



# Record SpA

Registered Office at Garbagnate Monastero (LC), Via Italia 46  
EAI Number – LC-148562, Tax code and VAT number 00522550136

## **ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL**

pursuant to Italian Legislative Decree 231 of 8 June 2001  
concerning the “Administrative Liability of Companies”

### General Section

*This Organisational, Management and Control Model (“Model”) of Record S.p.A. has been drafted to implement the provisions of articles 6 and 7 of It. Legislative Decree 231/2001 and it was approved by the Company Board of Directors on March 4, 2025 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 Legislative Decree in accordance with the corporate ethical policy adopted by the Company.*

*The reproduction or use of any part of this document is prohibited, except with the express authorisation of its authors.*

#### **Current version 04/03/2025**

<b>Version</b>	<b>Reason for change</b>	<b>Date</b>
1.0	First adoption of the Organisation Model	March 4, 2025

## DOCUMENT INDEX

A.	DEFINITIONS.....	3
1.	IT. LEGISLATIVE DECREE 231/2001 - "ADMINISTRATIVE LIABILITY FOR LEGAL PERSONS, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL PERSONALITY" .....	6
	GENERAL PRINCIPLES.....	6
	THE PARTIES .....	6
	THE INTEREST OR ADVANTAGE OF THE COMPANY.....	7
	THE PREDICATE OFFENCES FOR APPLICATION OF DECREE 231/2001 .....	8
	THE SANCTIONS.....	8
	THE ORGANISATIONAL MODEL - EXEMPTING EFFECTIVENESS.....	8
	MODEL REQUIREMENTS.....	9
	THE GUIDELINES .....	10
2.	THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF RECORD SPA .....	10
	MODEL CHARACTERISTICS .....	10
3.	THE CURRENT STRUCTURE OF RECORD .....	13
	CORPORATE GOVERNANCE .....	13
	RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS.....	14
4.	ACTIVITIES PREPARATORY TO THE ADOPTION OF THE ORGANISATIONAL MODEL .....	14
	MAPPING OF THE SO CALLED "AREAS EXPOSED TO THE RISK OF CRIME" AND ANALYSIS OF POTENTIAL RISKS .....	15
	RISK ASSESSMENT - EVALUATION OF THE INTERNAL CONTROL SYSTEM .....	16
5.	INFORMATION AND TRAINING OF MODEL RECIPIENTS.....	17
6.	INFORMATION TO THIRD PARTIES .....	18
7.	DISCIPLINARY AND SANCTIONING SYSTEM.....	19
8.	SUPERVISORY BODY .....	19
	APPOINTMENT AND TERM OF OFFICE .....	19
	DUTIES 19	
	COMPOSITION .....	20
	THE REQUIREMENT OF PROFESSIONALISM.....	21
	THE REQUIREMENT OF INDEPENDENCE .....	21
	EFFECTIVENESS AND CONTINUITY OF ACTION .....	21
	REPORTING LINES .....	21
	INFORMATION OBLIGATIONS TOWARDS THE SUPERVISORY BODY .....	21
	FINANCIAL AUTONOMY .....	23
	SUPERVISORY BODY BYLAWS.....	23
	THE CHOICE MADE BY RECORD S.P.A.....	23
9.	REPORTING OF WRONGDOING PURSUANT TO LEGISLATIVE DECREE NO. 24 OF 10 MARCH 2023 ON "WHISTLEBLOWING" .....	24
10.	COOPERATION BETWEEN SUPERVISORY COMMITTEE AND WB OFFICER .....	25
11.	PERIODIC CHECKS AND MODEL UPDATE.....	25

### Annexes

"A" - List of predicate offences

"B" - Disciplinary and sanctioning system

"C" – Bylaws of the Supervisory Body

**A. DEFINITIONS**

<i>Director/s</i>	Member/s of the Board of Directors of Record SpA
<i>Managing Director/s</i>	Member of the Board of Directors with specific operational powers pursuant to the resolutions of the Board of Directors of Record.
<i>Activities Exposed to the Risk of Crime or Sensitive Activities</i>	Shall mean the processes, operations or actions or set of operations and actions in the performance of which, related to the Predicate Offences, committing an offence of that type is abstractly possible, by persons carrying out their duties for the Company
<i>Areas exposed to the risk of crime</i>	Divisions, offices and or departments within which the Predicate Offences can be abstractly committed
<i>National Collective Bargaining Agreement</i>	National Collective Bargaining Agreements applied by Record
<i>Code of Ethics</i>	Shall mean the Code of Ethics adopted by the Parent Company IMA SpA the full text of which can be found on the website <a href="http://www.ima.it">www.ima.it</a> . Document containing the general ethical principles of conduct, recommendations, obligations and prohibitions by which the Parent Company and the companies belonging to the IMA Group are guided and that Record employees are obliged to know and comply with. For Organisational Model purposes, reference to the "Code of Ethics" is limited exclusively to those rules of conduct and behaviour (therein) whose violation and/or non-compliance can lead (or be instrumental) to the commission of a Predicate Offence
<i>Board of Directors</i>	The Board of Directors of Record SpA
<i>Collaborators</i>	Shall mean any individual that has a collaborative relationship even with powers but without the constraint of subordination, agency, representation and/or other professional relationships of a non-subordinate nature.
<i>Corporate Bodies</i>	<i>The Board of Directors and Board of Statutory Auditors of Record</i>
<i>Consultants</i>	Persons acting in the name and/or on behalf of Record under an agency contract or other contractual professional collaboration agreement
<i>It. Decree or Legislative Decree 231/01 or Decree 231/01</i>	It. Legislative Decree 231 of 8 June 2001, as subsequently amended and supplemented.
<i>Recipients</i>	Parties required to comply with the provisions of this Model pursuant to the Decree such as, but not limited to, Corporate Bodies, Directors, Statutory Auditors, Employees, Consultants, Agents, Collaborators and Partners. As well as those operating on the mandate of the Company and all those who, directly or indirectly, permanently or temporarily, establish, in any way, a de facto, contractual or collaborative relationship or relations, acting in the interests of the Company.
<i>Employees</i>	All persons who have a subordinate or semi-subordinate employment relationship with Record S.p.A., including executives.

<i>Body</i>	Term by which It. Legislative Decree 231/2001 indicates the legal person responsible pursuant to the Decree.
<i>Suppliers</i>	Suppliers of Record goods and services that do not fall within the definition of Partners.
<i>IMA Group</i>	Shall mean IMA Industria Macchine Automatiche SpA (Parent Company) and the companies directly and indirectly controlled by it.
<i>Record or Company</i>	Record S.p.A. with registered office in Garbagnate Monastero LC, Via Italia 46
<i>IMA SpA or Parent Company</i>	Shall mean IMA Industria Macchine Automatiche SpA, with headquarters in Ozzano dell'Emilia (BO), Via Emilia 428/442, the parent company of the IMA Group
<i>Guidelines</i>	The "Guidelines for the creation of the Organisational, management and control models pursuant to It. Legislative decree 231/2001", prepared by Confindustria, of March 2014 (approved by the Ministry of Justice on 21 July 2014).
<i>Model, Organisational Model or OMCM</i>	Organisational, Management and Control Model adopted by Record, pursuant to art. 6 and 7 of the Decree. The Model includes the General Section, the Special Sections and the Annexes.
<i>Corporate Bodies or Company Bodies</i>	The Board of Directors and the Board of Statutory Auditors of Record
<i>Supervisory Body or SB</i>	Shall mean the collegial Body in charge of supervising the functioning and compliance with the Model and its updating in Record and envisaged by art. 6 of It. Legislative Decree 231/01.
<i>Partner</i>	Contractual counterparty (including customers) with which Record has established a contractually regulated relationship, intended to cooperate with Record in the context of Activities at Risk.
<i>General Section</i>	The part of the Model containing, among other things, the description of the duties of the Model and of the Supervisory Body, as well as a description of the organisation and structure of Record.
<i>Special Section or Special Sections</i>	The sections of the Model expressly dedicated to each Offence identified as relevant for the activities of Record, describing the specific features of Offences, the Areas and Activities exposed to the Risk of Crime, the main characteristics of the control and prevention system, as well as the control and monitoring activities of the Supervisory Body.
<i>Public Administration or P.A.</i>	Shall refer to the set of bodies and public entities (State, Ministries, Regions, Provinces, Municipalities, etc.) and sometimes public law bodies, agents, contracting authorities, different types of limited liability companies (s.p.a.) etc.) and all those that somehow perform the public function in the interest of the community and therefore in the public interest

