



**KIRCHNER ITALIA S.p.A.**

**Organisation, management and control model  
as per Italian Legislative Decree 231/2001**

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## **GENERAL PART**

### **1. Definitions**

- **'Area at Risk'**: area of Company activities within the scope of which there is a risk of offences pursuant to Legislative Decree 231/2001 being committed;
- **'Regular Agents/Consultants'**: natural persons and/or legal persons appointed by virtue of a written contract to support the Company, without power of representation before third parties, in the following activities (i) development of its presence in a given territory, (ii) promotion of its products, (iii) obtaining information concerning potential business opportunities, (iv) putting the Company in touch with new potential customers and organising any meetings and gatherings, (v) once the Company has obtained a job order, providing assistance, including logistical assistance, during its execution. The regularity requirement only applies where at least three years have elapsed since the relationship was established;
- **'Non-regular Agents/Consultants'**: natural persons and/or legal persons appointed by virtue of a written contract to support the Company, without power of representation before third parties, in the same activities carried out by Regular Agents but for a period of less than three years;
- **'Customers'**: the customers of the Company;
- **'Regular Customers'**: customers to whom the Company supplies various types of products through multiple dealings;
- **'Code of Ethics'**: the Code of Ethics adopted by the Board of Directors on 5/12/2013;
- **'Employees'**: all employees of the Company (including the senior management);
- **'Italian Legislative Decree 231/2001'** or **'Decree'**: Legislative Decree No. 231 of 8 June 2001, as amended;
- **'Family Members'**: any non-legally-separated spouse, cohabiting partner, children, parents, brothers, sisters and tax dependants;
- **'Close Relatives'**: any non-legally-separated spouse, cohabiting partner and tax dependants;
- **'Suppliers'**: suppliers with whom the Company establishes business relations;
- **'Regular Suppliers'**: suppliers with whom the Company has had multiple dealings;
- **'Organisation, Management and Control Model'**: this Organisation, Management and Control Model as per Italian Legislative Decree 231/2001 adopted by the Company by a special resolution of the Board of Directors on 5/12/2013;
- **'Compliance Committee'** or **'CC'**: internal body responsible for supervising the operation of and compliance with the Organisation, Management and Control Model and its updating, appointed by a special resolution of the Board of Directors on 5/12/2013;
- **'Corporate Bodies'**: members of the Board of Directors or the Board of Statutory Auditors;
- **'PA'**: the Public Administration, including its officials and public servants;

- **'Predicate offences'**: the offences set out in Annex 1;
- **'Company'**: Kirchner Italia S.p.A. with registered office at Via Amerigo Vespucci 13, Milan, Italy;
- **'STUDIO SIELI / Mr Andrea Sieli'**, with registered office at Via Paolo Sarpi 3, 20145 Milan, Italy: a firm/professional chosen by the Company to prepare its financial statements and half-yearly reports and to fulfil the consequent regulatory obligations;
- **'Studio Riitano'**, with registered office at Via Santa Maria Rossa 7, 20132 Milan, Italy: a firm that manages the administrative activities relating to the Company's personnel;
- **Ms Roberta Noris**, Via Soperga 2, 20127 Milan, Italy: professional engaged by the Company to audit its financial statements;
- **'Ms Beatrice De Gaspari'**, Via Salara 36, 48121 Ravenna, Italy: Health and Safety Officer.

## **2. Italian Legislative Decree No. 231/2001**

### **2.1 Regulations governing the administrative liability of legal persons, companies and associations**

Italian Legislative Decree No 231 was issued on 8 June 2001 with the purpose of bringing Italian legislation on the liability of legal persons into line with certain international Conventions.

This Decree, entitled 'Regulations governing the administrative liability of legal persons, companies and associations, with or without legal personality', introduced a set of regulations concerning administrative liability (referring essentially to criminal liability) into Italian law for entities (to be understood as companies, consortia, etc.), for certain offences committed in their interest or to their advantage:

- by natural persons who perform functions of representation, administration or management of the entities or of one of their organisational units with financial and functional autonomy, as well as to natural persons who exercise, even *de facto*, management and control over the same entities ('**Senior Management**');
- by natural persons subject to the management or supervision of one of the above-mentioned members of the Senior Management.

This liability is additional to that of the natural person who materially committed the offence and exists even when the perpetrator has not been identified but when - taking into account the circumstances under which the offence was committed - it is reasonable to assume that the perpetrator undoubtedly belongs to the category of the aforementioned persons - or cannot be charged, or when the offence is extinguished for a reason other than amnesty (e.g. because it is required).

The liability of the entity exists even if the offence was committed by a member of the Senior Management and/or a person subject to their supervision in complicity with persons outside the company organisation (e.g. suppliers, consultants, collaborators, and, in general, all contractual counterparties), thus constituting, precisely, a conspiracy of persons in the offence punishable under Articles 110 and 113 of the Italian Criminal Code.

Fines are applied for all offences committed. For the most serious cases, interdictory sanctions, such as the suspension or withdrawal of licences and concessions, the prohibition on contracting with the PA, disqualification from conducting business, the exclusion or withdrawal of loans and contributions, and the prohibition on advertising goods and services, are also applied.

Liability under the aforementioned Decree also applies to offences committed abroad, provided that the country where the offence was committed has not already prosecuted for them.

### **2.2. Prerequisites for application.**

The sanctioning of legal persons first of all presupposes an objective condition, namely that the offence was committed in the interest or to the advantage of the organisation by persons acting within it (Article 5 of the Decree).

