

MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

(pursuant to Italian Legislative Decree No. 231 of 8th June 2001)

General Part

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Definitions and abbreviations

Sensitive activities: the company activities within the scope of which opportunities, conditions and instruments for the commission of offences could potentially be created.

CCNL: the National Collective Trade Agreement (*Contratto Collettivo Nazionale del Commercio*) applicable to employees and managers

Code of Ethics: The Code of Ethics adopted by the Company.

Board of Directors (also BoD or Governing Body): the Board of Directors of Aglatech 14 S.r.l.

Collaborators: persons who have non-subordinate collaborative relationships with the Company, commercial representation relationships and other relationships that take the form of professional services of a non-subordinate nature, whether continuous or occasional.

Italian Decree or Legislative Decree 231/2001: Italian legislative Decree No. 231 of 8th June 2001, containing the 'Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29th September 2000', in its current content.

Target audience: Directors, Senior and Subordinate Personnel, consultants, collaborators, suppliers, agents and any partners to the extent in which they may be involved in the performance of activities in which it is conceivable that one of the offences set out in the Decree may be committed, and those who act under the direction or supervision of senior management within the scope of their assigned tasks and functions.

Employees: natural persons subject to the direction or supervision of persons with functions of representation, administration or management of the Company, i.e. all persons who have an employment relationship of any kind with the Company.

Suppliers: economic entity operating in the procurement market for financial and primary resources (goods and services).

Person in charge of a public service: a person who 'in any capacity whatsoever performs a public service', meaning an activity governed in the same manner as a public function, but characterised by the lack of powers typical of the latter (Art. 358 of the Italian criminal code).

Organisation, Management and Control Model (also Model): this Organisation, Management and Control Model adopted pursuant to Articles 6 and 7 of Italian Leg. Decree 231/2001.

Supervisory Body (also Body or SB): the Body of the Entity, having autonomous powers of initiative and control, with the task of supervising the functioning of and compliance with the Model, as well as reporting any need for updating to the Directors.

Public Administration, PA or Public Bodies:

- the State (or State Administration)
- public Entities: the Public Entity is either identified as such by law or is an Entity subject to a system of public control, interference by the State or other Administration in the appointment and dismissal of its directors, and the administration of the Entity itself. It is characterised by the participation of the state, or other public administration, in the management costs; or by the power of direction that the state has over its bodies; or by institutional public financing; or by the establishment of a public initiative.

Public official: a person who exercises 'a legislative, judicial or administrative public function'. For the purposes of criminal law, 'an administrative function governed by rules of public law and public authority acts and characterised by the formation and manifestation of the will of the public administration or by being carried out by means of authoritative or certifying powers is public' (Article 357 of the Italian criminal code).

Offences: these are the types of offences to which the provisions of Italian Legislative Decree no. 231/2001, also following subsequent amendments or additions thereto, apply.

Company: Aglatech 14 S.r.l.

Whistleblower or Whistleblower: the person making a report.

Senior persons: persons who hold positions of representation, administration or management of the Company or of one of its units with financial and functional autonomy, as well as persons who exercise, even de facto, management or control of the Company.

Subordinates: persons subject to the direction or supervision of one of the persons referred to in the preceding paragraph.

Third party recipients: Directors, Senior and Subordinate Personnel, consultants, collaborators, suppliers, agents and any partners to the extent in which they may be involved in the performance of activities in which it is conceivable that one of the offences set out in the Decree may be committed, and those who act under the direction or supervision of senior management within the scope of their assigned tasks and functions.

The structure of the Organisation, Management and Control Model

The Organisation, Management and Control Model (hereinafter also 'the Model') consists of a General Part and a Special Part. The **General Part** deals mainly with the following topics:

- regulatory context;
- Corporate governance and internal control system;

- Organisation, Management and Control Model, with specific reference to the characteristics;
- Supervisory Body;
- mechanisms for disseminating the Model, including training and information;
- Sanctioning system and sanctioning procedure.

The **Special Section** identifies:

- the categories of offences relevant to the Company;
- sensitive activities and processes;
- the principles of conduct and related control measures;
- the tasks of the Supervisory Body.