<i>Predicate Offences or Offences</i>	The types of offence to which the provisions of the Decree apply. The Organisational Model of Record includes the list of Predicate Offences envisaged by the Decree updated to the OMCM publication date.
<i>Internal Control System</i>	The set of procedures, processes and application practices adopted by Record to govern and control all company activities.
<i>Occupational Health, Safety and Management System ("OHSMS")</i>	Organisational and management model for the definition and implementation of a company policy for health and safety pursuant to Article 6, paragraph 1, letter A of It. Decree 231/01 suitable to prevent offences referred to in articles 589 and 590, paragraph 3 of the It. Criminal Code committed with violation of the accident prevention regulations on the protection of occupational health and safety.
<i>Top Management</i>	Shall mean the persons holding the independent power to make decisions in the name and on behalf of the Company, during the operation and within the limits set by respective powers. Pursuant to art. 5, paragraph 1, letter A) of It. Legislative Decree 231/2001 they are persons whose duties involve representation, administration or management of the Company or of an organisational unit with financial and functional autonomy as well as of persons who exercise, even de facto, the management and control thereof.
<i>Parties subject to the management of others</i>	Shall mean persons subjected to the management and supervision of Top Management as identified in art. 7 of It. Legislative Decree 231/2001.
<i>Consolidated Safety Act</i>	Consolidated Safety Act, pursuant to It. Legislative Decree 81 of 9 April 2008 as amended.

## INTRODUCTION

This Model, updated and adopted by the Board of Directors of Record on March 4, 2025, constitutes the descriptive document setting forth the rules, procedures and principles adopted and pursued by Record on an ongoing basis in order to provide itself with an effective, operative tool that guarantees, together with everything already in place for control and transparency purposes, maximum reduction of risks foreseen by It. Decree 231/01.

### **1. IT. LEGISLATIVE DECREE 231/2001 - "Administrative liability for legal persons, Companies and associations, including those without legal personality"**

#### **GENERAL PRINCIPLES**

It. Legislative Decree 231 of 8 June 2001, implementing art. 11 of It. Law 300 Of 29 September 2000, provides, in addition to the criminal liability of the physical person committing the "crime", the criminal responsibility of the Entity that person "belongs" to, which has benefited or in whose interest the crime was committed.

In compliance with international and community obligations, the Decree in question introduced into our system a form of direct, autonomous responsibility for collective bodies, connected to the commission of specific offences; liability defined as "administrative", but in substance configurable as a real form of criminal liability.

#### **THE PARTIES**

The parties whose criminal action the Decree associates Entity liability emerging to, must be linked to the company by a functional relationship of dependency and/or a negotiated relationship resulting from an assignment received from a member of Top Management (suppliers, consultants, collaborators, etc.).

In particular, art. 5 of It. Legislative Decree 231/2001 identifies:

- a) the parties who represent, administer, manage the organisation or an organisational unit, empowered with functional financial autonomy, so-called Top Management;
- b) parties that effectively exercise management and control of the Company;
- c) parties subject to the management or supervision of one of the persons referred to in subparagraphs a) and b).

The legislator has also attributed specific importance to "de facto" situations, that is those situations where the powers needed to act autonomously cannot be immediately deduced from the role held within the organisational structure or official documentation (powers, proxies, etc.).

Art. 6 of the Decree states that, if the crime has been committed by persons in a top management position, the Company is not liable if it proves that:

- a) the management body adopted and effectively implemented, before the fact was committed, organisational, management and control models suitable to prevent offences covered by the Decree;

- b) the task of supervising the functioning and compliance with models, ensuring that the updating thereof has been entrusted to a "body" with autonomous powers of initiative and control;
- c) people have committed the crime by fraudulently evading the organisational and management models;
- d) there has been no omission or insufficient supervision by the Body.

Article. 7 provides that the Company is liable if commission of the offence by an individual subject to the management of another person has been made possible by non-compliance with the duties of management and supervision; obligations that are deemed to have been discharged (unless otherwise proven by public prosecution) if the Company has effectively adopted the prevention model.

#### THE INTEREST OR ADVANTAGE OF THE COMPANY

In order for the company to assume liability, it is also necessary that the hypothetical unlawful conduct has been put in place by individuals identified as "in the interest or for the benefit of the Company (1), while this responsibility is expressly excluded if the offence has been committed "in the exclusive interest of its own or of third parties".

More specifically, the Court of Cassation affirmed that the Entity is not liable for the administrative offence as a result of the offence committed by the individual in his/her exclusive interest or that of third parties, not even partially attributable to the interest of the Entity, i.e. in the case in which it is not possible to configure identification between the company and its bodies.

Except for the foregoing, the Entity is not liable for what has been committed by its employee/representative if it demonstrates that it has taken the necessary measures to prevent the commission of crimes of the type implemented (adoption and effective implementation of the Model).

The law then pointed out that the responsibility foreseen for the Entity through It. Legislative Decree 231/2001 results from a "fault in the organisation" of the juridical person (ex plurimis, Criminal Cassation Division VI, 18-02-2010 - 16-07-2010, No. 27735). Failure to adopt the Model, in the presence of the objective and subjective conditions indicated above (an offence committed in the interest or advantage of the company and top management position of the offender) is sufficient to constitute the criminal liability referred to in the Ministerial Report to the Legislative Decree and to integrate the sanctioning case in point, constituted by the omission of the required due organisational and management precautions to prevent certain types of crimes. In this criminal liability concept, a new "regulatory" form of guilt is implicit due to organisational and managerial omission. As the legislator has reasonably drawn

---

<sup>1</sup> In terms of liability for the criminal offence of legal persons and of companies, the regulator term, identifying presupposition in the commission of offences "in its interest or to its advantage", does not contain an *hendiadys*, because the terms regard different legal concepts, being able to distinguish an interest "upstream" due to undue enrichment, prefigured and perhaps not realized, as a result of the offence, from an advantage objectively achieved through the commission of the offence, although not prospected *ex ante*, so that interest and advantage are in real competition (see Criminal Cassation II Division, 20.12.2005 no. 3615).

*Obviously, requirement of the interest or advantage of the Entity, as a criterion for objectively attributing entity liability, can also be integrated by indirect advantage; understood as the acquisition for the company of a privileged position on the market resulting from the offence committed by top management. Nevertheless, the very nature of the attribution of liability criterion recognised by the law requires the concrete and not abstract affirmation of the existence of such an interest or advantage, to be understood respectively as potential or effective utility, although not necessarily of assets, resulting from the commission of the presumed crime. (see Court of Milan - Court order 28.04.2008)*

from the concrete events that have taken place in the economic and entrepreneurial context over these decades, the legitimate and well-founded conviction of the need for any organisational set-up constituting an entity pursuant to article 1, paragraph 2 of It. Legislative Decree 231/01 to adopt organisational and management models to prevent the commission of certain crimes that experience has proved to be functional to structured and consistent interests (2). This "organisational guilt assumes specific relevance in the context of the so-called group of companies.

#### **THE PREDICATE OFFENCES FOR APPLICATION OF DECREE 231/2001**

The Decree expressly identifies the crimes (crimes and offences) which may give rise to Company liability if they are committed in its interest or to its advantage. Annex A provides the types of offence contemplated by the legislation (hereafter, also referred to for the sake of brevity, as "Predicate Offences"), broken down by category.

#### **THE SANCTIONS**

The penalties provided for by It. Legislative Decree 231/2001 are:

- i. pecuniary sanctions, which always result in recognition of the liability of the Entity and are applied with the quota system, in relation to the gravity of the crime and the economic and equity conditions of the Company, with the explicit purpose of "ensuring sanction effectiveness";
- ii. disqualification sanctions (disqualification from exercising the activity, suspension or withdrawal of authorisations, licences, concessions, functional to the commission of the crime, prohibition to contract with the Public Administration, exclusion from incentives, loans, contributions or subsidies and possible withdrawal of those already granted, prohibition to advertise goods or services), added to the fines and lasting not less than three months and not more than two years. Their application is contemplated solely as a consequence of committing certain Predicate Offences indicated by the Decree. They are envisaged in relation to their dissuasive effectiveness as they can profoundly affect the organisation, operation and Company business. Disqualification sanctions, where conditions are met (above all in terms of offence seriousness and relevance, as well as the possibility of their recurrence), can also be imposed as a precautionary measure during preliminary investigations for a maximum duration of one year. Substantial assumption for the imposition of precautionary sanctions is their express provision in relation to the single offence types, as well as the particular gravity of the fact, based on the (dis)value of the "administrative" tort, or on the "danger" of the Entity itself which, in the presence of a recurrence of crimes, has proved to be insensitive to pecuniary sanctions.
- iii. publication of the sentence, which can only be ordered if a disqualification sanction is applied to the Entity;
- iv. confiscation of the price or profit of the crime, or equivalent.