The government's Report explains the meaning of these two terms indicating different types of imputation:

- 'interest' is assessed on an *ex ante* basis and covers all conduct whose purpose is to obtain a profit for the company, even a non-economic profit;
- 'advantage', on the other hand, is assessed on an *ex post* basis and makes the company liable for all those offences which, although determined by personal motives of the perpetrator, nevertheless result in a benefit for the company.

It follows that the entity is not liable if the offences were committed solely in the interest of natural persons or third parties (Article 5(2) of the Decree). In such a case, even if the offence objectively resulted in an advantage for the legal person, it is exempt from all charges.

### **2.3 Addressees of the Model**

In view of the contents of the preceding section, the Addressees of the Organisation, Management and Control Model are considered to be:

- all natural persons who perform functions of representation, administration or management of the Company or of an organisational unit of the Company with financial and functional autonomy;
- all natural persons who exercise, even de facto, management and control over the Company;
- all natural persons subject to the management or supervision of one of the above-mentioned parties.

### **2.4 Offences**

With regard to the type of offences for which entities may be held administratively liable, the Decree and other legislative measures specifically identify the offences for which entities may be held liable.

Section III, Chapter I, of Italian Legislative Decree 231 exhaustively outlines the list of predicate offences the commission of which may give rise to the administrative liability of the entity, if committed by a member of the Senior Management or a person subject to the supervision thereof. As at the date of the update to this General Part, these predicate offences currently consist in the following:

- a) Offences against the Public Administration (Articles 24 and 25)
- b) Cybercrimes and unlawful processing of data (Article 24-bis)
- c) Organised crime offences (Article 24-ter)
- d) Offences against the Public Faith (Article 25-bis)
- e) Offences against industry and trade (Article 25-bis(1))
- f) Corporate offences (Article 25-ter)
- g) Offences for the purposes of terrorism and subversion of the democratic order (Article 25-quater)
- h) Female genital mutilation (Article 25 quater(1))
- i) Offences against personal integrity (Article 25-quinquies)
- j) Market abuse offences (Article 25-sexies)
- k) Offenses of manslaughter or serious or grievous bodily harm committed with breach of the regulations governing occupational health and safety (Article 25-septies)
- l) Offences of receiving stolen goods, money laundering and self-laundering (Article 25-octies)
- m) Offences relating to non-cash means of payment (Article 25-octies(1))
- n) Copyright infringement offences (Article 25-novies)
- o) Offences consisting in incitement to withhold statements or to make false statements before the judicial authorities (Article 25-decies)

- p) Environmental offences (Article 25-undecies)
- q) Offence of employing illegally staying third country nationals (Article 25-duodecies)
- r) Racism and xenophobia offences (Article 25-terdecies)
- s) Fraud in sporting competitions, illegal gambling or betting and games of chance using prohibited devices (Article 25-quaterdecies)
- t) tax offences (Article 25-quinquiesdecies)
- u) Smuggling offences (Article 25-sexiesdecies)
- v) Offences against the cultural heritage (Article 25-septiesdecies)
- z) Laundering of cultural property and devastation and looting of cultural and landscape heritage (Article 25-octiesdecies)
- z.1) Crimes against animals (Article 25-noviesdecies)
- z.2) Attempted offences (Article 26).

**2.5 The adoption of the 'Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231' as possible exemption from administrative liability**

Article 6 of the Decree, which introduces the aforementioned concept of administrative liability, nevertheless provides for a specific form of exemption from such liability if the entity can prove that:

- the governing body adopted and effectively implemented, prior to the commission of the offence, Organisation, Management and Control Models capable of preventing offences of the kind committed;
- the task of supervising the operation of and compliance with the Models and ensuring that they are updated has been entrusted to a body of the entity with autonomous decision-making and supervision powers;
- the persons who committed the offence acted by fraudulently circumventing the Organisation, Management and Control Models;
- there has been no omission of or deficiency in supervision by the supervisory body.

Decree 231 also provides that - in relation to the extent of delegated powers and the risk of offences being committed - the Models must meet the following requirements:

- a) identify the activities where it is possible that the offences and unlawful actions may be committed;
- b) provide for specific protocols aimed at planning training and implementing decisions regarding the offences and unlawful acts within the Entity;
- c) identify ways of managing financial resources suitable for preventing the commission of such offences and unlawful actions;
- d) establish obligations regarding reporting to the body responsible for monitoring the functioning of and compliance with the Model;
- e) introduce an appropriate in-house disciplinary system to sanction non-compliance with the measures specified in the Model.

### **3. Adoption of the Organisation, Management and Control Model by the Company**

#### **3.1 Kirchner's activities and organisational structure**

The corporate purpose of Kirchner is:

The design, project management, procurement, manufacture and assembly of fired heaters, steam reformers and heat recovery boilers and systems for the oil and petrochemical industries.

The current organisation chart illustrating the areas of responsibility of each Function or Operational Area is attached hereto.

Certain business activities are outsourced. More precisely:

- the management of Information Systems
- personnel administration
- other services (e.g. some administrative services, etc.)

*Outsourcing* is managed by concluding, with each outsourcer, specific contracts that include the following information:

- a detailed description of the outsourced activities and the Company's auditing and control powers;
- the way in which the services provided are charged;
- the safeguards adopted to protect the Company's information assets;
- the *outsourcer's* obligation to act in accordance with applicable laws and regulations;
- Kirchner's obligation to verify the adequacy of the activities carried out by the *outsourcer*.

Following the entry into force of this Organisation, Management and Control Model, *outsourcer* contracts will make provision for Kirchner's right to terminate the contract in the event the *outsourcer* breaches: (i) legislation that may result in sanctions against the customer and (ii) the obligation to carry out the activity in accordance with the principles set forth in the Organisation, Management and Control Model adopted by Kirchner as well as in its Code of Ethics. Kirchner will also be entitled to terminate the contract in the event of repeated and unjustified interruptions in the provision of services by the *outsourcer*.