In addition to what is described, the following form an integral part of the Organisation, Management and Control Model:

- the risk assessment document, i.e. the risk assessment document, prepared by the Company that identifies:
 - the categories of offences relevant to the Company;
 - the corporate areas (corporate bodies and functions) potentially exposed to risk;
 - sensitive processes and/or activities, i.e. those activities or processes falling within the remit of corporate bodies and areas or functions in which the conduct constituting predicate offences may in abstract terms be committed;
 - the control and risk management system, which identifies the measures adopted by the Company to reduce the risk of offences to an acceptable level (to be understood as the residual 'possibility of committing an offence only by fraudulently violating the control and risk management system adopted');
 - the Company's exposure to risk (inherent and residual risk).
- the Code of Ethics, which defines the principles and standards of corporate behaviour;
- all the provisions, internal measures and company operating procedures referred to in the Model (e.g. powers, delegations, organisation charts, by-laws, procedures).



These deeds and documents can be found in the manner prescribed for their distribution within the company.

GENERAL PART

1 *Italian Legislative Decree No. 231 of 8th June 2001*

1.1 *General Principles*

Italian Legislative Decree No. 231 of 8th June 2001 (hereinafter referred to as the 'Decree' or 'Leg Decree 231/2001') introduced into our legal system the administrative liability of legal persons, companies and associations, including those without legal personality (hereinafter 'Entities'), in the event of the commission or attempted commission of certain types of offences or administrative offences in the interest or to the advantage of the Entity by

- persons holding functions of representation, administration or management of the Entity or of one of its Organisational Units with financial and functional autonomy, as well as natural persons exercising, also de facto, the management and control of the same (so-called "persons in charge"). 'seniors');
- persons 'subject' to the direction or supervision of the persons referred to in the preceding paragraph.

The administrative liability of the entity is distinct and autonomous from that of the natural person committing the offence and subsists even when the offender has not been identified, or when the offence has been extinguished for a reason other than amnesty. In any case, the liability of the entity is always in addition to, and never in place of, that of the natural person who committed the offence.

1.2 *The 'catalogue' of offences and administrative offences relevant to the Decree*

The Entity's liability exists only for those offences (committed or attempted) expressly provided for by the legislator, the so-called predicate offences.

In particular, the following offences and administrative offences are concerned:

Misappropriation of funds, fraud to the detriment of the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud to the detriment of the State or a public body and fraud in public procurement (Article 24)

- Misappropriation to the detriment of the State or other public body (Article 316-bis of the Italian criminal code);
- undue receipt of funds to the detriment of the State or of another public body or of the European Communities (Article 316-ter of the Italian criminal code);
- fraud to the detriment of the State or another public body or of the European Communities (Article 640(2)(1) of the Italian criminal code);
- aggravated fraud to obtain public funds (Article 640-bis of the Italian criminal code);

- computer fraud to the detriment of the State or other public body (Article 640-ter of the Italian criminal code);
- fraud in public procurement (Article 356 of the Italian criminal code);
- fraud against the European Agricultural Fund (Art. 2. Italian L. 23/12/1986, n.898).

Embezzlement, official misconduct, undue inducement to give or promise benefits, bribery and abuse of office (Article 25)

- official misconduct (Article 317 of the Italian criminal code);
- corruption for the exercise of a function (Article 318 of the Italian criminal code);
- bribery for an act contrary to official duties (Article 319 of the Italian criminal code);
- aggravating circumstances (Article 319-bis of the Italian criminal code);
- bribery in judicial proceedings (Article 319-ter of the Italian criminal code);
- undue inducement to give or promise benefits (Article 319-quater);
- bribery of a person in charge of a public service (Article 320 of the Italian criminal code);
- penalties for the corruptor (Article 321 of the Italian criminal code);
- incitement to corruption (Article 322 of the Italian criminal code);
- embezzlement, official misconduct, undue inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and of officials of the European Communities and of foreign States (Article 322-bis of the Italian criminal code);
- trafficking in unlawful influence (Article 346-bis of the Italian criminal code);
- embezzlement (Art. 314, para. 1 Italian criminal code);
- embezzlement by profiting from the error of others (Article 316 of the Italian criminal code);
- abuse of office (Article 323 of the Italian criminal code).
- Obstructing the freedom to invite tenders (Article 353 of the criminal code)
- Obstructing the freedom to choose a contractor (Article 353-bis)