#### **THE ORGANISATIONAL MODEL - EXEMPTING EFFECTIVENESS**

The "exempting" effectiveness of organisational and management models is subject to their prior adoption with respect to the commission of the offence. Adopted after the criminal act has been committed, however, may result in a reduction of the sanction and avoiding imposition of interim

---

<sup>2</sup> *Court of Cassation, Division VI - 9.07.2009 no. 36083*

protective measures. If adopted after conviction, together with compensation for damages and returning the unlawful profit, they can determine the conversion of the interditory sanction that may be imposed as a pecuniary sanction. The Court of Cassation has repeatedly reiterated (see for all Cassation Sentence no. 36083/2009) that the absence of the Organisational Model prevents - in fact - any defence by the Entity in the face of disputing a predicate offence to top managers.

### MODEL REQUIREMENTS

In order for the models to be effective - and judged suitable for the purpose - they must respond concretely to the following requirements:

- identify the areas and activities at risk in which the crimes may be committed;
- provide appropriate protocols to implement the decisions of the Entity in relation to the crimes to be prevented;
- identify the management methods for financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the Supervisory Body;
- introduce a disciplinary system to punish non-compliance with the measures indicated.

For model drafting purposes and the resulting assessment of its suitability, the law (still very poor) on the point and its criteria should be considered. In particular: the Court of Cassation with sentence number 4677 of 30.01.2014 (going against the Preliminary hearing judge of Milan on 17.11.2009 and to the Court of Appeal of Milan on 21.03.2012) ruled, in summary, that "a model is suitable when the procedures supporting it are appropriate to avoid the commission of the predicate offence".

It is also important to highlight what was established by the Preliminary Investigations Magistrate of Milan (Mr. D'Arcangelo) in November 2010. *The ruling established the principle according to which "acting in accordance with the law is subtracted from the entrepreneur's discretion and the risk of non-compliance cannot be considered an acceptable risk by the directors".*

The aforementioned ruling states that *"the judge called on to decide whether an organisational model is suitable must refer to the discipline of a particular sector with reference to the time of the criminal conduct being disputed and verify which organisational precautions have been adopted by the body to prevent a given fact that was a criminal offence and how they were actually implemented with reference to the best technical knowledge available at the time "[...]" the appropriate precautionary model is, in fact, (from a methodological point of view, also from the perceptive content of article 30 of It. Legislative Decree 81 of 9.4.2008) the one forged from the best knowledge, consolidated and shared at the time in which the offence is committed, with regard to methods to neutralise or minimise the typical risk "*.

The essential Organisational Model requirements must also include, among others, elements to identify the financial resources suitable for preventing and avoiding commission of crimes.

Also in model suitability terms, the existence of a Group is of particular relevance: the updating and adaptation of the Organisational Model, in fact, cannot ignore the jurisprudential evolution in terms of administrative responsibility of the Parent Company in the hypothesis of a predicate offence committed by parties (top management and not) belonging to the subsidiaries.

## THE GUIDELINES

Article 6 of the Decree states that the Organisational, Management and Control Models can be adopted on the basis of behaviour codes drawn up by the representative associations of the bodies, communicated to the Ministry of Justice. The Company, therefore, when preparing this document, took into account the Guidelines - as defined in the "Definitions" - making weighted choices in order to better customize and adapt the principles dictated by the Legislator to its specific reality.

It should be noted, however, that indications - necessarily general and standardized - dictated by the Confindustria Guidelines have sometimes been supplemented or disregarded where deemed necessary, in order to adapt the principles to the peculiarity and concreteness of the company.

## 2. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF RECORD SPA

Record SpA formally adopted its own Organisational and Management Model on March 04, 2025.

This Organisational Model was drafted and adopted taking into account, inter alia:

- the current regulatory framework;
- the governance and organisational structure at the Model adoption date;
- current jurisprudence and doctrine;
- directives from the Parent Company IMA in relation to Organisational Models 231/01 and considerations resulting from the Model application experience over the years;
- the practices of Italian companies in relation to the management and drafting of organisational models ("best practices");
- the Guidelines, specifying however, that the indications - of a necessarily general and standardised nature - dictated by the latter were recently supplemented or disregarded where deemed necessary in order to adapt the principles to the peculiarity and concreteness of the business reality of Record;
- with specific reference to occupational health and safety the provisions contained in art.30 of the Consolidated Safety Act.

## MODEL CHARACTERISTICS

This Organisational Model is an integral part of the Record Internal Control System, which consists of a complex system of procedures and processes implemented and applied by the Company to which the Model refers for its implementation. Among these, the main ones concern:

- the general governance system;
- the delegation and power of attorney system, as well as all documents describing and assigning responsibilities and/or duties to those working in the Company in Areas at risk of crime (see the cited documents, for example: organisational charts, service orders, job descriptions, functions performed, etc.);
- the quality management system - QMS: is the Quality Management System compliant with ISO 9001 related to the "Design, production, installation and assistance of machines and automatic lines for flexible film packaging" certified by SGS Italia SpA;
- safety management system - SGSL: is the Safety Management System according to the provisions in It. Legislative Decree 81/08.

- the internal procedures and controls system whose purpose is to ensure adequate transparency, knowability and traceability of decision-making and financial processes, as well as conduct that must be held by the recipients of this Model and operating in Areas Exposed to the Risk of Crime.

It follows that the term "Model" must be understood as not only this document (General Section and Special Section), but also all the other systems and documents relating to the Company's Internal Control System currently in force and applied, as well as those to be adopted in accordance with the provisions of the Model itself in order to pursue its primary objectives.

An essential element of the system of preventive control is the adoption and implementation of ethical principles designed to prevent the Offences laid down by the Decree, stated in the Code of Ethics which, though distinct and independent from the Model, is cited by the Model by virtue of the stated aim of the IMA Group to operate both inwardly and outwardly in full compliance with the principles of lawfulness and correctness.

The Code of Ethics sets out the ethical commitments and responsibilities with which IMA, its employees and partners are invited to comply in the performance of all activities relating to IMA's business. The Code of Ethics therefore sets out rules of conduct that guarantee its implementation and properly govern the behavioural principles to be observed within company activities to ensure the proper operation, reliability and reputation of the Company and the Group, and constitute an effective tool for the prevention of wrongdoing by all those acting in the name and on behalf of the Company and/or the Group or working with the same.

With reference to the specific needs identified by the legislator in the Decree and further detailed in trade association Guidelines, the activities that the Board of Directors has decided to confirm, after the experience accrued in the first years of application, to implement the Model, are listed below:

- detailed mapping of the Activities exposed to the risk of crime, their analysis and monitoring for the best Model implementation;
- analysis of the Internal Control System in place, with reference to Activities exposed to the risk of crime, and definition of any corrective actions to ensure full compliance with Decree provisions. In this context, particular attention has been paid to:
  - o definition of ethical principles in relation to conduct that can integrate the types of offence envisaged by the Decree;
  - o definition of Company processes in which, in principle, the conditions, opportunities or means to commit offences could be configured;
  - o definition of personnel training methods;
  - o definition of information relating to the obligation to comply with the Model adopted by the Company to be provided to outsourcers and other third parties with whom the Company has negotiated relations;

- definition and application of disciplinary measures to sanction the failure to comply with those indicated in the Model and with an appropriate deterrent;
- identification of the composition of the Supervisory Body and attribution thereto of specific supervisory tasks on effective, correct Model functioning and on the updating thereof;
- definition of information flows to the Supervisory Body.

