# ORGANIZATIONAL, MANAGEMENT, AND CONTROL MODEL

pursuant to **Legislative Decree No. 231 of June 8, 2001**

## GENERAL SECTION

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# INTRODUCTION AND DEFINITIONS

Forall enjoys an excellent reputation in the market, interacts with numerous stakeholders (both domestic and international) and takes pride in its traditions. In particular, the Company has always believed that compliance with the law and conduct guided by the highest ethical principles are not only necessary and morally correct, but also constitute an effective way to manage its business operations. Forall has therefore decided to adopt an organizational, management, and control model in accordance with Legislative Decree 231/2001 in order to strengthen the commitment to the corporate culture that has always distinguished it, while maintaining (or, where possible, enhancing) its reputational *standing*.

This Model is intended for members of the corporate bodies, executives, and employees of the Company (**"Internal Recipients**"), as well as those who collaborate with the Company in any other capacity, even on a temporary basis, such as agents, suppliers, contractors, consultants, and business partners ("**External Recipients**"), who are required to comply with the Code of Ethics and, to the extent applicable to them, the principles set forth in this Model, as an expression of Forall's corporate culture.

Hereinafter, the terms listed below, when capitalized, shall have the following meanings:

| | |
|---|---|
| "**Risk Analysis**" | Assessment of Forall's corporate environment, conducted through (**i**) a review of documents pertaining to the Company's operations (internal procedures, system of delegations of authority and powers of attorney, etc.), aimed at gaining a deeper understanding of the Company's characteristics in terms of *governance* and *compliance*, as well as (**ii**) interviews with staff and the completion of specific checklists dedicated to the areas that Legislative Decree 231/2001 identifies as potential sources of unlawful conduct, in order to identify the Company's processes in which there is a risk - even if only potential - of committing one of the predicate offenses referred to in the Decree (Attachments 3 and 3.1). |
| "**Agents**" | Natural or legal persons who promote the conclusion of contracts on behalf of the Company. |
| "**Customers**" | Parties with whom the Company conducts commercial transactions involving the products and services it offers in exchange for consideration. |
| "**Code of Ethics**" | A set of principles adopted by Forall that promote, recommend, or prohibit certain behaviors, with the aim of strengthening corporate ethics (Attachment 1). |
| "**Collaborators**" and "**Consultants**" | Third parties who collaborate with the Company without being bound to it by an employment relationship. |
| "**Legislative Decree No. 231/2001**" or the "**Decree**" | Legislative Decree No. 231 of June 8, 2001, as subsequently amended and supplemented. |

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| "**Recipients**" | All persons who, pursuant to Article 5 of Legislative Decree 231/2001, (**i**) hold positions of representation, administration, or management within the Company or within an organizational unit of the Company with financial and operational autonomy; (**ii**) exercise, even de facto, management and control over the Company; (**iii**) are subject to the management or supervision of the persons referred to in the preceding points, including those who, although not part of the Company, operate with or have relationships with it (e.g., suppliers, agents, consultants). |
| "**Employees**" | Individuals bound to the Company by an employment relationship. |
| "**Workers**" | Individuals who perform work within the Company's organization, whether paid or unpaid and regardless of the type of contractual relationship, including those whose sole purpose is to learn a trade, craft, or profession. |
| "**Model**" | A set of rules, principles, and protocols adopted and implemented by the Company to prevent the commission of the Predicate Offenses referred to in Legislative Decree 231/01. |
| "**Supervisory Body**" or "**SB**" | The body provided for in Article 6 of Legislative Decree 231/01, which is entrusted with the task of monitoring the adequacy, compliance, and updating of the Model. |
| "**Corporate Bodies**" | The Governing Body, the Control Body, and the Statutory Auditor, where appointed. |
| "**Sensitive Processes**" and "**Areas at Risk of Offenses**" | The functions and activities of Forall in which there is a risk of committing the Predicate Offenses referred to in the Decree. |
| "**Predicate Offenses**" | The criminal offenses referred to in Legislative Decree 231/2001, the commission of which constitutes the objective prerequisite for corporate liability (Annex 2). |
| "**Risk**" | The danger that, within the scope of Sensitive Processes, one of the Predicate Offenses referred to in the Decree may be committed. |
| "**Stakeholder**" | Natural and/or legal persons who have a relationship with the Company in any capacity. |
| "**Forall**" or the "**Company**" | A company incorporated under Italian law with its registered office at Via Fabio Filzi No. 34, 36050 Quinto Vicentino (VI), Tax ID, VAT No., and Vicenza Business Registry No. 00170740245. |

# GENERAL PROVISIONS

## CHAPTER I LEGISLATIVE DECREE NO. 231 OF JUNE 8, 2001

### 1.1 The Liability of Legal Entities in the European Legal Framework

For much of its history, continental European law rejected the idea that collective entities could be criminally liable, encapsulating this concept in the Latin maxim *"societas delinquere non potest*." Roman law, for example, regarded only the natural person as the central focus of all legal considerations, never developing a comprehensive theory regarding legal persons or their potential liability. This unshakable stance was challenged only during the Early Middle Ages by Canon law, which viewed trade guilds as entities distinct from the individuals who comprised them, thereby positing the "capacity to commit a crime" on the part of these entities.

The medieval corporatist model was, however, dismantled in the second half of the 18th century by Enlightenment ideas, in which the individual once again came to play a primary role within the economic and social context: having to bear a penalty as a consequence of belonging to a group, in fact, took on the characteristics of an intolerable alienation of freedom. This approach remained unchanged over the centuries and was incorporated unchanged into the Rocco Criminal Code (1930), whose ideological framework focused on the actions of the individual. The fall of the regime and the advent of democratic institutions actually reinvigorated the historical grounds underlying the principle *"societas delinquere non* potest" (*i.e.*, the inability of legal entities to "act," the lack of "consciousness and will" as a prerequisite for attributing culpability, the impossibility of imposing the quintessential criminal sanction – imprisonment - and the imperviousness of entities to the preventive function of punishment), which were even enshrined in the Constitution, where the principle of the "personal nature" of criminal liability and the necessary "reeducative" function of punishment are established (Art. 27, paras. 1 and 3).

Nevertheless, the gradual emergence of a broad spectrum of corporate crime made it clear that legal entities could not remain outside the "criminal problem," prompting numerous countries (France, the United Kingdom, the Netherlands, Denmark, Portugal, Ireland, Sweden, and Finland) to introduce into their legal systems, in the early 1960s, specific forms of liability for legal entities arising from the commission of crimes, thereby abandoning the ancient principle *"societas delinquere non* potest" in favor of the new maxim *"societas delinquere potest*."

### 1.2 The Liability of Legal Entities in the Italian Legal Framework

The firm opposition to any form of criminal liability for legal entities thus gradually lost its hold in the European legal framework around the middle of the 20th century. As for Italy, however, the legal situation changed only after July 4, 2001, with the entry into force of Legislative Decree No. 231 of June 8, 2001, establishing the new *"Regulations on the Administrative Liability of Legal Entities, Companies, and Associations, Including Those Without Legal Personality*."

Subject to continuous amendments and additions, the Decree represents the culmination (and ongoing revision) of the cultural process described in the previous paragraph and aims to bring national legislation on the liability of legal entities into line with certain international conventions to which Italy has long been a party (such as the

Brussels Convention of July 26, 1995, on the protection of the European Community's financial interests; the Brussels Convention of May 26, 1997, on combating corruption of public officials of the European Communities and Member States; and the OECD Convention of December 17, 1997, on combating bribery of foreign public officials in international business transactions).

The Ministerial Report accompanying the Decree (hereinafter, the "**Report**") emphasizes that a legal entity must now be considered *"an autonomous center of interests and legal relationships, a point of reference for various types of legal provisions, and the source of decisions and activities of those acting in the name, on behalf of, or otherwise in the interest of the entity." And there is no reason why "the equivalence between entities and natural persons should not extend to the area of criminally relevant conduct"* (Point 1, Report). On the basis of this observation, the legislature has therefore introduced for the first time into our legal system a regime of liability for entities, characterizing it as "administrative liability." The Report has, however, clarified that this liability (which is contingent upon the commission of a crime and whose determination is entrusted to the criminal court) differs in several respects from the paradigm of the traditional administrative offense, *"with the consequence of giving rise to a* tertium genus *that combines the essential features of the criminal and administrative systems, in an attempt to balance the need for preventive effectiveness with the even more inescapable need for maximum* due process" (Point 1.1, Report). It is therefore a form of "administrative liability dependent on a criminal offense," within which the unlawful act, although committed by a natural person, is nonetheless an act *"attributable"* to the legal entity as well, by virtue of the organic identification that exists between the entity and the actual perpetrator of the offense, since the latter acted within the scope of his or her corporate authority and in the interest of the entity.