Computer crimes and unlawful processing of data (Article 24-bis of the Decree)

- falsification of a public computer document or one having evidential effectiveness (Article 491-bis of the Italian criminal code);
- unauthorised access to a computer or telecommunications system (615-ter of the Italian criminal code);
- unauthorised possession and dissemination of access codes to computer or telecommunications systems (615-quater of the Italian criminal code);
- dissemination of computer equipment, devices or programmes aimed at damaging or interrupting a computer or telecommunications system (615-quinquies of the Italian criminal code);
- unlawful interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the Italian criminal code);
- installation of equipment designed to intercept, prevent or interrupt computer or telematic communications (Article 617-quinquies of the Italian criminal code);
- damaging computer information, data and programmes (Article 635-bis of the Italian criminal code);
- damaging computer information, data and programmes used by the State or another public body or in any case of public utility (Article 635-ter of the Italian criminal code);
- damaging computer or telecommunications systems (Article 635-quater of the Italian criminal code);
- damaging computer or telecommunication systems of public utility (Article 635-quinquies of the Italian criminal code);
- computer fraud of the electronic signature certifier; (Article 640-quinquies of the Italian criminal code);
- violation of the rules on the National Cybersecurity Perimeter (Article 1, Section 11, Decree-Law 21 September 2019, No 105)

Organised crime offences (Article 24-ter of the Decree)

- criminal conspiracy (Article 416 of the Italian criminal code);
- mafia-type associations, including foreign ones (Article 416-bis of the Italian criminal code);

- all offences if committed by availing oneself of the conditions provided for in Article 416-bis of the Italian criminal code in order to facilitate the activities of the associations provided for in the same Article (Law 203/91);
- political-mafia electoral exchange (Article 416-ter of the Italian criminal code);
- kidnapping for the purpose of robbery or extortion (Article 630 of the Italian criminal code);
- criminal association for the purpose of dealing narcotic drugs or psychotropic substances (Article 74 of Presidential Decree 309/1990);
- crimes of unlawful manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or warlike weapons or parts thereof, explosives, clandestine weapons as well as several common firing weapons (Article 407(2)(a)(5) of the Code of Criminal Procedure).

Offences of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Article 25-bis of the Decree)

- counterfeiting of money, spending and introduction into the State, in concert, of counterfeit money (Article 453 of the Italian criminal code);
- alteration of currency (Article 454 of the Italian criminal code);
- spending and introduction into the State, without concert, of counterfeit money (Article 455 of the Italian criminal code);
- spending of counterfeit money received in good faith (Article 457 of the Italian criminal code);
- forgery of revenue stamps, introduction into the State, purchase, possession or putting into circulation of forged revenue stamps (Article 459 of the Italian criminal code);
- counterfeiting watermarked paper in use for the manufacture of public credit cards or stamps (Article 460 of the Italian criminal code);
- manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper (Article 461 of the Italian criminal code);
- use of counterfeit or altered stamps (Article 464 of the Italian criminal code);
- counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Article 473 of the Italian criminal code);

- introduction into the State and trade of products with false signs (Article 474 of the Italian criminal code).

Crimes against industry and trade (Article 25-bis.1 of the Decree)

- disruption of the freedom of industry or trade (Article 513 of the Italian criminal code);
- unlawful competition with threats or violence (Article 513-bis of the Italian criminal code);
- fraud against national industries (Article 514 of the Italian criminal code);
- fraud in the exercise of trade (Article 515 of the Italian criminal code);
- sale of non-genuine foodstuffs as genuine (Article 516 of the Italian criminal code);
- sale of industrial products with misleading signs (Article 517 of the Italian criminal code);
- manufacturing of and trade in goods made by usurping industrial property rights (Article 517-ter of the Italian criminal code);
- counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quater of the Criminal code).