As suggested by trade association guidelines, the Organisational Model formalises and clarifies the attribution of responsibilities, the lines of hierarchical dependence and the description of the tasks, with specific provision of control principles such as, for example, the juxtaposition of divisions. In particular, the Quality Management System, manual procedures and IT protocols (managed by the SAP Information System) are implemented in order to regulate the performance of ordinary activities, providing the appropriate control points (such as, for example, authorisations for transaction phases, balancing checks and controls on the actions of third party operators and peripheral parties, etc.) and adequate levels of safety. Furthermore, where possible, in the process structure, the strengthening or, in limited cases, introduction of the separation of tasks and responsibilities between those who perform crucial activities of a process at risk ("segregation of duties") and the principles of transparency and verifiability according to which every operation, transaction, action must be verifiable, documented, coherent and congruous have been applied.

As far as ordinary treasury management is concerned, where procedural control makes use of tested tools, preventive protocols, frequent reconciliation, supervision and authorisations, segregation of duties has been adopted, where possible (for example between the purchasing function, the accounting function and treasury).

Finally, with specific reference to the authorization and signature powers, these have been assigned in accordance with the actual organizational dimensions and management responsibilities defined by the Board of Directors, with the provision, when required, of a specific indication of the approval thresholds.

The Model involves every aspect of Company activities, through the clear distinction of operational tasks from those of control, to correctly manage Activities exposed to the risk of crime and the possible conflict of interest situations. In particular, controls involve, with roles and at different levels, the Board of Directors, the Board of Statutory Auditors, the Supervisory Body, executives and all personnel, representing an essential attribute of the Company's daily activities.

As a company belonging to the IMA Group, through this Model Record adheres to the "IMA Group 231 system" which, through its principles, constitutes the point of reference for companies belonging to the IMA Group. The system can be summarized as follows:

- 1) all the directly or indirectly controlled Italian companies belonging to the IMA Group, independently and considering the characteristics of their specific activities and structure, adopt an Organisational Model;
- 2) this Model, once adopted, will be suitably implemented to be truly effective;
- 3) an appropriate SB is appointed for each company; in composition, competence and

functionality, with respect to Decree provisions;

- 4) IMA SpA, for its protection, states the minimum criteria of the Organisational Model adopted by the various subsidiaries, as well as the operating criteria of the various Supervisory Bodies;

### **3. THE CURRENT STRUCTURE OF RECORD**

Record operates in the sector of design and production of low-medium speed machinery and systems in the flexible packaging sector, i.e. “flow pack”, for the packaging of products in the food and non-food industry.

The Company is part of the IMA FLX HUB Division and operates in synergy with the other companies in the Division, carrying out its commercial activity both through the network of commercial companies of the IMA group and ILAPAK INTERNATIONAL, as well as through third-party distributors who operate through “Distributorship Agreements”.

At the date of adoption of the Model, the Company operates in the production plant in Garbagnate Milanese and has approximately 50 employees.

#### **CORPORATE GOVERNANCE**

Record SpA has a share capital of Euro 335,400,00 fully subscribed and paid. The Company is subject to IMA’s management and coordination activities pursuant to art. 2497-bis of the Civil Code.

The Company has opted for a traditional system of administration and control; a Board of Directors and a Board of Statutory Auditors have been appointed and the statutory audit has been entrusted to an auditing firm which has been entrusted with the statutory audit pursuant to Article 2409-bis of the Italian Civil Code to a company registered in the Register of Auditors kept by the MEF.

#### **Shareholders' Meeting**

The shareholders’ meeting is governed by the rules provided for in the Civil Code supplemented by the provisions of the Articles of Association.

#### **Board of Directors**

The Company is managed by a Board of Directors composed of 5 members and regulated by art. 18 of the articles of association. The Board of Directors has all the broadest powers of ordinary and extraordinary administration and disposition, including the power to appoint directors and attorneys by establishing their powers, including representation powers, attributions and remuneration as per the articles of association.

#### **Board of Statutory Auditors**

The Board of Statutory Auditors of Record SpA is made up of 3 members and 2 alternates and has the task of supervising the administration and the entire activity of the Company. In particular, the Board of Statutory Auditors has the obligation to supervise compliance with the law and the articles of association, compliance with the principles of sound administration. The Board of Statutory Auditors, therefore, plays the role of supervising the legitimacy of management, the correctness of the decision-

making process followed by the Directors, and that, ultimately, they make choices in accordance with the canons of good administration, that the transactions are justifiable in relation to the company's object, and that the Directors do not behave with negligence, carelessness or imprudence. The Board of Statutory Auditors also monitors the activities of the shareholders' meeting, verifying compliance with the formalities required for convening the meeting and the compliance of resolutions with the law and the articles of association.

#### **Statutory auditing firm**

In accordance with the possibility guaranteed by the articles of association, the statutory audit of the accounts has been entrusted to an auditing company registered in the Register of Auditors. The appointment of the auditing company is entrusted to the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The corporate governance system of Record provides for a division of functions and powers, according to the traditional corporate governance scheme, represented by the Shareholders' Meeting, Board of Directors and Board of Statutory Auditors.

#### **RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

The Internal Control System is the set of rules, procedures and organisational structures to enable, through adequate identification, measurement, management and monitoring of the main risks, sound, correct management of the company consistent with pre-set goals.

With reference to the production activity, each machine is marked by a production order that allows the complete traceability and control of all the operational phases related to the operational process. These are summarized as follows: (i) definition of the technical and commercial specifications of the offer; (ii) definition of contracts; (iii) design and implementation, (iv) testing and testing; (iv) delivery (invoicing, export documents, technical self-certifications) and financial management.

On the other hand, with regard to personnel processes, such as mainly those related to administration, treasury and cash flow management, as well as the liability cycle and human resources, the Company has set up processes for execution, authorization and control of the segregation of roles and operational responsibilities. The staff functions report hierarchically to the Chief Executive Officer and functionally to the respective management of the parent company IMA.

#### **4. ACTIVITIES PREPARATORY TO THE ADOPTION OF THE ORGANISATIONAL MODEL**

The preparation and updating of the Organisational Model were preceded by a series of preparatory activities to "map" the Areas exposed to the risk of crime and audit the Company's internal control systems, in line with the provisions of It. Decree 231/01 and Guidelines.

In this regard, it should be noted that the main phases in which a risk management system is developed to construct the Organisational Model are identified as follows by the provisions of It. Decree 231/01 and the Guidelines:

- a) **"Identification of risks"**, i.e. analysis of the company context to highlight in which area/sector of activity and according to which modalities there may be events prejudicial to the objectives indicated in It. Decree 231/01;

- b) **"design of the control system"** (so called protocols to plan the training and implementation of body decisions), i.e. assessment of the organisational and control system existing within the company and its possible adjustment, to make it suited to effectively counteracting identifying risks, i.e. to reduce the risks to an "acceptable level", having regard i) to the probability of the event occurring and ii) to the impact of the event itself.

The preliminary activities in question (i.e. the "mapping the Areas exposed to the risk of crime" and audit of the internal control systems) were carried out through a *self-assessment* activity, to examine company documentation (organisational charts, corporate powers and powers of attorney, policies, procedures, guidelines and internal regulations adopted by the Company, etc.) and interview Company personnel. The audit was also carried out by analysing additional elements relevant to the risk identification process and assessing the areas/activities most exposed to the commission of crimes, including:

- the development of the regulatory framework, the evolution of jurisprudence and doctrine;
- the corporate and organisational changes that have occurred since the date of adoption of the Model and the specific "history" of the Company, including, in particular, the presence of any criminal, administrative or even civil proceedings involving the Company with regard to risk;
- the size of the company and the group of companies to which it belongs (in relation to data such as turnover, number of employees);
- the markets and territorial areas in which the Company operates;
- the organisational structure;
- the pre-existence of company ethics;
- collaboration between the managers of the various functions;
- the identification of individuals whose illicit conduct may entail a responsibility for Record pursuant to It. Decree 231/01, including Top Management, subject to the management of others and third parties (professionals, consultants, service providers) with which the Company interacts;
- the degree of separation of functions;
- the practice of Italian companies in relation to the management and drafting of organisational models ("*best practices*");

#### **MAPPING OF THE SO CALLED "AREAS EXPOSED TO THE RISK OF CRIME" AND ANALYSIS OF POTENTIAL RISKS**

The first phase of activity consisted in identifying the functional areas of the Company in which there was the potential "risk" of committing crimes pursuant to the Decree (so called "**Areas exposed to the Risk of Crime**" or simply "**Areas of Risk**"). In this context, in each of these "areas" the specific "**Activities exposed to the Risk of Crime**" have been identified and for each of these the possible methods for carrying out the crimes have been identified.