#### **3.2 The fundamental principles of the Model**

This Model was prepared taking into account, in the first instance, the existing regulations and the practices, procedures and monitoring systems already in place at Kirchner.

The Company identified the following as existing specific tools for planning training initiatives, implementing company decisions and monitoring corporate activities:

- Governance system
- System of powers
- Internal monitoring system

## **The governance system**

The corporate governance rules governing the Company's activities were set forth in the Articles of Association adopted by the Company on 22/9/2008.

Kirchner's governance structure, which is based on the conventional administration and control model, consists of the following bodies:

- Shareholders' General Meeting;
- Board of Statutory Auditors;
- Board of Directors;
- Chairperson of the Board of Directors;
- the Chief Executive Officer;
- Director responsible for tax-related matters;
- Compliance Committee.

The Board of Directors is the body responsible for the strategic supervision of the company, and the Chief Executive Officer is responsible for company management.

## **The system of powers**

Kirchner's system of powers, which is documented in Board of Directors' minutes and powers of attorney drawn up by a notary, is based on the fundamental criteria of formalisation and clarity, allocation of roles and responsibilities, separation of operational and monitoring activities, and definition of reporting lines and operational activities.

The existing system of powers is therefore inspired by the principle that only persons vested with formal, specific powers may undertake commitments towards third parties in the name and on behalf of the Company, within a general system that attributes to each person (either with actual powers of attorney, or even only with internal proxies) powers consistent with the hierarchical position held.

For the internal attribution of its powers of representation, the Company chose to vest the Board of Directors with the powers for ordinary and extraordinary administration, while delegating to the Managing Directors the powers required to manage the Company's business within the limits set by the Articles of Association and the corresponding powers of attorney.

## **The internal monitoring system**

Kirchner's internal monitoring system consists of the set of rules, organisational structures, practices, policies, regulations, procedures and operating instructions that ensure the smooth running of the Company. This system involves all sectors of Company operations by separating operational duties from supervisory duties, thereby reasonably avoiding any possible conflict of interest.

The existing corporate monitoring system consists of:

- Line monitoring is aimed at ensuring that operations are performed properly. This activity is carried out by the same functions and incorporated into company procedures
- Auditing, carried out by the Auditing firm
- Monitoring of compliance with the law and the articles of association and with the principles of proper administration, and of the adequacy of the organisational, administrative and accounting structure. This activity is carried out by the Board of Statutory Auditors.
- Third-level monitoring, carried out by the Compliance Committee, aimed at periodically assessing the completeness, functionality and adequacy of the Organisation, Control and Management Model, with a pre-established frequency depending on the nature and extent of the risks.

### **3.3 Objectives pursued by the Company with the adoption of the Organisation, Management and Control Model**

Although the Degree considers the adoption of organisation and management models to be optional and not mandatory, the Company is conscious of the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities and the need to protect its position and image, the interests of its shareholders and all legitimate stakeholders in the company's business ('Stakeholders'), as well as the work of its employees, and therefore decided that it would be in line with its corporate policies to proceed with the preparation and adoption of this Organisation, Management and Control Model, as a tool for improving and integrating its corporate governance.

### **3.4 Construction of the Organisation, Management and Control Model**

Before drafting the Model, a series of preparatory and preliminary activities were carried out to thoroughly study the Company in order to create a system for the prevention and management of offences that is in keeping with the provisions of the Decree, despite the fact that the Decree provides for a system that is ever-evolving.

In addition to the analysis of corporate documents (chamber of commerce certificate, manuals, procedures, organisation chart, job descriptions, system of powers, etc.), these activities entailed conducting interviews and talks with the top management in order to identify and screen the contacts, behaviours and processes that could result in the commission of offences (gap analysis).

Below is a brief description of the stages into which the work to identify areas at risk was divided, which served as the basis for the preparation of the Model.

#### ***1) Mapping of company areas at risk of offences being committed***

The drafting and implementation of a prevention model requires an accurate and effective (prior) mapping of the offence risks. The purpose of this '**cognitive-representative**' stage is to identify the risk to which the Company is exposed as a result of the activities it carries out, and to analyse the extent of this risk.

The Company is therefore required to carry out a survey of the risk factors and critical elements typical of its operations, taking into account the complexity of the business, the separation of responsibilities, and the decision-making processes.

During this stage, an important role is played by the analysis of the company's information flows (communications) and decision-making flows, as well as the policy implemented by the Company (understood both as a concrete distribution of power and as an analysis of the balance of power existing between the various units).

The purpose of this stage is to analyse the company context and identify in which area and/or sector of activity and by which means the offences could (potentially) be committed.

#### ***2) Identification of Sensitive Processes***

Sensitive Processes were identified through the prior examination of corporate documentation (main existing procedures, powers of attorney and proxies, company chamber of commerce certificates, etc.) as well as through a series of interviews (including a self-assessment process) with the company's top management precisely in order to identify Sensitive Processes and the monitoring systems and/or procedures already in place addressing them.

This gap analysis took due account of all activities that involve, even potentially, contact or interaction between certain company resources and, for example, persons who could be qualified as public officials or public servants, as well as by considering the company activities that could influence the commission of corporate offences or offences in general.

### **3) Control system - specific protocols**

On the basis of the Sensitive Processes, the procedures and monitoring operations already adopted, and the provisions and purposes of the Decree, the degree of effectiveness of the operation and control systems already in place was identified and analysed, in order to find the critical points for preventing the risk of offences;

This made it possible to identify actions suited to improving and/or supplementing the current internal procedures and organisational requirements that are essential for defining a 'specific' Model.

