in the interests of the community and therefore in the public interest.
<i>Predicate Offences or Offences</i>	The offences governed by the Decree. ATOP's Organisation Model contains a list of the Predicate Offences under the Decree, and has been updated to the date on which the Organisation Model was published.
<i>Area/Department Manager</i>	The director or manager responsible for the different areas or functions of ATOP.
<i>Environmental and Quality Manager or GAQU</i>	Department that coordinates environmental work and constantly updates the Chair, MD and Board of Directors. Monitors Environmental Management System and Quality Management System documents and the related reference standards.
<i>RSPP</i>	The "prevention and protection service manager" pursuant to art. 2, lett. f), of Leg. Dec. 9 April 2008, no. 81.
<i>System of Internal Control</i>	The set of procedures, processes and practices (including manuals, general procedures, operating procedures, forms and records, SGQ, SGSL and SGA procedures and Management Information System procedures) adopted by ATOP for the governance and control of all company activities

<i>Environmental Management System ("SGA")</i>	the environmental management system compliant with standard UNI EN ISO 14001, and with EC Regulation 1221/2009 (EMAS), as amended by EU Regulation 2017/1505, adopted by ATOP
<i>Quality Management System (QMS)</i>	The quality management system compliant with standard ISO 9001 adopted by ATOP
<i>Workplace Safety Management System ("SGSL")</i>	The system with which the Company manages health, hygiene and safety in the workplace.
<i>Management Systems</i>	The set of management systems comprising SGSL, SGA and SGQ.
<i>Management Information System</i>	The Enterprise Resource Planning (ERP) system that supports and automates ATOP company processes.
<i>Senior Personnel</i>	The persons with the autonomous power to take decisions in the name or on behalf of the Company within the remit and limitations of the respective authorisations. Pursuant to art. 5(1), lett. A) of Leg. Dec. 231/2001, they fulfil roles of representation, administration or management of the Company or its organisational unit with financial and functional autonomy, and manage and control the company, including on a de facto basis.
<i>Individuals subject to third-party direction or Directed persons</i>	persons subject to the direction and supervision of Senior Personnel as identified in Article 5(1), lett. b) Leg. Dec. no. 231/2001.

## **B. PREAMBLE**

This Organisation Model, approved and adopted by ATOP's Board of Directors on 14 March 2024, replaces that adopted on 21 December 2015 (and its subsequent amendments). It builds on and updates the previous version as a result of changes to standards, case law and legal opinion, and develops the Company's structure and organisation, particularly in relation to its acquisition by IMA S.p.A. and its entry into the eponymous Group.

ATOP's objective is to obtain an effective operational tool that will minimise the risks governed by Decree 231/01 in addition to all the other measures in place for control and transparency purposes.

## **C. LEGISLATIVE DECREE 231/2001 - "Rules laying down the administrative liability of legal entities, companies and associations, including those without legal status"**

### **GENERAL PRINCIPLES**

Legislative Decree no. 231 of 8 June 2001, which enacted art. 11 of Law no. 300 of 29 September 2000, introduced into Italian law - in addition to the criminal liability of the individual who actually committed the offence - the criminal liability of the organisation which derived an interest and/or benefit from that offence.

In compliance with international and EU obligations, the Decree introduced into our legal system a form of direct and autonomous liability of collective bodies, associated with the commission of specific offences; this liability is defined as "administrative", but in practical terms amounts to a real form of criminal liability.

### **INDIVIDUALS**

The individuals to whose criminal action the Decree associates the occurrence of liability on the part of the Entity must be connected to the same as an employee and/or through a contractual relationship deriving from a role received from Senior Personnel (suppliers, consultants, collaborators, etc.).

In particular, art. 5 of Leg. Dec. 231/2001 identifies:

- a) individuals holding roles of agency, administration or management of the Entity or of one of its organisational units, in possession of financial and functional autonomy, so-called Senior Personnel;
- b) individuals who effectively carry out the management and control of the Company;
- c) individuals subject to the direction or supervision of one of the persons referred to in subparagraphs a) and b) above.

The legislator has given special significance to "de facto" situations, i.e. those where the powers necessary for independent action cannot immediately be deduced from the individual's role within the organisation, or from official documentation (delegations, powers of attorney, etc.).

Article 6 of the Decree provides that, where the offence has been committed by Senior Personnel, the Company is not liable if it can be proven that:

- a) the executive body had adopted and effectively implemented an organisation, management and control model intended to prevent the offences under the Decree, before the offence was committed;
- b) a "body" with independent decision-making and control powers had been entrusted with the task of supervising the functioning, observance and updating of the models;
- c) the individuals who committed the offence fraudulently evaded the organisation and management models;
- d) there was no omission of or insufficient oversight by the supervisory committee.

Art. 7 states that the company is liable if the offence committed by an individual subject to third-party direction was enabled by failure to comply with the obligations of management and oversight; such Obligations shall be considered fulfilled (unless the public prosecutor provides proof to the contrary) if the company has effectively adopted the Organisation and prevention Model.

#### **COMPANY'S INTEREST OR ADVANTAGE**

In order for the company to be held liable, it is also necessary for the alleged unlawful conduct to be committed by individuals "in the entity's interest or advantage <sup>1</sup>", whereas this liability is expressly excluded in the event the offence is committed "in the sole personal interest or that of third parties", i.e. reduced, in terms of penalties, if the crime is committed in the prevailing personal interest or that of third parties or if the benefit to the entity is minimal or absent.

Specifically, the Court of Cassation has affirmed that the Entity is not liable for an administrative offence if the offence was committed in the exclusive interests of the individual or a third party and was not even partially linked to the interests of the Entity, or in cases in which the company and its organs cannot be said to be one and the same.

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<sup>1</sup> *Regarding the liability of legal entities and companies for criminal offenses, the regulatory expression, which identifies its condition in the commission of crimes "in its interest or to its advantage", does not contain a hendiadys, because the terms refer to legally different concepts, being able to distinguish an interest "upstream" due to undue enrichment, prefigured and perhaps not realised, as a consequence of the offense, from an advantage objectively achieved with the commission of the crime, even if not proposed ex ante, so that the interest and advantage are in real competition*  
Court of Cassation Criminal Chamber Sect. II, 20.12.2005 no. 3615.

*Certainly, the requirement of interest or benefit of the Entity, as a criterion for the objective attribution of liability of the entity itself, can also be supplemented by indirect benefit, understood as being the acquisition for the company of a privileged position on the market arising from the offence committed by senior personnel. Nevertheless, the very nature of the criterion of attribution of liability recognised by law requires the concrete and non-abstract affirmation of the existence of such an interest or benefit, to be understood respectively as potential or actual usefulness, although not necessarily of a financial nature, received by the entity as a result of committing the predicate offence.*  
Court of Milan – order of 28.04.2008

With the exception of the above, the Entity will not be liable for an act committed by an employee or representative if it can prove that it took the measures needed to prevent offences of that type from being committed (the adoption and effective implementation of the Organisation Model).

The case-law underlines that the liability borne by the Entity under Leg. Dec. 231/2001 arises from a “fault of the organisation” of the legal entity (ex plurimis, Criminal Chamber Sect. VI, 18-02-2010 - 16-07-2010, no. 27735). Failure to adopt the Organisation Model, in the presence of the objective and subjective conditions indicated above (offence committed in the interest or advantage of the company and senior position of the offender) is sufficient to constitute the grounds for punishment set out in the Ministerial Report on the Decree and to integrate the disciplinary procedure, constituted by the omission of the foreseen due organisational and managerial precautions designed to prevent certain types of offences. This concept of grounds for punishment is underpinned by a new “regulatory” form of culpability by organisational and managerial omission, since the legislator, reasonably drawn by events in recent decades in the economic and entrepreneurial sphere, has the legitimate and well-founded conviction of the need for any organisational complex constituting an entity pursuant to art. 1(2) Leg. Dec. 231/01 to adopt organisation and management models suitable for preventing the commission of certain offences that experience has shown to be functional to structured and consistent interests<sup>2</sup>. This “fault of the organisation” becomes particularly relevant within a so-called group of companies.

#### **PREDICATE OFFENCES TRIGGERING APPLICATION OF DECREE NO. 231/2001**

The Decree expressly identifies the offences (crimes and contraventions) that may result in the company being held liable in the event the same are committed in its interest or advantage. Annex A lists the offences covered by the standard (hereafter referred to as "Predicate Offences"), divided by category.

#### **SANCTIONS**

The sanctions provided for under Legislative Decree no. 231/2001 are:

- i. pecuniary sanctions, which always follow the recognition of the Entity's liability and are applied by the judicial authority with the quotas system in relation to the severity of the wrongdoing and the economic and financial conditions of the same, with a view to ensuring the effectiveness of the sanction. These penalties are applied according to a two-phase system: firstly the number of quotas is determined, within the limits indicated by the regulations, in view of the seriousness of the fact, the degree of responsibility of the entity and the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences, and subsequently each quota must be assigned its own value. Art. 10 of the Decree establishes that the number of quotas may neither be below 100 nor above 1000 (the law identifies for each offence the minimum and maximum number of quotas), and specifies that the amount of the individual quota must be within a range of €258.23 to €1,549.37; notwithstanding the possibility of

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<sup>2</sup> Court of Cassation Criminal Chamber Sect. VI – 9.07.2009 no. 36083

- reducing or increasing the pecuniary sanctions, respectively below or above the limits, in the cases expressly provided for by the Decree;
- ii. disqualification sanctions (disqualification from exercising the activity; suspension or revocation of authorisations, licenses, concessions, functional to the commission of the offence; prohibition of negotiation with the Public Administration (except to obtain public services); exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted; prohibition of publicising goods or services), are added to the pecuniary penalties and have a duration of no less than three months and no more than two years (barring express exceptions) and, as a general rule, can become definitive. Their application is contemplated solely in relation to the Predicate Offences that expressly envisage them and solely in the event the Entity has profited considerably from the offence and the offence has been committed by Senior Personnel, or by Directed persons as a result of serious organisational deficiencies, or, alternatively, in the event of repeat offences. They are envisaged in relation to their dissuasive effectiveness, as they are capable of profoundly affecting the organisation, operation and activity of the Company. Disqualification sanctions, where the conditions are met, may also be imposed as a precautionary measure during preliminary investigations for a maximum period of one year, or following a first instance conviction, together with the sanctions applied, for a similar period to the aforesaid penalty and, in any event, no longer than one year and four months. The prerequisites for the imposition of precautionary measures are the presence of serious indication of guilt on the part of the entity (*fumus boni iuris*) and the existence of well-founded and specific information leading to the conclusion that there is a real danger of the repetition of offences of a similar nature (*periculum in mora*).
  - iii. publication of the conviction sentence, which may only be ordered when a disqualification sanction is applied to the Entity, consists in the publication, in whole or in part, of the notice of conviction of the Entity on the Ministry of Justice website, and the posting at the Town Hall where the company has its registered office;
  - iv. direct confiscation of the price or profit of the crime, or equivalent if the price or profit cannot be confiscated directly; this penalty is always ordered following the conviction of the Entity. By way of real precautionary measures, the standard provides for the possibility of resorting to preventive seizure, usually involving confiscation, whether direct or equivalent, or of a conservative nature, in the event there are well-founded reasons for believing that the guarantees for payment of pecuniary sanctions, costs of proceedings and/or any other sum due to the State Treasury may be lost or missing.

#### **THE EXEMPTING EFFECT OF AN ORGANISATION MODEL**

The exempting effect of an organisation and management model is subject to its having been adopted before the offence was committed. Where adopted after the offence was committed, the model can lead to a reduction in the penalties, and avoid the imposition of disqualification sanctions. Where adopted after the conviction, but within twenty days of notification of the extract of the judgement, together with compensation for damages and restitution of the illicit

profit, it can lead to any disqualification sanction given being converted into a financial penalty. The Court of Cassation has underlined on several occasions (for example, in judgement no. 36083/2009) that the absence of an Organisation Model effectively prevents any defence of the Entity in the face of objections to a predicate offence committed by senior personnel.

#### **REQUIREMENTS OF THE MODEL**

In order for the models to be effective - and judged fit for purpose - they must meet the following requirements:

- identify the areas and activities at risk where offences may be committed;
- envisage specific protocols designed to plan training and implement the decisions of the entity in relation to the crimes to be prevented;
- identify the procedures for managing financial resources in order to prevent offences from being committed;
- define the flows of information to and from the Supervisory Committee;
- introduce a system of internal disciplinary measures intended to sanction non-compliance with the measures indicated.
- establish one or more channels to allow Senior Personnel or Directed persons to submit, under the protection of the entity, reports of wrongdoing, relevant under the Decree and founded on precise and concordant information, or breaches of the entity's MOGC which the whistleblower witnesses while carrying out his/her duties. These channels must guarantee the confidentiality of the whistleblower while the report is processed.

When preparing the Model, and for the purpose of subsequently evaluating its fitness for purpose, due regard should be given to relevant court decisions and the criteria established in them.

Among other things, the Model must also contain details of the financial resources intended to prevent and impede the committing of offences.

The existence of a Parent company is particularly relevant in terms of the suitability of the model: updates to and adaptations of the Organisation Model must take account of the responsibilities associated with the management and coordination of the above.

#### **GUIDELINES**

Art. 6 of the Decree provides that Organisation, Management and Control Models can be adopted on the basis of codes of conduct drawn up by the associations representing the entities, and communicated to the Ministry of Justice. As such, in preparing this document, the Company took account of the Guidelines - as defined under "Definitions" - whilst taking well-considered decisions as to how to best customise and adapt the principles laid down by the Legislator to its specific situation.

However, it is specified that the (necessarily general and standardised) information given in the Confindustria Guidelines has at times been supplemented or adapted, where deemed necessary, to adapt the principles contained therein to the Company's own specific circumstances.

## **D. THE ATOP ORGANISATION, MANAGEMENT AND CONTROL MODEL**

ATOP formally adopted the Organisation Model on 21 December 2015 and updated it in 2019 following organisational and regulatory changes. ATOP has proceeded to draft a new Organisation Model.

This Organisation Model has been drawn up and adopted in consideration of the following:

- changes in the regulatory framework;
- the corporate and organisational changes occurring since the first Organisation Model was adopted;
- changes in case law and legal opinion;
- considerations based on experience from application of the Model over the years;
- the best practices used by Italian companies in relation to the drafting and management of organisation models;
- the outcomes of the supervisory activities carried out since the Organisation Model was first applied;
- the Guidelines, bearing in mind however that the (necessarily general and standardised) information given therein has at times been supplemented or adapted, where deemed necessary, to adapt the principles contained therein to ATOP's own specific circumstances;
- with specific reference to health and safety at work and the provisions under art. 30 of TUS and that stated in the applied SGSL.

### **1. CHARACTERISTICS OF THE MODEL**

This Organisation Model meets the requirement to encourage and consolidate a culture of transparency and integrity, and to ensure company business and operations are conducted fairly to safeguard the Company's position and image, the expectations of shareholders and of contractual counterparts. To that end, the Company proposes to ensure that all those working for and/or on behalf of the Company follow, in the performance of their activities, correct and linear behaviour in order to prevent the risk of commission of the Predicate Offences contemplated in the Decree. In the application of the above, the Organisation Model is supplemented by:

- the Code of Ethics: it outlines the principles of the company philosophy behind the decisions and conduct of all those acting on behalf of and in the interest of the Company at various capacities and levels, with which they must comply in accordance with current laws and regulations;
- company authorisations: the system of company authorisations enables the identification of those authorised to operate in the name and on behalf of the Company and facilitates the organic management of the powers necessary for the functioning of the company's activities (cited documents include organisation charts, proxies, internal appointments, etc.);

- quality management system - SGQ: the quality management system compliant with standard ISO 9001;
- environmental management system - SGA: the environmental management system compliant with standard UNI EN ISO 14001, and with EC Regulation 1221/2009 (EMAS), as amended and supplemented by EU Regulation 2017/1505;
- Workplace Safety Management System – SGSL: the system with which the Company manages health, hygiene and safety in the workplace;
- the Management Information System: the ERP system that automatically manages Company processes;
- Company Procedures as a whole: the Company Procedures governing Company activities in individual Areas and part of the System of Internal Control.