Among the Activities exposed to the Risk of Crime both those directly at risk of committing crimes were identified, and the "instrumental" ones, meaning activities that - although not directly relevant under the Decree - could, in principle, be configured as conditions, occasions or means for the commission of crimes.

The process of identifying risks and assessing the areas most exposed to the commission of crimes was conducted with risk-based approach, i.e. taking into account the inherent or potential risk of

commission of the Crimes (i.e. the risk assumed when the Company has not yet changed the probability and impact of an event). The "inherent risk" level was measured considering both the probability of the crime being committed and the impact of that event, determined taking into account factors such as the type and extent of sanctions (pecuniary or disqualification) imposed on the Company, frequency and recurrence of the activities at risk, nature and volume of the transactions involved, the specific procedures for carrying out the activities, and the history of the entity and the peculiarities of the reference sector.

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

Once the "inherent risk" (and its relevance) had been defined in the context of Sensitive Activities, the Company's current Internal Control System was assessed in order to establish its level of "adequacy", to reduce the risk to an "acceptable level"

The conceptual threshold of risk "acceptability" in intentional crimes cannot be expressed by referring to the mere ratio between costs and benefits as taught by corporate doctrine (for which a risk can be considered acceptable when the additional controls "cost" more than the resource to be protected). And indeed, as the Guidelines point out, the economic logic, in the Crime Prevention System outlined in It. Decree 231/01, cannot be the only definition of an acceptable level of risk. The threshold of risk acceptability, rather, must be represented by the existence of a prevention system that cannot be bypassed unless that is fraudulently; stating that fraud does not necessarily require artifice and deception, but can also consist in the mere violation of requirements contained in the Model, or in a circumvention of the safety measures provided thereby. With reference to culpable crimes, and in particular to crimes committed with violation of the rules on occupational health and safety, the conceptual threshold of reliability must be defined in an even more rigorous manner. Since, also in consideration of the relevance of the assets protected, the occupational health and safety risks of workers must be completely eliminated or in any case reduced to a minimum as far as possible through adoption of the prevention measures available in relation to the knowledge acquired through technical progress.

Assessment of the Company's Internal Control System control and monitoring was based on checking existence of the following criteria and requirements (as indicated by the Guidelines):

- i) existence and formalisation of written and manual corporate procedures;
- ii) definition of roles and responsibilities in the management of business processes;
- iii) compliance with the «segregation of duties» principle;
- iv) traceability of business processes;
- v) communication and training and effective knowledge of company procedures.

Following mapping of the Risk Areas and the Activities exposed to the Risk of Crime and, in general, of the risk assessment, a report was shared by management - filed in the Company records - where evidence was given of the different phases in which the risk assessment was structured, namely:

- I. the audit, within the Risk Areas and with reference to the specific Activities exposed to the Risk of Crime, of the preventive control systems (i.e. formalized procedures, operating practices, segregation systems, financial resource management systems, etc.) possibly existing in the company and in assessing their suitability to ensure that the risks of commission of crimes are traced back to an "acceptable level" ("**as is analysis**");

- II. identification, within the existing control system, of any shortcomings or criticalities and the consequent corrective actions necessary to improve this system ("**gap analysis**").

The mapping of Areas exposed to the Risk of Crime and Sensitive Activities, and in general risk assessment, have allowed us to confirm that Record standardises its procedures (and in general its own Internal Control System) to protect Areas exposed to the Risk of Crime, to the general principles characterising an efficient internal control system indicated above (to be understood as general protocols), namely:

- "Proceduralisation" of Activities exposed to the risk of crime, in order to
  - i. ensure that the exercise of corporate activities takes place in compliance with the laws and regulations in force and with a general view to protect the integrity of corporate assets;
  - ii. define and regulate the methods and timing of the activities;
  - iii. guarantee, where necessary, "standardisation" of decision-making processes and limit business decisions based on subjective choices;
- clear and formal assignment of powers and responsibilities, with explicit indication of the operation limits and in line with the tasks assigned and the positions held within the organisational structure.
- separation of tasks, through a correct distribution of responsibilities and the provision of adequate authorisation levels, in order to avoid functional overlaps or operational allocations that concentrate critical activities on a single subject;
- adoption of tools to ensure the traceability of records, operations and transactions through adequate documentary support that certifies the characteristics and motivations of the transaction and identifies the various parties involved in the operation (authorisation, execution, registration, verification of the operation);
- implementation of information and training activities for workers on existing formalised procedures, including during amendments/supplements, in order to ensure their proper knowledge and concrete implementation
- establishment, execution and documentation of control and supervision activities on processes and Activities exposed to the risk of crime;
- existence of security mechanisms that guarantee adequate protection of information from physical or logical access to data and tools of the company information system, in particular with regard to management and accounting systems.

## 5. INFORMATION AND TRAINING OF MODEL RECIPIENTS

The Company, aware of the importance of training and information as a protocol of primary importance, works to ensure that Model Recipients are aware of both the content of the Decree and obligations deriving from the same and the Model itself.

To implement the Model, the personnel information, training and awareness-raising activities are managed by the competent corporate function in close coordination with the Supervisory Body and with the managers of the other company departments involved in applying the Model.

The information, training and awareness-raising activities concern all subjects operating in the Company, including Top Management.

Information and training activities are planned and carried out at the time of employment or at the beginning of the relationship, and at the time of changes in the employee's function, or changes to the Model or additional factual or legal circumstances cause the need to guarantee correct application of provisions set forth in the Decree.

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

- an initial communication to all personnel regarding the adoption of this document;
- subsequently, the new recruits are given information containing (in addition to material indicated by further company policies or procedures, such as privacy and information security, hygiene and safety at work) this document "Organisational, Management and Control Model pursuant to It. Legislative Decree 231/2001 "with express reference, as regards consultation of the Special Section, to consultation on the Company's intranet site, as well as the Code of Ethics, with which to ensure them knowledge considered of primary importance;
- Employees must sign a specific form to accept the contents of the documents delivered to them and read the text of It. Legislative Decree 231/2001 as published on the corporate intranet;
- specific and continuous training to be organised in classroom courses or to be provided through e-learning tools and services (with solutions that guarantee confirmation of the training).

Communication and training actions must also concern instruments such as authorisation powers, lines of hierarchical dependence, procedures, information flows and everything that contributes to transparency in daily operations.

All communication and training actions originate from the will of the Board of Directors, which calls for maximum participation and attention to the recipients of these actions.

In order to guarantee effective dissemination of the Model and the information for Personnel with reference to the contents of It. Decree 231/01 and the obligations deriving from the implementation thereof, a specific area of the company IT network dedicated to the subject must be prepared (in which in addition to the documents that make up the information set described above, the forms and tools for reporting to the Supervisory Board and any other relevant documentation are present and available).

## **6. INFORMATION TO THIRD PARTIES**

Collaborators, Suppliers, Consultants and Partners of the Company, with particular reference to subjects involved in the provision of activities, supplies or services that affect Sensitive Activities, are informed about adoption of the Model and the Company need for their behaviour to comply with the principles of conduct established therein.

These Recipients, in particular Suppliers and Consultants, are provided with specific information on the policies and procedures adopted by the Company on the basis of the Model by the corporate departments who have institutional contacts with them. They are also informed of the consequences that behaviour contrary to Model provisions or current regulations may have with regard to contractual relations.

Where possible, specific clauses governing these consequences are included in contractual text, such as express termination clauses and/or withdrawal rights in the event of conduct contrary to Model provisions.

## **7. DISCIPLINARY AND SANCTIONING SYSTEM**

Conditions needed to guarantee Model effectiveness are the definition of a system of sanctions commensurate with the violation of procedural protocols and/or of further rules of the Model. In fact, this system constitutes, pursuant to art. 6, paragraph 1, letter e) of It. Legislative Decree 231/2001, an essential requirement for the purposes of the exemption from Company responsibility. The sanctioning system must provide for penalties for each Recipient, in consideration of the different type of relationship. The system, like the Model, is aimed at Top Managers, all Employees, Collaborators and third parties working on behalf of the Company, providing adequate disciplinary sanctions in some cases and contractual/negotiating in the others.

In the light of the foregoing, Record has prepared its own "disciplinary and sanctioning system" attached hereto as annex "B".

## **8. SUPERVISORY BODY**

### **APPOINTMENT AND TERM OF OFFICE**

In order to implement the Model in concrete terms, the task of supervising the functioning and observance of the Model and of ensuring its updating must be entrusted to a body with independent powers of initiative and control. The Board of Directors of Record therefore establishes the Supervisory Body as per the SB Bylaws (Annex "C").