## 1.3 Entities Subject to the Decree

Pursuant to Article 1 of the Decree, the provisions contained therein apply exclusively to *"entities with legal personality and to companies and associations, including those without legal* personality" (Paragraph 1). Behind its apparent clarity, this wording conceals no small number of interpretive pitfalls. Case law has therefore stepped in to better clarify the scope of application of the Decree, identifying as target entities (i) companies, whether or not they have legal personality (partnerships and corporations, publicly owned joint-stock companies, foreign companies operating in Italy, regardless of whether they have a secondary office or a place of business in Italy), cooperative societies, mutual insurance companies, securities brokerage firms, open-end investment companies (SICAVs), and mutual fund management companies; (ii) recognized and unrecognized associations; (iii) foundations and non-profit organizations (ONLUS); (iv) temporary associations of enterprises (ATI); (v) professional firms; (vi) private entities providing public services; (vii) public economic entities, etc.

The provisions of the Decree do not apply, however, to *"the State, local public entities, other non-economic public entities, and entities performing functions of constitutional significance*" (Paragraph 3), for the reasons set forth below:

A. The State and local public entities: this category also includes Regions, Provinces, Municipalities, Metropolitan Cities, and Mountain Communities; their exclusion creates a justifiable exemption given the sensitive consequences that the impact of the Decree's disqualification sanctions would have on these entities.
B. Non-economic public entities: *"The delegating legislature aimed to combat unlawful conduct in the conduct of activities of a purely economic nature - that is, those driven by profit motives - with the result of excluding all entities that pursue and serve public interests regardless of profit* motives" (Point 2, Report).

C. Entities performing functions of constitutional significance: These include labor unions and political parties, which are excluded from the Decree's scope of application because the sanctions provided for therein could be exploited to suppress political or labor dissent.

## 1.4 Prerequisites for the Liability of Entities

Until Legislative Decree No. 231/2001 came into effect, the principle of the "individual nature" of criminal liability (set forth in Article 27 of the Constitution) shielded legal entities from any sanctions other than compensation for damages (if and to the extent that such damages existed). The Decree, however, introduced for the first time into our legal system a form of liability for legal entities based on the paradigm (**A**) of **"organic identification**": (i) certain individuals, who hold senior or subordinate positions within the entity and who act as corporate bodies rather than as separate entities from it (*Subjective Prerequisite*), (ii) commit one of the offenses identified in Articles 24 et seq. of the Decree (*Objective Prerequisite*), (iii) in the interest or for the benefit of the entity (*Psychological Prerequisite*); and (**B**) **"negligence due to lack of organization**": (iv) the entity has not adequately organized itself to prevent the commission, in its interest or to its advantage, of a predicate offense by persons attributable to it.

### 1.4.1 Subjective Element: Senior Management and Subordinates

The first prerequisite for the liability of entities is therefore the functional relationship that must exist between the natural person who commits the Predicate Offense and the entity. Specifically, Article 5 of the Decree identifies two categories of possible perpetrators of the Predicate Offense:

**Senior Management**: *"persons who hold positions of representation, administration, or management of the entity or of one of its organizational units endowed with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of* the entity" (Paragraph 1, subparagraph a). The diversity of entities (in terms of size and the markets in which they operate) and the numerous relevant organizational structures led the legislature to opt for a flexible definition of "Senior Management," avoiding an exhaustive list. From this perspective, the wording set forth in Article 5, subparagraph (a) of the Decree encompasses only those individuals who exercise pervasive control over the entity through (i) the formal exercise of representative functions (a concept linked to the expression of the entity's will to the outside world), administration (a concept linked to the power to manage and control the entity's material resources), or management (a concept linked to the power to manage and control the entity's personnel); or (ii) the de facto cumulative exercise of management and control functions. Senior Management of the entity also include those who hold such functions in an *"organizational unit with financial and functional autonomy*," such as plant managers.

**Subordinates**: *"persons subject to the direction or supervision of one of the Senior Management*" (Paragraph 1, subparagraph b). The group of subordinates primarily consists of employees holding various positions within the company's organizational chart. However, formal inclusion in the organization's structure is not an indispensable condition for classification within this category. In fact, even an "external party" who maintains working or professional relationships - even on an occasional basis - with the entity could be classified as a Subordinate and, consequently, through any unlawful conduct on their part, could give rise to the Company's liability under the Decree. In fact,

this category could include agents, sales representatives, commercial intermediaries, business partners, consultants, and collaborators who act on behalf of the entity within the scope of their professional mandate.

Classifying the perpetrator of the offense into the first or second category is an extremely important step, as it has fundamental procedural implications, given that the Decree establishes different rules of evidence depending on whether the Predicate Offense was committed by Senior Management or Subordinates. Specifically, in addressing the scenario where the offense is committed by a Senior Manager, Article 6, paragraph 1, of the Decree (given that such a natural person expresses and represents the entity's management policy) completely reverses the burden of proof, requiring the entity to demonstrate that it has taken all necessary measures to prevent the commission of offenses of the type in question. If, on the other hand, the offense was committed by a Subordinate, the burden of proof reverts to the prosecution, which must demonstrate that the commission of the offense was made possible by a failure to comply with management or supervisory obligations. And the central role of the organizational model in the "231" evidentiary system comes sharply into focus where the delegated legislator specifies that *"in any case, failure to comply with management or supervisory obligations is excluded if the entity, prior to the commission of the offense, has adopted and effectively implemented an organizational, management, and control model suitable for preventing offenses of the type that occurred*."

### 1.4.2 Objective Prerequisite: Predicate Offenses

The criminal liability of entities under the system established by the Decree is not linked to the commission of any criminal offense, but is limited to the so-called "Predicate Offenses," that is, the specific list of criminal acts set forth in Articles 24 et seq. of the Decree. This list - which originally covered only offenses against the Public Administration, as set forth in Articles 24 (now titled *"Unlawful receipt of funds, fraud to the detriment of the State, a public entity, or the European Union, or for the purpose of obtaining public funds, computer fraud to the detriment of the State or a public entity, and fraud in public procurement"*) and Article 25 (now titled *"Embezzlement, extortion, undue inducement to give or promise a benefit, corruption, and abuse of office* - has been progressively expanded by numerous legislative amendments following the Decree's entry into force, as illustrated in the table below.

| Article Introduced | Legal Reference | Types of Offenses Covered |
|---|---|---|
| ***24-bis*** | Introduced by Law No. 48 of March 18, 2008 | **Cybercrimes and Unlawful Processing of Data** |
| ***24-ter*** | Introduced by Law No. 94 of July 15, 2009 | **Organized Crime Offenses** |
| ***25-bis*** | Introduced by Decree-Law No. 350/2001 | **Currency Counterfeiting Offenses** |
| ***25-bis.*1** | Introduced by Law No. 99 of July 23, 2009 | **Offenses against industry and commerce** |
| ***25-ter*** | Introduced by Legislative Decree No. 61 of April 11, 2002 | **Corporate Offenses** |

| | | |
|---|---|---|
| ***25-quater*** | Introduced by Law No. 7 of January 14, 2003 | **Offenses Committed for the Purpose of Terrorism** |
| ***25-quater*, paragraph 1** | Introduced by Law No. 7 of January 9, 2006. | **Practices of female genital mutilation** |
| ***25-quinquies*** | Introduced by Law No. 228 of August 11, 2003 | **Crimes against the individual** |
| ***25-sexies*** | Introduced by Law No. 62 of April 18, 2005 | **Market Abuse Offenses** |
| ***25-septies*** | Introduced by Law No. 123 of August 3, 2007 | **Offenses of negligent homicide and serious or very serious negligent injury committed in violation of occupational health and safety regulations** |
| ***25-octies*** | Introduced by Legislative Decree No. 231 of November 21, 2007 | **Offenses of receiving stolen goods, money laundering, and the use of money, property, or benefits of illicit origin, as well as self-laundering** |
| **25-octies.1** | Introduced by Legislative Decree No. 184/2021 | **Offenses relating to non-cash payment instruments** |
| **25-octies.2** | Introduced by Legislative Decree No. 211 of December 30, 2025 | **Offenses relating to violations of EU restrictive measures** |
| ***25-novies*** | Introduced by Law No. 99 of July 23, 2009 | **Crimes relating to copyright infringement** |
| ***25-decies*** | Introduced by Legislative Decree No. 116 of August 3, 2009 | **The offense of inducing a person not to make statements or to make false statements to judicial authorities** |
| ***25-undecies*** | Introduced by Legislative Decree No. 121 of July 7, 2011 | **Environmental offenses** |
| ***25-duodecies*** | Introduced by Legislative Decree No. 109 of July 16, 2012 | **Offense of employing third-country nationals whose stay is irregular** |
| ***25-terdecies*** | Introduced by Law No. 167 of November 20, 2017 | **Racism and xenophobia** |
| ***25-quaterdecies*** | Introduced by Law No. 39 of January 3, 2019 | **Fraud Offenses in Sports Competitions** |
| ***25-quinquiesdecies*** | Introduced by Law No. 157 of December 19, 2019 | **Tax Offenses** |

| | | |
|---|---|---|
| **25-sexiesdecies** | Introduced by Legislative Decree No. 75 of July 14, 2020 | **Smuggling** |
| **Art. 25-septiesdecies** | Introduced by Law No. 22 of March 9, 2022 | **Crimes Against Cultural Heritage** |
| **Art. 25-duodevicies** | Added by Law No. 22 of March 9, 2022 | **Money laundering involving cultural property and the destruction and looting of cultural and landscape heritage** |
| **Art. 25-undevicies** | Introduced by Law No. 82 of June 6, 2025 | **Crimes Against Animals** |

Law No. 146 of March 16, 2006 (*Ratification and Implementation of the United Nations Convention and Protocols against Transnational Organized Crime*) further extended the scope of application of the Decree to a series of offenses characterized by the requirement of "transnationality." Finally, Law No. 9 of January 14, 2013 (*Regulations on the Quality and Transparency of the Virgin Olive Oil Supply Chain*) introduced certain criminal offenses related to food adulteration in the olive oil supply chain. For a description of the Predicate Offenses and the related penalties, please refer to Annex 2.