Therefore the term "Model" not only refers to this document (the General Section and Special Sections) but also to all the other systems and documents pertaining to the System of Internal Control currently in existence and any adopted in the future according to the provisions of the Organisation Model in order to pursue its main purposes.

With reference to the specific requirements identified by the legislator in the Decree and further outlined in the industry Guidelines, the activities that the Board of Directors has confirmed, following the first few years of applying the model, for the implementation of the MOGC are as follows:

- a detailed mapping of the Activities at Risk of Offence, with analysis and monitoring for the purpose of improving implementation of the Model;
- analysis of the existing System of Internal Control with reference to the Activities at Risk of Offence and definition of any corrective actions intended to guarantee full compliance with the Decree. In this regard specific attention was paid to:
  - o the definition of ethical principles in relation to any conduct that may constitute one of the offences covered by the Decree;
  - o definition of the processes of the Company that may, in theory, generate the conditions, opportunities or means to commit offences;
  - o definition of staff training procedures;
  - o definition of the notice regarding the obligation to comply with the Organisation Model adopted by the Company to be provided to outsourcers and to other third parties with which the Company does business;
  - o definition and application of disciplinary measures designed to sanction non-compliance with the Model, and suitable deterrents;
- identifying the composition of the Supervisory Committee and allocating to the same the task of overseeing the effective and proper operation of the Organisation Model and its updating;
- definition of the information flows to be submitted to the Supervisory Committee;
- identification of the information flows between ATOP's Supervisory Committee and the parent company's Supervisory Committee.

As suggested by the industry guidelines, the Organisation Model formalises and clarifies the allocation of responsibilities, hierarchies and job descriptions, with specific provision for control principles such as the segregation of functions. In particular, SGQ, SGA, SGSL, the manual procedures and information protocols (including those managed by the Management Information System) are intended to regulate the conduct of ordinary activities, by providing appropriate control points (such as authorisations for transaction phases, reconciliations and checks on the work of third parties and peripherals, etc.) and adequate safety levels. In addition, within the process structure, where possible, the segregation of duties and responsibilities among those carrying out crucial activities of a risk process has been reinforced or, in limited cases, introduced. Principles of transparency and verifiability have also been applied according to which each operation, transaction or action must be verifiable, documented, coherent and consistent.

When it comes to financial management, where procedural control uses tested tools, preventive protocols, frequent reconciliations, supervision and authorisation gateways, and segregation of duties (e.g. between purchasing and the financial treasury) have been adopted, where possible.

Specific attention has been given to employee bonus systems to ensure that bonuses are stimulating but achievable, and avoid any clearly demotivating or impossible targets that might constitute an incentive to commit an offence.

Finally, with specific reference to powers of authorisation and signature, these have been allocated in accordance with the defined organisational and managerial responsibilities and envisage, when requested, setting a specific limit for the approval of expenses. The limits of powers of authorisation and signature are incorporated, as blocking protocols, into the Management Information System. In any case, under the current Organisation Model, no one is given unlimited powers and appropriate steps are taken to ensure that powers and responsibilities are clearly defined and known within the organisation. As such, no one may manage an entire process independently and every operation requires adequate supporting documents (or electronic files for processes managed by the Management Information System), which may be checked at any time to ascertain the characteristics and reasons for the operation and identify who authorised, carried out, recorded and verified the operation.

The Organisation Model therefore covers every aspect of the Company's activities, through the clear distinction made between operational and control duties. The aim is to correctly manage at-risk activities and potential conflicts of interest. In particular, the checks involve, with differing roles and levels, the Board of Directors, the Board of Auditors, the Supervisory Committee, the Auditing Firm, the Certification Body, GAQU, the Prevention and Protection Service, the directors and all personnel, and represent an essential attribute of the Company's day to day activities.

With regard to control aspects, the Organisation Model not only requires the establishment of an autonomous and independent Supervisory Committee but also guarantees the integration and coordination of its activities with the existing System of Internal Control, by utilising the benefit of past experience. Finally, again on the subject of controls, the Organisation Model requires any inspections and checks to be documented, by drafting reports if necessary.

## **E. ATOP CURRENT STRUCTURE**

ATOP S.p.A. was founded in 1993. Within a few years, thanks to its introduction of innovative design solutions, ATOP achieved a leadership position in automatic machines for the automotive industry, and the manufacture of power tools and household appliances. The Company offers its customers the levels of customisation essential for optimising results and the necessary support for proper operation over time.

In 2004 ATOP acquired AXIS and proceeded to expand its range of products, adding the "AXIS", "PAVESI" and "CORAGLIOTTO" brands.

In 2017 IMA acquired an 84% stake in ATOP's share capital. ATOP currently owns the entire share capital of Chinese company ATPO (Shanghai) Electrical Equipment Co., based in Shanghai (PRC).

ATOP S.p.A has a staff of approximately 240 employees in functional and organisational areas. The schematic representation of Company organisation and related areas is shown in the company organisation chart published on the IMA Group intranet and updated whenever necessary by the HR department at IMA Group, to which reference should therefore be made and which is an integral part of this Model.

## **F. CORPORATE GOVERNANCE**

### **1. DIRECTION AND COORDINATION (ART. 2497 OF THE ITALIAN CIVIL CODE)**

ATOP's share capital is divided between IMA S.p.A., which holds 88.953%, and is therefore subject to the direction and coordination of the latter pursuant to articles 2497 et seq. of the Italian Civil Code, while the remaining 11.047% of the share capital is variously divided between the companies 7 Industries Holding BV, H Rovai S.r.l., Falg S.r.l. and HMP S.r.l..

ATOP's corporate governance system provides for a distribution of functions and powers according to the traditional model of corporate governance, represented by the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. Legal accounting control is entrusted to an auditing firm.

### **BOARD OF DIRECTORS**

The Company is administered by a Board of Directors comprising eight members.

The Board of Directors is the body responsible for the Company's strategic and organisational direction and, to exercise its functions, it has assigned a series of operational authorisations to its Chair, Managing Director and legal representatives, with expenditure limits. Company

management is the sole responsibility of the directors, subject to the limitations of law. The Board of Directors is also granted powers relating to mergers under art. 2505 and 2505 bis of the Italian Civil Code, the set-up and removal of secondary premises, the nomination of directors authorised to represent the Company, the reduction of share capital if a partner withdraws, and the adjustment of company bylaws in line with regulatory provisions.

#### **COMPANY ADMINISTRATION**

The Chair of the ATOP Board of Directors and the Managing Director hold all powers associated with ordinary administration of the Company, to be exercised with a single signature within the limits of an annual budget (unless specified otherwise) and with the ability to delegate, with the sole exception of those powers that cannot be delegated and those, to be considered inclusive of expenditure limits, reserved for the Board of Directors as a whole.

In particular, the Managing Director is also granted powers associated with the Company's compliance with the provisions governing personal data processing, with specific reference to Leg. Dec. 196/2003 and subsequent amendments and to EU Regulation 679/2016. Said person is the Employer pursuant to Leg. Dec. 81/2008, and is granted all related powers and duties necessary for fulfilling the tasks inherent to company activities, in addition to full spending capacity and the right to grant power of attorney pursuant to art. 16 Leg. Dec. 81/2008. The Managing Director is also responsible, with the related powers, for the Company fulfilling its environmental obligations, particularly with reference to Leg. Dec. 152/2006 and EC Regulations 1013/2006, 1907/2006 and 1272/2008 and subsequent amendments.

The Company has appointed a Deputy Chair and legal representatives to carry out determined company activities, with limited scope and expenditure.

#### **CONTROL BODIES**

ATOP has appointed a Board of Auditors comprising three members, including the Chair, plus two substitute auditors; this body is assigned the ordinary duties of law consisting in monitoring compliance with the law and the Bylaws, compliance with the principles of proper administration and particularly the adequacy of the organisational, administrative and accounting system adopted by the Company, and its proper functioning.

Accounting and budgetary control is entrusted to an external auditing firm.

In relation to health and safety measures only, in compliance with that laid down in art. 33 Leg. Dec. 81/2008 and subsequent amendments, the Company has appointed a Prevention and Protection Service Manager to whom the specific tasks indicated in the above-mentioned article are assigned.

This person is assisted by the GAQU, who is responsible for:

- coordinating environmental work and constantly updating the Chair, MD and Board of Directors;

- dealing with Environmental Management System and Quality Management System documents and the related reference standards.

The Company has adopted the IMA Group Code of Ethics and developed a System of Internal Control, consisting in the set of procedures, processes and practices (including manuals, general procedures, operating procedures, forms, records, and Management Information System procedures) adopted by ATOP for the governance and control of all company activities; as well as the preparation and implementation of Management Systems SGQ, SGSL and SGA, which are an integral part of this Organisation Model.

## **G. ACTIVITIES PRELIMINARY TO THE ADOPTION AND UPDATING OF THE ORGANISATION MODEL**

### **1. INTRODUCTION**

The preparation and updating of the Organisation Model were preceded by a series of preliminary activities involving "mapping" Areas at risk of offence and checking of the Company's systems of internal control, in line with the stipulations of Decree 231/01 and with the Guidelines and *best practice* in the area. In this regard, the Company has also adopted a specific risk analysis procedure: the procedure entitled PSQ-ARI-001 rev B (Risk Analysis Procedure ex Leg. Dec. 231/01), updated on 24 June 2021 ("**Risk Analysis Procedure**").

Without prejudice to the following with reference to the Offences for which the need for an in-depth Risk Assessment has been ruled out, since they do not contribute to the dynamics of the Company's activities, the risk management system verification was carried out through the following phases of activity:

- a) "**inventory of business areas of activity and analysis of potential risks**": the first phase of activity consisted in identifying all the company processes as identified in Company Manual MAQ – 002 and the related functional areas of the Company in which there is a potential risk of offences under the Decree being committed. In this context, the specific activities at risk of offence were identified in each of these areas, and the possible methods of committing the offence were identified for each activity;
- b) "**assessment of the System of Internal Control**": this activity was carried out by checking, within the areas at risk and with reference to the specific activities identified above, the preventive control systems (i.e. formalised procedures, operating practices, segregation systems, financial resource management systems, etc.) existing at the company and assessing their suitability to ensure that the risk of crimes being committed is brought back to an acceptable level ("as is analysis"). As part of this activity, the adequacy of the financial resource management system adopted by the Company was also assessed to ensure the verifiability, traceability and transparency of expenditure, the system of authorisations and powers, and the further "protocols" designed to schedule training and implementation of any existing decisions taken by the entity in relation to the various at-risk activities;

- c) **"identification of deficiencies within the system of internal control"**: in this phase, evidence is produced of any criticalities and consequent corrective actions needed to improve the System of Internal Control ("gap analysis").

The above phases of activity were carried out, in part, by examining the company documentation, the "Integrated Quality and Environment Manual", the information provided by the Company, and by conducting interviews, in person and over the phone, with company personnel in charge of the operational activities, and through questionnaires given to some department managers, compiled by the persons interviewed in the dedicated area.

To update the Organisation Model and, preliminarily, the Risk assessment (in preparation for updating the Model), the company organisation chart, and the procedures and authorisations given by the Company Board of Directors were initially examined. The updated certificate of incorporation and organisation charts, code of conduct, internal policies, procedures, guidelines and regulations adopted by the Company were then examined. Further elements were also analysed relevant to the process of identifying risks and evaluating the areas/activities most exposed to the commission of offences, including:

- evolution of the regulatory framework;
- the specific history of the Company including, in particular, the presence of any criminal, administrative or civil proceedings involving the Company with regard to the at-risk activities;
- the size of the Company and the Group to which it belongs (in relation to information such as sales, number of employees);
- markets and territories in which the Company operates;
- organisational structure;
- pre-existence of corporate ethics;
- quality of existing company climate within the organisation;
- collaboration between department managers;
- communication between *management* and workers;
- degree of separation of functions;
- practices influencing the carrying out of processes.

Moreover, in the risk identification and assessment process conducted herein, elements external to the Company's organisational structure were also taken into consideration, if deemed capable of affecting existing risk factors, such as the geographical reference environment or any risks found at companies belonging to the same sector of activity.

#### **MAPPING OF "AREAS AT RISK OF OFFENCE" AND ANALYSIS OF POTENTIAL RISKS**

The process of identifying risks and assessing the areas most at risk of offences being committed was conducted using a *risk-based* approach, i.e. taking account of the "Inherent Risk" or "Potential Risk" of Offences being committed (i.e. the risk assumed before the Company has put in place measures to reduce the likelihood and impact of an event). The

Inherent Risk level was measured by taking account of both the likelihood of the offence being committed and the impact of such an event, which were determined by taking account of factors such as the type and entity of penalties (financial or disqualification) that may be inflicted on the company, the frequency and recurrence of at-risk activities, the nature and volume of the relevant transactions, the specific modes of execution, as well as the company's history and the sector's specific circumstances.

#### **RISK ASSESSMENT - ASSESSMENT OF THE SYSTEM OF INTERNAL CONTROL**

Once the "inherent risk" (and its importance) had been defined in relation to Sensitive Activities, the Company's current System of Internal Control was assessed in order to establish its level of "adequacy" as a means of bringing the risk to an "acceptable level".

The risk's "acceptability" threshold, in malicious offences, cannot be expressed by referring to the mere relationship between costs and benefits as taught in business theory (so a risk may be defined as acceptable when the additional checks "cost" more than the resource being protected). As set out in the Guidelines, economic logic, in the crime prevention system described in the Decree, cannot be the sole definition of an acceptable risk level. Instead, the risk acceptability threshold must be represented by the existence of a prevention system that cannot be circumvented except fraudulently, specifying that fraud does not necessarily require artifice and deception, but may also consist in the mere breach of the provisions set out in the Organisation Model, or in the circumvention of the safety measures foreseen by the same. With reference to negligent crimes, and in particular to offences committed in breach of workplace health and safety regulations, the acceptability threshold must be even more strictly defined, given that, considering the scale of the assets protected, the risks to workers' health and safety must be completely eliminated or reduced to a minimum, as far as possible through the adoption of the preventive measures available in relation to knowledge acquired on the basis of technical progress.

The analysis and final outcome of the System of Internal Control assessment, both initial and in subsequent updates, is outlined and reported in the Risk Assessment documentation, which is filed at the Company. The aforementioned *Risk Assessment*, with particular reference to the identification and specification of the Predicate Offences applicable to the Company, the affected company areas/activities and the relative degrees of Inherent Risk and Residual Risk, is referred to in "Risk Sheets" and in the Mapping drawn up by the Company on the basis of the Risk Analysis Procedure.