### **DUTIES**

The Supervisory Body has the following attributions:

- monitor the effectiveness of the Model by verifying the consistency between actual behaviour and what is envisaged by the Model and by monitoring the areas exposed to the risk of crime identified in the special sections. In order to comply with these duties, the Body can establish control activities at each operational level, providing itself with the instruments needed to promptly report Model anomalies and malfunctions, verifying the control procedures. Each operation deemed to be at specific risk must be reported to the Body by internal managers. Making it possible, at any time, to carry out checks that describe the characteristics and purposes of the operation and identify who authorised, recorded and verified the operation. The Body will have to initiate the control procedures considering the need for company operations and the fact that the primary responsibility for the management of activities is in any case delegated to the managers of the Departments and/or to top management and to the corporate bodies appointed for this purpose.

- Periodically check Model adequacy, i.e. the suitability to prevent behaviour that it intends to exclude and counteract, maintenance over time of the solidity and functionality requirements thereof, through constant monitoring of the control system, protocols and governance as a whole.
- To propose to the Board of Directors that the Model be updated if checks carried out make corrections and adjustments necessary. In particular, the Body must:
  - ascertain that the Model is kept up-to-date in line with the law, as well as changes to the internal organisation and business activity;
  - collaborate in the preparation and integration of internal regulations (codes of conduct, operating instructions, protocols, control procedures, etc.) dedicated to risk prevention;
  - promote initiatives to spread knowledge among Record's bodies and employees of the Model, providing the necessary instructions and clarifications as well as collaborating with the Human Resources functions in charge of setting up specific training seminars;
  - arrange to coordinate itself with the other company functions for better control of activities and for everything required for implementation of the Model;
  - organise extraordinary audits and/or targeted investigations with the possibility of directly accessing the relevant documentation where the Model is dysfunctional or the commission of crimes being prevented has been verified.

## COMPOSITION

The Decree states nothing regarding the composition of the Body, limiting itself to providing a synthetic definition of the same, understood as "*body of the entity endowed with autonomous powers of initiative and control*".

Pursuant to paragraph 4 bis of art. 6, Legislative Decree 231/01,<sup>3</sup> in joint-stock companies the functions of the supervisory body can also be performed by the board of statutory auditors.

The Legislator refers all decisions regarding the composition of the Supervisory Body to the individual bodies that intend to comply with the provisions of the Decree, a choice that must be appropriate to the specific company business.

The doctrine and the practice have elaborated different and heterogeneous solutions regarding the possible architecture and composition of the Supervisory Body, also in consideration of the dimensional characteristics of the institution, the related rules of Corporate Governance and the need to achieve a fair balance between costs and benefits.

In this regard, the Board of Directors has analysed the solutions considered by the trade associations and their consultants, in order to identify and compare the various strengths with the possible critical aspects of the various solutions envisaged.

---

<sup>3</sup> Paragraph added by paragraph 12 of the art. 14, lt. Law 12 November 2011, no. 183, applicable from 1 January 2012, pursuant to the provisions of paragraph 1 of article 36 of the same law 183/2011.

**THE REQUIREMENT OF PROFESSIONALISM**

Compliance with this requirement must be guaranteed by the personal experience of the individual members of the Body, who must be equipped with technical and specialist skills that ensure the timely, correct performance of the functions assigned by law to the Body.

In particular, the skills referred to can be identified as follows:

- criminal legal skills: ownership of the interpretation of the law with specific preparation in the analysis of the types of crime that can be identified in the context of company operations and in the identification of possible conduct that can be punished;
- skills in the organisation: specific preparation in the field of analysis of company organisational processes and analysis of procedures; knowledge of the general principles of compliance legislation and related controls;
- skills in analysis and control: experience in the field of internal control systems accrued in the company;
- competences regarding the control of financial flows.

**THE REQUIREMENT OF INDEPENDENCE**

If it only has one member, the requirement of the Supervisory Body's independence exists if there is no collaboration or consultancy assignments between the Body and the Company. If constituted in a collegial form, the requirement of independence is guaranteed if the Supervisory Body is composed mainly of external individuals who do not have ongoing collaboration or consultancy assignments with the Company. The internal member cannot be a director of Record and, limited to the performance of the functions of a member of the Supervisory Body, is exempt from the ordinary lines of hierarchical dependence.

**EFFECTIVENESS AND CONTINUITY OF ACTION**

This requirement is necessary to ensure that the Body is fully aware of the company's activities, operating processes in progress and changes that may occur during the course of company life. The Supervisory Body must carry out its activities according to the timetable established by the statute of the Supervisory Body and, in any case, four times a year.

**REPORTING LINES**

The Supervisory Body will be report to the Chairman of the Board of Directors. The Supervisory Body will send to the Board of Directors, unless there are specific needs, at least one annual report on the Organisational and Management Model, containing:

- their observations on Model effectiveness and efficiency, indicating the additions and/or changes deemed necessary;
- any recommendation to update the Model following the legislative changes that have occurred or in the corporate and organisational structure;
- a summary of controls made and of the corrective/preventive actions to be implemented.

The Supervisory Body may ask to be heard by the Board of Directors whenever it deems it necessary.

**INFORMATION OBLIGATIONS TOWARDS THE SUPERVISORY BODY**

Art. 6 co. 2, let. d) provides that the Model adopted include information obligations towards the Supervisory Body. These obligations, for that part of company departments exposed to the risk of crime,

will be implemented as a tool to facilitate supervisory activities and will cover the anomalies found within their own department.

In particular, to facilitate the activity of monitoring the effectiveness of the Model adopted by the Company, all Recipients are required to inform the Supervisory Committee of 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 duties, the Supervisory Body 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 Body and provide it with all data and information requested from them.

Failure to comply with the obligation to inform is considered a disciplinary offence. Therefore, Recipients who do not correctly meet the obligation to inform the Supervisory Body in the time and manner identified here may be subject to disciplinary measures, where applicable.

The Supervisory Body must be informed of the following by corporate bodies and/or by department managers:

- information about organisational changes (for example, changes to the organisation chart, revision of existing procedures or adoption of new procedures or policies, etc.);
- updates and changes to the system of delegations and powers;
- significant and/or unusual operations affecting areas at risk of commission of offences identified in the preliminary analyses carried out for the adoption of the Model;
- changes to at-risk or potentially at-risk situations;
- any communication from the auditor on aspects relating to deficiencies in the system of internal control;
- copy of the minutes of the meetings of the Board of Directors and of the Board of Statutory Auditors;
- copy of any correspondence sent to the Supervisory Body (e.g. Italian Competition Authority, Italian Data Protection Authority, etc.);
- copy of the periodic report on environmental and health and safety matters (including the minutes of meetings attended by the Employer, RSPP, Company Physician and RSL pursuant to art. 35 TUS and the review reports).

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

[organismovigilanza.record@ima.it](mailto:organismovigilanza.record@ima.it)

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

**Record SpA Supervisory Body**

Via Italia, 46, Garbagnate Monastero (LC)

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

Notwithstanding the above, reports addressed to or brought to the knowledge of the Supervisory Committee shall also be examined, provided they are sufficiently precise and detailed.

Solely the Supervisory Body has 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.

Record, as personal data controller under EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 (hereafter "GDPR") and Leg. Dec. no. 196/2003, as amended by Leg. Dec. no. 101/2108 (hereafter "Privacy Code"), shall process the personal data acquired through information flows for the purposes associated with compliance with the obligations of Decree no. 231/01 and the Organisation Model. The data may be processed both in paper and electronic form. Data subjects, as identified under art. 4 no. 1) of GDPR, may exercise the rights recognised to them pursuant to art. 15 – 22 of GDPR, by contacting the data controller by email at [privacy@ima.it](mailto:privacy@ima.it) or by registered letter to the Company's headquarters.

#### **FINANCIAL AUTONOMY**

In order to guarantee the necessary financial autonomy to the Supervisory Body, the Board of Directors approves the annual spending budget based on the simple request of the Supervisory Body.

The budget allocated must be sufficient to guarantee the control, auditing and Model updating activities, including, if necessary, acquiring consultancies. For expenses exceeding the budget established and for extraordinary expenses, the Body requests the Board of Directors, from time to time, in writing the authorisation for expenditure. The Board of Directors undertakes to confer, upon a motivated request by the Supervisory Body, the financial resources necessary to carry out its function in the best possible way.