Corporate offences (Article 25-ter of the Decree)

- false corporate communications (Article 2621 of the Civil Code);
- minor facts (Article 2621-bis of the Civil Code);
- false corporate communications by listed companies (Article 2622 of the Civil Code);
- impeding control (Article 2625 of the Civil Code);
- undue return of contributions (Article 2626 of the Civil Code);
- illegal distribution of profits and reserves (Article 2627 of the Civil Code);
- unlawful transactions involving shares or quotas in the company or its parent company (Article 2628 of the Civil Code);
- transactions to the detriment of creditors (Article 2629 of the Civil Code);
- failure to disclose a conflict of interest (Article 2629-bis of the Civil Code);
- fictitious capital formation (Article 2632 of the Civil Code);

- undue distribution of company assets by liquidators (Article 2633 of the Civil Code);
- corruption between private individuals (Article 2635 of the Civil Code);
- incitement to bribery among private individuals (Article 2635-bis of the Civil Code);
- unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code);
- agiotage (Article 2637 of the Civil Code);
- obstructing the exercise of the functions of public supervisory authorities (Article 2638 of the Civil Code);
- False or omitted declarations for the issue of the preliminary certificate (Art. 54 Leg. Decree 19/2023).

Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Italian criminal code and special laws (Article 25-quater of the Decree)

- subversive conspiracy (Article 270 of the Italian criminal code)
- conspiracy for the purposes of terrorism, including international terrorism or subversion of the democratic order (Article 270-bis of the Italian criminal code);
- aggravating and mitigating circumstances (Article 270-bis 1 of the Italian criminal code)
- assistance to associates (Article 270-ter of the Italian criminal code);
- recruitment for the purposes of terrorism, including international terrorism (Article 270-quater of the Italian criminal code);
- training in activities for the purposes of terrorism, including international terrorism (Article 270-quinquies of the Italian criminal code);
- transfer organisation for the purposes of terrorism (Art. 270-quater 1);
- embezzlement of seized goods or money (Article 270-quinquies 2 of the Italian criminal code);
- conduct for the purposes of terrorism (Article 270-sexies of the Italian criminal code);
- attack for terrorist or subversive purposes (Article 280 of the Italian criminal code);
- terrorist attack with deadly or explosive devices (Article 280-bis of the Italian criminal code);
- nuclear terrorist attack (Article 280-ter of the Italian criminal code);

- kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Italian criminal code);
- kidnapping for the purpose of coercion (Article 289-ter of the Italian criminal code);
- incitement to commit any of the offences provided for in Chapters 1 and 2 (Article 302 of the Italian criminal code);
- political conspiracy by agreement (Article 304 of the Italian criminal code);
- political conspiracy by association (Article 305 of the Italian criminal code);
- armed group: formation and participation (Article 306 of the Italian criminal code);
- assistance to participants in conspiracies or armed groups (Article 307 of the Italian criminal code);
- financing of conduct with the purpose of terrorism (Act No. 153/2016, Article 270 quinquies 1 of the Italian criminal code);
- seizure, hijacking and destruction of an aircraft (Law No. 342/1976, Article 1);
- damage to ground installations (Law No. 342/1976, Art. 2);
- sanctions (Law No. 422/1989, Art. 3);
- diligent repentance (Leg. Decree No. 625/1979, Art. 5);
- New York Convention of 9 December 1999 (Art. 2).

Offence of practising female genital mutilation (Article 25-quater.1 of the Decree)

- female genital mutilation practices (Article 583-bis of the Italian criminal code).