### **4) Historical investigation**

The purpose of this stage is to examine the history and 'track record' of the company and establish whether there is any inclination and/or propensity to unlawful behaviour.

### **5) Means by which offences can be committed**

The possible means by which offences may be committed are described in order to develop indispensable preventive precautionary measures.

### **6) Drafting of the organisation model**

The Model consists of a 'General Part' and a 'Special Part' setting forth the various offences identified among those covered in Italian Legislative Decree 231/2001, which are considered to represent a greater danger for the Company, taking into account the type of activity carried out by the Company, the various areas identified as being most at risk, and the relevant procedures that the Company has adopted in order to prevent the commission of the aforementioned offences.

For offences that, in view of the activity performed, are not considered to have risk profiles that reasonably suggest they are likely to be committed in the interest or to the advantage of the company, reference to the general principles set forth in this Organisation, Management and Control Model and in the Code of Ethics was considered fully comprehensive.

### **3.5 Purpose of the Organisation, Management and Control Model**

The adoption and effective implementation of the Model not only allows Kirchner to benefit from the exemption provided for by the Decree and, in any case, to 'defuse' the sources of criminal risk associated with the specific business activity, but also improves, within the limits provided for in the Decree, its corporate governance, by restricting the risk of offences being committed.

The purpose of the Organisation, Management and Control Model is to build a structured and organic system of procedures and monitoring activities, to be carried out also on a preventive basis (*ex ante* monitoring), aimed at preventing the commission of the different types of offences covered by the Decree.

More specifically, by identifying the 'areas of activity at risk' and consequently developing procedures to manage them, the Organisation, Management and Control Model aims to:

- make all those who work in the name of and on behalf of the Company in the 'areas of activity at risk' aware that, in the event of a breach of the provisions set forth herein, they may commit an offence liable to criminal and administrative sanctions, not only against themselves but also against the Company;
- reiterate that such forms of unlawful conduct are strongly condemned by the Company since (even if the Company were apparently in a position to benefit from them) they are in any case contrary not only to the provisions of the law, but also to the ethical and social principles the Company intends to comply with in the performance of its corporate mission;
- allow the Company, by monitoring the 'areas of activity at risk', to take timely action to prevent or counteract the commission of the offences.

In addition to the principles already described, the cornerstones of Organisation, Management and Control Model are:

- raising awareness concerning the rules of conduct and the procedures established and their dissemination to all levels of the company;
- the mapping of the Company's 'areas of activity at risk', i.e. those activities within the context of which the commission of offences is considered to be highest;
- the assignment to the Compliance Committee of specific tasks of supervision over the effective and proper functioning of the Organisation, Management and Control Model;
- analysis and recording of operations at risk;
- compliance with the principle of the separation of duties;
- the definition of authorisation powers consistent with the responsibilities assigned;
- the assessment of company conduct, as well as of the functioning of the Organisation, Management and Control Model, with consequent periodic updates (*ex post* monitoring).

### **3.6 Approval of the Organisation, Management and Control Model**

The drafting and approval of the Organisation, Management and Control Model are the exclusive responsibility of the Board of Directors, having consulted with the Board of Statutory Auditors.

This Organisation, Management and Control Model, consisting of a General Part, a Special Part and a series of Annexes (which constitute an integral and substantial part of the Model), was approved by resolution of the Board of Directors of Kirchner Italia S.p.A. on 5/12/2013. On 27.11.2025, the Board of Directors, having consulted the Compliance Committee, approved the updating of this Organisation, Management and Control Model pursuant to Italian Legislative Decree No 231/2001.

In both of the aforesaid resolutions, each member of the Board of Directors and the Board of Statutory Auditors declared their commitment to comply with this Organisation, Management and Control Model.

### **3.7 Amendment and updating of the Organisation, Management and Control Model**

The Board of Directors shall, in concert with the Compliance Committee, provide for the periodic updating of the Organisation, Management and Control Model whenever the need to alter it arises.

### **3.8 Periodic reviews of the Organisation, Management and Control Model**

This Organisation, Management and Control Model and compliance with it shall be subject to periodic reviews by the Compliance Committee.

As a result of these reviews, the Compliance Committee will prepare an annual report to be submitted to the Board of Directors. This report shall:

- provide details of the checks carried out and their outcome;
- focus on any deficiencies;
- suggest the action to be taken.

### **3.9 Availability of the Organisation, Management and Control Model**

A copy of the Organisation, Management and Control Model is made available to all employees through the company intranet.

## **4. Compliance Committee**

### **4.1 Identification of the Compliance Committee**

Article 6(1)(b) of the Decree lays down as a condition for exemption from administrative liability that a body of the entity with autonomous decision-making and supervisory powers be entrusted with the task of supervising the functioning of and compliance with the models, as well as updating them.

The Decree does not specify any criteria of independence or professional expertise, even minimal ones, with which the members of the supervisory body must be equipped, and merely specifies that the body as a whole must have autonomous decision-making and supervisory powers.

Its adequacy must therefore be assessed in relation to the autonomy of the body as a whole, which depends not only on the characteristics of the individual members, but also on the powers effectively attributed to them.

The Decree provides that in limited companies, the duties of the Compliance Committee may be fulfilled by the Statutory Auditor, the Board of Statutory Auditors, the Supervisory Board or the Management Control Committee.

### **4.2 Appointment and composition of the Compliance Committee**

The Board of Directors is responsible for appointing the Compliance Committee.

The Compliance Committee has a collegial composition and is currently constituted by the Board of Statutory Auditors, in accordance with Article 6(4-bis) of Italian Legislative Decree 231/2001.