The mapping of Areas at Risk of Offence and Sensitive Activities, and the *risk assessment* in general, provide confirmation that ATOP aligns its procedures (and its System of Internal Control in general) for overseeing the Areas at Risk of Offence with the general principles of an efficient System of Internal Control indicated above (to be understood as general protocols), i.e.:

- "proceduralisation" of Activities at risk of offence, in order to enable:

- i. ensure that Company activities are carried out in accordance with current laws and regulations and from the general perspective of protecting the integrity of the Company's assets;
  - ii. define and govern the terms and conditions under which these activities are carried out;
  - iii. ensure, where necessary, that decision-making processes are "standardised" and limit Company decisions based on subjective choices;
- the clear, formal allocation of powers and responsibilities, with an express indication of the limits of action, in line with the duties allocated and the positions held within the organisation;
- segregation of duties, through the correct distribution of responsibilities and the definition of suitable authorisation levels, in order to avoid overlapping between departments or operational allocations in which critical activities are focussed on a single individual;
- adoption of instruments capable of ensuring the traceability of actions, operations and transactions through suitable documentary evidence which specifies the characteristics and reasons for the operation and identify the individuals involved in the operation in various capacities (authorisation, implementation, recording, inspection of the operation);
- implementation of workers' information and training activities with regard to existing formalised procedures, including when amending/supplementing the same, to ensure adequate recognition and actual implementation;
- set up, execute and document the control and supervision of processes and Activities at Risk of Offence;
- existence of security mechanisms that ensure adequate protection of information from physical or electronic access to the data and tools used in the Company's information system, particularly with regard to management and accounting systems.

#### **H. INFORMATION AND TRAINING FOR RECIPIENTS OF THE MODEL**

The Company is aware of the importance of training and information and takes action to ensure that the Organisation Model's Recipients understand both the content of the Decree and the obligations arising from it, and the Model itself.

For the purpose of implementing the Organisation Model, training, awareness-raising and information given to personnel are managed by the competent company department in close collaboration with the Supervisory Committee and with the heads of other departments involved in applying the Model.

Training, awareness-raising and information relates to all Company personnel, including Senior Personnel.

Information and training activities are planned and provided both on recruitment or at the start of employment and when the employee's role changes, whenever the Model is amended

or other factual or legal circumstances arise that determine the need for them in order to guarantee the correct application of the provisions foreseen in the Decree.

In particular, the following are envisaged upon approval and updating of this document:

- an initial communication to all personnel regarding the adoption of this document;
- subsequently, new recruits are given an information pack containing (in addition to the materials indicated in additional Company policies or procedures, such as data protection and security, health and safety at work) this Model, containing an express reference to the Special Section, the Company's intranet site, as well as the Code of Ethics, in order to ensure that new recruits receive knowledge considered essential;
- Employees must sign a form to demonstrate they accept the contents of the documents delivered to them and have read the text of Legislative Decree 231/2001 as published on the company intranet;
- specific and ongoing training to be organised in a classroom setting or provided via e-learning services and tools (with solutions certifying training has been carried out).

Communication and training activities also involve powers of authorisation, reporting lines, procedures, information flows and everything that contributes to transparency in daily operations.

All communication and training activities are supported by the Board of Directors, which recommends maximum participation and attention from the recipients of such activities.

To guarantee the Organisation Model is effectively circulated and the Personnel are informed with regard to the contents of Leg. Dec. 231/01 and the obligations arising from implementation of the same, a specific area on the company information system is dedicated to the topic (in which the previously described set of information documents, the forms and tools for reporting wrongdoing to the Supervisory Committee, as well as any other relevant documentation is available for viewing and download).

## **I. INFORMATION FOR THIRD PARTIES**

The Company's Collaborators, Suppliers, Consultants and Partners, with particular reference to individuals involved in the provision of activities, supplies or services that affect Sensitive Activities, are informed of the adoption of the Organisation Model and the Company's requirement for them to behave in compliance with the principles of conduct set out therein.

Company departments provide these Recipients, particularly the Suppliers and Consultants with which they have dealings, with information on the policies and procedures adopted by the Company as a result of the Organisation Model, as well as the consequences that behaviour in breach of the Model or current regulations can have with regard to contractual relations.

Where possible, contracts include specific clauses covering the governance of such consequences, including express termination clauses and/or withdrawal rights in the event of conduct contrary to the provisions of the Model.

## **J. DISCIPLINARY AND SANCTION SYSTEM**

To guarantee the effectiveness of the Organisation Model, it is necessary to draw up a system of sanctions commensurate with the breach of procedural protocols and/or other rules outlined in the Model. This system includes, pursuant to art. 6(1) lett. e) of Leg. Dec. 231/2001, an essential requirement for the purposes of exemption from the Company's liability. The disciplinary system must envisage sanctions for each Recipient, in consideration of the type of relationship with the Company. In the same way as the Organisation Model, the system is directed at Senior Personnel, Employees, Collaborators and third parties working on behalf of the Company and sets out adequate disciplinary sanctions in some cases and contractual/negotiation sanctions in others.

In light of the above, ATOP has implemented its own "disciplinary and sanction system", which is attached to the Model in sub-Annex "B".

## **K. SUPERVISORY COMMITTEE**

### **1. INTRODUCTION**

Article 6 letter b) of Leg. Dec. 231/2001 requires, as a condition for obtaining exemption from administrative liability, that the task of overseeing the operation and fulfilment of that laid down in the Organisation Model, and updating its contents, is entrusted to a body within the Company but equipped with autonomous powers of initiative and control.

The autonomy and independence required by law presuppose that the Supervisory Committee, in carrying out its functions, is outside the production, commercial, administration and financial processes, and reports directly to the Board of Directors. In consideration of the specific nature of the Supervisory Committee's duties (oversight and control as required by the Model), its mandate is entrusted to a body that, with this document approved by the Board of Directors, is specifically set up with a staff position on the Board of Directors, and is released from all hierarchical relations with the individual managers of the company's divisions.

In carrying out its oversight and control duties, ATOP's Supervisory Committee is generally supported by all the departments of the company and may also rely on other external consultants if necessary from time to time.

### **ATOP SUPERVISORY COMMITTEE COMPOSITION**

Various theoretical and practical solutions relating to the possible structure and composition of the Supervisory Committee have been developed, in consideration of the size of the company and the need to achieve a fair balance between costs and benefits.

In general, the Supervisory Committee must ensure the effectiveness of controls in relation to the size and organisational complexity of the Entity. This body may comprise one or more people, internal or external to the Company, who possess the professional characteristics identified in the Model or in the Supervisory Committee regulations.

In this regard the Board of Directors firmly believes that, when selecting the Supervisory Committee, the following aspects should be evaluated in relation to each of the proposed solutions:

**A. In relation to the overall functions of the Supervisory Committee:**

- the autonomy of the body, in the sense of:
  - i. functional autonomy of the body;
  - ii. autonomous powers of action and control;
  - iii. the absence of operational duties;
  - iv. possibility of liaising directly with the Board of Auditors;
- professionalism, understood as the set of knowledge, tools and techniques that the body must possess in order to be able to perform its task effectively in reference to adequate specialist competence in inspection and consultancy activities (statistical sampling, risk analysis and assessment techniques, risk containment measures, flow charting of procedures and processes, knowledge of the law and of administrative-accounting techniques, etc.);
- continuity of action, to be ensured through a body that is able to supervise the organisation model on an ongoing basis either because it includes persons who perform their functions within the entity (due to their being, for example, employees) or because the body is able to liaise in a stable manner with the entity's personnel (and the latter has identified one or more dedicated contact persons to collaborate with the body).

**B. In relation to the individual members of the Supervisory Committee, that they fulfil the requirements of integrity and morality, i.e. that the following circumstances do not apply to any of them:**

- the conditions laid down in art. 2382 of the Italian Civil Code (prohibition, disqualification, bankruptcy, conviction for an offence that involves permanent or temporary exclusion from public offices or disqualification from holding management positions);
- the status of spouse or the existence of ties of blood or marriage to the fourth degree with the directors of the Company or of companies controlled by the latter, of companies that control the Company or of those subject to common control;
- the existence of a conviction by judgment even where this is not final (including sentence pronounced under art. 444 of the Italian Code of Criminal Procedure):
  - for imprisonment for a period of no less than one year: i) for one of the offences laid down in Royal Decree no. 267/1942 or Leg. Dec. no. 14/2019; ii) for one of the offences laid down in the laws governing banking, finance, property, markets, transferable securities and payment instruments; iii) for an offence against the public administration, against public faith, against financial assets, against the public economy or in taxation matters;

- for imprisonment for a period of no less than two years for any non-negligent offence;
  - for one or more offences including those specified and referred to in the Decree, regardless of the type of sentence imposed;
  - for an offence which entails conviction for an offence that involves permanent or temporary exclusion from public office or temporary exclusion from management positions in legal entities and companies;
- having the status of member of the Supervisory Committee within companies on which the penalties set out in art. 9 of the Decree have been imposed;
  - having suffered the enforcement of one of the prevention measures laid down in art. 3 of Law no. 55 of 19 March 1990 as subsequently amended.

In consideration of the size and complexity of the company's organisation and the *risk assessment* activity conducted (and the risks actually detected for the business activity), the Board of Directors, after careful assessment of the possible alternatives, maintains that the solution that best ensures the Decree's requirements are met is represented by a Supervisory Committee made up of 3 independent members who can guarantee multidisciplinary and specialised experience and training. The choice of members is based on the fact that at least one of them is a member of the IMA's Supervisory Committee.

This solution meets all the requirements envisaged by the standard in terms of autonomy, independence, professionalism and continuity of action. As such, with reference to the relevant themes of the Decree, the Supervisory Committee may liaise with the HR department.

Pursuant to paragraph 4-bis of art. 6 Leg. Dec. no. 231/01, Supervisory Committee functions at corporations may also be carried out by the Board of Statutory Auditors.

The ATOP Board of Directors deems that the typical activities of the Board of Auditors will not overlap with those of the Supervisory Committee, thus keeping them distinct and independent; this will allow the broadest, most correct and autonomous control activity within their respective functions.

In turn, and if deemed necessary and appropriate, the Supervisory Committee will set rules for its operation, formalised in a regulation, and the means for managing the necessary information flows (see the relevant sections below for more information).

The Board of Directors undertakes to provide the Supervisory Committee (at its justified request) with the financial resources it needs to carry out its function.

#### **TERM - INELIGIBILITY AND DEBARMENT OF SUPERVISORY COMMITTEE MEMBERS**

Supervisory Committee members are nominated with a ruling of the Board of Directors, remain in post for three years, and may be re-elected, unless otherwise expressly indicated by the Board of Directors.

In carrying out their duties, the members of the Supervisory Committee must maintain the requirements of autonomy and independence specified in the Decree. They must therefore immediately inform the Board of Directors and the Supervisory Committee itself (if comprising more than one person) if any situations arise which prevent these requirements from being fulfilled.

The appointed Supervisory Committee members remain in post for the term of the mandate of the Board of Directors that appointed them, but are removed in the event the Board of Directors ends its mandate early for any reason; in that event, the newly elected board of directors will set up a new Supervisory Committee.

No person may be appointed as a member of the Supervisory Committee and, if appointed, will automatically step down from office if:

- he/she fulfils the conditions laid down in art. 2382 of the Italian Civil Code (prohibition, disqualification, bankruptcy, conviction for an offence that involves permanent or temporary exclusion from public offices or disqualification from holding management positions);
- he/she is the spouse or relative by blood or marriage to the fourth degree of the Company's non-independent directors, the spouse or relative by blood or marriage to the fourth degree of the non-independent directors of the companies controlled by the Company, of the companies that control the Company and of those subject to common control;
- he/she has been convicted by judgment even where this is not final (including sentence pronounced under art. 444 of the Italian Code of Criminal Procedure):
  - for imprisonment for a period of no less than one year: i) for one of the offences laid down in Royal Decree no. 267/1942 or Leg. Dec. no. 14/2019; ii) for one of the offences laid down in the laws governing banking, finance, property, markets, transferable securities and payment instruments; iii) for an offence against the public administration, against public faith, against financial assets, against the public economy or in taxation matters;
  - for imprisonment for a period of no less than two years for any non-negligent offence;
  - for one or more offences including those specified and referred to in the Decree, regardless of the type of sentence imposed;
  - for an offence which entails conviction for an offence that involves permanent or temporary exclusion from public offices or temporary exclusion from management positions in legal entities and companies.
- he/she has the status of member of the Supervisory Committee within companies on which the penalties set out in art. 9 of the Decree have been imposed;
- he/she against whom one of the preventive measures laid down in art. 3 of Law no. 55 of 19 March 1990 as subsequently amended has been imposed.

Without prejudice to those situations under which members are automatically required to step down, members of the Supervisory Committee can only be dismissed by the Board of Directors for a valid reason. The following represents situations where there is a valid reason for dismissal:

- the Company is given a conviction under the Decree or a plea bargain is accepted, where the documentation shows "lack of or insufficient supervision" by the Supervisory Committee as provided for in art. 6(1), lett. d) of the Decree;
- failure to maintain confidentiality with respect to information that comes to their attention in the performance of their duties;
- failure to attend more than three consecutive meetings of the Supervisory Committee without proper reason (if the Supervisory Committee comprises more than one person).

If a member of the Supervisory Committee resigns or steps down automatically, the Committee will immediately inform the Board of Directors, which will take the relevant decisions without delay.

The Supervisory Committee will be considered to have stepped down from office if the majority of members (if the Supervisory Committee comprises more than one person) are absent owing to resignations or other reasons. In that case, the Board of Directors will appoint all members of the Supervisory Committee afresh.

If there are serious reasons to do so, the Board of Directors will order the suspension from duty of one or all members of the Supervisory Committee and will make a timely appointment of a new member or the entire Committee on an interim basis.

#### **DUTIES, FUNCTIONS AND POWERS OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee performs the supervisory and control duties set out in the Decree and in the Organisation Model.

The Supervisory Committee enjoys autonomous powers of initiative and control within the Company such as to enable it to effectively perform its duties as envisaged by the Decree and the Model.

For any requirement necessary to ensure that the Supervisory Committee performs its duties correctly, the Committee has adequate financial resources which will be assigned to it on the basis of an annual expenditure budget approved by the Board of Directors. The need to ensure timely prevention of offences remains a priority requirement. Therefore, in the case of exceptional and urgent circumstances, the Supervisory Committee may commit resources beyond its expenditure powers and must notify the Board of Directors immediately.

The activities performed by the Supervisory Committee cannot be checked by any other company body or structure but the Board of Directors is in all cases required to monitor the adequacy of its actions, insofar as the Board of Directors itself has ultimate responsibility for the operation and effectiveness of the Organisation Model.

The Supervisory Committee is required to carry out the following activities:

***i) Checking and supervision***

- monitor compliance with the Model within the Company;
- monitor the validity and adequacy of the Model, with particular regard to the behaviours encountered within the Company;
- check the actual capacity of the Model to prevent the commission of the offences set out in the Decree;
- monitor the correct application of the Disciplinary System by the Company departments responsible for the same.

***ii) Updating of the Organisation Model***

- check the Model remains sound and functional over time, ensuring the Company updates the Model and proposing, where necessary, the Board of Directors and/or the relevant company departments adapt it, providing appropriate suggestions and plans to improve its adequacy and effectiveness in relation to changing company and/or legislative conditions;
- carry out follow-up activities, i.e. checking that the proposed solutions are implemented and work correctly.

***iii) Information and training***

- promote knowledge and understanding of the Model within the Company;
- promote and monitor initiatives, including courses and communications aimed at raising awareness of the Model among all Recipients;
- assess and respond to requests for clarification made by Company departments or by the administrative and supervisory bodies, where those requests are connected with and/or related to the Model.