#### **SUPERVISORY BODY BYLAWS**

The Board of Directors establishes and determines the operating principles of the Supervisory Body through a specific Bylaw (Annex "C").

The Supervisory Body may adopt an operating regulation that governs its activity, provided that this regulation does not conflict with the Model.

#### **THE CHOICE MADE BY RECORD S.P.A.**

The Board of Directors of Record, having carefully assessed the provision referred to in paragraph 12 of article 14, It. Law 183 of 12/11/2011, opted to adopt a single-subjective body composed of an external professional with previous specific experience in the sector, not coinciding with the members of the current Board of Statutory Auditors. This choice responds, among others, to the need to protect the Company thanks to the presence of separate and independent control bodies that guarantee, through specific technical skills and mutual control, the most correct, transparent pursuit of their respective objectives and responsibilities.

Lastly, the above option represents the best evaluation of the Supervisory Body's independence requirement under the crucial profile of the necessary distinction between controlling parties and controlled entities, also in view of a true, effective prevention of corporate crimes.

If the Supervisory Body deems it necessary, the Supervisory Body may be assisted in its activities by auxiliaries specialized in specific sectors.

#### **9. 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 - IMA 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 IMA, including self-employed workers and suppliers/customers) and the protections and rights afforded to whistleblowers.

As part of its WB Procedure, IMA 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. 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 IMA 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.

#### **10. COOPERATION BETWEEN SUPERVISORY COMMITTEE AND WB OFFICER**

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.

#### **11. PERIODIC CHECKS AND MODEL UPDATE**

The Decree expressly provides for the need to update the Model in order to adapt it to the specific needs of the Company and its actual operations. The adaptation and/or updating of the Model must be carried out essentially following:

- regulatory innovations;
- violations of the Model and/or findings that emerged during control of the effectiveness of the same (which can also be inferred from experiences regarding other companies);
- changes to the organisational structure of the Company, also deriving from extraordinary financial transactions or changes in the business strategy deriving from new fields of activity undertaken.

In particular, updating of the Model and, therefore, its integration and/or modification, belongs to the same management body to which the legislator has delegated the burden of adopting the Model itself. In this context, the Supervisory Body, in coordination with the department managers involved from time to time, shall perform:

- verification of procedures and protocols. To this end, it will periodically check the effectiveness and implementation of the protocols and procedures of this Model;
- verification of the level of knowledge of the Model also by analysing requests for clarifications or reports received;
- notification to the management body of the need for updating, where the above conditions are met (and in particular in the presence of substantial changes to the organisation or the company's business, to a high personnel turnover or in the event of additions or changes to the Decree) the Model and/or of the risk assessment activity aimed at revising the mapping of activities potentially at risk.

\* \* \* \* \*



## **Record SpA**

Registered Office at Garbagnate Monastero (LC), Via Italia 46

EAI Number – LC-148562, Tax code and VAT number 00522550136

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

Pursuant to Legislative Decree no. 231 of 8 June 2001

on "Corporate Administrative Liability"

### **ANNEX "A"**

### **PREDICATE OFFENCES LIST**

## INDEX

2.	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): .....	3
3.	COMPUTER CRIMES AND UNLAWFUL DATA PROCESSING (ART. 24 BIS) : .....	3
4.	ORGANISED CRIME OFFENCES (ART. 24 TER):.....	4
5.	EMBEZZLEMENT, CRIMES OF BRIBERY, UNLAWFUL INCITEMENT TO GIVE OR PROMISE BENEFITS, CORRUPTION AND ABUSE OF OFFICE (ART. 25): .....	5
6.	COUNTERFEITING MONEY, PUBLIC CREDIT PAPERS, REVENUE STAMPS AND TOOLS OR IDENTIFYING MARKS (ART. 25 BIS): .....	5
7.	CRIMES AGAINST INDUSTRY AND COMMERCE (ART. 25-BIS.1.): .....	5
8.	CORPORATE OFFENCES (ART. 25 TER):.....	6
9.	OFFENCES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY (ART. 25 QUATER): ...	6
10.	PRACTICE OF FEMALE GENITAL MUTILATION (ART. 25 QUATER -1): .....	7
11.	CRIMES AGAINST THE INDIVIDUAL PERSONALITY (ART. 25 QUINQUIES):.....	7
12.	MARKET ABUSE (ART. 25 SEXIES): .....	7
13.	MANSLAUGHTER OR SERIOUS OR CRITICAL INJURY COMMITTED IN VIOLATION OF THE RULES ON HEALTH AND SAFETY IN THE WORKPLACE (ART. 25 SEPTIES):.....	7
14.	RECEIPT, LAUNDERING AND USE OF MONEY, PROPERTY OR BENEFITS OF UNLAWFUL ORIGIN (ART. 25 OCTIES):8	
15.	OFFENCES RELATING TO PAYMENT INSTRUMENTS OTHER THAN CASH (ART. 25 OCTIES.1):.....	8
16.	COPYRIGHT INFRINGEMENT OFFENCES (ART. 25-NOVIES): .....	8
17.	INDUCEMENT TO WITHHOLD STATEMENTS OR TO GIVE FALSE STATEMENTS TO THE LEGAL AUTHORITIES (ART. 25-DECIES): .....	9
18.	TRANSNATIONAL OFFENCES:.....	9
19.	ENVIRONMENTAL OFFENCES (ART. 25-UNDECIES) : .....	9
20.	EMPLOYMENT OF THIRD-COUNTRY NATIONALS WITH IRREGULAR PERMIT OF STAY: (ART. 25-DUODECIES):10	
21.	RACISM AND XENOPHOBIA (ART. 25-TERDECIES) : .....	10
22.	FRAUD IN SPORTS COMPETITIONS, ILLEGAL GAMBLING OR BETTING CARRIED OUT USING BANNED EQUIPMENT (ART. 25-QUATERDECIES):.....	10
23.	TAX OFFENCES (ART. 25-QUINQUIESDECIES): .....	10
24.	SMUGGLING (ART. 25-SEXIEDECIES): .....	11
25.	OFFENCES AGAINST CULTURAL HERITAGE (ART. 25-SEPTIEDECIES): .....	11
26.	RECYCLING OF CULTURAL GOODS AND DESTRUCTION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE (ART. 25-SEPTIEDECIES):.....	12

### 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), with Law no. 137 of 9 October 2023 (published in the Official Journal no. 236 of 9.10.2023) with Law no. 90 of June 28, 2024 (published in Official Gazette No. 153 of July 2, 2024), Law no. 112 of August 8, 2024 (published in Official Gazette No. 155 of July 4, 2024), and, most recently, Legislative Decree no. 141 of September 26, 2024 (published in Official Gazette No. 232 of October 3, 2024).

**1. 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).

**2. 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 (art. 617-*quinquies* Italian Criminal Code);
- So-called digital extortion (art. 629 (3) Italian Criminal Code)<sup>2</sup>;
- 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);
- Detention, dissemination, and unauthorized installation of equipment, devices, or computer programs aimed at damaging or interrupting an information or telematic system (art. 635 *quater.1* Italian Criminal Code)<sup>3</sup>;

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

<sup>2</sup> Offence introduced by Law 28.06.2024 no. 90.

<sup>3</sup> Offence introduced by Law 28.06.2024 no. 90.

- Damage to computer or telematic systems of public utility (art. 635-*quinquies* Italian Criminal Code);
- 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>4</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).

### **3. ORGANISED CRIME OFFENCES (ART. 24 TER)<sup>5</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,

<sup>4</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>5</sup> Article added from Law 15 July 2009, n. 94 art. 2(29).

clandestine weapons as well as more common firearms <sup>6</sup> (art. 407(2), lett. a), number 5), Italian Criminal Code).

**4. 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).

**5. COUNTERFEITING MONEY, PUBLIC CREDIT PAPERS, REVENUE STAMPS AND TOOLS OR IDENTIFYING MARKS (ART. 25 BIS)<sup>7</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).

**6. CRIMES AGAINST INDUSTRY AND COMMERCE (ART. 25-BIS.1.)<sup>8</sup>:**

- 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);

<sup>6</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>7</sup> Article added from art. 6 Leg. Dec. no. 350 of 25 September 2001, amended in L. no. 409 of 23 November 2001.

<sup>8</sup> Article added from Law no. 99 of 23 July 2009.