### 1.4.3 Psychological Prerequisite: Interest and Benefit

Liability under the Decree arises only if the predicate offense is committed by a Senior Manager or Subordinate *"in the interest or for the* benefit" of the entity (Art. 5, Decree).

"Interest" and "benefit" represent two alternative and competing criteria for establishing criminal liability, as illustrated by the Report, according to which the criterion of "interest" reflects a teleological assessment of the crime, to be evaluated *"ex ante*" (i.e., at the time the act was committed), according to a markedly subjective standard of judgment, whereas the criterion of "benefit" takes on an essentially objective connotation and, as such, can be assessed *"ex post*," based on the actual effects resulting from the commission of the offense (Section 3.2, Report). In other words, for corporate liability to be attributed to the entity, it is not essential that the entity have actually obtained an advantage - whether financial or otherwise - since it is sufficient that the conduct of the actual perpetrator was concretely aimed at realizing, from the perspective of the collective entity, the entity's own interest. From this perspective, Article 5, paragraph II of the Decree excludes the entity's liability when the perpetrators of the predicate offense (whether senior officers or subordinates) acted in their own exclusive interest or that of third parties.

### 1.4.4 Negligence Due to Lack of Organization

Administrative liability arising from a crime can be established only in the presence of "negligence due to lack of organization," resulting from the entity's failure to implement a set of appropriate measures to prevent the commission, in its interest or to its advantage, of a predicate offense by individuals functionally attributable to it. Therefore, for the purposes of corporate liability, it is necessary not only that the offense be attributable to the

entity in terms of organic identification (an aspect governed by Article 5 of the Decree), but also that it constitute an expression of corporate policy or, at the very least, result from a failure to organize.

In this context, and as an incentive, Article 6 of Legislative Decree 231/2001, in introducing the corporate liability regime, provides for a specific form of "exemption" where the entity demonstrates that it has organized itself adequately and therefore: (A) the management body has adopted and effectively implemented, prior to the commission of the offense, an organizational and management model suitable for preventing offenses of the type that occurred; (B) the task of overseeing the operation and compliance with the model, as well as ensuring its updating, has been entrusted to a body endowed with autonomous powers of initiative and control; (C) the individuals committed the offense by fraudulently circumventing the model; (D) there was no omission or insufficiency in supervision on the part of the body referred to in subparagraph (B).

The entity's "exemption" from liability therefore depends on the adoption of behavioral models specifically tailored to the risk of criminal conduct, aimed at preventing the commission of certain offenses through the creation of rules of conduct subject to review by the criminal court during proceedings against the perpetrator of the Predicate Offense. In formulating these models, the entity must therefore aim for a positive outcome in this suitability assessment, providing for a series of measures that follow the guidelines set forth in Article 6, paragraph II of the Decree, such as:

i. identification of so-called "potential risks," pinpointing within the corporate context the areas and sectors of activity in which the offenses provided for by the Decree could theoretically be committed;

ii. establishing specific protocols designed to plan the development and implementation of the entity's decisions regarding the offenses to be prevented, with the aim of effectively countering - that is, reducing to an acceptable level - the identified risks;

iii. management of financial resources in a manner that prevents the commission of offenses;

iv. establishment of reporting obligations to the supervisory body;

v. introduction of a disciplinary system suitable for sanctioning non-compliance with the model.

### 1.4.5 Whistleblowing

Legislative Decree No. 24 of March 10, 2023 ("**Whistleblowing Decree**") transposed EU Directive 2019/1937 into Italian law, aimed at defining the minimum standards for *the "protection of persons who report breaches of Union law*." In this regard, the Whistleblowing Decree repealed the previously applicable national regulations, consolidating into a single legislative text the system of protections afforded to those who report violations of European Union and/or national provisions capable of harming a public interest or the integrity of an entity, of which the whistleblower became aware in a public or private work setting.

The regulatory framework was then supplemented by the Guidelines adopted by the Italian National Anti-Corruption Authority (ANAC) through resolutions dated July 12, 2023, and November 26, 2025, as well as by the Operational Guide adopted by Confindustria through a resolution in October 2023.

With regard to the private sector, the provisions of the Whistleblowing Decree apply to entities that:

a) have employed in the past year an average of at least 50 employees with permanent or fixed-term employment contracts;

b) operate within the sectors governed by the EU acts listed in Parts I.B and II of the Annex to the Whistleblowing Decree (financial services and markets, prevention of money laundering and terrorist financing, and transportation safety), even if they have not employed an average of 50 employees with permanent or fixed-term employment contracts over the past year;

c) are other than the entities referred to in subparagraph (b), have not employed an average of 50 employees with permanent or fixed-term employment contracts over the past year, but have adopted an organizational and management model pursuant to Legislative Decree 231/01.

As of now, the Company falls under the category specified in subparagraph (a) and is therefore subject to the provisions contained in the Whistleblowing Decree. In this regard, it should be noted that this decree imposes different sets of obligations and protections on private entities, which vary depending on the nature of the violation, the size of the entity, and whether the entity is subject to the provisions of Legislative Decree 231/01. Specifically, in private entities that:

a) *have not reached an average of 50 employees in the past year but have adopted an organizational and management model pursuant to Legislative Decree 231/01*, reports must concern only unlawful conduct relevant under Legislative Decree 231/01 or violations of the relevant model and must be submitted exclusively through an internal reporting channel;

b) *have had an average of 50 employees over the past year and have adopted an organizational and management model pursuant to Legislative Decree 231/01*, reports must: (i) concern unlawful conduct relevant under Legislative Decree 231/01 or violations of the related model and be submitted only through an internal channel; (ii) concern violations of EU law and be submitted through an internal channel or, alternatively, through an external channel or by public disclosure;

c) *have had an average of 50 employees over the past year but have not adopted an organizational and management model pursuant to Legislative Decree 231/01*, or *operate within the sectors governed by the EU acts referred to in Parts I.B and II of the Annex to the Whistleblowing Decree, even if they have not had an average of 50 employees over the past year*, reports must concern violations of EU law and be made through an internal channel, or, alternatively, through an external channel or by public disclosure.

At present, the Company falls under the scenario described in subparagraph b): Forall will therefore ensure that the Recipients can report any unlawful conduct relevant under Legislative Decree 231/01 and/or violations of the Model and/or EU law through an internal reporting channel, and, alternatively, through an external channel or by public disclosure, while ensuring the confidentiality of the reporter's identity, the identities of those involved, the content of the report, and the related documentation. *Whistleblowers* will also enjoy specific protections, such as a prohibition on retaliation for reports made and a provision rendering any retaliatory acts suffered in violation of this prohibition null and void. For further details, please refer to the relevant Protocol H - *Management of Periodic and Ad Hoc Information Flows (Whistleblowing)*.

## 1.5 Liability of the Entity vs. Liability of the Perpetrator of the Offense

The entity's liability is additional to (and does not replace) that of the individual who actually committed the unlawful act. It follows, therefore, that if one of the predicate offenses is committed, the criminal liability of the individual who actually committed the act is supplemented - provided that all other statutory requirements are met - by the company's "administrative liability arising from a criminal offense." Nevertheless, the Decree clarifies that the entity's liability is an independent basis for liability, distinct from that of the actual perpetrator of the offense: Article 8, paragraph 1, in fact maintains the entity's liability even when (i) the perpetrator of the predicate offense has not been identified or cannot be held criminally liable, or (ii) the predicate offense is subject to a form of extinction other than amnesty.