***iv) Reporting from and to the Supervisory Committee***

- implement, in accordance with the Model, an efficient information flow to the competent corporate bodies about the effectiveness and observance of the Model;
- check the timely fulfilment by the individuals concerned of all reporting activities required under the Model;
- examine and assess all information and/or reports received in relation to the Model, including with respect to any breaches of the same;
- in the case of inspections by institutional bodies, including the Public Authority, provide the necessary information materials to the inspectors.

To carry out the supervisory activities described above, the Supervisory Committee shall draw up and submit to the Board of Directors its own annual "Audit Plan", attaching or including it with the annual report covered in the subsequent section 5, letter a). The **Audit Plan** shall highlight the activities the Supervisory Committee intends to carry out over that year. Without prejudice to the principle of Supervisory Committee autonomy, these activities may, by way of example, involve the following:

- promote knowledge and understanding of the principles outlined in the Model within the Company;
- collect, process, retain and update any relevant information for the purpose of checking observance of the Organisation Model;
- periodically check and monitor Areas at Risk of Offence and, where considered necessary for the performance of its duties, carry out checks not previously planned ("spot checks");
- monitor and check that the Company is complying with accident prevention laws and with the rules governing protection of health and safety at work;
- check and monitor the regular maintenance and effectiveness of all documentation relating to the activities/operations identified in the Model;
- check periodically the powers of attorney and internal delegations in force and recommend any necessary changes if these are no longer consistent with organisational and managerial responsibilities;
- assess periodically the adequacy of the Model with respect to the provisions and principles laid down in the Decree and see to the corresponding update requirements;
- assess periodically the adequacy of information flow and adopt any corrective measures;
- periodically inform and report to the Board of Directors about the activities performed, reports received, corrective actions taken and improvements made to the Model and their current status.

In order to carry out the duties entrusted to it, the Supervisory Committee is granted the powers and authorities indicated below:

- issue instructions and service orders intended to regulate the activity of the Committee as well as the information flow from and to the same;
- access any Company document which may be important for the performance of the duties assigned to the Supervisory Committee, including the Company's books pursuant to art. 2421 of the Italian Civil Code;
- request assistance, including on an ongoing basis, from internal departments or use external consultants of established professionalism in cases where this is necessary to carry out checking and control activities or updating of the Model;
- direct the persons to whom a request is made to provide the information, data and/or details requested from them in a timely manner so as to identify aspects connected with the various Company activities which are relevant according to the Organisation

Model and to check that those activities are actually being implemented by the Company's organisational structures;

- conduct the internal investigations necessary to ascertain alleged breaches of this Model;
- ask the competent Company departments in charge of managing disciplinary proceedings and of imposing sanctions for all information, data and/or details which may be useful in terms of monitoring the correct application of the disciplinary system;
- request, through the appropriate channels and individuals, a meeting of the Board of Directors to tackle urgent matters;
- take part in meetings of the Board of Directors;
- access to documentation drawn up by the Board of Auditors;
- ask the department managers to take part (but without decision-making powers) in meetings of the Supervisory Committee.

In view of the duties of the Supervisory Committee and the specific professional competencies required for those duties, the Supervisory Committee may, in carrying out its supervisory and control activities, be supported by a dedicated team (used, including on a part-time basis, for those specific duties) and may call on the support of other internal Company departments which are required from time to time to ensure the effective implementation of the Model.

If deemed appropriate, the criteria for how the above team works, the personnel that will be used within the team, and the specific role and responsibilities assigned by the Supervisory Committee to that team shall be established by means of internal organisational documents.

Where considered appropriate and/or in cases where the Supervisory Committee is asked to carry out activities that require professional expertise not available within the Committee or within the Company itself, the Committee will have the right to call on the specific professional expertise of external consultants to whom it may delegate pre-defined areas of investigation and the technical operations required to carry out its supervisory duties. The consultants must, in each case, always report on the outcomes of their activities to the Supervisory Committee.

The Supervisory Committee shall verify that the rules of conduct set out in the Organisation Model and Code of Ethics are observed by Recipients and that the Company's System of Internal Control is adequate and effectively implemented, to prevent the Offences set out in the Decree being committed. Therefore, the duties and activities of the Supervisory Committee do not include any checks on compliance with rules of conduct and breaches of company directives that may involve (or be instrumental in) the commission of offences not governed by the Decree.

If the Supervisory Committee learns of facts and behaviours relating to the breach of and non-compliance with rules of conduct and Company processes that do not relate to (or are not

instrumental to) the commission of offences set out in the Decree, it will give prompt and formal notification to the competent Senior Personnel so that the appropriate checks and investigations can take place.

#### **REPORTING ACTIVITIES OF THE SUPERVISORY COMMITTEE**

In order to ensure its full autonomy and independence in the performance of its duties, the Supervisory Committee reports directly to the Company's Board of Directors.

The Supervisory Committee reports on the implementation of the Organisation Model and on the activities carried out according to the following *reporting* frequencies:

- a) **on an annual basis,**
- to Corporate Bodies, who must be sent a written report of the outcomes of the activity carried out, which may come from an external source, and the work plan for the subsequent period:
- b) **on an ongoing basis and where the need arises,** the Supervisory Committee, in particular, must:
- notify the Board of Directors promptly of any breach of the Organisation Model which is considered well-founded by the Committee itself and which comes to its attention as a result of being reported by the employees or which it has itself observed;
  - notify the Board of Directors promptly of any organisational or procedural gaps observed which may constitute a specific danger of commission of offences relevant to the Decree;
  - notify the Board of Directors of the existence of legislative changes which are particularly relevant for the implementation and effectiveness of the Model;
  - notify the Board of Directors promptly of any other relevant information to ensure that the Committee performs its duties correctly as well as to ensure proper compliance with the provisions set out in the Decree;
- it being understood that, where the behaviour or fact reported is attributable to the Board of Directors and it is necessary to maintain the confidentiality of the information and not to make the board aware of it, the report will be addressed to the Board of Auditors.

The Supervisory Committee may also ask to be consulted by the Board of Directors, as a whole, whenever it is considered appropriate to liaise with the Board. Likewise, the Supervisory Committee has the possibility of requesting clarifications and information from the Board of Directors. The Supervisory Committee may at any time be called on by the Board of Directors and by other governing bodies to report on particular events or situations relating to the operation of and compliance with the Organisation Model.

#### **INFORMATION FLOWS TOWARDS THE SUPERVISORY COMMITTEE**

In order to facilitate the activity of monitoring the effectiveness of the Organisation Model adopted by the Company, all Recipients are required to inform the Supervisory Committee about any information and report of any kind, including where received from third parties, concerning the implementation of the Model and of all principles of conduct and procedures referred to therein.

In exercising its oversight and control duties, the Supervisory Committee is always able to request data and information from Recipients on company activities, the application and compliance with rules of conduct and company procedures as they are set out in the Model, and check any necessary documents both on a sample basis and systematically. Recipients shall cooperate with the Supervisory Committee and provide it with all data and information requested from them.

Recipients who do not correctly fulfil the duty to report to the Supervisory Committee in the time and manner identified here may be subject to disciplinary measures.

#### **A. Information flows from the Heads of Department**

Without prejudice to the foregoing concerning the investigation and auditing powers of the Supervisory Committee, the Heads of Department are required, within their area of competence, to send the Supervisory Committee any information and details about the Company activities that they oversee as indicated in the "Flows Protocol" adopted by the Company.

#### **B. Reports by Recipients**

Recipients shall promptly inform the Supervisory Committee of any breach or suspected breach of the Organisation Model and of the Code, of its general principles, rules of conduct and the procedures cited therein, of which they become aware while carrying out their duties and/or collaborating with the Company. In particular, within their activity (as identified above), Recipients shall, among other things, promptly report the following to the Supervisory Committee:

- critical issues, anomalies or abnormalities emerging from the control activities carried out by the authorised Company departments (including unusual situations such as a high staff turnover);
- any orders received from their superior which are considered to be in conflict with the law, internal regulations or the Model;
- any requests or offers of money, gifts or other benefits made by or to public officials or public service officers (which are not connected to formalities laid down by law);
- any significant budgetary discrepancies or expenditure anomalies not duly substantiated, arising from requests for authorisation in the final stage of management control;
- any omissions, carelessness or falsification in the keeping of books or documentation on which accounting records are based;

- any reports, not verified in a timely manner by the competent departments, concerning shortcomings or inadequacies in relation to workplaces, work equipment or protective devices made available to the Company, or any other situation of danger associated with environmental protection and health and safety at work.

In turn, the Supervisory Committee may request, if deemed necessary, further information in addition to that sent by individual company departments.

C. Information flow in relation to the environment and health and safety at the workplace

The Supervisory Committee must receive a copy of the periodic reports on environmental matters and health and safety at work (including the minutes of the periodic meetings of the Employer, Head of Prevention and Protection Service (RSPP), Doctor and Workers Safety Representative pursuant to art. 35 TUS and the review reports of the "Senior Management").

On receiving the report of a breach of environmental or health and safety measures, the Supervisory Committee shall promptly, unless the author of the report has already done so, inform the Employer and/or the Delegated Employer and the company Prevention and Protection Service Manager (RSPP) of the contents of the report.

D. Other information and data

The following information must also be communicated to the Supervisory Committee by the corporate bodies and/or by the persons in charge of the functions:

- news related to organisational changes (e. g. changes in the company's organisational chart, revisions of existing procedures or adoption of new procedures or policies, etc.);
- updates and changes to the system of delegations and powers,
- significant and/or atypical transactions affecting areas at risk of crime identified in the preparatory analyses for the adoption of the Model;
- changes in situations of risk or potential risk,
- any communications from the Auditor concerning aspects which may indicate deficiencies in the internal control system;
- copy of the minutes of the meetings of the Board of Directors and the Board of Statutory Auditors;
- a copy of any communications made to the Supervisory Authority (e.g. the Competition and Market Authority, the Personal Data Protection Authority, etc.);
- any other information which the Supervisory Committee may require for the performance of its duties.

E. Supervisory Committee's address.

Information and reports should be sent to the Supervisory Committee at the following email address:

**organismovigilanza.atop@ima.it**

or by post, to the Supervisory Committee at the Company's head office, located at:

**ATOP S.p.A. Supervisory Committee**

**Via di Sant'Appiano n. 8/A**

**50021 Barberino Tavernelle (FI), loc. Barberino Val d'Elsa**

stating "PERSONAL AND STRICTLY CONFIDENTIAL" marked on the envelope.

Without prejudice to the above, reports will be examined, provided that they are sufficiently precise and detailed, even if they are sent to individual members of the Supervisory Committee (if comprising more than one person) or otherwise brought to their attention, who will share the information received with the other Committee members.

Solely the Supervisory Committee members have access to its email account. As such, **the Supervisory Committee is obliged to ensure the information and reports received as part of its activities are kept confidential.** The Supervisory Committee acts in such a way as to protect whistleblowers against any form of retaliation, discrimination, penalty or any other consequence, assuring them of their confidentiality and anonymity, notwithstanding legal obligations and the protection of the rights of the Company or of parties wrongly accused and/or accused in bad faith.

ATOP, data controller pursuant to Leg. Dec. 196/2003 and subsequent amendments, shall process the personal data acquired through information flows for the purposes associated with compliance with the obligations of Decree 231/01 and the Organisation Model. The data may be processed both in paper and electronic form. The data subject may exercise his/her rights under art. 15 of EU Reg. 679/2016 by contacting the data controller/processor.

#### **SUPERVISORY COMMITTEE REGULATIONS**

The Supervisory Committee, if it deems it appropriate, may draw up its own internal regulations setting out the specific aspects and manner in which it will carry out its activities, including with regard to its organisational and operation system.

#### **ARCHIVING OF INFORMATION**

The Supervisory Committee is obliged to provide documentary evidence of its activities (including minutes of meetings) and to archive (while ensuring confidentiality) all reports, correspondence and requests sent to it. This documentation will be kept at the Supervisory Committee's offices.

Any information or report provided for in this Organisation Model will be kept by the Supervisory Committee in a special confidential computer file and/or physical folder in accordance with the provisions of Decree no. 196/2003, as amended by EU Reg. no. 679/2016 and by Leg. Dec. no. 101/2018, for a period of 10 years.

#### **INTERACTIONS WITH THE SUPERVISORY COMMITTEE**

The Supervisory Committee shall liaise with IMA S.p.A.'s Supervisory Committee, in its capacity as holding company, with regard to defining planned and completed activities, initiatives undertaken, actual measures prepared and critical issues observed in their supervisory activities.

Information may be exchanged among the Supervisory Committees during joint meetings. Such meetings may be scheduled annually.

**L. REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE NO. 24 OF 10 MARCH 2023 ON “WHISTLEBLOWING”**

Legislative decree no. 24 of 10 March 2023 on “*the protection of persons reporting breaches of Union law and laying down provisions on the protection of persons reporting breaches of national laws*” (“**WB Decree**”), adopted in implementation of Directive (EU) 2019/1937, amended, rendering it autonomous and up-to-date, the regulation of “*whistleblowing*”, i.e., the reporting of wrongdoing within the company.

In accordance with the WB Decree - and in compliance with the new formulation of art. 6(2-*bis*) of Decree 231 – the Company has implemented internal reporting channels, specifically dedicated to the reporting of wrongdoing, as indicated in art. 3 of the WB Decree (Subjective Scope), which the whistleblower has witnessed as part of his/her duties and/or at the IMA work environment where he/she works.

In compliance with that laid down in the WB Decree, the Company has adopted its own internal procedure (“**WB Procedure**”), which sets out the range of wrongdoing/offences that may be reported, the reporting methods, the persons entitled to submit reports (employees, freelancers and all those working at the Company, including self-employed workers and suppliers/customers) and the protections and rights afforded to whistleblowers.

As part of its WB Procedure, the Company has identified a collective body (“**Whistleblowing Officer**”), with a high professional profile, whose task it is to receive and handle internal reports and carry out all activities contemplated under art. 5 of the WB Decree (Management of internal handling channel). As such, the Whistleblowing Officer shall, among other things, be in charge of:

- checking that all communication channels are open and usable by all entitled parties;
- receiving and processing reports;
- keeping report contents and the reporter's identity confidential and private;
- interacting with other Company departments, and with the Supervisory Committee where applicable, in compliance with confidentiality laws.

In order to be taken into consideration, reports must be circumstantiated, i.e. the whistleblower must have reasonable grounds to believe that an offence is being, has been or may be committed involving the commission of a breach relevant under the WB Decree.

In order to be deemed circumstantiated, the following must be provided with each report:

- i. a clear and full description of the reported events;
- ii. an indication of the circumstantial time and place of the reported events;

- iii. details of the accused party, if known, or other elements suitable for identifying the accused party;
- iv. an indication of other parties that may confirm the reported events or add further essential information;
- v. documents that may strengthen and/or confirm the credibility of the reported events;
- vi. any other essential information and/or element that may prove useful.

Reports must be sent to the Whistleblowing Officer via one of the following channels:

- by registered letter in a sealed envelope to the “Whistleblowing Officer” at the IMA registered office. If reporting by post, “Reserved – Confidential” must be written on the sealed envelope;
- by telephone, as indicated in the WB Procedure, with the whistleblower being able to request a face-to-face meeting with the Officer;

using the “My Governance” IT platform accessible through the Company website, as outlined in the WB Procedure. When making a report, the whistleblower must provide his/her details or, in any event, elements that enable him/her to be identified.

The reporting channels have been created with the specific aim of guaranteeing the reporter's confidentiality; the e-mail box has been specially created outside of the Company's server circuit and is accessible solely by the Whistleblowing Officer.