- 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).

#### **7. CORPORATE OFFENCES (ART. 25 TER)<sup>9</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>10</sup>;
- False reporting or communications by the auditing company (art. 2624 (1) (2) Italian Civil Code)<sup>11</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)<sup>12</sup>.

#### **8. 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);
- 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);

<sup>9</sup> Added article from art. 3 Leg. Dec. no. 61 of 11 April 2002 as last amended with L. no. 69/2015.

<sup>10</sup> Article repealed by art. 34, paragraph 2 of Law 28.12.2005 no. 262.

<sup>11</sup> Article repealed by art. 37, paragraph 34 of Leg. Dec. 27.01.2010 no. 39.

<sup>12</sup> Offence introduced by Legislative Decree 2.03.2023 no. 19.

- 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).

#### **9. 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*).

#### **10. CRIMES AGAINST THE INDIVIDUAL PERSONALITY (ART. 25 QUINQUIES)<sup>13</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).

#### **11. 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.

#### **12. MANSLAUGHTER OR SERIOUS OR CRITICAL INJURY COMMITTED IN VIOLATION OF THE RULES ON HEALTH AND SAFETY IN THE**

<sup>13</sup> Article introduced with Law no. 228 of 11 August 2003, in force since 7 September 2003.

**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.*

**13. RECEIPT, LAUNDERING AND USE OF MONEY, PROPERTY OR BENEFITS OF UNLAWFUL ORIGIN (ART. 25 OCTIES)<sup>14</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).

**14. OFFENCES RELATING TO PAYMENT INSTRUMENTS OTHER THAN CASH (ART. 25 OCTIES.1)<sup>15</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).

**15. COPYRIGHT INFRINGEMENT OFFENCES (ART. 25-NOVIES)<sup>16</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));
- 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>17</sup>

---

<sup>14</sup> Article added by art. 63 (3) of Leg. Dec. no. 231 of 21 November 2007.

<sup>15</sup> Article added by art. 3 of Leg. Dec. no. 184 of 8 November 2021.

<sup>16</sup> Article added from Law no. 99 of 23 July 2009.

<sup>17</sup> Law 14.07.2023 no. 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 audiovisual 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».

- 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).

**16. INDUCEMENT TO WITHHOLD STATEMENTS OR TO GIVE FALSE STATEMENTS TO THE LEGAL AUTHORITIES (ART. 25-DECIES)<sup>18</sup>:**

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

**17. TRANSNATIONAL OFFENCES<sup>19</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).

**18. ENVIRONMENTAL OFFENCES (ART. 25-UNDECIES) <sup>20</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);

<sup>18</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>19</sup> Law no. 146 of 16 March 2006, which extends the liability of entities to so-called transnational offences.

<sup>20</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.

- Organised activities for the illegal trafficking of waste (art. 452-*quaterdecies* Italian Criminal Code).<sup>21</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>22</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).

**19. EMPLOYMENT OF THIRD-COUNTRY NATIONALS WITH IRREGULAR PERMIT OF STAY: (ART. 25-DUODECIES)<sup>23</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).

**20. RACISM AND XENOPHOBIA (ART. 25-TERDECIES)<sup>24</sup>:**

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

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

**22. TAX OFFENCES (ART. 25-QUINQUIESDECIES)<sup>26</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

<sup>21</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>22</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>23</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>24</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.

<sup>25</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>26</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").

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;

### **23. SMUGGLING (ART. 25-SEXIEDECIES)<sup>27</sup>:**

Legislative Decree 14.07.2020 n. 75 inserted the art. into Legislative Decree 231/2001. 25 *sexiesdecies*, 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 (as amended, first with Legislative Decree 16.01.2016 no. 8 and then, lastly, with the same Legislative Decree no. 75/2020).

Following the entry into force of Legislative Decree No. 141/2024 (containing "national provisions supplementing the Union Customs Code and revising the sanction system for excise duties and other indirect taxes on production and consumption"), the article now covers the Agency's liability in relation to offenses provided for by the national provisions supplementing the Union Customs Code, as per the legislative decree issued pursuant to Articles 11 and 20, paragraphs 2 and 3, of Law No. 111 of 9 August 2023, and the consolidated text of the legislative provisions concerning taxes on production and consumption and related criminal and administrative sanctions, as per Legislative Decree No. 504 of 26 October 1995.

- Smuggling due to omission of declaration (Article 78);
- Smuggling through false declaration (Article 79);
- Smuggling in maritime, air, and border lake goods movement (Article 80);
- Smuggling for the improper use of imported goods with total or partial reduction of duties (Article 81);
- Smuggling in the export of goods eligible for duty drawback (Article 82);
- Smuggling in temporary export and special use and processing regimes (Article 83);
- Smuggling of manufactured tobacco (Article 84);
- Aggravating circumstances of the crime of smuggling of manufactured tobacco (Article 85);
- Association for the purpose of committing an offense aimed at smuggling manufactured tobacco (Article 86);
- Aggravating circumstances of smuggling (Article 88);
- Offenses under the Unified Excise Tax Code (Legislative Decree No. 504/1995).

### **24. OFFENCES AGAINST CULTURAL HERITAGE (ART. 25-SEPTIEDECIES)<sup>28</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);

<sup>27</sup> Article added by art. 5, paragraph 1 letter. d) of Legislative Decree 14.07.2020 no. 75.

<sup>28</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.

- 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);
- 25. RECYCLING OF CULTURAL GOODS AND DESTRUCTION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE (ART. 25-SEPTIEDECIES)<sup>29</sup>:**
- art. 518 sexes Italian Criminal Code (Recycling of cultural goods);
  - art. 518 terdecies Italian Criminal Code (Destruction and looting of cultural and landscape heritage).

\* \* \* \* \*

---

<sup>29</sup> Article added by art. 3, paragraph 1 of Law 9.03.2022 n. 22.



## **Record SpA**

Registered Office at Garbagnate Monastero (LC), Via Italia 46

EAI Number – LC-148562, Tax code and VAT number 00522550136

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

pursuant to Legislative Decree 231 of 8 June 2001

on "Corporate Administrative Liability"

### **ANNEX "B"**

### **DISCIPLINARY SYSTEM**

**INDEX**

1	FOREWORD - DEFINITIONS.....	3
2	SANCTIONS FOR EMPLOYEES AND MANAGERS .....	3
2.1	GENERAL PRINCIPLES AND SANCTIONABLE BEHAVIOURS .....	3
2.2	SANCTIONS ON EMPLOYEES (NON-DIRECTORS) .....	5
2.3	SANCTIONS ON DIRECTORS.....	6
2.4	ASCERTAINING VIOLATIONS AND IMPOSITION OF SANCTIONS .....	7
3	MEASURES AGAINST DIRECTORS .....	8
4	MEASURES AGAINST AUDITORS.....	9
5	MEASURES AGAINST COLLABORATORS AND COMMERCIAL PARTNERS.....	10
6	DISCIPLINARY SYSTEM AND WRONGDOING PURSUANT TO LEGISLATIVE DECREE 24/2023 (“WB DECREE”) .....	10
7	OVERSIGHT ROLE OF THE SUPERVISORY COMMITTEE.....	11

## **1 FOREWORD - DEFINITIONS**

The disciplinary and sanction system is an integral part of RECORD SpA'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 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 and sanction system (hereafter "**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;
- failure to report detected violations to the Supervisory Committee;
- making intentional or negligent reports that prove to be unfounded;
- violations described in Article 21, paragraph 1, of Legislative Decree 24/2023 (the "Whistleblowing"):
  - to have retaliated against or obstructed (or attempted to obstruct) a report or violated the confidentiality of the report and the reporter;
  - not having established reporting channels, not having adopted procedures for making and managing reports, or having adopted them in a manner that does not comply with the regulatory requirements, and not having conducted verification and analysis of the reports received;
  - when the reporting person is found to be criminally liable, even by a first-degree judgment, for the crimes of defamation or slander or for the same crimes committed with a report to the judicial or accounting authority, or their civil liability, for the same reason, in cases of intent or gross negligence.

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 At-Risk Areas, 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 At-Risk Areas, 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 director 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 director;
- **dismissal with notice** will be imposed on a director, in accordance with art. 2118 of the Italian 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 director;
- **dismissal without notice** will be imposed on a director, in accordance with art. 2119 of the Italian 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;

<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.”

- 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.

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.

\* \* \* \* \*