### **4.3 Requirements for members of the Compliance Committee**

In order for the members of the Compliance Committee to constitute a credible authority for the specific activity they are to perform, they must possess the following expertise:

- knowledge of the organisation and main business processes typical of the sector in which the company operates
- legal knowledge enabling the identification of the types of offences that could be committed
- ability to identify and assess the impacts, under the regulatory framework, on the company;

The following constitute grounds for ineligibility and/or disqualification:

- the existence of one of the conditions justifying removal from office for just cause as set forth in section 4.5 below
- being related by marriage or kinship up to the fourth degree to members of the Board of Directors, persons who hold representative, administrative or management positions in the Company or in one of its organisational structures with financial and functional autonomy, as well as persons who exercise, even de facto, management and control over the Company and the auditing firm, as well as other parties specified by the law
- the existence of conflicts of interest, even potential ones, with the Company or its subsidiaries that compromise the member's independence
- direct or indirect ownership of a level of equity investments that allows the member to exercise a significant influence over the company;
- the existence of a public employment relationship with central or local Public Administrations in the three years preceding appointment as a member of the Compliance Committee.

#### **4.4 Term of office, re-electability and replacement of the Compliance Committee**

The term of office of the Compliance Committee is three years, and where its duties are fulfilled by the Board of Statutory Auditors, it shall coincide with the term of office of that corporate body. Upon expiry, its members may be re-appointed.

Where the duties of the Compliance Committee are fulfilled by the Board of Statutory Auditors, forfeiture of the latter for any reason whatsoever shall automatically result in the forfeiture of the Compliance Committee.

If, during the three-year term of office, one or more members of the Board of Statutory Auditors and/or of the Compliance Committee leave office, the Board of Directors shall replace them in a timely manner. The newly appointed members of the Board of Statutory Auditors and/or the Compliance Committee shall remain in office until the end of the three-year period.

#### **4.5 Removal from office and resignation of the Compliance Committee**

The removal from office of the Compliance Committee is the sole responsibility of the General Meeting.

The Compliance Committee may not be removed from office except for just cause.

In this regard, 'just cause' shall mean:

1. disqualification or incapacitation, or a serious infirmity that renders the member of the Compliance Committee unable to perform their supervisory duties, or an infirmity that, in any case, results in an absence from work for a period exceeding six months;
2. a serious breach of the duties of Compliance Committee members as defined in this Organisation, Management and Control Model;
3. a final conviction of the Company pursuant to the Decree, or criminal proceedings concluding with 'plea bargaining', where the documents show that the Compliance Committee failed to supervise or was deficient in its supervision of corporate activities, in accordance with Article 6(1)(d) of the Decree;
4. a final conviction against a member of the Compliance Committee for having personally committed one of the offences provided for in the Decree;

5. a final conviction against a member of the Compliance Committee, involving even temporary disqualification from holding public offices or temporary disqualification from management offices of legal persons and undertakings;

In the cases described above in which a conviction has been handed down, the General Meeting may also order the removal from office of the member of the Compliance Committee, before the judgement becomes final.

Following such a decision, the Board of Directors shall immediately appoint the members of the Compliance Committee.

Resignation from the office of Statutory Auditor automatically entails resignation as a member of the Compliance Committee.

#### **4.6 Functions, powers and budget of the Compliance Committee**

The Compliance Committee is entrusted, in general terms, with the power/duty to supervise:

- compliance with the provisions of the Organisation, Management and Control Model by its Addressees, who are specifically identified in the individual Special Parts in relation to the different types of offences covered by the Decree;
- the actual effectiveness and ability of the Organisation, Management and Control Model, in relation to the corporate structure, to prevent the commission of the offences referred to in the Decree;
- the need to update the Organisation, Management and Control Model, due to changes in company conditions.

On a more operational level, the Compliance Committee is entrusted with the power/duty to:

- request and acquire information from and to every level of the Company, including through the Managers of the various sectors of the Company;
- set up monitoring procedures, bearing in mind that primary responsibility for the monitoring of activities, including those relating to areas of activity at risk, remains with operational management and forms an integral part of the corporate process ('line monitoring'), which confirms the importance of the staff training process;
- review the company's activities in order to update the mapping of areas of activity at risk within the company;
- periodically carry out targeted checks on specific operations or acts performed within the areas of activity at risk as defined in the individual Special Parts of the Organisation, Management and Control Model;
- promote appropriate initiatives for the dissemination of knowledge and understanding of the Organisation, Management and Control Model and prepare the internal organisational documentation required for the functioning of the Organisation, Management and Control Model, containing instructions, clarifications or updates;
- as the Body responsible for managing the reports transmitted in accordance with the Whistleblowing Procedure adopted by the Company in accordance with Italian Legislative Decree No 24 of 10 March 2023, collect, process and keep relevant reports concerning compliance with the Organisation, Management and Control Model, as well as update the list of information that must be mandatorily transmitted or made available to the Compliance Committee;