The Whistleblowing Officer acts in such a way as to protect whistleblowers against any form of retaliation, discrimination, penalty or any other consequence, assuring them of their confidentiality and anonymity, notwithstanding legal obligations and the protection of the rights of the Company or of parties wrongly accused and/or accused in bad faith.

The Whistleblowing Officer shall handle reports in compliance with the provisions of art. 5 of the WB Decree (Management of internal reporting channel) and as set out in the WB Procedure.

Those who breach measures to protect the whistleblower, or whistleblowers making reports with wilful misconduct or gross negligence later found to be unfounded, may be subject to the application of disciplinary sanctions, as laid down in Annex B of this Model.

#### **COOPERATION BETWEEN SUPERVISORY COMMITTEE AND WB COMMITTEE**

The Whistleblowing Officer and the Supervisory Committee shall liaise on an ongoing basis with regard to their respective activities and any information, alerts and reports that they may receive or acquire, notwithstanding that laid down in art. 4(6) Leg. Dec. 24/2023. In particular, by way of a non-limiting example, these bodies shall promptly report the following to one another:

- any breach of the Model or Code of Ethics of which they become aware;
- any organisational or procedural deficiencies that could lead to the risk of breaches of the Model and/or the Code of Ethics being committed;
- any other information relevant to the proper performance of their respective duties.

In particular, the Whistleblowing Officer and the Supervisory Committee shall consult one another on a case-by-case basis in order to ascertain which of the two bodies has the competence to take action in the individual cases reported to them or about which they have acquired information. If an individual problem falls within the remit of both bodies, they shall coordinate their respective activities in order to promote joint action, without, however, this representing a limitation or constraint on their mutual autonomy.

Notwithstanding the above, the Whistleblowing Officer shall inform the Supervisory Committee at regular intervals about the Reports it has received and handled and any proposals for changing and improving the system.

#### **M. PERIODIC CHECKS AND UPDATING OF THE MODEL**

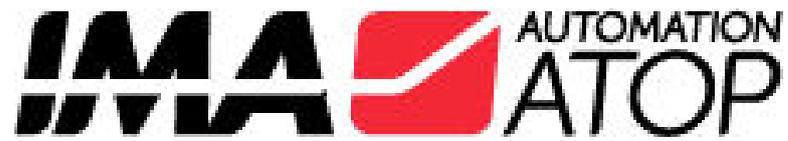
The Decree expressly provides that the Organisation Model needs to be updated to ensure it meets the Company's specific requirements and actual operations. The Model is to be adapted and/or updated essentially in the following circumstances:

- legislative changes;
- breaches of the Model and/or findings made during checks on the effectiveness of the Model (which may also be deduced from experiences involving other companies);
- changes to the entity's organisational structure, including where arising from extraordinary finance operations or from changes to the business strategy as a result of new lines of business embarked upon.

Specifically, responsibility for updating the Organisation Model and, therefore, for making additions and/or amendments to it, lies with the same management body to which the legislator has assigned the task of adoption of the Model. As such, the Supervisory Committee, in liaison with the heads of department from time to time affected, must:

- check procedures and protocols. To that end, it will periodically check the effectiveness and implementation of the protocols and procedures set out in this Model;
- check the level of awareness of the Model including by analysing requests for clarification or reports received;
- inform the administrative authority of the need to update the Model and/or the risk assessment activity aimed at revising the map of activities potentially at risk, if the above conditions are met (particularly when the organisation or the Company's business is substantially changed, when there is a high staff turnover or when the Decree is added to or amended).

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## **ATOP S.P.A.**

**Registered office in Barberino Tavernelle (FI),  
Strada Sant'Appiano, 8/A, loc. Barberino Val d'Elsa**

### **ORGANISATION, MANAGEMENT AND CONTROL MODEL**

under Legislative Decree no. 231 of 8 June 2001  
on "Corporate Administrative Liability"

## **ANNEX "A"**

### **PREDICATE OFFENCES LIST**

### Foreword

The present list of offences includes the list of all predicate offences covered by Legislative Decree 8 June 2001 no. 231 on "*Rules laying down the administrative liability of legal persons, companies and associations, including those without legal status, under art. 11 of law no. 300 of 29 September 2000*", and implements all the legislative changes occurred in ensuing years, including those introduced with Law 19 December 2019 no. 157 (published in the Official Journal no. 301 of 24 December 2019 and in force from the following day), with Legislative Decree no. 14 July 2020. 75 (published in the Official Journal no. 177 of 15 July 2020 and in force from 30 July 2020), with Legislative Decree no. 8 November 2021 no. 184 (published in the Official Journal no. 284 of 29 November 2021 and in force from 14 December 2021), with Law no. 23 December 2021. 238 (published in the Official Journal no. 12 of 17 January 2022 and in force from 1 February 2022), as well as with Law no. 9 March 2022. 22 (published in the Official Journal no. 68 of 22 March 2022 and in force from 23 March 2022), with Legislative Decree no. 2 March 2023. 19 (published in the Official Gazette no. 56 of 7 March 2023) and, lastly, with Law no. 9 October 2023. 137 (published in the Official Journal no. 236 of 9.10.2023).

#### **MISAPPROPRIATION OF FUNDS, FRAUD AGAINST THE STATE OR A PUBLIC BODY OR TO OBTAIN PUBLIC FUNDS AND COMPUTER FRAUD AGAINST THE STATE OR A PUBLIC BODY (ART. 24):**

- Embezzlement from the State or other public entity (Article 316-*bis* Italian Criminal Code);
- Unlawful receipt of contributions, financing or other disbursements by the State or other public body (art. 316-*ter* Italian Criminal Code);
- Disturbed freedom of enchantments (art. 353 Italian Criminal Code);
- Disturbed freedom of the procedure for choosing the contractor (art. 353bis Italian Criminal Code);
- Fraud in public supplies (art. 356 Italian Criminal Code);
- Fraud against the State or other public entity (Article 640(2), no. 1 Italian Criminal Code);
- Aggravated fraud for the obtainment of public funds (art. 640-*bis* Italian Criminal Code);
- Computer fraud to the detriment of the State or other public entity (Article 640-*ter* Italian Criminal Code);
- Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (art. 2 L. 23/12/1986, no. 898).

#### **COMPUTER CRIMES AND UNLAWFUL DATA PROCESSING (ART. 24 BIS)<sup>1</sup>:**

- Unauthorized access to a computer or telematic system (art. 615-*ter* Italian Criminal Code);
- Detention and unfair distribution of access codes to computer or telematic systems (art. 615-*quater* Italian Criminal Code);
- Broadcast equipment, devices or computer programs designed to damage or disrupt a computer or telematic system (art. 615-*quinquies* Italian Criminal Code);
- Interception, hindrance or illicit interruption of computer or telematic communications (art. 617-*quater* Italian Criminal Code);
- Installation of equipment designed to intercept, hinder or interrupt computer or telematic communications (617-*quinquies* Italian Criminal Code);
- Damage to information, data and computer programs (art. 635-*bis* Italian Criminal Code);
- Corruption of information, data and computer programs used by governments or other public entities or in any case of public convenience (art. 635-*ter* Italian Criminal Code);
- Damage to computer or telematic systems (art. 635-*quater* Italian Criminal Code);
- Damage to computer or telematic systems of public utility (art. 635-*quinquies* Italian Criminal Code);

<sup>1</sup> Article added from art. 7 of Law 18.03.2008 no. 48.

- Computer fraud by the provider of electronic signature certification services (art. 640-*quinquies* Italian Criminal Code).
- Urgent provisions on national cyber security perimeter and regulation of special powers in sectors of strategic importance (art. 1(11), Leg. Dec. no. 105/2019).<sup>2</sup>

Law 18 March 2008 no. 48 further extended the range of so-called "predicate" offences, providing under art. 24-*bis* the hypotheses of forgery of records regarding computer documents according to the notion offered by art. 491 *bis* of the Italian Criminal Code, and therefore re-including the following offences:

- Material forgery committed by the public official in official records (art. 476 Italian Criminal Code);
- Material forgery committed by the public official in certificates or administrative authorisations (art. 477 Italian Criminal Code);
- Material forgery committed by the public official in authentic copies of public or private records and in statements of content of records (art. 478 Italian Criminal Code);
- Ideological forgery committed by the public official in official records (art. 479 Italian Criminal Code);
- Material forgery committed by the public official in certificates or administrative authorisations (art. 480 Italian Criminal Code);
- Ideological forgery in certificates committed by persons providing a public service (art. 481 Italian Criminal Code);
- Material forgery committed by a private individual (art. 482 Italian Criminal Code);
- Ideological forgery committed by a private individual in an official record (art. 483 Italian Criminal Code);
- Forgery of records and notifications (art. 484 Italian Criminal Code);
- Misuse of document signed in blank. Public act (art. 487 Italian Criminal Code);
- Other misuse of document signed in blank. Applicability of provisions on material forgery (art. 488 Italian Criminal Code);
- Use of forged record (art. 489 Italian Criminal Code);
- Suppression, destruction and concealment of genuine records (art. 490 Italian Criminal Code);
- Forgery in holographic wills, bills of exchange or credit instruments (art. 491 Italian Criminal Code).

**ORGANISED CRIME OFFENCES (ART. 24 TER)<sup>3</sup>:**

- Criminal association (art. 416 Italian Criminal Code);
- Criminal association aimed at forcing or keeping persons in slavery, human trafficking, purchase and sale of slaves and offences relating to violations of the guidelines on unlawful immigration pursuant to art. 12 Leg. Dec. no. 286/1998 (art. 416(6) Italian Criminal Code);
- Mafia-type association (art. 416-*bis* Italian Criminal Code);
- Crimes committed making use of the conditions provided for by art. 416 *bis* of the Criminal Code, or in order to facilitate the activity of the associations envisaged by the aforementioned article;
- Political-mafia electoral exchange (art. 416-*ter* Italian Criminal Code);
- Kidnapping for extortion (art. 630 Italian Criminal Code);
- Association aimed at illicit trafficking in narcotic drugs or psychotropic substances (art. 74 Presidential Dec. no. 309 of 9 October 1990);
- Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or place open to the public of weapons of war or war-like weapons or parts thereof, explosives,

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<sup>2</sup> The Law has been in force since 21.11.2019 but is not applicable before the implementing decrees of the conversion law are approved and published (Law 18.11.2019 n. 133).

<sup>3</sup> Article added from Law 15 July 2009, n. 94 art. 2(29).

clandestine weapons as well as more common firearms <sup>4</sup> (art. 407(2), lett. a), number 5), Italian Criminal Code).

**EMBEZZLEMENT, CRIMES OF BRIBERY, UNLAWFUL INCITEMENT TO GIVE OR PROMISE BENEFITS, CORRUPTION AND ABUSE OF OFFICE (ART. 25):**

- Embezzlement (art. 314 (1) Italian Criminal Code) - when the fact offends the financial interests of the European Union;
- Embezzlement through profit from the error of others (art. 316 Italian Criminal Code) - when the fact offends the financial interests of the European Union;
- Bribery (art. 317 Italian Criminal Code);
- Corruption in the exercise of the function (art. 318 and 321 Italian Criminal Code);
- Corruption for an act contrary to official duties (art. 319 and 321 Italian Criminal Code);
- Corruption in judicial acts (art. 319-ter and 321 Italian Criminal Code);
- Aggravating circumstances (art. 319-bis Italian Criminal Code);
- Unlawful incitement to give or promise benefits (art. 319-quater Italian Criminal Code);
- Corruption of public service personnel (art. 320 and 321 Italian Criminal Code)
- Incitement to bribery (art. 322 Italian Criminal Code);
- Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption, abuse of office of members of international courts or bodies of the European Communities or of international parliamentary assemblies or of international organizations and of officials of the European Communities and Foreign states (art. 322 bis Italian Criminal Code);
- Abuse of office (art. 323 Italian Criminal Code);
- Unlawful influence (art. 346-bis Italian Criminal Code).

**COUNTERFEITING MONEY, PUBLIC CREDIT PAPERS, REVENUE STAMPS AND TOOLS OR IDENTIFYING MARKS (ART. 25 BIS)<sup>5</sup>:**

- Counterfeiting, spend and introduction in the State, following consultation, of counterfeit money (art. 453 Italian Criminal Code);
- Alteration of coins (art. 454 Italian Criminal Code);
- Spending and introduction in the State, without concert, of counterfeit money (art. 455 Italian Criminal Code);
- Spending of counterfeit money received in good faith (art. 457 Italian Criminal Code);
- Falsification of revenue stamps, introduced in the State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 Italian Criminal Code);
- Counterfeit watermarked paper used for the manufacture of public credit or revenue stamps (art. 460 Italian Criminal Code);
- Manufacture or possession of watermarks or instruments for counterfeiting of coins, revenue stamps or paper filigree (art. 461 Italian Criminal Code);
- Use of counterfeited or altered revenue stamps (art. 464 Italian Criminal Code);
- Forgery, alteration or use of trademarks or patents, designs and drawings (art. 473 Italian Criminal Code);
- Introduction in the State and the marketing of products with false signs (art. 474 Italian Criminal Code).

**CRIMES AGAINST INDUSTRY AND COMMERCE (ART. 25-BIS.1.)<sup>6</sup>:**

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<sup>4</sup> Excluding those called "indoor range" or gas guns, and compressed air or compressed gas guns, both long and short whose bullets dispense kinetic energy over 7.5 joules, and rocket launcher instruments, barring weapons used for fishing or weapons and instruments for which the "Central consultative commission for weapons control" excludes, in relative to the respective characteristics, the aptitude to threaten a person.

<sup>5</sup> Article added from art. 6 Leg. Dec. no. 350 of 25 September 2001, amended in L. no. 409 of 23 November 2001.

<sup>6</sup> Article added from Law no. 99 of 23 July 2009.

- Obstructing of industry or commerce (art. 513 Italian Criminal Code); Illegal competition with threats or violence" (art. 513-*bis* Italian Criminal Code);
- Illegal competition with threats or violence" (art. 513-*bis* Italian Criminal Code);
- Fraud against national industries (art. 514);
- Fraudulent trading (art. 515 Italian Criminal Code);
- Sale of non-genuine foodstuffs as genuine (art. 516 Italian Criminal Code);
- Sale of industrial products with misleading signs (art. 517 Italian Criminal Code);
- Manufacture and sale of goods made by usurping industrial property (art. 517-*ter* Italian Criminal Code);
- Counterfeiting of geographical signs or designations of origin of agri-food products (art. 517-*quater* Italian Criminal Code);

**CORPORATE OFFENCES (ART. 25 TER)<sup>7</sup>:**

- False corporate communications (art. 2621 Italian Civil Code);
- Misdemeanours (art. 2621-*bis* Italian Civil Code);
- False corporate communications of listed companies (art. 2622 Italian Civil Code);
- False statement in a prospectus (art. 2623 (1) (2) Italian Civil Code)<sup>8</sup>;
- False reporting or communications by the auditing company (art. 2624 (1) (2) Italian Civil Code)<sup>9</sup>;
- Prevented control (art. 2625 (2) Italian Civil code);
- Unlawful restitution of contributions (art. 2626 Italian Civil Code);
- Unlawful distribution of profits and reserves (art. 2627 Italian Civil Code);
- Illegal transactions involving shares or shares in the company or of the parent company (art. 2628 Italian Civil Code);
- Operations to the detriment of creditors (art. 2629 Italian Civil Code);
- Failure to disclose conflict of interest (art. 2629-*bis* Italian Civil Code);
- Fictitious capital making (art. 2632 Italian Civil Code);
- Unlawful distribution of corporate assets by the liquidators (art. 2633 Italian Civil Code);
- Unlawful influence over Assembly (art. 2636 Italian Civil Code);
- Insider trading (art. 2637 Italian Civil Code);
- Hindrance to the supervisory functions of public authorities (art. 2638(1,2) Italian Civil Code);
- Corruption between private individuals (art. 2635(3) Italian Civil Code);
- Incitement to corruption between private individuals (art. 2635-*bis* (1), Italian Civil Code);
- False or omitted declarations for the issuance of the preliminary certificate (art. 54 of Legislative Decree 2.03.2023 no. 19)

**OFFENCES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY (ART. 25 QUATER):**

Art. 3 law 14 January 2003 no. 7 (ratification and execution of the International Convention for the Suppression of the Financing of Terrorism and adaptation of national regulations) added art. 25-*quater* to Leg. Dec. no. 231, which also extended the administrative liability of entities to "offences with the purpose of terrorism or subversion of democracy, provided for under the criminal code and special laws", and to crimes "that are committed in violation of that laid down in article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999".