## 1.6 Geographical Scope of Legislative Decree 231/01

In light of the increasing globalization of markets, Article 4 of the Decree provides that the entity is liable for both Predicate Offenses committed in Italy and those committed abroad, provided that, in the latter case, (i) the entity has its principal place of business (i.e., the actual location where administrative and management activities are carried out) or the place where the activity is carried out on a continuous basis within the territory of the Italian State, (ii) the State where the offense was committed is not already pursuing proceedings against the entity, and (iii) the other conditions set forth in Articles 7, 8, 9, and 10 of the Criminal Code are met.

## 1.7 Penalties

Section II of the Decree sets forth the general rules governing the penalties applicable to entities found to be administratively liable for a criminal offense. This is essentially a two-tiered system, providing for the imposition of monetary penalties and/or disqualification orders. While the former are mandatory, the latter are imposed only in the presence of specific predicate offenses and under certain circumstances.

### 1.7.1 Fines

The administrative monetary sanction, governed by Articles 10, 11, and 12 of Legislative Decree 231/2001, is a mandatory sanction, as it applies whenever the entity commits any of the offenses provided for in the Decree. The determination of this penalty - entrusted to the criminal court - is based on the "*quota* [1]" mechanism and involves two distinct and successive assessment steps, aimed at better aligning the penalty with the severity of the offense and the entity's financial circumstances.

During the initial assessment, the judge determines the number of penalty points within the minimum and maximum limits established by the legislature for the offense in question (in any case, no fewer than one hundred and no more than one thousand two hundred), based on traditional indicators of the offense's severity, such as the gravity of the act, the degree of liability of the entity, and the actions taken to eliminate or mitigate the consequences

[1] For certain offenses involving violations of European Union restrictive measures (Article 25-octies.2), the fine is equal to a percentage of the entity's global revenue (ranging from 0.5% to 5%) or, when such revenue cannot be determined, to the amount established for each specific offense.

of the act and prevent the commission of further offenses (Art. 11, paragraph I). Once the number of units has been established, the judge determines the value of each unit, within the minimum and maximum values predetermined in relation to the sanctioned offenses (from a minimum of 258.23 euros to a maximum of 1,549.37 euros), *"based on the entity's economic and financial conditions in order to ensure the effectiveness of the sanction*" (Art. 11, paragraph II). The final penalty is therefore calculated by multiplying the amount of a single installment by the total number of installments that "reflect" the severity of the offense, noting that the minimum amount of this penalty may not, in principle, be less than €25,822.84, while the maximum amount may not exceed €1,859,244.00 (as provided for in Article 11, paragraph I, letter g). Compared to Article *133-bis* of the Criminal Code (which provides for an increase in the monetary penalty up to three times the amount), in the " " paradigm outlined by the Decree, the ratio of the value of each unit is "one to six" (€258.2 / €1,549.37), which is clearly wider than in the purely criminal law model: this greater range serves precisely to ensure that the penalty is effectively tailored to the entity's financial circumstances.

Finally, Article 12 of Legislative Decree No. 231/2001 provides for a series of circumstances in which the monetary penalty may be reduced, summarized schematically in the table below.

| **Reduction** | **Conditions** |
|---|---|
| by half<br>(the total penalty may not exceed €103,291.38) | – the perpetrator committed the offense primarily in their own interest or that of third parties, and the entity derived only a minimal benefit from it;<br>*or*<br>– the financial damage caused is particularly minor. |
| from one-third to one-half | Before the opening of the trial:<br>– the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offense, or has otherwise taken effective steps to that end;<br>*or*<br>– an organizational model suitable for preventing offenses of the type that occurred has been adopted and made operational. |
| from one-half to two-thirds | Before the opening statement of the trial, both conditions set forth in the preceding line are met. |

### 1.7.2 Disqualification Sanctions

Disqualification sanctions, the duration of which may not be less than three months nor more than two years (with the exception of certain offenses listed in Article 25 (*Embezzlement, extortion, undue inducement to give or promise a benefit, corruption, and abuse of office*) and *Article* 25-octies.2 (*Violation of European Union restrictive measures*) of the Decree - for which the duration is set at four to seven years and two to six years, respectively, where the offense was committed

by a Senior Manager - must be applied exclusively in relation to offenses for which they are expressly provided for[2], if at least one of the following conditions applies:

a) the entity has derived a significant profit from the offense and the offense was committed by senior management or by subordinates (in the latter case, when the commission of the offense was caused or facilitated by serious organizational deficiencies);

b) in the event of repeat offenses, which occurs when an offense is committed within five years following a final conviction for a previous offense.

In certain particularly serious cases, as provided for in Article 16 of the Decree, the judge shall also have the authority to impose certain disqualification sanctions "on a permanent basis," preventing the entity from conducting its business (if it has derived a substantial profit and has already been sentenced, at least three times in the last seven years, to temporary disqualification from conducting business) or prohibiting it from contracting with the government or advertising goods and services (when it has already been sentenced to the same sanction at least three times in the past seven years).

Disqualification sanctions do not apply where the conditions for reducing monetary penalties are met (see the table above). Furthermore, disqualification sanctions are not applied if, prior to the opening of the trial, the following conditions are met:

i) the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offense, or has otherwise taken effective steps to that end;

ii) the entity has eliminated the organizational deficiencies that led to the offense by adopting and implementing organizational models suitable for preventing offenses of the type that occurred;

iii) the entity has made the profits obtained available for confiscation.

On the one hand, therefore, disqualification sanctions presuppose the commission of particularly serious offenses or the repetition of offenses; on the other hand, there are circumstances that allow for the avoidance of such sanctions when the entity takes steps to remedy the offense. A sanctioning policy thus emerges that *"does not aim at indiscriminate and inevitable punishment, but rather explicitly seeks to prioritize an approach that safeguards the prevention of the risk of committing offenses, together with the necessary, prior elimination of the consequences produced by the offense*" (Point 6, Report).

### 1.7.3 Publication of the Judgment, Confiscation of the Proceeds or Profits of the Offence, and Judicial Administration

If disqualification sanctions are imposed, the judge may order the publication of the conviction in one or more newspapers, as well as its posting in the municipality where the entity has its principal place of business.

The forfeiture of the proceeds or profits of the crime is always ordered against the entity as part of the conviction (except for the portion that may be returned to the injured party). When it is not possible to forfeit the assets that

[2] These include offenses against the Public Administration, cybercrimes, certain offenses against public trust, crimes related to terrorism and subversion of the democratic order, crimes against the individual, offenses related to occupational safety and health, transnational crimes, and others. Please refer to Annex 2 for further details.

directly constitute the proceeds or profits of the crime, the forfeiture may instead apply to sums of money, assets, or other benefits of equivalent value to the proceeds or profits derived from the crime.

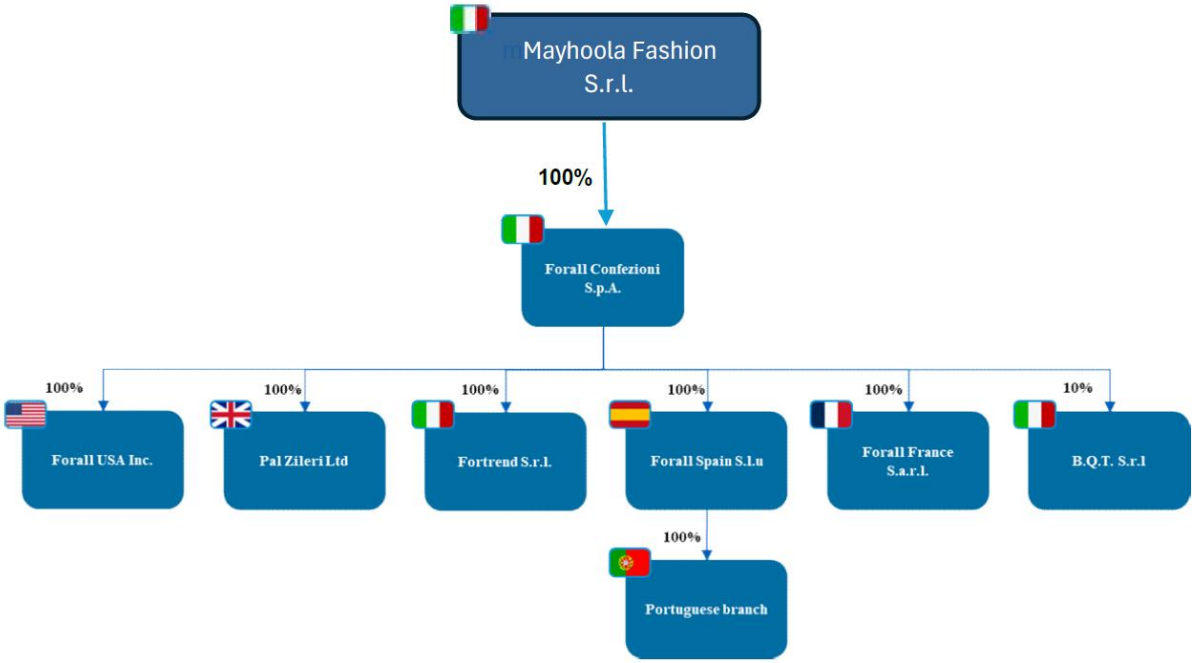
Finally, under specific conditions, the judge - when imposing a disqualification sanction that would result in the suspension of the entity's activities - has the authority to appoint a commissioner to oversee the continuation of those activities for a period equal to the duration of the disqualification sanction that would have been imposed.