Crimes against the individual (Article 25-quinquies of the Decree)

- reduction to or maintenance in slavery or servitude (Article 600 of the Italian criminal code);
- child prostitution (Article 600-bis (1) and (2) of the Italian criminal code);
- child pornography (Article 600-ter of the Italian criminal code);
- possession of pornographic material (Article 600-quater of the Italian criminal code);
- virtual pornography (Article 600-quater 1 of the Italian criminal code);
- tourist initiatives aimed at exploiting child prostitution (Article 600-quinquies of the Italian criminal code);

- human trafficking (Article 601 of the Italian criminal code);
- purchase and sale of slaves (Article 602 of the Italian criminal code);
- illegal intermediation and exploitation of labour (Article 603-bis of the Italian criminal code);
- solicitation of minors (Article 609-undecies of the Italian criminal code).

Market abuse offences (Article 25-sexies of the Decree)

- abuse of privileged information (Art. 184, Leg. Decree 24 February 1998, No 58 - TUF);
- market manipulation (Art. 185, Leg. Decree 24 February 1998, No 58 - TUF).

Other cases of market abuse (Article 187-quinquies TUF)

- prohibition of insider trading and unlawful disclosure of inside information (Art. 187-bis, Legislative Decree no. 24 February 1998, No 58 - TUF);
- prohibition of market manipulation (Art. 187-ter, Leg. Decree 24 February 1998, No 58 - TUF).

Offences of manslaughter and grievous or very grievous bodily harm, committed in breach of the rules on health and safety at work (Article 25-septies of the Decree)

- manslaughter (Article 589 of the Italian criminal code);
- personal injury through negligence (Article 590 of the Italian criminal code).

Offences of receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin and self-laundering (Article 25-octies of the Decree)

- receiving stolen goods (Article 648 of the Italian criminal code);
- money laundering (Article 648-bis of the Italian criminal code);
- use of money, goods or benefits of unlawful origin (Article 648-ter of the Italian criminal code);
- self-laundering (Article 648-ter.1 of the Italian criminal code).

Offences relating to non-cash payment instruments (Art. 25-octies.1 of the Decree)

- Misuse and counterfeiting of non-cash payment instruments (Article 493-ter of the Criminal Code)

- Possession and distribution of computer equipment, devices or programmes aimed at committing offences involving non-cash payment instruments (Article 493-quater of the Criminal Code)
- Computer fraud aggravated by the carrying out of a transfer of money, monetary value or virtual currency (Article 640-ter of the criminal code)
- Fraudulent transfer of valuables (Article 512-bis) [Article introduced by Law No. 137/2023]
- Other cases

Copyright infringement offences (Article 25-novies of the Decree)

- criminal protection of economic and moral rights of use (Article 171(1)(a)(aa) and (3), Law No. 633/1941);
- criminal protection of software and databases (Article 171-bis(1), Law No. 633/1941);
- criminal protection of audiovisual works (Article 171-ter, Law No. 633/1941);
- criminal liability relating to media (Article 171-septies, Law No. 633/1941);
- criminal liability for conditional access audiovisual transmissions (Article 171-octies, Law No. 633/1941).

Offence of inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies of the Decree)

- inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian criminal code).

Environmental offences (Article 25-undecies of the Decree)

These are offences under the Italian criminal code and special laws.

- environmental pollution (Article 452-bis of the Italian criminal code);
- environmental disaster (Article 452-quater of the Italian criminal code);
- culpable offences against the environment (Article 452-quinquies of the Italian criminal code);
- trafficking in and abandonment of highly radioactive material (Article 452-sexies of the Italian criminal code);
- aggravating circumstances (Article 452-octies of the Italian criminal code);