- Subversive association (art. 270 Italian Criminal Code);

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<sup>7</sup> Added article from art. 3 Leg. Dec. no. 61 of 11 April 2002 as last amended with L. no. 69/2015.

<sup>8</sup> Article repealed by art. 34, paragraph 2 of Law 28.12.2005 n. 262.

<sup>9</sup> Article repealed by art. 37, paragraph 34 of Leg. Dec. 27.01.2010 n. 39.

- Association with the aim of terrorism, including international terrorism, or subversion of the democratic order (art. 270 bis Italian Criminal Code);
- Aggravating and mitigating circumstances (art. 270 bis.1 Italian Criminal Code);
- Assistance to members (art. 270 ter Italian Criminal Code);
- Recruitment for the purpose of terrorism, including international terrorism (art. 270 quater Italian Criminal Code);
- Organization of transfer for terrorist purposes (art. 270 quater.1 Italian Criminal Code);
- Training for activities with the aim of terrorism, including international terrorism (art. 270 quinquies Italian Criminal Code);
- Financing of conduct for terrorist purposes (art. 270 quinquies.1 Italian Criminal Code);
- Subtraction of goods or money subjected to seizure (art. 270 quinquies.2 Italian Criminal Code);
- Conducted for terrorist purposes (art. 270 sexies Italian Criminal Code);
- Attack for terrorist or subversion purposes (art. 280 Italian Criminal Code);
- Act of terrorism with deadly or explosive devices (art. 280 bis Italian Criminal Code);
- Acts of nuclear terrorism (art. 280 ter Italian Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (art. 289 bis Italian Criminal Code);
- Seizure for the purpose of coercion (art. 289 ter Italian Criminal Code);
- Incitement to commit any of the crimes envisaged by the first and second counts (art. 302 Italian Criminal Code);
- Political conspiracy by agreement (art. 304 Italian Criminal Code);
- Political conspiracy by association (art. 305 Italian Criminal Code);
- Armed gang: training and participation (art. 306 Italian Criminal Code);
- Assistance to participants in a conspiracy or armed gang (art. 307 Italian Criminal Code);
- Seizure, hijacking and destruction of an aircraft (art. 1 of Law 10.05.1976 n. 342);
- Damage to ground installations (art. 2 of Law 10.05.1976 n. 342);
- Sanctions (art. 3 of Law 28.12.1989 n. 422);
- Pentimento operaso (art. 5 of Legislative Decree 15.12.1979 n. 625);
- New York Convention of 9 December 1999 (art. 2).

**PRACTICE OF FEMALE GENITAL MUTILATION (ART. 25 QUATER -1):**

Law 9 January 2006 no. 7 introduced art. 25-*quater* I, envisaging the entity's liability for the hypothesis envisaged in art. 583 bis of the Italian Criminal Code (*Practice of female genital mutilation*).

**CRIMES AGAINST THE INDIVIDUAL PERSONALITY (ART. 25 QUINQUIES)<sup>10</sup>:**

- Forcing or keeping in slavery or servitude (art. 600 Italian Criminal Code);
- Child prostitution (art. 600-*bis* Italian Criminal Code);
- Child pornography (art. 600-*ter* Italian Criminal Code);
- Possession of pornographic material (art. 600-*quater* Italian Criminal Code);
- Virtual pornography (art. 600 quater.1 Italian Criminal Code);
- Tourism initiatives for the exploitation of child prostitution (art. 600-*quinquies* Italian Criminal Code);
- Trafficking in persons (art. 601 Italian Criminal Code);
- Purchase and sale of slaves (art. 602 Italian Criminal Code);
- Child grooming (art. 609-*undecies* Italian Criminal Code);
- Illegal intermediation and labour exploitation (art. 603-*bis* Italian Criminal Code).

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<sup>10</sup> Article introduced with Law no. 228 of 11 August 2003, in force since 7 September 2003.

**MARKET ABUSE (ART. 25 SEXIES):**

Law 18 April 2005, no. 62 introduced art. 25-*sexies* (*Market abuse*) to Leg. Dec. no. 231, envisaging the entity's liability in relation to insider dealing and market manipulation envisaged by part V, heading I bis, point II of the Consolidation Act under Leg. Dec. no. 58 of 24 February 1998 (art. 184 and 185).

To these must be added the hypotheses referred to in the articles. 14 and 15 of EU Reg. n. 596/2014, provided for by art. 187 quinquies of the aforementioned Consolidated Law.

**MANSLAUGHTER OR SERIOUS OR CRITICAL INJURY COMMITTED IN VIOLATION OF THE RULES ON HEALTH AND SAFETY IN THE WORKPLACE (ART. 25 SEPTIES):**

Law 3 August 2007, no. 123 introduced art. 25-*septies* (subsequently amended by art. 300 of Leg. Dec. no. 81 of 30 April 2008), which contemplates the case of Manslaughter or serious or critical injury (art. 589, 590 Italian Criminal Code), *committed in violation of the rules governing accident prevention and health and safety in the workplace*.

**RECEIPT, LAUNDERING AND USE OF MONEY, PROPERTY OR BENEFITS OF UNLAWFUL ORIGIN (ART. 25 OCTIES)<sup>11</sup>:**

- Receipt (art. 648 Italian Criminal Code);
- Laundering (art. 648 bis Italian Criminal Code);
- Use of money, property or benefits of unlawful origin (ar. 648 ter Italian Criminal Code);
- Self-laundering (art. 648-ter. 1 Italian Criminal Code).

**OFFENCES RELATING TO PAYMENT INSTRUMENTS OTHER THAN CASH (ART. 25 OCTIES.1)<sup>12</sup>:**

- Misuse and falsification of credit and payment cards (art. 493-*ter* Italian Criminal Code);
- Possession and dissemination of equipment, devices and computer programs intended to commit offences relating to non-cash payment instruments (art. 493-*quater* Italian Criminal Code);
- Fraudulent transfer of values (art. 512 Italian Criminal Code);
- Computer fraud against the State or other public body (art.640-*ter* Italian Criminal Code);
- Any other crime against public faith, against patrimony or which in any case offends the patrimony provided for by the Penal Code, when it concerns payment instruments other than cash (unless the fact constitutes another administrative offense sanctioned more seriously).

**COPYRIGHT INFRINGEMENT OFFENCES (ART. 25-NOVIES)<sup>13</sup>:**

- Making available to the public a protected intellectual work, or part thereof, in a system of telematic networks through connections of any kind (art. 171, L. 633/1941 paragraph 1 lett. a) *bis*);
- Offences committed in the previous paragraph on others' works not intended for publication if it would hurt their honour or reputation (art. 171, Law no. 633/1941(3));
- Unauthorized duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or business purposes or leased concession of programs in media not covered by SIAE; provision of means to remove or circumvent computer programs protection devices (art. 171-*bis* Law no. 633/1941(1));
- Reproduction, transfer to another medium, distribution, communication, presentation or display, in public, of the contents of a database; extraction or reuse of the database; distribution, sale or leased concession in databases (art. 171-*bis* Law no. 633/1941(2));

<sup>11</sup> Article added by art. 63 (3) of Leg. Dec. no. 231 of 21 November 2007.

<sup>12</sup> Article added by art. 3 of Leg. Dec. no. 184 of 8 November 2021.

<sup>13</sup> Article added from Law no. 99 of 23 July 2009.

- Unauthorized duplication, reproduction, transmission or public dissemination by any means, in whole or in part, of intellectual works for the television or film circuits, sale or rental of records, tapes or similar media or any other media containing phonograms or videograms of similar musical, cinematographic or audiovisual works or sequences of moving images; literary, dramatic, scientific or educational, musical or dramatic musical and multimedia works, even if included in collective or composite works or databases; reproduction, duplication, transmission or unfair distribution, sale or trade, sale in any way or illegal import of more than fifty copies or copies of works protected by copyright and related rights; placing in a system of telematic networks, through connections of any kind, an intellectual work protected by copyright, or part thereof (art. 171-ter Law no. 633/1941);<sup>14</sup>
- Failure to notify SIAE of the identification data of media not subject to marking or false declaration (art. 171-septies Law no. 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment suitable for decoding conditional access audiovisual transmissions made by wireless, satellite, cable, in both analogue and digital (art. 171-octies Law no. 633/1941).

**INDUCEMENT TO WITHHOLD STATEMENTS OR TO GIVE FALSE STATEMENTS TO THE LEGAL AUTHORITIES (ART. 25-DECIES)<sup>15</sup>:**

- Inducement to withhold statements or to give false statements to the legal authorities (art. 377-bis Italian Criminal Code).

**TRANSNATIONAL OFFENCES<sup>16</sup>:**

Definition of transnational offences:

Under this law, a transnational offence is considered as an offence punished by imprisonment of no less than a maximum of four years, if an organised criminal group is involved, and:

- a) is committed in more than one state;
- b) is committed in one state but a substantial part of its preparation, planning, direction or control took place in another state;
- c) is committed in one state but an organised criminal group active in criminal activities in more than one state was involved;
- d) or it is committed in one State but has substantial effects in another State.

Envisaged offences:

- Criminal association (art. 416 Italian Criminal Code);
- Mafia-type associations, including foreign associations (art. 416-bis Criminal Code);
- Inducement to withhold statements or to give false statements to the legal authorities (art. 377-bis Italian Criminal Code);
- Aiding and abetting an offender (art. 378 Italian Criminal Code);
- Criminal conspiracy to smuggle foreign processed tobacco (art. 291-*quater* Presidential Decree 43/73);
- Conspiracy related to the illegal trafficking of narcotics or psychotropic substances (art. 74 Presidential Decree 309/1990);
- Provisions against unlawful immigration (art. 12 Legislative Decree no. 286/98).

<sup>14</sup> Law 14.07.2023 n. 93 (containing «Provisions for the prevention and repression of the illicit diffusion of contents protected by copyright through electronic communications networks» and which entered into force on 08.08.2023) also intervened on art. 171 ter of Law no. 633/1941, thus determining the extension of the liability of legal persons also for the cases of those who illegally «carry out the fixation on digital, audio, video or audiovideo support, in whole or in part, of a cinematographic, audiovisual or editorial work or carries out the reproduction, execution or communication to the public of the illegally performed fixation».

<sup>15</sup> This article was added from art. 4 L. no. 116 of 3 August 2009, as article 25-*novies*, not taking into account the addition of article 25-*novies* from art. 15(7), letter c) of L. no. 99 of 23 July 1999. As such it has been renumbered article 25 decies.

<sup>16</sup> Law no. 146 of 16 March 2006, which extends the liability of entities to so-called transnational offences.

**ENVIRONMENTAL OFFENCES (ART. 25-UNDECIES)<sup>17</sup>:**

- The killing, destruction, removal or possession of protected plant or animal species (art. 727-*bis*, Italian Criminal Code);
- The destruction or damaging of protected habitats (art. 733-*bis*, Italian Criminal Code);
- Discharge of industrial waste water containing hazardous substances (various cases as provided for under article 137, Leg. Dec. no. 152/2006);
- Handling of unauthorised waste (various cases as provided for under article 256, Leg. Dec. no. 152/2006);
- Pollution of the soil, subsoil, surface or groundwater and exceeding of the threshold risk concentrations (art. 257 Leg. Dec. no. 152/2006);
- Violation of obligations of disclosure, keeping of mandatory records and registers on waste traceability (art. 258 Leg. Dec. no. 152/2006);
- Illegal trafficking of waste (art. 259 Leg. Dec. no. 152/2006);
- Organised activities for the illegal trafficking of waste (art. 452-*quaterdecies* Italian Criminal Code).<sup>18</sup>;
- False indications on the nature, composition and chemical-physical characteristics of the waste when preparing a waste analysis certificate; inclusion of a false waste analysis certificate in SISTRI; omission or fraudulent alteration of the paper copy of the SISTRI form - waste transport handling area (art. 260 bis, Legislative Decree no. 152/2006);
- Atmospheric emissions exceeding limit values or in breach of regulations (art. 279, Leg. Dec. no. 152/2006);
- The holding, importing/exporting or re-exporting without authorisation or with false authorisation of endangered plant or animal species (Law no. 150/1992);
- Production, consumption, import, export, holding and sale of substances harmful to the ozone layer and the environment (Law no. 549/1993);
- Ship-source pollution (Leg. Dec. no. 202/2007);
- Environmental pollution (art. 452-*bis* Italian Criminal Code)<sup>19</sup>;
- Environmental disaster (art. 452-*quater* Italian Criminal Code);
- Negligent offences against the environment (art. 452-*quinquies* Italian Criminal Code);
- Transportation and dumping of highly radioactive material (art. 452-*sexies* Italian Criminal Code);
- Aggravating circumstances (art. 452-*octies* Italian Criminal Code).

**EMPLOYMENT OF THIRD-COUNTRY NATIONALS WITH IRREGULAR PERMIT OF STAY: (ART. 25-DUODECIES)<sup>20</sup>:**

- Employment of third-country nationals with irregular permit of stay (art. 22, paragraph 12-bis, Leg. Dec. no. 286 of 25 July 1998).
- Assisting unlawful immigration (art. 12, paragraphs 3, 3-bis, 3-ter, 5, Leg. Dec. no. 286 of 25 July 1998).

**RACISM AND XENOPHOBIA (ART. 25-TERDECIES)<sup>21</sup>:**

<sup>17</sup> Article added from Leg. Dec. no. 121, of 7 July 2011, under the name of: "Implementation of directive 2008/99/EC on the protection of the environment, and of directive 2009/123/EC, which amends directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements". Published in OJ no. 177, of 1 August 2011, in effect since 16.08.2011 and last amended under Law no. 68/2015.

<sup>18</sup> Following the repeal of art. 260 Leg. Dec. no. 152/2006, in accordance with that laid down in art. 8(1) Leg. Dec. no. 21 of 1 March 2018, since 6 April 2018 references to the provisions of this article, wherever present, are understood as referring to art. 452-*quaterdecies* of the Italian Criminal Code.

<sup>19</sup> Heading VI-bis, including art. 452-*bis* to 452-*terdecies*, was added from art. 1(1), Law 22 May 2015, no. 68, in effect from 29 May 2015, pursuant to that provided for under art. 3(1) of the same Law no. 68/2015.

<sup>20</sup> Article added from Leg. Dec. no. 109/2012, published in OJ no. 172 of 25 July 2012 and entered into force on 9 August 2012.

<sup>21</sup> Article added from art. 5(2), L. no. 167 of 20 November 2017, published in OJ no. 277 of 27 November 2017 and in force since 12 December 2017; following the repeal of art. 3 Leg. Dec. no. 654/1975, in accordance with that laid down in art. 8(1) Leg. Dec. no. 21 of 1 March 2018, since 6 April 2018 references to the provisions of the aforesaid article, wherever present, are understood as referring to art. 604-bis of the Italian Criminal Code.