# CHAPTER II FORALL CONFEZIONI S.P.A.

## 2.1 History, Business Activities, and Corporate Governance

Forall is a joint-stock company incorporated under Italian law that operates in the production and marketing of apparel and accessories. Founded in 1970 in the province of Vicenza, the Company has always pursued a clear and recognizable *mission*, offering the public collections that combine sartorial excellence with a strong contemporary spirit and an innovative vision, while maintaining the "democratic" nature of industrially manufactured clothing, which is therefore accessible to a wider audience. The Company's name itself - a fusion of the English words "For" and "All" - embodies this principle of "democratic tailoring," which was cemented by the 1980 launch of the luxury men's clothing brand "Pal Zileri."

Over the past 50 years, the Company has distinguished itself through a gradual process of expansion and innovation that has enabled it to become a leader in the apparel sector, exporting its products to every continent, thanks in part to the presence of sales offices in the United States (1991), the United Kingdom (1993), Spain, Portugal, and France (2006). The Company also maintains a widespread presence throughout Italy, thanks to its numerous stores, sales offices, and warehouses, as well as through its equity interests (controlling or minority) in other Italian companies. Since 2016, the Company has also been wholly owned by the Qatari investment fund *Mayhoola for Investments LLC*, as shown in the Group Structure Chart below.



Throughout its decades of operation, Forall has always placed great emphasis on the following areas:

i) Respect for human resources: The Company firmly believes that the development and enhancement of skills, as well as the protection of physical and mental well-being - especially in terms of health and safety in the workplace - represent the fundamental value upon which to build its growth;

ii) Adherence to high-quality standards: The Company aims to produce high-quality clothing and accessories, optimizing the use of resources and minimizing negative externalities, while pursuing excellence through creativity, differentiation, and innovation;

iii) Flexibility, efficiency, and a consumer-centric approach: Forall provides a timely and up-to-date response to the changing needs of the fashion world, placing the end user's comfort at the center of every decision.

The management of the Company is entrusted to a Board of Directors, which has ultimate authority to make decisions regarding the definition of corporate strategic directions and *business* objectives, the establishment of general guidelines for the management of business affairs and employee relations, as well as decisions regarding changes to the organizational structure deemed appropriate or necessary.

# CHAPTER III THE MODEL 231 OF FORALL S.P.A.

## 3.1 Purpose of the Model

By adopting the Model, the Company aims to:

a. establish a structured and comprehensive system of prevention and control, aimed at improving *corporate governance* and reducing the risk of committing Predicate Offenses or other unlawful conduct within the Areas at Risk of Offenses and Sensitive Processes;
b. make Recipients aware that, in the event of a violation of the provisions contained in the Model, they may be committing an offense for which the Company, as well as the actual perpetrator of the violation, may be subject to sanctions;
c. to inform *Stakeholders* that a violation of the provisions contained in the Model will result in the application of appropriate sanctions or, as the case may be, the termination of the contractual relationship;
d. to emphasize that any form of unlawful conduct is strongly condemned by the Company, as it is contrary to the law and to the ethical and social principles that guide it;
e. to raise awareness among the Recipients so that, in carrying out their activities, they adopt proper and transparent conduct, in line with current procedures and the ethical values that guide the Company;
f. to establish and implement an appropriate system of sanctions.

## 3.2 Structure of the Model

The Model, conceived as a comprehensive system of preventive controls, is based on the following components:

- **GENERAL SECTION**: divided into eight chapters, it outlines (1) the provisions of Legislative Decree 231/01; (2) the history, activities, and *governance* of the Company; (3) the purposes, structure, and methodology of the Model's construction; (4) the categories of Predicate Offenses that may occur within the scope of the Company's activities; (5) the structure and role of the Supervisory Body; (6) the information flow system; (7) training and disclosure activities related to the Model; (8) the guidelines for the disciplinary system.
- **SPECIAL SECTION**: Divided into eight protocols, this section outlines the rules of conduct that Recipients must follow in order to reduce the risk of committing Predicate Offenses within the Areas at Risk of Offenses and Sensitive Processes identified during the Risk Analysis:
    1) Protocol "A": Management of Relations with the Public Administration
    2) Protocol "B": Management of Cash Flows
    3) Protocol "C": Bookkeeping, preparation of financial statements, and other corporate communications
    4) Protocol "D": Management of Health and Safety in the Workplace
    5) Protocol "E": Management of Relationships with Suppliers
    6) Protocol "F": Management of Relationships with Customers
    7) Protocol "G": Management and Use of IT Systems
    8) Protocol "H": Management of periodic and *ad hoc* information flows (*Whistleblowing*)
- **CODE OF ETHICS (ANNEX 1)**: This document outlines the principles adopted by the Company to strengthen its corporate ethics. Inspired by the values of fairness, transparency, and good faith, these principles also serve as a useful interpretive guide for applying the Model in the context of corporate operations. This Code of Ethics is binding on all Recipients and is also mandatory for all of the Company's *Stakeholders*, who are required to be familiar with it and comply with it (pursuant to specific contractual clauses governing the relationship between third parties and Forall).
- **LIST OF PREDICATE OFFENSES (ANNEX 2)**: For each criminal offense provided for by Legislative Decree 231/01, a description is provided of the elements constituting the offense, with particular regard to the relevant legal provisions, the penalties provided for, and the procedures for applying them. Understanding the structure and methods of committing these Predicate Offenses - the commission of which triggers corporate liability - is essential for their prevention.
- **RISK ANALYSIS PROCEDURES (ANNEX 3)**: This section outlines the *Risk Mapping*, *Risk Assessment*, *As-Is Analysis*, *Gap Analysis,* and *Risk Management* activities conducted within Forall's corporate context, which are essential for drafting the Special Section Protocols.
- **RISK MAPPING (ANNEX 3.1)**: illustrates the output resulting from the Risk Analysis, specifying the level of risk associated with each individual predicate offense.

Every component of the Model recognizes the central importance of the following aspects related to *governance*: (i) a clear allocation of authorization and signing powers, consistent with organizational and managerial responsibilities; (ii) a set of formalized procedures governing the conduct of activities; (iii) an efficient information flow system; (iv) a training and information dissemination program.

## 3.3 Methodological Approach Followed in the Development of the Model

The development of the Model - intended as a risk prevention and management system in accordance with the provisions of Legislative Decree 231/2001 - was divided into three distinct phases, outlined below and detailed in Annex 3.

**A. Identification of Sensitive Processes (*Risk Mapping*) and assessment of Offence Risk (*Risk Assessment*)**

First, a detailed analysis of Forall's corporate context was conducted by interviewing the Company's employees and executives using specific questionnaires, in order to identify the areas and business processes that, given the activities actually carried out by the Company, could - in theory and even only potentially - be affected by the commission of predicate offenses (so-called **"Risk Mapping**"). Subsequently, the factors contributing to this risk within the previously identified Sensitive Areas and Processes were identified and evaluated, namely: (i) the probability that the harmful event (predicate offense) will occur (*Probability - "P"*) and (ii) the impact of the related consequences on the corporate structure (*Severity - "G"*). Each of these factors was assigned a specific value (so-called **Risk Assessment**).

An initial indication regarding the possibility that, within a given Risk-Offense Area and a specific Sensitive Process, predicate offenses referred to in Legislative Decree 231/2001 ("**Intrinsic Risk**") may be committed thus derives from the correlation between the Probability of occurrence and the Severity of the related consequences, according to the following formula:

$$\mathbf{R_i = P \times G}$$

However, the Intrinsic Risk calculated in this way represents a "preliminary" value, derived simply from the product of the variables P (probability of the risky event) and G (impact of the risky event), in the absence of prevention and protection measures aimed at reducing it.

**B. Assessment of existing controls (*As-Is Analysis*) and comparison between the existing model and the ideal model (so-called *Gap Analysis*)**

Once the Intrinsic Risk had been identified, attention turned to the existing prevention and protection controls within the Companies, in order to assess their ability to reduce the Probability (P) of the risk event and, consequently, mitigate the Intrinsic Risk (so-called "**As-Is Analysis**"). In particular, the review focused on (i) the system of delegations of authority and powers of attorney, to assess the degree of decentralized decision-making and the allocation of responsibilities; (ii) the information dissemination and communication system, to assess how well the "rules" are disseminated and understood within the company; (iii) the segregation of duties, to ensure that no body or employee has unlimited powers unchecked by others; (iv) the traceability of business operations, to ensure that all operational steps can be easily reconstructed.