- killing, destruction, capture, taking or possession of specimens of protected wild animal or plant species (Article 727-bis of the Italian criminal code);
- destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian criminal code).
- import, export, possession use for profit, purchase, sale, display or possession for sale or commercial purposes of protected species (Law No. 150/1992, Art. 1, Art. 2, Art. 3-bis and Art. 6);
- discharges of industrial waste water containing hazardous substances; discharges to soil, subsoil and groundwater; discharges into the sea from ships or aircraft (Leg. Decree 152/2006, Art. 137);
- unauthorised waste management activities (Leg. Decree 152/2006, Art. 256);
- pollution of the soil, subsoil, surface water or groundwater (Leg. Decree 152/2006, Art. 257);
- breach of reporting obligations, of keeping of compulsory registers and forms (Leg. Decree 152/2006, art. 258(4), second sentence);
- organised activities for illegal trafficking of waste (Leg. Decree 152/2006, Art. 259(1));
- organised activities for illegal trafficking of waste (Article 452-quaterdecies of the Italian criminal code);
- false information on the nature, composition and chemical/physical characteristics of the waste in the preparation of a waste analysis certificate; inclusion in SISTRI of a false waste analysis certificate; omission or fraudulent alteration of the hard copy of the SISTRI form - handling area in the transport of waste (Legislative Decree no. 152/2006, Article 260-bis)
- sanctions (Legislative Decree 152/2006, Art. 279);
- malicious pollution caused by ships (Leg. Decree 202/2007, Art. 8);
- negligent pollution caused by ships (Leg. Decree 202/2007, Art. 9);
- cessation and reduction of use of harmful substances (L. 549/1993, Art. 3).

Crime of employment of third-country nationals whose stay is irregular (Article 25-duodecies of the Decree)

- provisions against clandestine immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, Legislative Decree No. 286/1998);

- employment of third-country nationals whose stay is irregular (Article 22(12-bis) of Legislative Decree No. 286 of 25 July 1998 - Consolidation Act on Immigration).

Crimes of racism and xenophobia (Article 25-terdecies of the Decree)

- propaganda and incitement to commit racial, ethnic and religious discrimination (Article 604-bis of the Italian criminal code).

Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of the Decree)

- fraud in sporting events (Article 1 Law No. 401 of 13 December 1989);
- abusive exercise of gambling or betting activities (Article 4 Law No. 401 of 13 December 1989)

Tax offences (Article 25-quinquiesdecies of the Decree)

- fraudulent declaration using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree No. 74 of 10 March 2000);
- fraudulent declaration by means of other artifices (Article 3 Legislative Decree No. 74 of 10 March 2000);
- false declaration (Article 4 of Legislative Decree No. 74/2000);
- omitted declaration (Article 5 of Legislative Decree No. 74/2000);
- issue of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree No. 74 of 10 March 2000);
- concealment or destruction of accounting documents (Article 10 Legislative Decree No. 74 of 10 March 2000);
- undue compensation (Article 10-quater of Legislative Decree No. 74/2000);
- fraudulent evasion of taxes (Article 11 Legislative Decree No. 74 of 10 March 2000).

Smuggling (Article 25 sexiesdecies), provided for in Title VII "Customs violations" of Presidential Decree No. 43 of 23 January 1973.

- smuggling in the movement of goods across land borders and customs areas (Article 282 Presidential Decree No. 43/1973);
- smuggling in the movement of goods in border lakes (Article 283 Presidential Decree No. 43/1973);
- smuggling in the maritime movement of goods (Article 284 Presidential Decree No. 43/1973);

- smuggling in the movement of goods by air (Article 285 Presidential Decree No. 43/1973);
- smuggling in non-customs zones (Article 286 Presidential Decree No. 43/1973);
- smuggling for undue use of goods imported with customs facilities (Article 287 Presidential Decree No. 43/1973);
- smuggling in customs warehouses (Article 288 Presidential Decree No. 43/1973);
- smuggling in cabotage and traffic (Article 289 Presidential Decree No. 43/1973);
- smuggling in the export of goods eligible for duty drawback (Article 290 Presidential Decree No. 43/1973);
- smuggling in temporary import or export (Article 291 Presidential Decree No. 43/1973);
- smuggling of foreign manufactured tobacco (Article 291-bis Presidential Decree No. 43/1973);
- aggravating circumstances for the crime of smuggling foreign manufactured tobacco (Article 291-ter Presidential Decree No. 43/1973);
- conspiracy to smuggle foreign manufactured tobacco (Article 291-quater of Presidential Decree No. 43/1973);
- other cases of smuggling (Article 292 Presidential Decree No 43/1973);
- aggravating circumstances for smuggling (Article 295 Presidential Decree No 43/1973).