- coordinate with other corporate functions (including through special meetings) to ensure the most effective monitoring of activities in areas at risk. To this end, the Compliance Committee shall be kept constantly informed of the development of activities in the aforementioned areas at risk, and shall have free access to all relevant corporate documentation. The Compliance Committee shall also be notified by the management of any situations within the activity that may expose the Company to the risk of offences being committed;
- monitor the actual presence, proper keeping and effectiveness of the documentation required in accordance with the provisions of the Special Part of the Organisation, Management and Control Model for the different types of offences. Specifically, the Compliance Committee must be notified of the most significant activities or operations covered by the Special Part, and have at its disposal updated documentation enabling it to carry out its monitoring activities. This power may be exercised in respect of any operational sector and the Compliance Committee may not be refused information on the grounds of official secrecy.
- conduct internal investigations into alleged breaches of the requirements of this Organisation, Management and Control Model of which it becomes aware through reports submitted in accordance with the Whistleblowing Procedure;
- check that the elements provided for in the Special Part of the Organisation, Management and Control Model for the different types of offences (adoption of standard clauses, fulfilment of procedures, etc.) are in any case adequate and meet the requirements of compliance with the Decree and, if not, propose appropriate amendments to the Board of Directors;
- liaise with the Heads of the other corporate functions regarding the various aspects relating to the implementation of the Organisation, Management and Control Model (definition of standard clauses, disciplinary measures, etc.);
- continuously monitor the effectiveness of the Organisation, Management and Control Model and its actual capacity to ensure the prevention of offences.

The members of the Compliance Committee may not use the information acquired in the performance of their duties for purposes other than the performance of their functions. Indeed, the members of the Compliance Committee are required to keep all the information they acquire strictly confidential.

The Compliance Committee is entrusted with:

- the availability of a certain amount of financial resources, which is decided annually by the Board of Directors, for the performance of its tasks. These financial resources are kept available and disbursed by the Company following an explicit and reasoned request by the members of the Compliance Committee. The latter are also required to report to the Board of Directors on how these financial resources are spent;
- the power, where necessary, to ask the Board of Directors to make available additional financial resources and/or to award professional appointments to third parties with specific expertise.

#### **4.7 Rules governing the operation of the Compliance Committee**

##### **a) Verification of requirements**

In order to allow the Compliance Committee to carry out - pursuant to and within the terms set out in section 4.3 of the Model - the verification of the fulfilment of the requirements by its members, the

latter must send a specific declaration in this regard to the Committee. To this end, the Committee may prepare and provide an example of such a declaration.

*b) Duties of the Chairperson*

The Chairperson of the Compliance Committee is the Chairperson of the Board of Statutory Auditors.

The Chairperson:

- calls and chairs the meetings of the Compliance Committee, prepares its work by setting the agenda and directs, coordinates and moderates the discussion;
- reports to the Board of Directors on the functioning of the Model and compliance with the obligations imposed by the aforementioned Decree.

In the event of the absence, suspension or temporary inability of the Chairperson, the most senior member by appointment or, in the event of equal seniority, the oldest member by age shall assume the Chairperson's duties.

In the event of resignation, incapacity, death, removal from office or disqualification of the Chairperson, and until a new Chairperson is appointed, the relevant duties shall be carried out by the most senior member by appointment or, in the event of equal seniority, by the oldest member by age.

*c) Calling of meetings*

The Compliance Committee shall meet when convened by the Chairperson or their deputy:

- at least once a quarter to perform the tasks for which they are responsible;
- whenever information is to be provided to the Board of Directors because it is required or deemed necessary or appropriate;
- whenever it receives the reports provided for in the Model;
- whenever it acquires, by other means, such information on company life that its action is deemed necessary or appropriate in relation to the tasks entrusted to it;
- in the event of a reasoned written request by a member of the Compliance Committee.

Meetings of the Compliance Committee are called by means of a notice containing a summary of the items to be discussed, to be sent by e-mail. The notice must be sent at least three days before the date set for the meeting, in good time to allow the members to familiarise sufficiently with the topics under discussion, and shall be followed by the sending of the documentation, where available, required to best ensure the performance of their duties.

In cases of particular urgency, meetings may be called with twenty-four hours' notice, sent by any suitable means. In such a case, a comprehensive discussion of each topic and special attention to the content of documents that could not be transmitted in the usual manner must be ensured during the meeting.

The Compliance Committee normally meets at the Company's registered office, but may also meet at any other location in Italy.

In performing its duties, the Compliance Committee has the power to avail itself of the cooperation of the Company's functions and external consultants.

*d) Conflict of interest and temporary impediment*

In the event of any potential conflict of interest involving a member of the Compliance Committee, the latter is obliged to declare to the Compliance Committee the existence of the potential conflict of interest and its origin, and still retains the right to participate in the meetings of the Compliance Committee, but with the obligation to abstain from voting.

In the event of causes temporarily preventing a member of the Compliance Committee from performing their duties, they are obliged to declare the existence of the temporary impediment to the Compliance Committee. When the Compliance Committee is informed of the temporary impediment of one of its members, it shall inform the Board of Directors, which shall carry out the necessary assessments and pass any resolutions required.

By way of example, the following constitute causes of temporary impediment:

- the indictment of the member in connection with a predicate offence;
- illness or injury lasting more than three months and preventing attendance of Compliance Committee meetings.

e) Validity of meetings and resolutions

For meetings to be quorate, a majority of the members must be present, and resolutions must obtain a majority of the votes of those in attendance. In the event of a tie, the person chairing the meeting shall have the casting vote. Voting cannot take place by proxy.

Meetings may also be validly held through the use of remote connection systems, provided they ensure the identification of the persons entitled to attend and allow all participants to follow the meeting and take part in the discussion of the items on the agenda in real time, as well as to receive, send or consult documents. In this case, the meeting is deemed to be held at the Chairperson's location.

In any case, a meeting is deemed to be quorate if, in the absence of a formal convocation, all members of the Compliance Committee attend it or if any absent member expressly consents to its holding.

The Compliance Committee is entitled to have persons both internal and external to the Company attend its meetings. f) Secretary

A member of the Compliance Committee appointed by the Compliance Committee itself shall act as Secretary. The Secretary is responsible for preparing and filing the minutes of each meeting, which must be signed by the person chairing the meeting and the Secretary and forwarded to all members of the Compliance Committee. Copies and extracts of the minutes are certified by a declaration of conformity signed by the Chairperson and the Secretary.