Each of these dimensions was compared with the standards and requirements set forth in the Decree, the Guidelines, and national and international *best practices* (so-called **"Gap Analysis**") and quantified using a specific scale of values, the algebraic sum of which determines the assessment of the "**Level of Control**" ("**LC**"), which can be defined as the impact that controls existing prior to the Model have on Probability (P). The result is then cross-referenced with the previously identified value of Probability P (according to the formula $\mathbf{P_1 = P - LC}$).

The **Final Risk** of committing a specific Predicate Offense within the Sensitive Processes to which it is associated is therefore calculated as the product of G (severity of the risk event) and $P_1$ (Probability of the event mitigated by the preventive and protective coverage of corporate controls), according to the formula:

$$\mathbf{Rf = G \times (P - LC) = G \times P_1}$$

For further details on this matter, please refer to Annexes 3 and 3.1.

### C. Definition of Protocols Aimed at Preventing Underlying Offenses (so-called *Risk Management*)

Based on the findings of the Risk Analysis, an integrated system of controls has been established to eliminate or, at least, reduce to an acceptable level the Final Risk of committing Predicate Offenses within the Areas at Risk of Offenses. Specifically, for each of these areas (*e.g.*, Management of Relations with the Public Administration, Management of Cash Flows, etc.), specific protocols (the "**Protocols**") have been established, as described in the Special Section of this Model, which:

1. identify the Sensitive Processes;
2. describe the Predicate Offenses associated with such Sensitive Processes;
3. outline the rules of conduct that Recipients must follow to prevent Predicate Offenses;
4. establish a system for the flow of information to and from the Supervisory Body.

The most important components of this prevention and control system are:

- the establishment of principles and rules of conduct consistent with the Code of Ethics;
- an up-to-date, formalized, and clear organizational structure regarding the assignment of responsibilities, reporting lines, and job descriptions;
- IT procedures governing the conduct of business activities;
- authorization and signing powers consistent with the organizational and managerial responsibilities assigned by the Company, with specific indication of expense approval thresholds;
- integrated control systems that, by taking all operational risks into account, are capable of providing timely alerts regarding the existence or emergence of critical situations;
- information and communications to staff that are effective, authoritative, clear, and regular, supplemented by an appropriate training program tailored to the levels of the Recipients;
- compliance with the principle of traceability (for each transaction, there must be supporting documentation that allows for checks to be performed at any time to verify the characteristics and rationale of the transaction and identify who authorized, executed, recorded, and verified said transaction) and the principle of segregation (authorization to carry out a transaction is the responsibility of a person other than the one who records, executes, or controls it).

In cases where the Final Risk has been deemed acceptable (Annex 3.1), no specific Protocol has been established, and the principles set forth in the General Section of the Model and in the Code of Ethics (Annex 1) remain valid.

## CHAPTER IV APPLICABLE PREDICATE OFFENSES

## 4.1 Predicate Offences Potentially Applicable to Forall S.p.A.

Based on the Risk Analysis conducted (see Annex 3.1), it is considered that the activities carried out by Forall could - in theory and even if only potentially - be affected by the occurrence of the following predicate offenses:

- Offenses against the Public Administration (Articles 24 and 25)
- Cybercrimes and unlawful data processing (Article 24-bis)
- Organized crime offenses (Article 24-ter)
- Offenses involving counterfeiting of currency, public credit instruments, revenue stamps, and identification instruments or marks (Article 25-bis)
- Offenses against industry and commerce (Art. 25-bis.1)
- Corporate Crimes and Corruption Among Private Individuals (Art. 25-ter)
- Crimes against the individual (Art. 25-quinquies)
- Offenses Committed in Violation of Regulations on Occupational Health and Safety (Art. 25-septies)
- Offenses of receiving stolen goods, money laundering, and self-laundering (Art. 25-octies)
- Offenses involving non-cash payment instruments (Art. 25-octies.1)
- Offenses involving violations of EU restrictive measures (Art. 25-octies.2)
- Tax offenses (Art. 25-quinquiesdecies)
- Smuggling offenses (Art. 25-sexiesdecies)
- Transnational Crimes (Law No. 146/2006)

As for the other types of predicate offenses provided for in the Decree and not included in the list above (*i.e.*, *crimes committed for the purpose of terrorism or subversion of the democratic order*; *female genital mutilation; market abuse offenses*; *crimes involving copyright infringement; environmental crimes; the employment of third-country nationals residing in the country illegally; racism and xenophobia; Fraud in sports competitions; Crimes against cultural heritage and money laundering involving cultural property; Crimes against animals; Crimes committed using artificial intelligence systems*), the Risk Analysis has ruled out the (even purely theoretical) possibility that these offenses could be committed in the interest or for the benefit of the Company. In any case, even with regard to these types of offenses, it should be noted that the Code of Ethics plays a fundamental role in monitoring and oversight, as it is an integral part of the Model.

# CHAPTER V SUPERVISORY BODY

## 5.1 Nature and Composition of the Supervisory Body

Article 6, paragraph 1, subparagraph b) of Legislative Decree 231/2001 requires the establishment of a body endowed with autonomous powers of initiative and oversight that monitors:

A. the Model's suitability for preventing the commission of Predicate Offenses;
B. compliance by the Recipients with the provisions contained in the Model;
C. whether the Model should be updated in light of changes in business conditions and/or regulations, as well as following the identification of any violations.

The Guidelines suggest that these tasks be entrusted to a body "within" the entity's operational structure, known as the *"Supervisory Body*," which possesses the following characteristics:

(i) *Autonomy and independence*: The Supervisory Body may be composed of individuals from both inside and outside the Company, provided they are not directly involved in the corporate operations that are the subject of the oversight activities. The hierarchical independence of its members must be guaranteed, to be achieved by classifying the Supervisory Body as a staff unit at a high level within the corporate organization. The composition of the Supervisory Body must be such as to ensure the absolute autonomy of its assessments and decisions, which may therefore not be subject to review by any other body.

(ii) *Professionalism*: The members of the SB must possess specific expertise in inspection and consulting (sufficient to perform statistical sampling, analysis, risk assessment, and risk mitigation), as well as in-depth knowledge of the company's organizational structures.

(iii) *Continuity of action*: The Supervisory Body must monitor the effectiveness, adequacy, compliance with, and updating of the Model, serving as a constant point of reference for all Company personnel and *management*.

In the absence of specific provisions in the Decree, the Company is required to define the structure and composition of the aforementioned body, taking into account its size, organizational complexity, and the nature of its activities. Forall's Supervisory Body therefore takes the form of a collegial body appointed by the Board of Directors, composed of three members external to the Company.

## 5.2 Establishment and Changes to the Supervisory Body

The members of the Supervisory Body are appointed by the Management Body (which also determines their compensation at that time) and remain in office for three years. The appointment may be renewed for an additional three-year term. This is without prejudice to the right of Supervisory Body members to resign from their positions, effective as of the tenth day following the date on which the Management Body was notified of such resignation.

The following constitute grounds for *ineligibility* to serve as a member of the Supervisory Board:

- being under legal interdiction, legally incapacitated, or having been declared bankrupt;
- a conviction[3], whether by a final judgment or a non-final judgment - even if the sentence is conditionally suspended (subject to the effects of rehabilitation) - to a penalty that entails disqualification, even temporary, from public office or temporary disqualification from executive positions in legal entities and businesses;
- a conviction, whether by a final judgment or a non-final judgment - even if the sentence is conditionally suspended (subject to the effects of rehabilitation) - for: (i) imprisonment for one of the offenses provided for by the special legislation governing the insurance, credit, and securities markets sectors, as well as by current anti-money laundering legislation; (ii) imprisonment for one of the offenses provided for in Title XI of Book V of the Civil Code and in the Italian Crisis and Insolvency Code; (iii) imprisonment for a term of not less than one year for a crime against the Public Administration, public trust, public property, public order, the

[3] A conviction also includes a judgment rendered pursuant to Article 444 of the Code of Criminal Procedure, without prejudice to the effects of a judicial declaration of the extinction of the offense pursuant to Article 445, paragraph 2, of the Code of Criminal Procedure.

public economy, or for a tax-related crime; (iv) imprisonment for a term of not less than two years for any intentional crime;

- subjection to preventive measures ordered by a judicial authority, without prejudice to the effects of rehabilitation;
- holding, directly or indirectly, equity interests of such magnitude as to entail control over or significant influence on the Company;
- having family ties with directors of the Company;
- holding interests in conflict - even potential - with the Company such as to compromise one's independence of judgment.

Upon appointment, each member of the Supervisory Body must submit a declaration to the Board of Directors certifying the absence of the aforementioned grounds for ineligibility.