Crimes against the cultural heritage (Article 25-septiesdecies of the Decree)

- Theft of cultural heritage (art. 518-bis Criminal Code);
- Misappropriation of cultural heritage (Article 518-ter Criminal Code);
- Receiving stolen cultural heritage (art. 518-quater Criminal Code);
- Falsification in a private contract relating to cultural heritage (Article 518-octies Criminal Code);
- Violations relating to the alienation of cultural heritage (Article 518-novies Criminal Code);
- Illegal importation of cultural heritage (Article 518-decies of Criminal Code);

- Illegal exportation or exportation of cultural heritage (Article 518-undecies Criminal Code);
- Destruction, dispersion, deterioration, defacement and unlawful use of cultural or landscape heritage (Article 518-duodecies Criminal Code);
- Counterfeiting of works of art (Article 518-quaterdecies Criminal Code).

Laundering of cultural heritage and devastation and looting of cultural and landscape heritage (Art. 25-duodicies of the Decree)

- Laundering of cultural heritage (Article 518-sexies Criminal Code);
- Destruction and looting of cultural and landscape heritage (Article 518-terdecies Criminal Code).

Transnational offences (Article 10 - Law No. 146 of 16 March 2006)

The following offences, if committed transnationally, constitute grounds for the administrative liability of entities:

- criminal conspiracy (Article 416 of the Italian criminal code);
- mafia-type association, also foreign (Article 416-bis of the Italian criminal code);
- criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291-quater of the Consolidated Text of the President of the Republic Decree No. 43 of 23 January 1973);
- association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (Article 74 of the Consolidated Text referred to in Presidential Decree No 309 of 9 October 1990);
- provisions against clandestine immigration (Art. 12, paragraphs 3, 3-bis, 3-ter and 5, of the Consolidated Text of Leg. 25 July 1998, No 286);
- inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian criminal code);
- personal aiding and abetting (Article 378 of the Italian criminal code);
- Conspiracy;
- Mafia-type association.

Liability of entities for administrative offences dependent on crime (Art. 12, L. n. 9/2013) [The following shall apply to entities operating in the virgin olive oil sector]

- use, adulteration and counterfeiting of foodstuffs (Article 440 of the Italian criminal code);
- trade in counterfeit or adulterated foodstuffs (Article 442 of the Italian criminal code);
- trade in harmful foodstuffs (Article 444 of the Italian criminal code);
- counterfeiting, alteration or use of distinctive signs of original works or industrial products (Article 473 of the Italian criminal code);
- introduction into the State and trade of products with false signs (Article 474 of the Italian criminal code);
- fraud in the exercise of trade (Article 515 of the Italian criminal code);
- sale of non-genuine foodstuffs as genuine (Article 516 of the Italian criminal code);
- sale of industrial products with misleading signs (Article 517 of the Italian criminal code);
- counterfeiting of geographical indications designations of origin of agri-food products (Article 517-quater of the Italian criminal code).

1.3 The penalty system provided for in the Decree

The liability regime introduced by the Decree intends to involve in the punishment of offences the assets of the entities that have benefited from the commission of those offences. Indeed, in the event of an offence, a pecuniary sanction is always envisaged and, for the most serious cases, further serious disqualification measures are also envisaged, such as the suspension or revocation of concessions and licences, disqualification from exercising the activity, the prohibition from contracting with the Public Administration, the exclusion or revocation of loans and contributions, the prohibition of advertising goods and services, up to the external administration of the entity.

Financial penalties apply whenever the liability of the legal person is established and are determined by the criminal court through a system based on 'quotas'. When establishing the pecuniary sanction, the judge determines the number of quotas taking into account the seriousness of the fact, the degree of the Entity's responsibility as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences; the amount of the quota is set between a minimum of € 258.00 and a maximum of € 1,549.00, on the basis of the economic and patrimonial conditions of the Entity.

Article 12 of Legislative Decree No. 231/2001 provides for a number of cases in which the fine is reduced.