**4.8 Information flows involving the Compliance Committee**

a) Reports by company officers or third parties

The directors, as well as all employees of the Company, shall forward to the Compliance Committee:

- the documentation prescribed in the Special Part of the Organisation, Management and Control Model in accordance with the procedures covered therein,
- information of any kind, including information from third parties and pertaining to the implementation of the Organisation, Management and Control Model in the Areas at Risk, whether of an unofficial nature or relating to official documents;
- any reports, including those of an unofficial nature, concerning the commission, or the reasonable belief of the commission, of the Offences or, in any case, behaviour not in line

with the rules of conduct adopted by the Company and which could give rise to the Company's liability under Italian Legislative Decree No. 231/2001.

In this regard, it should be noted that the report should not be made in advance to one's hierarchical superior, in view of the fact that the risk situation could arise from a practice introduced by the hierarchical superior, or from the latter's conduct.

This is without prejudice to compliance with the Whistleblowing Procedure that was adopted by the Company in accordance with Italian Legislative Decree No 24 of 10 March 2023, and is to be considered fully applicable herein.

Consultants and Partners, where expressly provided for in letters of appointment or other agreements, must inform the Compliance Committee of any event that could give rise to the Company's liability under Italian Legislative Decree No. 231/2001.

The Compliance Committee shall assess the reports received - including those received through the Company's Whistleblowing Portal -, and any ensuing measures at its reasonable discretion and responsibility, and, where necessary, consult the whistleblower and/or the person responsible for the alleged breach and shall justify in writing any decision not to proceed with an internal investigation.

Reports, concerning breaches or suspected breaches of the Organisation, Management and Control Model, may be made:

- verbally, or in writing through the Company's Whistleblowing Portal, in accordance with the provisions of the relevant Procedure;
- through the 'alternative channel' provided for in the Whistleblowing Procedure (see section 9), adopted by the Company, by requesting an in-person meeting with the Whistleblowing Officer or their deputy.

The Compliance Committee shall ensure whistleblowers protection against any form of retaliation, discrimination or penalisation, and the confidentiality of the whistleblower's identity, without prejudice to legal obligations and the protection of the rights of the Company or persons accused in bad faith;

*b) Disclosure obligations relating to official documents*

Without prejudice to the provisions of the preceding section, the Compliance Committee must be informed by the Heads of the corporate functions concerned of the information concerning:

- orders and/or notices from the judicial authorities, or any other authority, inferring that investigations are being carried out, including investigations against unknown persons, for the Offences provided for in the Decree;
- requests for legal assistance forwarded by the senior management and/or employees if legal proceedings for the Offences provided for in the Decree are initiated;
- reports prepared by the heads of other corporate functions as part of their monitoring activities and from which facts, actions, events or omissions of a critical nature with respect to compliance with the provisions of the Decree may emerge;
- information on the effective implementation, at all levels of the company, of the Organisation, Management and Control Model, with evidence of disciplinary proceedings carried out and any sanctions imposed (including sanctions against Employees) or of the orders to dismiss such proceedings with the relevant reasons;

- the system of delegation of powers and/or functions adopted by the Company, and any amendments thereto.

#### **4.9 Functions of the Compliance Committee: reporting to the Corporate Bodies**

The Compliance Committee reports on the implementation of the Organisation, Management and Control Model and any critical issues.

The reporting lines of the Compliance Committee are as follows:

- on an ongoing basis, directly to the Chairperson and the Chief Executive Officer;
- on a periodic basis (at least every six months), to the Board of Directors and the Board of Statutory Auditors, where the duties of the Compliance Committee are not carried out by the Board of Statutory Auditors. These reports shall detail the activities carried out by the Compliance Committee and any critical issues (and suggestions for improvement) that have come to light both in terms of conduct or events within the Company, and in terms of the effectiveness of the Organisation, Management and Control Model;
- once a year, to the Board of Directors and the Board of Statutory Auditors, where the duties of the Compliance Committee are not carried out by the Board of Statutory Auditors. These reports shall have the same content as the periodic reporting referred to in the previous point. They shall be made available to the shareholders together with the documents required for the approval of the financial statements;
- immediately, where facts of particular importance or significance are confirmed, to the Chairperson and the Chief Executive Officer so that they may call a meeting of the Board of Directors and the Board of Statutory Auditors, where the duties of the Compliance Committee are not carried out by the Board of Statutory Auditors.

If the duties of the Compliance Committee are not carried out by the Board of Statutory Auditors and the Compliance Committee becomes aware of critical issues referable to one or more statutory auditors, the resulting report shall be addressed to the Chairperson and the Chief Executive Officer.

Meetings with the Chairperson and/or Chief Executive Officer must be minuted by the Compliance Committee, which is also required to keep a copy.

The Compliance Committee may be convened at any time by the Board of Directors and the auditing firm, and may in turn submit a request to that effect, in order to report on the functioning of Organisation, Management and Control Model or on specific situations.

The Compliance Committee shall also liaise with the competent corporate functions about the various specific profiles.

#### **4.10 Collection and filing of information**

All information, whistleblowing and/or other reports provided for in this Organisation, Management and Control Model shall be kept by the Compliance Committee in a special computer or paper database for a period of 10 years.