The following, however, constitute grounds for ***removal*** from office as a member of the Supervisory Body:

- the occurrence of a ground for ineligibility;
- the onset of a serious illness that prevents the member from performing their duties on a permanent basis or an illness that results in an absence lasting more than six months;
- the occurrence of circumstances that seriously undermine the member's independence or autonomy of judgment;
- having maintained, directly or indirectly, with the Company, its subsidiaries, its directors, or the shareholder or group of shareholders controlling the Company, financial relationships of such significance as to compromise the member's independence of judgment, assessed also in relation to the member's financial circumstances;
- the imposition of disciplinary sanctions pursuant to the Model.

Any ***removal*** of members of the Supervisory Board shall be ordered exclusively for reasons related to serious breaches of the mandate conferred (for example, the violation of confidentiality obligations regarding news and information acquired in the performance of their duties, except for disclosure obligations expressly provided for by law) or for other just cause (for example, (i) repeated obstructionist or uncooperative behavior toward other members; (ii) absence, without just cause, from two or more meetings - even if not consecutive - of the Supervisory Board within a 12-month period), must be approved by the Board of Directors.

If a cause for forfeiture or removal arises, the Management Body, after conducting the necessary investigations and hearing the person concerned and the other members of the Supervisory Board, shall declare the forfeiture or resolve to remove the member and appoint a new member. If the circumstances giving rise to disqualification or grounds for removal may also cease to exist (e.g., the presence of a conflict of interest), the Management Body may, alternatively, set a deadline of no less than thirty days by which the circumstance leading to disqualification or constituting grounds for removal must cease to exist. If this deadline passes without the aforementioned situation having ceased, the Management Body shall declare the member's disqualification or resolve to remove the member, appointing a new member. Until the new appointment by the Management Body, the disqualified member of the Supervisory Body shall continue to perform his or her duties *on an interim basis*.

## 5.3 Functions and Powers of the Supervisory Body

In fulfillment of the duties assigned to it by Article 6 of the Decree, the Supervisory Body is required to:

1) prepare the annual plan for supervisory activities;
2) verify the Model's suitability for preventing the commission of Predicate Offenses;
3) verify compliance by the Recipients with the provisions contained in the Model;
4) gather information (on a regular and *ad hoc* basis) that allows it to stay informed about corporate developments;
5) verify the adequacy of the training plan regarding the contents of the Model, ensuring that it is tailored to the roles, duties, and responsibilities of the Recipients;
6) assess the need to update the Model in light of changes in regulatory conditions, modifications to the company's organizational structure and/or the manner in which activities are conducted, or in the event of significant violations of the provisions of the Code of Ethics, the Model, or company procedures;
7) verify, through *follow-up* activities, the effective implementation of the recommended corrective actions;
8) coordinate investigations aimed at ascertaining possible violations of the Model's provisions and verify that such violations are effectively and appropriately sanctioned.

In order to ensure the full effectiveness, autonomy, and independence of its actions, the Supervisory Body:

A. exercises its powers of initiative and oversight with respect to all Internal and External Recipients;
B. performs its functions with full autonomy, operating independently of any other corporate function or the Board of Directors, to which it nevertheless reports the results of its activities;
C. has free access to any company document relevant to the performance of the functions assigned to it;
D. may request information or communicate with the corporate bodies;
E. may avail itself of the support of corporate departments and external consultants of proven professionalism.

The independence and autonomy of the Supervisory Board are also guaranteed by the fact that, when the Management Body prepares the annual budget, it allocates adequate financial resources from which the Supervisory Board may draw for any need necessary for the proper and independent performance of its duties (e.g., expert consultations). Should the Supervisory Body need to draw upon these funds, it shall submit a specific request to the Administrative Officer, detailing the expenses and costs it will incur to properly fulfill its mandate. The Administrative Officer may not refuse to comply with the Supervisory Body's request. The Supervisory Body may also independently commit resources exceeding these spending limits if necessary to address exceptional and urgent situations; in such cases, the Supervisory Body must inform the Management Body at the next meeting.

The Supervisory Body has no authority to compel changes to the corporate structure or to impose sanctions on the Recipients: such powers rest solely with the executive bodies or the relevant corporate functions.

All Recipients and - within the limits of contractual provisions - *Stakeholders* are required to cooperate fully with the Supervisory Body by promptly providing, in the manner established by the Supervisory Body and without omissions or alterations of any kind, the requested information, data, and documents, and by providing any

additional assistance required to ensure that the Supervisory Body has as accurate a picture as possible of the activities under monitoring.

### 5.4 Periodic Reporting to the Corporate Bodies

In order to ensure full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Corporate Bodies. In particular, at least once a year (and in any case whenever necessary), the Supervisory Body prepares a specific written report regarding (i) the verification and control activities carried out, (ii) any critical issues that have emerged, both in terms of conduct/events and in terms of the completeness and effectiveness of the Model, (iii) any proposals regarding corrective and improvement measures for the Model and the status of their implementation, and (iv) the reports received.

## CHAPTER VI INFORMATION FLOWS TO THE SB

Legislative Decree 231/01 stipulates, among the eligibility requirements for the Model, the establishment of (i) periodic reporting obligations to the Supervisory Body, as well as (ii) channels enabling the reporting of violations of European Union and/or national provisions capable of harming a public interest or the integrity of the entity, of which the reporter has become aware within the context of their work. In this regard, the following are provided for:

A. **Ad Hoc Information Flows**, concerning specific, episodic, and occasional events that must be reported immediately, as they indicate anomalies and critical issues that may lead to (or have led to) unlawful conduct relevant under EU law, Legislative Decree 231/01, or violations of the Model (*Whistleblowing*).

B. **Periodic Information Flows**, concerning data and information that must be periodically communicated to the Supervisory Body, as they are relevant for monitoring the evolution of the company's activities and identifying any signs of anomalies in the system of safeguards and controls.

Please refer to Protocol H for a comprehensive review of the terms and content of these information flows.

## CHAPTER VII TRAINING AND DISSEMINATION OF THE MODEL

### 7.1 Publicity and Dissemination of the Model

The ongoing dissemination of the principles and requirements contained in the Model is an extremely important factor for its proper and effective implementation. With this in mind, the Company (i) notifies all Internal Recipients of the Model's adoption, as well as any updates thereto, and (ii) provides Internal Recipients and new hires with an information package summarizing the Model's key features. The communication or delivery of this documentation is carried out using mechanisms - including digital ones - designed to verify the actual and informed receipt of the communication.

Since knowledge of the provisions regarding the administrative liability of entities and compliance with the rules derived therefrom are an integral part of the professional culture of each Internal Recipient, in order to make

information regarding the Model even more accessible, the Company's Internal Recipients may consult, via the corporate intranet, a dedicated portal called *"Portal 231*," where the text of the Decree, the Model, and its annexes are published and made available for review. The published documents are constantly updated in light of any changes and/or additions that occur over time within the applicable legal framework.

The adoption and updates to the Model are also communicated and disseminated to External Recipients through the publication of the General Section of the Model on the company website. Furthermore, a copy of the Model and the Code of Ethics may be attached to major contracts that the Company has entered into, following its adoption, with its Suppliers, Collaborators, Consultants, Agents, or Customers. The formal commitment by the aforementioned parties to comply with the principles and requirements contained therein is documented through the inclusion of specific contractual clauses, duly accepted by the counterparties.

## 7.2 Training

The Company organizes training sessions focused on the topics set forth in the Decree, as well as on the principles and requirements contained in the Model. This training is intended for all Internal Recipients and is structured into different sessions based on their roles, duties, and responsibilities, as well as whether or not they work in Areas at Risk of Offenses. Participation in training sessions is mandatory, and attendance must be recorded. Within the scope of its authority, the Supervisory Body may also conduct specific checks - including spot checks or assessment/self-assessment tests - to verify the quality of the training programs' content and the level of knowledge and understanding acquired by Internal Recipients regarding the contents of the Decree and the Model.

The training content generally covers the regulatory provisions regarding the administrative liability of entities (and, therefore, the consequences for the Company in the event that offenses are committed by individuals functionally affiliated with it), the essential characteristics of the offenses covered by the Decree and, more specifically, the principles contained in the Code of Ethics, the Model, and the procedures related thereto, as well as the specific preventive objectives pursued by the Model. Furthermore, for those working within Sensitive Processes, specific meetings are organized aimed at (i) raising awareness of the offenses that may occur within that specific area of activity and the related control measures, (ii) explaining the operational procedures by which activities must be carried out, and (iii) describing the proper functioning of information flows.

# CHAPTER VIII DISCIPLINARY SYSTEM

## 8.1 General Principles

Pursuant to Article 6, paragraph II, letter e), and Article 7, paragraph IV, letter b), of the Decree, the establishment of an adequate disciplinary system - designed to sanction non-compliance with the provisions and procedures contained in the Model - is an essential condition for ensuring the Model's effectiveness. This disciplinary system, described below, applies to Employees, executives, and directors as well as to external Collaborators, through appropriate disciplinary sanctions for the former and contractual/negotiated sanctions for the latter (termination of the contract, removal from the list of suppliers, payment of a penalty, etc.).