- Propaganda and incitement for reasons of racial, ethnic and religious discrimination (art. 604 *bis* Italian Criminal Code).

**FRAUD IN SPORTS COMPETITIONS, ILLEGAL GAMBLING OR BETTING CARRIED OUT USING BANNED EQUIPMENT (ART. 25-QUATERDECIES)<sup>22</sup>:**

- Fraud offences in sports competitions, illegal gambling or betting carried out using banned equipment (offences under articles 1 and 4 of law 13 December 1989, no. 401).

**TAX OFFENCES (ART. 25-QUINQUESDECIES)<sup>23</sup>:**

- Fraudulent declaration through the use of invoices or other documents for non-existent operations (art. 2, paragraph 1 and paragraph 2 bis of Legislative Decree no. 74 of 10 March 2000);
- Fraudulent declaration by other devices (art. 3 Leg. Dec. no. 74 of 10 March 2000), when the crime is committed with the aim of evading VAT as part of cross-border fraudulent systems connected to the territory of at least one other EU member state and results or may result in overall damage equal to or greater than 10 million euros;
- Failure to declare (art. 5 of Leg. Dec. no. 74 of 10 March 2000), when the crime is committed for the purpose of evading VAT in the context of cross-border fraudulent systems connected to the territory of at least one other member state of the EU and results or may result in overall damage equal to or greater than 10 million euros;
- Issue of invoices or other documents for non-existent operations (art. 8, paragraph 1 and paragraph 2 bis of Legislative Decree no. 74 of 10 March 2000);
- Concealment or destruction of accounting documents (art. 10 Leg. Dec. no. 74 of 10 March 2000); Undue compensation (art. 10 quater of Leg. Dec. no. 74 of 10 March 2000), when the crime is committed for the purpose of evading VAT in the context of cross-border fraudulent systems connected to the territory of at least one other member state of the EU and results or may result in overall damage equal to or greater than 10 million euros;

**SMUGGLING (ART. 25-SEXIEDECIES)<sup>24</sup>:**

Legislative Decree 14.07.2020 n. 75 inserted the art. into Legislative Decree 231/2001. 25 sexesiesdecies, thus establishing the Entity's liability in relation to the smuggling crimes envisaged by the Consolidated Law on customs matters referred to in the Presidential Decree. 01.23.1973, n. 43. In light of the subsequent amendments made to the aforementioned T.U. (first with Legislative Decree 16.01.2016 no. 8 and then, lastly, with the same Legislative Decree no. 75/2020), constitute a predicate crime for the purposes of Legislative Decree no. 231/2001 violations of the Consolidated Law. constituting a crime if the amount of border dues evaded is greater than 10 thousand Euros, or the aggravated cases punished (also or only) with a prison sentence, regardless of the amount of border dues evaded:

- Smuggling in the movement of goods across land borders and customs spaces (art. 282 Presidential Dec. no. 73/1943);
- Smuggling in the movement of goods across border lakes (art. 283 Presidential Dec. no. 73/1943);
- Smuggling in the movement of goods by sea (art. 284 Presidential Dec. no. 73/1943);

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<sup>22</sup> Article added from art. 5, Law 3 May 2019, no. 39 ratifying and implementing the Council of Europe Convention on the Manipulation of Sports Competitions, signed in Magglingen on 18 September 2014, published in Official Journal General Series no. 113 of 16.5.2019, in force from 17.5.2019.

<sup>23</sup> Article added from art. 39(2), Leg. Dec. no. 124 of 26 October 2019; the standard, pursuant to art. 39(3), of the same Leg. Dec. no. 124/2019 took effect on 25 December 2019 (the day after 24 December 2015, publication date in Official Journal, General Series, no. 301 of conversion law no. 157 of 19 December 2019 "Conversion into law, with amendments, of Decree-Law no. 124 of 26 October 2019, setting forth urgent provisions on fiscal matters and for unavoidable requirements").

<sup>24</sup> Article added by art. 5, paragraph 1 letter. d) of Legislative Decree 14.07.2020 n. 75.

- Smuggling in the movement of goods by air (art. 285 Presidential Dec. no. 73/1943);
- Smuggling in non-customs areas (art. 286 Presidential Dec. no. 73/1943);
- Smuggling for improper use of goods imported with customs facilities (art. 287 Presidential Dec. no. 73/1943);
- Smuggling in customs warehouses (art. 288 Presidential Dec. no. 73/1943);
- Smuggling in cabotage and in circulation (art. 289 Presidential Dec. no. 73/1943);
- Smuggling in the export of goods eligible for duty drawback (art. 290 Presidential Dec. no. 73/1943);
- Smuggling in temporary import or export (art. 291 Presidential Dec. no. 73/1943);
- Smuggling foreign tobacco products (art. 291-*bis* Presidential Dec. no. 73/1943);
- Aggravating circumstances of smuggling foreign tobacco products (art. 291-*ter* Presidential Dec. no. 73/1943);
- Criminal association for the purpose of smuggling foreign tobacco products (art. 291-*quater* Presidential Dec. no. 73/1943);
- Other cases of smuggling (art. 292 Presidential Dec. no. 73/1943);
- Aggravating circumstances of smuggling (art. 295 Presidential Dec. no. 73/1943).

**OFFENCES AGAINST CULTURAL HERITAGE (ART. 25-SEPTIEDECIES)<sup>25</sup>:**

- Theft of cultural goods (art. 518 bis Italian Criminal Code);
- Misappropriation of cultural goods (art. 518 ter Italian Criminal Code);
- Receiving of cultural goods (art. 518 quarter Italian Criminal Code);
- Falsification in private writing relating to cultural goods (art. 518 octies Italian Criminal Code);
- Offences related to cultural property disposals (art. 518 novies Italian Criminal Code);
- Illicit import of cultural goods (art. 518 decies Italian Criminal Code);
- Illicit exit or export of cultural goods (art. 518 undecies Italian Criminal Code);
- Destruction, dispersion, deterioration, disfigurement, fouling and unlawful use of cultural or landscape property (art. 518 duodecies Italian Criminal Code);
- Counterfeiting of works of art (art. 518 quaterdecies Italian Criminal Code);

**RECYCLING OF CULTURAL GOODS AND DESTRUCTION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE (ART. 25-SEPTIEDECIES)<sup>26</sup>:**

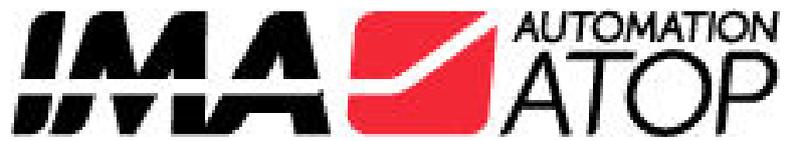
- art. 518 sexies Italian Criminal Code (Recycling of cultural goods);
- art. 518 terdecies Italian Criminal Code (Destruction and looting of cultural and landscape heritage).

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<sup>25</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.

<sup>26</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.



## **ATOP S.P.A.**

**Registered office in Barberino Tavernelle (FI),  
Strada Sant'Appiano, 8/A, loc. Barberino Val d'Elsa**

### **ORGANISATION, MANAGEMENT AND CONTROL MODEL**

pursuant to Legislative Decree 231 of 8 June 2001

on "Corporate Administrative Liability"

### **ANNEX "B"**

### **DISCIPLINARY SYSTEM**

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## **1. FOREWORD - DEFINITIONS**

This disciplinary and sanction system (“Disciplinary System”) is an integral part of ATOP’s Organisation Model. The terms written with an upper case letter in this document shall have the meaning attributed to them in the General Section of the Model (Paragraph “A”).

The Company, in compliance with the provisions of articles 6 and 7 of Decree no. 231, to ensure compliance with, effectiveness and implementation of the principles and rules of conduct set out in the Model (including the Code of Ethics), has adopted this Disciplinary System, which contains a set of rules defining the types of “sanctions” introduced in the event of a breach of the provisions of the Model and the Code of Ethics by Employees, Collaborators, Suppliers, Directors, Senior Personnel and Individuals subject to third-party direction and/or any other individual that has a professional or commercial relationship with the Company.

This Disciplinary System is designed to sanction any breach and failure to comply with rules of behaviour and conduct which may result in (or be instrumental to) the commission of Predicate Offences and/or breach and failure to comply with Company procedures, processes and policies in place in Areas at Risk of Offence. As already indicated in the definitions (see Paragraph “A” of the “General Section”), the reference to the “Code of Ethics” contained in this document is therefore limited exclusively to those rules of conduct and behaviour (specified therein) the breach of which and/or failure to comply with which may result in (or be instrumental to) the commission of a Predicate Offence.

The application of the “disciplinary sanctions” and measures specified below is not, pursuant to the Decree, conditional upon the outcome of any criminal proceedings brought against the perpetrator of the breach, insofar as the rules of conduct laid down in the Model (including the Code of Ethics) are adopted voluntarily by the Company on an entirely independent basis, regardless of whether any conducts may constitute an offence or are pursued by the courts.

In order that the Model can serve to exclude the Company’s liability pursuant to art. 6(2) of the Decree, the Disciplinary System adopted by the Company is based on principles of specificity and autonomy (it being designed to sanction any breach of the Model regardless of whether an offence is actually committed) as well as proportionality (insofar as the sanctions applicable must be commensurate with the breaches charged). Furthermore, the System involves a procedure for establishing and imposing disciplinary sanctions consistent with current laws on protection of workers, as well as compliance with the provisions contained in the National Collective Labour Agreement (CCNL). Specific details are given about the System through the Company’s information channels (i.e. noticeboard and company intranet) and through staff training.

## **2. SANCTIONS FOR EMPLOYEES AND MANAGERS**

### **2.1 GENERAL PRINCIPLES AND SANCTIONABLE BEHAVIOURS**

Compliance by the Company’s employees (including managers) with the provisions contained in the Model, in the Code of Ethics, in the company protocols and in the procedures provided for in the Model or referred to therein, constitutes a fundamental part of their contractual obligations pursuant to article 2104 of the Italian Civil Code.

Therefore, any breach of those provisions will constitute a failure by the employee to perform the obligations arising from the employment relationship and will lead to the imposition of sanctions and/or disciplinary measures, in observance of the principle of graduality and proportionality and in accordance with the procedures laid down by the applicable laws indicated below. Any such breach will entail the consequences laid down by law, including in relation to the continuation of the employment relationship and the obligation to compensate for any harm caused.

The Disciplinary System is applied in the event of breach of the internal procedures, principles and policies (including orders given by the Company both in written and oral form) specified or referred to in this Model and in the Code of Ethics, i.e. where specific sanctionable behaviours are adopted (without prejudice to any consequences, including disciplinary consequences, arising from breaches of other

obligations laid down by law and/or in the National Collective Labour Agreement). The following behaviours in particular constitute breaches of the Model:

- behaviours which constitute, directly or indirectly, offences covered by the Decree;
- behaviours which, although not constituting one of the offences covered by the Decree, are unequivocally intended at committing those offences;
- failure to comply with the Code of Ethics, general principles of behaviour, control principles and systems, preventive protocols, company procedures, internal regulations, written or verbal instructions, guidelines envisaged or quoted in the Model, including, in particular, those envisaged or quoted by Special Section A of the Model with reference to each category of offence;
- lack of evidence or untruthful evidence about activities carried out in relation to the documentation, monitoring and supervision of activities in Areas at Risk of Offence in such a manner as to impede the transparency or verifiability of those activities;
- breach and/or evasion of the control system, by removing, destroying, altering or omitting the documentation required under current procedures or by obstructing the appointed bodies and the Supervisory Committee from monitoring or accessing requested information and documentation;
- failure to comply with the provisions relating to signatory powers and the system of delegations;
- failure on the part of immediate superiors to supervise their subordinates with respect to the correct and effective application of the Code of Ethics and of Company procedures;
- failure to comply with the reporting duties towards the Supervisory Committee;
- failure to take part without justified reason in the inspections scheduled by the Supervisory Committee;
- failure to take part without justified reason in the training events scheduled with respect to the Organisation Model;
- reporting of any of the breaches described above to the Supervisory Committee, to an immediate superior or to another person who is required to report the same to the Supervisory Committee, where the person reporting the breach knows that it is false or malicious;
- failure to report to the Supervisory Committee and/or to the immediate superior about any breaches of the Model notwithstanding direct and certain proof thereof;
- failure to notify/train/update internal and external staff operating in areas potentially at risk of an offence being committed;
- as regards health and safety at work, failure on the part of workers to fulfil the obligations incumbent upon them under current legislation (including, in particular, article 20 of Leg. Dec. 81/2008) and, as far as other safety officers are concerned (i.e. Employer, Managers, Officers, RSPP and ASPP, and other roles provided for under Leg. Dec. 81/2008), failure to fulfil the obligations incumbent upon them under Leg. Dec. 81/2008.

The severity of breaches of the Model will be assessed according to the following circumstances:

- level of responsibility and autonomy of the perpetrator of the breach;
- possible existence of previous situations of breach involving that person;
- existence and intensity of any intent;
- as far as negligent conduct is concerned, existence and degree of negligence, carelessness or imprudence in the failure to observe the precautionary rule;

- foreseeability of the consequences of the conduct;
- severity of the behaviour, by which is meant the level of risk and the consequences to which the Company may reasonably consider that it is exposed, in accordance with the Model, as a result of the censured conduct;
- the time, manner and other circumstances in which the breach took place.

## **2.2 SANCTIONS ON EMPLOYEES (NON-DIRECTORS)**

The disciplinary measures that can be taken against employees (non-managers), in accordance with the procedures set out in art. 7 of the Workers' Statute and with any special laws applicable, are the sanctions laid down in the National Collective Labour Agreement, which are listed below in increasing level of severity:

- verbal warning;
- written warning;
- fine of no more than the maximum amount envisaged by the applicable CCNL;
- suspension from work without pay;
- dismissal with notice;
- dismissal without notice.

For example, the sanction of:

- **verbal warning or written warning** is, depending on the severity of the breach, imposed on a worker who commits a minor breach of the rules of conduct and/or internal procedures specified or referred to in this Model or in the Code of Ethics or who fails to carry out orders given by the Company or who, in Areas at Risk of Offence, adopts behaviours that do not conform to the Model, the Code of Ethics or the rules of conduct and/or procedures referred to therein, where the breaches are not serious in nature;
- **fine** is, within the limits laid down in the National Collective Labour Agreement, imposed on a worker who commits the breaches described in the previous paragraph several times (but no more than three);
- **suspension from work without pay** is imposed on a worker who, in breaching the rules of conduct and/or internal procedures specified or referred to in this Model or in the Code of Ethics, causes non-serious harm to the Company or exposes it to the risk of non-serious harm;
- **disciplinary dismissal with notice** is, in accordance with current laws, imposed on a worker who commits the breaches referred to in point 1 more than three times or who, in Areas at Risk of Offence, adopts behaviours that do not conform to the Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein and which are clearly intended at committing one or more offences covered by the Decree or commits other breaches of this Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein, where such breaches are so serious that it is not possible to continue the employment relationship, provided that the conditions laid down in paragraph 5 below are not fulfilled;
- **disciplinary dismissal with just cause, without notice**, is imposed on a worker who, in Areas at Risk of Offence, adopts behaviours manifestly in breach of this Model or the Code of Ethics or the rules of conduct and/or procedures referred to therein, where such breaches may result in the sanctions covered by the Decree being imposed on the Company or result in other serious harm or risk of serious harm being caused to the Company, or where the worker commits other acts or breaches such that it is not possible to continue the employment relationship, even on a temporary basis.