***Access to the data base, for consultation purposes only, is only permitted to members of the Board of Directors and the Board of Statutory Auditors, where the duties of the Compliance Committee are not carried out by the Board of Statutory Auditors.***

## **5. Personnel training and extension of the principles of the Organisation, Management and Control Model to third parties**

### **5.1 Personnel training**

The Compliance Committee is responsible for disseminating information on the Organisation, Management and Control Model to company personnel by means of:

- information in the recruitment letter for new hires;
- initial seminar extended from time to time to all new hires;
- annual refresher seminar for all personnel and Corporate Bodies;
- occasional e-mail updates, (e.g. when relevant regulatory changes occur).

Participation in training courses is compulsory.

### **5.2 Extension of the principles of the Organisation, Management and Control Model to third parties**

The principles set forth in the Organisation, Management and Control Model shall be brought to the attention of all those who have a professional relationship with the Company.

In this regard, the Company shall prepare specific standard contractual clauses, subject to acceptance by the third party, concerning the commitment to comply with the application of the principles of the Organisation, Management and Control Model, wholly or in part, depending on the offence and/or the activity governed by the contract, as well as the systems and remedies for protecting it.

## **6. Disciplinary system**

### **6.1 General principles**

For the Organisation, Management and Control Model to be effective it is essential to provide an adequate system of sanctions for the breach of the rules of conduct imposed to prevent the commission of the offences referred to in the Decree, and, in general, in the internal procedures laid down in the Organisation, Management and Control Model.

The application of disciplinary sanctions is irrespective of the outcome of any criminal proceedings, since the rules of conduct laid down in the Organisation, Management and Control Model are adopted by the company in a fully autonomous manner, regardless of the offence that any conduct may determine.

### **6.2 Conduct subject to disciplinary action**

The following constitute conduct subject to disciplinary action pursuant to and for the purposes of this Organisation, Management and Control Model:

- engaging in acts unambiguously aimed at breaching the internal procedures laid down in this Organisation, Management and Control Model;
- engaging in acts unambiguously aimed at adopting, in the performance of activities in the areas at risk, conduct that does not comply with the provisions of the Organisation, Management and Control Model;
- breaching the internal procedures laid down in this Organisation, Management and Control Model;
- adopting, in the performance of activities in areas at risk, conduct that does not comply with the provisions of the Organisation, Management and Control Model.

### **6.3 Sanctions for Employees**

Any behaviour on the part of Employees that is subject to disciplinary action pursuant to and for the purposes of this Organisation, Management and Control Model is defined as a disciplinary offence.

The sanctions that can be imposed on such employees shall be those provided for in the National Collective Bargaining Agreement, to which reference should be made.

Any behaviour on the part of Employees that is subject to disciplinary action pursuant to and for the purposes of this Organisation, Management and Control Model is defined as a disciplinary offence.

Sanctions, as governed by the law, including contract law, shall be imposed taking into account:

- the intentionality of the conduct or degree of negligence, recklessness or inexperience also considering the foreseeability of the event;
- the overall conduct of the worker, with particular regard to the existence or absence of previous disciplinary issues regarding them, within the limits permitted by the law;
- the worker's duties;
- the functional position of the persons involved in the events constituting the misconduct; ➤ other special circumstances accompanying the disciplinary breach.

If the breach of the Organisation, Management and Control Model was committed by a member of the senior management and is detrimental to the fiduciary relationship, the sanction shall be dismissal for just cause.

#### **6.4 Sanctioning proceedings against Employees**

The sanctioning proceeding is governed by current legislation and the National Collective Bargaining Agreement.

The imposition of sanctions or orders to dismiss the proceeding, with the reasons therefor, shall be communicated to the Compliance Committee.

#### **6.5 Disciplinary action against Directors**

In the event that conduct subject to disciplinary action pursuant to and for the purposes of this Organisation, Management and Control Model is committed by one of the members of the Board of Directors, the Compliance Committee shall inform the entire Board of Directors, which, with the exclusion of the Director concerned, shall take the appropriate initiatives, including the precautionary removal of delegated powers, and call a shareholders' general meeting to arrange for a replacement, if necessary.

#### **6.6 Disciplinary action against Auditors**

In the event that conduct subject to disciplinary action pursuant to and for the purposes of this Organisation, Management and Control Model is committed by one of the members of the Board of Statutory Auditors (which is also the Compliance Committee), the Board of Directors and the other members of the Board of Statutory Auditors, with the exclusion of the Statutory Auditor concerned, shall take the appropriate initiatives and call a shareholders' general meeting to arrange for a replacement, if necessary.

#### **6.7 Disciplinary action against external collaborators, outsourcers and suppliers**

The Organisational Model is also binding for the Company's Collaborators, Suppliers and Partners.

In this regard, it should be noted that any conduct by the above individuals not in compliance with the rules of conduct set out in this Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231 and/or in the Company's Code of Ethics and which entails the risk of committing an offence sanctioned by Italian Legislative Decree No 231 may result, in accordance with the provisions of the specific contractual clauses, in the termination of the contract or the Company's right to claim compensation for any greater damages.

In any case, the Company shall take care to include specific clauses aimed at ensuring the foregoing, when entering into contractual relations with said collaborators, outsourcers and suppliers.

## **7. Principles regarding monitoring**

The general principles that apply in relation to the Company's activities to prevent the commission of criminal offences are as follows:

- every operation, transaction or administrative act must be recorded and verifiable;
- no person may manage an entire process on their own, and the Company's organisational system must ensure the separation of duties;
- no person may be given unlimited powers;
- authorisation powers and signatory powers must be consistent with organisational responsibilities;
- the monitoring system must record, also by means of reports, the supervisory activities carried out.

All Addressees of the Organisation, Management and Control Model are under obligation:

- to comply with the aforementioned principles, particularly with regard to the development and implementation of company procedures;
- to report to the Compliance Committee, even anonymously, any breaches of the aforementioned principles.