In the event of alleged violations of the provisions and procedures contained in the Model, the Company remains obligated to first notify the Employee in writing of the charges against him or her, in order to allow the Employee to prepare an appropriate defense and provide the relevant justifications. Disciplinary sanctions are imposed in accordance with the procedures set forth in Article 7 of Law No. 300 of May 30, 1970, and any applicable special regulations.

Disciplinary sanctions must be applied taking into account the following criteria:

- intentionality of the conduct and the degree of negligence, recklessness, or incompetence;
- overall conduct, with particular regard to the existence or absence of prior disciplinary records and to actions taken to mitigate the negative consequences of one's conduct;
- the duties and/or functional position of the person violating the Model;
- the presence of aggravating or mitigating circumstances, with particular regard to the professionalism of the individual involved and the circumstances in which the act was committed;
- any shared responsibility with individuals who contributed to the commission of the act;
- the nature, type, means, subject matter, time, place, and all other aspects of the action;
- the severity of the damage or danger caused to the Company.

The application of the sanctions system is triggered by a simple violation of the provisions and procedures contained in the Model and will be implemented regardless of the conduct and outcome of any criminal or administrative proceedings that may be initiated by the competent judicial authority. In any case, given that violations of the provisions and procedures contained in the Model are distinct from violations of laws that constitute a criminal offense relevant for the purposes of the Decree, the Company's assessment of the conduct of the Recipients may not coincide with the judge's assessment.

Any imposition of a sanction must be promptly reported to the Supervisory Board, which may, in any case, propose the adoption of disciplinary measures commensurate with the extent and severity of the violations ascertained.

## 8.2 Measures Against Non-Executive Employees

Conduct by Employees that violates the rules of conduct set forth in this Model constitutes a breach of the primary obligations of the employment relationship and, therefore, a disciplinary offense, to be sanctioned with the measures provided for in the applicable National Collective Bargaining Agreements (CCNL). Depending on the severity of the violation, the following measures may therefore be applied:

- *Verbal reprimand or written warning*: This measure applies to an Employee who negligently commits a minor violation while performing activities that do not fall within the scope of Sensitive Processes, that have no significance outside the Company, and that do not, in any case, constitute criminal conduct. By way of example, but not limited to, an Employee is subject to a verbal or written reprimand if they (i) fail to participate, without adequate justification, in training activities related to the Model; (ii) through negligence, delays in communicating to the Supervisory Board information required under the Model regarding situations that do not give rise to significant risks pursuant to Legislative Decree 231/2001.

- *A fine not exceeding the amount of 3 hours' pay*: this penalty applies to an Employee who negligently commits a minor violation while performing activities that do not fall within the scope of Sensitive Processes, that have no significance outside the Company, and that do not, in any case, constitute criminal conduct. By way of example, but not limited to, an Employee is subject to a fine if they (i) negligently comply with or negligently violate the rules of conduct set forth in the Code of Ethics while performing activities that do not fall within the scope of Sensitive Processes; (ii) fails to inform the Supervisory Body of any management irregularities or conduct - whether by themselves or others - that could give rise to significant criminal risks under Legislative Decree 231/2001; (iii) repeats, more than twice, a violation for which they have already been sanctioned with a verbal or written reprimand.
- *Suspension from work and regular pay for up to a maximum of 10 days*: this measure applies to an Employee who commits a violation of the Model that has significance even outside the Company and that does not, however, constitute criminal conduct. By way of example, but not limited to, an Employee is subject to suspension from work and regular pay if they (i) intentionally commit a violation of the Model that does not, however, constitute criminal conduct; or (ii) negligently repeat, more than twice, a violation of the Model that has already been sanctioned with a fine.
- *Termination without notice for just cause*: by way of example, but not limited to, an Employee who engages in conduct that does not comply with the provisions of the Model - including the Code of Ethics - and thereby commits one of the Predicate Offenses is subject to termination for just cause.

Where disciplinary sanctions resulting from violations of the Code of Ethics, the Model, and related company procedures are imposed on Employees holding a power of attorney authorizing them to represent the Company, the imposition of such a sanction may result in the revocation of that power of attorney.

## 8.3 Measures Against Executives

The executive employment relationship is characterized by its eminently fiduciary nature. Therefore, executives' compliance with the principles and provisions set forth in this Model, as well as their commitment to ensuring compliance with such principles and requirements, is an essential element of the executive employment relationship.

In this case as well, since it involves an employment relationship, any violations must be verified and sanctions imposed in accordance with the provisions of the current National Collective Bargaining Agreement (CCNL) for executives applied by the Company. In assessing the most appropriate actions to be taken, the specific circumstances and manner in which the violation of the Model occurred must be considered: if, following such an assessment, the bond of trust between the Company and the executive is found to be irreparably damaged, the measure of termination of employment will be taken.

By way of example and without limitation, a manager commits a violation punishable by termination for just cause - taking into account the severity of the violation - if he or she: (i) commits repeated and serious violations of the provisions of the Model, including the provisions of the Code of Ethics; (ii) fails to supervise the conduct of personnel operating within their sphere of responsibility in order to verify the actions of such personnel in areas at risk of criminal offense; (iii) fails to promptly report to the Supervisory Board any irregularities or anomalies

concerning the proper compliance with company procedures of which they become aware, such that they compromise the effectiveness of the Model or pose a potential or actual risk to the Company of incurring the sanctions provided for in the Decree; (iv) makes or promises improper payments of money or other benefits to public officials or persons entrusted with a public service, or to directors, general managers, executives responsible for preparing corporate financial statements, statutory auditors, or liquidators of another company; (v) uses funds received from national or EU public bodies in the form of grants, subsidies, or loans for purposes other than those for which they were intended; (vi) makes a payment in cash or in kind for amounts exceeding the thresholds established by law; (vii) makes false statements to national or EU public bodies for the purpose of obtaining grants, subsidies, or loans; (viii) engages in conduct that is improper, non-transparent, uncooperative, or in violation of legal provisions and company procedures in all activities related to the preparation of financial statements and other corporate disclosures; (ix) fails to make the required disclosures to public authorities in a timely and accurate manner.

If the executive in question holds a power of attorney authorizing them to represent the Company externally, the imposition of the most severe sanction - a written reprimand - will also result in the revocation of that power of attorney.

## 8.4 Measures Against Members of the Corporate Bodies

The Company assesses with the utmost care any failure by the Corporate Bodies to comply with the provisions contained in the Model, as they represent the Company's leadership and project its image to employees, creditors, and the market. The creation and consolidation of a corporate ethic based on the values of integrity, loyalty, and transparency presupposes, in fact, that these values are embraced and respected first and foremost by those who guide corporate decisions, so as to serve as an example and inspiration for everyone working within the Company, at any level.

## 8.5 Measures Against *Stakeholders*

Any violation of the Model by *Stakeholders* who have a relationship with the Company will be sanctioned in accordance with the specific contractual provisions included in the relevant contracts. To this end, during negotiations regarding the content of such contracts, those representing the Company will make every reasonable effort to ensure that provisions are included requiring *Stakeholders* to comply with the Model, as well as an express termination clause allowing the Company to terminate the contract in the event of a breach of the commitment to comply with the Model's provisions, without prejudice to the Company's right to seek compensation for any additional damages suffered as a result of such conduct.

## 8.6 Measures Against the Supervisory Body

Any person who becomes aware of a possible violation of the Model by a member of the Supervisory Body shall immediately report it to the Management Body so that the latter may conduct the necessary investigations. If the violation is confirmed, this may be considered grounds for termination of the appointment for just cause, subject

to a resolution by the Management Body. In such a case, the provisions set forth in the section dedicated to *"Stakeholders"* shall apply.

## 8.7 Measures Applicable in the event of a violation of Whistleblowing regulations

The Company provides for the imposition of specific disciplinary sanctions, to be applied in accordance with the principles set forth in the preceding paragraphs, in the event of:

1. Any act of retaliation (defined as conduct, an act, or an omission - including any attempt or threat thereof - carried out in response to a report made pursuant to Protocol H) that causes or is likely to cause, directly or indirectly, unjust harm to the whistleblower and/or other parties identified in Protocol H - *Management of periodic and ad hoc information flows (whistleblowing)*;
2. Engaging in conduct that obstructed or attempted to obstruct the report;
3. Violation of the obligation to process data related to the report in compliance with privacy regulations;
4. Liability of the whistleblower in connection with the report - even if established by a first-instance judgment - for the crimes of defamation or slander (or, in any case, for the same crimes committed in connection with a complaint), or the whistleblower's civil liability in cases of willful misconduct or gross negligence.