These sanctions are imposed on employees not only in the case of actual breach of the rules of conduct and/or procedures referred to in this Model and in the case of conducts that do not conform to the

Model and the Code of Ethics but also in the case of attempted offences, i.e. behaviours or omissions clearly intended at disregarding the behavioural rules laid down in this Model.

As regards health and safety of workers, since employees are also obliged to comply with the main obligations laid down in art. 20 of Decree no. 81/2008, if those obligations are breached, the aforementioned sanctions will be applied on a graduated basis according to the risk of application of the measures specified in the Decree that their conduct has brought about.

The actual sanction to be applied will be determined according to point 2.4 below.

None of the above affects the right to claim compensation for the harm caused as a result of such behaviours, including harm caused as a result of a judge applying the measures laid down in the Decree.

### **2.3 SANCTIONS ON DIRECTORS**

If the Company's managers breach the provisions, rules of conduct and procedures contained in the Model or in the Code of Ethics or, in Areas at Risk of Offence, adopt behaviours that do not conform to the Model or to the Code of Ethics and where such behaviours can be classified as "sanctionable", as explained in point 2.1 above, the following sanctions will be adopted in relation to those responsible:

- written warning;
- dismissal with notice;
- dismissal without notice.

For example, the director will incur the following:

- **written warning** will be imposed on a manager who commits a non-serious breach of one or more procedural or behavioural rules laid down in the Model or in the Code of Ethics, the observance of which is necessary in order to maintain the relationship of trust with the Company, taking particular account of the responsibilities entrusted to the manager;
- **dismissal with notice** will be imposed on a manager, in accordance with art. 2118 of the Civil Code and with the provisions of the applicable National Collective Labour Agreement, who commits a serious breach of one or more stipulations of the Model or the Code of Ethics (i.e. procedural or behavioural rules laid down therein) or who commits again one or more breaches described in the previous point, such as to constitute, following appropriate and necessary checks by the Company, a substantial failure which can be ascribed to the fault or neglect of the manager;
- **dismissal without notice** will be imposed on a manager, in accordance with art. 2119 of the Civil Code and with the provisions of the applicable National Collective Labour Agreement, who commits a breach of one or more stipulations of the Model or Code of Ethics (i.e. procedural or behavioural rules included therein) where that breach is so serious that it causes irreparable harm to the relationship of trust and it is not possible to continue the employment relationship, even on a temporary basis.

The actual sanction to be applied will be determined according to point 2.4 below.

In each case, for workers with manager status, the following constitute a serious breach of the stipulations of the Model:

- failure to fulfil the duty to manage or supervise their subordinate workers with respect to the correct and effective application of the Model;
- failure to fulfil the duty to supervise other recipients of the Model who, while not being connected to the Company by a subordinate employment relationship, are nonetheless subject to the stipulations of the Model (e.g. Collaborators, Suppliers, Consultants, etc.).

Without prejudice to the foregoing, the Company henceforth reserves the right to take action against any manager who has been subject to the measures indicated above in order to remedy the harm suffered and/or recover any damages that the Company is ordered to pay to third parties.

## **2.4 ASCERTAINING VIOLATIONS AND IMPOSITION OF SANCTIONS**

Specific company departments will be responsible for ascertaining violations, including those reported by the Supervisory Committee, for managing disciplinary proceedings and for imposing sanctions.

The Supervisory Committee must in all cases be involved in the procedure for ascertaining violations and in the subsequent imposition of sanctions where there is a breach of the Model (or of the Code of Ethics which forms an integral part thereof). A disciplinary measure cannot therefore be dropped or a sanction imposed for a breach of the Model (or of the Code of Ethics which forms an integral part thereof) without having previously informed the Supervisory Committee and sought its opinion, even if the proposal to commence the proceedings comes from the Committee itself.

None of the foregoing affects the provisions set out in art. 7 of Law no. 300/1970 and in the applicable National Collective Labour Agreement regarding sanction procedures, which are deemed to be fully incorporated herein by reference. Disciplinary sanctions and any claim for compensation will be commensurate with the employee's and/or the manager's level of responsibility and autonomy and will take into account the existence of any previous breaches committed by that person, the intentionality of his/her behaviour and the severity of the same, by which is meant the level of risk to which the Company may reasonably consider that it is exposed, in accordance with the Model, as a result of the censured conduct. Furthermore, in assessing the severity of the conduct, account will be taken of the degree of negligence, malpractice or rashness, the severity of any harm caused to the Company, as well as the harmful consequences that the conduct has caused to the Company and/or to individuals from the point of view of the laws on health and safety at work and the existence of mitigating or aggravating circumstances.

The sanctions that can be imposed under this Disciplinary System conform to the specifications of the national collective labour agreements applicable to the sector and, specifically, the applicable CCNL, in accordance, from a procedural point of view, with the provisions of art. 7 of Law no. 300 of 30 May 1970 (Workers' Statute) regarding the notification of the offence and the imposition of the respective sanction, which provisions are deemed to be fully incorporated herein by reference. In particular:

- no disciplinary measures will be adopted without the worker having previously been notified of the offence of which he/she is accused and having had the opportunity to put forward his/her defence;
- disciplinary measures more serious than a verbal warning will not be applied until five days have elapsed from the written notification of the offence giving rise to those measures, during which the worker may put forward his/her explanations and may possibly be assisted by a union representative;
- if the disciplinary measure is not adopted within six days of the submission of those explanations, the latter will be deemed to have been accepted;
- the imposition of any disciplinary measure more serious than a verbal warning will be notified in writing and reasons will be given;
- for the purposes of determining any repeat offending, no account will be taken of disciplinary measures once two years have elapsed from the imposition of those measures.

## **3. MEASURES AGAINST DIRECTORS**

If one or more members of the Board of Directors breaches the provisions laid down in the Model and/or Code of Ethics (which is an integral part of it), the other directors and/or the Board of Auditors and/or the Supervisory Committee shall inform, without delay and in writing, the Board of Directors, Board of Auditors and Supervisory Committee via a communication to the chairs of said bodies (or to one of their members if the report directly concerns the body(s)).

Once the reported breach has been examined, the Board of Directors or Board of Auditors will, after checking that the allegations are well-founded (which may involve interviewing the director concerned and consulting with the Supervisory Committee), take appropriate measures from those listed below according to the actual severity of the breach and may, where applicable, call a Shareholders' Meeting.

If one or more Directors who have allegedly committed an offence giving rise to the Company's administrative liability are committed for trial, the Chairman of the Board of Directors or the Chairman of the Board of Statutory Auditors must call a Shareholders' Meeting in order to discuss their possible removal from office or any different options, all of which must be appropriately justified. The same procedure will also apply for any subsequent procedural stages.

The following disciplinary measures may be taken against directors:

- **formal written warning** with an order to comply with the provisions of the Model, which may be given in the event of a minor infringement of the principles and rules of behaviour contained in this Model, in the Code of Ethics or in company procedures;
- in more serious cases of breaches involving a failure to comply with the stipulations and/or procedures and/or internal rules contained in this Model (including the Code of Ethics), even where the same may only potentially constitute an offence and/or an administrative offence and/or a conduct knowingly conflicting with the above stipulations, the following measures may be applied taking into account the intentionality and severity of the behaviour (which may also be assessed according to the level of risk to which the Company is exposed) and the specific circumstances in which that behaviour materialised: i) **total or partial revocation of delegations** that may have been granted, and (ii) **dismissal** with immediate effect.

The resolutions adopted by the Board of Directors, by the Board of Statutory Auditors and/or by the Shareholders' Meeting will be notified in writing to the individual concerned and to the Supervisory Committee.

The procedure described above does not affect the rights and duties attributed to the corporate bodies by law or by the Bylaws.

In all cases where a breach of the Model (and/or of the Code of Ethics) is found to have been committed by a director who is also connected to the Company by a subordinate employment relationship, regardless of whether the breach concerns his/her duties as director or as employee, the procedure described in relation to Managers in point 2 above will be followed. If the individual concerned is dismissed as a result of that procedure, the Board of Directors will immediately call a Shareholders' Meeting in order to discuss the necessary measures, including removal of the Director in question.

None of the above affects the Company's right to compensation for the harm suffered.

#### **4. MEASURES AGAINST AUDITORS**

In the event one or more members of the Board of Statutory Auditors breaches the provisions of the Model or Code of Ethics, the Board of Directors and/or the Supervisory Committee shall, without delay and in writing, inform the entire Board of Statutory Auditors and all appropriate measures permitted by current legislation shall be taken, including removal of the individual(s) concerned from office.

In cases considered to be more serious, the Board of Directors, having informed the Board of Statutory Auditors, will call a Shareholders' Meeting to discuss the appropriate measures.

If one or more Statutory Auditors who have allegedly committed an offence giving rise to the Company's administrative liability are committed for trial, the Chairman of the Board of Directors or the Chairman of the Board of Statutory Auditors must call a Shareholders' Meeting in order to discuss their possible removal from office or any other options, all of which must be appropriately justified. The same procedure will also apply for any subsequent procedural stages.

In all cases the Company's right to bring actions for liability and compensation will be unaffected.

## 5. MEASURES AGAINST COLLABORATORS AND COMMERCIAL PARTNERS

If Collaborators, Suppliers or Partners breach the provisions laid down in the Model or Code of Ethics, the Board of Directors (or the Managing Director or otherwise the Company representative responsible for managing contractual relationships) will, having consulted with the Supervisory Committee where necessary, decide whether to terminate the contractual relationship in force and will impose any sanction laid down in the contract pursuant to the specific clauses contained therein. These clauses may, in particular, specify that the Company has the right to terminate the contract and/or impose penalties as well as the right to claim compensation for the harm suffered.

The contract with Collaborators, Suppliers and Partners must be terminated immediately by the Company if the former are responsible for the breach of the stipulations and/or procedures and/or internal rules specified or referred to in this Model (including the Code of Ethics), even where the same may only potentially constitute an offence and/or administrative offence and/or a conduct knowingly conflicting with the above stipulations, if so provided in said contract.

As regards workers connected to the company by employment relationships other than subordinate work (collaborators and, in general, external individuals), the applicable measures and disciplinary procedures will take place in compliance with the law and in accordance with the contractual terms and conditions.

## 6. DISCIPLINARY SYSTEM AND WRONGDOING PURSUANT TO LEGISLATIVE DECREE 24/2023 (“WB DECREE”)

The Disciplinary System – pursuant to art. 21 “*Sanctions*”, paragraph 2, of the WB Decree – also applies to those who<sup>1</sup>, in reference to the reports described under L) “*Reporting of wrongdoing pursuant to legislative decree no. 24 of 10 March 2023 on ‘Whistleblowing’*” of the General Section of the Model, engage in any of the following wrongdoing pursuant to the WB Decree (“Wrongdoing”):

- i. retaliation - to be understood as any behaviour, deed or omission, even if only attempted or threatened, carried out as a result of the whistleblowing (or report to the judicial or accounting authority or public disclosure) - which causes or may cause, directly or indirectly, unfair harm to the whistleblower, or to the person who made the report or public disclosure (“Whistleblowers”), in breach of art. 17 “*Prohibition of retaliation*” of the WB Decree, and/or to other persons specifically identified by the WB Decree in art. 3 “*Subjective scope*”<sup>2</sup> (so-called “Persons assimilated to the Whistleblower”);
- ii. actions or behaviours by which whistleblowing was obstructed or an attempt was made to obstruct it;
- iii. breach of the obligation of confidentiality of Whistleblowers;
- iv. failure to set up reporting channels, failure to adopt whistleblowing procedures compliant with the regulations, or failure to carry out verification and analysis of reports received.

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<sup>1</sup>This provision applies to anyone engaging in Wrongdoing, including employees, directors, administrators, auditors, freelancers and the Company's commercial partners.

<sup>2</sup>Pursuant to art. 3(5), the protective measures, in addition to Whistleblowers, also apply to “a) facilitators; b) persons in the same work environment as the whistleblower, the person who has made a complaint to the judicial or accounting authority or the person who has made a public disclosure, and who are linked to them by a stable emotional or kinship relationship up to the fourth degree; c) work colleagues of the whistleblower or person who made a complaint to the judicial or accounting authority or who made a public disclosure, who work in the same work environment and who have an ongoing and current working relationship with them; d) entities owned by the whistleblower or person who made a complaint to the judicial or accounting authority or who made a public disclosure, or for which said persons work, as well as entities operating in the same work environment as those persons.”

The Disciplinary System also applies if it has been established, in connection with the report made, that the Whistleblower is liable, even by a first instance decision, for the offences of defamation or slander (or in any case for the same offences committed in connection with the report), or that the Whistleblower is liable in cases of wilful misconduct or gross negligence (“Whistleblower’s liability”).

As such, in the event of Wrongdoing, or if the Whistleblower is found to be liable, the Company, after assessing the case in point, shall:

- (i) impose:
  - a. on employees the sanctions set out in point 2.2 of the Disciplinary System;
  - b. on directors the sanctions set out in point 2.3 of the Disciplinary System;
- (ii) implement - in relation to Administrators, Auditors, freelancers and commercial partners - the measures set out in points 3, 4 and 5 of the Disciplinary System.

In any case, the Company shall also sanction, in the appropriate manner in relation to the specific case, any persons and entities not expressly identified among those referred to in points (i) and (ii) above, who engage in Wrongdoing or in respect of whom the Whistleblower is found to be liable.

The following also apply, pursuant to art. 19 of the WB Decree:

- Whistleblowers may inform ANAC of any retaliation they believe they have suffered. If the retaliation took place in the workplace of a private-sector worker, ANAC informs the National Labour Inspectorate for measures within its remit;
- acts committed in breach of article 17 “*Prohibition of retaliation*” of the WB Decree are null and void. Whistleblowers who have been dismissed as a result of whistleblowing, public disclosure or reports to the judicial or accounting authority are entitled to be reinstated in their jobs, pursuant to article 18 of law no. 300 of 20 May 1970 or article 2 of legislative decree no. 23 of 4 March 2015, as a result of the specific legislation applicable to the worker. Furthermore, pursuant to art. 17(2) of the WB Decree, in the context of judicial or administrative proceedings or in extrajudicial disputes concerning the ascertainment of behaviours, deeds or omissions prohibited under said article in relation to Whistleblowers, it is presumed that the same have been committed as a result of the whistleblowing, public disclosure or report to the judicial or accounting authorities; as such, the burden of proving that such behaviours or deeds are motivated by reasons unrelated to the whistleblowing, public disclosure or report lies with the person who carried them out.

## 7. OVERSIGHT ROLE OF THE SUPERVISORY COMMITTEE

The disciplinary system described here is constantly monitored by the Supervisory Committee.

In particular, the Supervisory Committee checks that the Company has provided all workers and all recipients of the Organisation Model with adequate information about the existence of the Disciplinary System and about the consequences that may arise from breach of the principles and of the rules of conduct specified or referred to in the Model and in the Code of Ethics.

Furthermore, the Committee reports promptly to the Company’s senior bodies about any reports that it has received concerning possible breaches of the Model or of the Code of Ethics, and asks the relevant company departments responsible for managing disciplinary proceedings and for imposing sanctions for information, data and/or facts which may be helpful in terms of monitoring the correct application of the Disciplinary System.

Finally, the Supervisory Committee, although not having direct disciplinary or sanctioning powers, must be informed about any disciplinary proceedings carried out and any sanctions imposed or about decisions made by the Company to abandon disciplinary proceedings brought against staff.

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