Disqualification sanctions may be applied in addition to pecuniary sanctions, but only if expressly provided for in respect of the offence for which proceedings are being prosecuted and only if at least one of the following conditions is met:

- the Entity derived a relevant profit from the offence and the offence was committed by a senior or subordinate person, but only if the commission of the offence was made possible by serious organisational deficiencies;
- in the event of repeated offences.

The disqualifying sanctions provided for in the Decree are listed below:

- disqualification from exercising the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition to contract with the Public Administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted;
- the ban on advertising goods or services.

The disqualifying sanctions are temporary and may also be applied as a precautionary measure, prior to conviction, at the request of the Public Prosecutor, if there are serious indications of the company's liability, grounded and specific elements that indicate a concrete danger of further commission of offences of the same nature as the one for which proceedings are being initiated.

Disqualification sanctions are not applied (or are revoked, if already applied as a precautionary measure) in situations of particular tenuousness of the offence and in the presence of restorative conduct by the entity.

With reference to the particular tenuousness of the offence, Article 13 of the Decree provides that - in the cases governed by Article 12, paragraph 1, on the subject of reduction of the pecuniary sanction - disqualification sanctions do not apply if one of the following conditions is met:

- the perpetrator committed the offence in their own interest or in the interest of third parties and the entity did not gain an advantage or gained a minimal advantage;
- the pecuniary damage caused is of particular tenuousness.

The application of disqualification sanctions is also excluded where the company has carried out the remedial conducts set out in Article 17 of Legislative Decree No. 231/2001 before the

declaration of the opening of the first instance hearing and, more specifically, where the following conditions are met:

- "the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence or has in any event taken effective steps to do so";
- "the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of such committed";
- 'the entity has made available the profit made for the purposes of confiscation'.

Confiscation consists in the acquisition of the price or profit of the offence by the State or in the acquisition of sums of money, goods or other utilities of equivalent value to the price or profit of the offence: it does not, however, cover that part of the price or profit of the offence that can be returned to the injured party. Confiscation is always ordered with the conviction.

Publication of the judgement be imposed when a disqualification sanction is imposed on the Entity. The judgement is published by posting it in the municipality where the entity has its head office as well as by publication on the Ministry of Justice website.

Pursuant to Article 26(2) of the Decree, the company is not liable when it voluntarily prevents the performance of the action or the realisation of the event.

Administrative sanctions against the company shall be time-barred at the end of the fifth year from the date of commission of the offence, without prejudice to cases where the statute of limitations is interrupted. The statute of limitations is interrupted in the event of an application for precautionary disqualification measures and an administrative offence; in the latter case, the statute of limitations does not run until the judgement defining the case becomes final. The interruption starts a new limitation period.

The final conviction of the company is entered in the national register of administrative offence sanctions.

1.4 The Organisation, Management and Control Model as an exemption from liability under the Decree

Article 6 of the Decree establishes that the Entity shall not be held liable for the offence if it proves that it has adopted and effectively implemented, before the offence was committed, '**Organisation and management models suitable for preventing offences of the kind committed**'.

The legislator, therefore, has attributed an exempting value to the company's organisation, management and control models if they are suitable for the prevention of risk, as well as adopted and effectively implemented.

With regard to content, according to the Decree, the organisation, management and control models must:

- identify, by means of a specific risk analysis, the activities carried out by the Entity, within the scope of which the offences provided for in the Decree may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the offences to be prevented and the methods for managing financial resources suitable for preventing these offences from being committed;
- set up a Supervisory Body with autonomous powers of initiative and control with the task of supervising the functioning and implementation of the Model and ensuring that it is updated;
- provide for specific information obligations vis-à-vis such Supervisory Body;
- adopt an appropriate system of sanctions and disciplinary measures to penalise violation of the Model;
- provide, in relation to the nature and size of the organisation, as well as the type of activity carried out, for appropriate measures to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations in good time.

Where the offence has been committed by persons who hold positions of representation, administration or management of the Entity or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, also de facto, the management and control thereof, the Entity shall not be liable if it proves that

- the management body has adopted and effectively implemented, prior to the commission of the offence, a Model capable of preventing offences of the kind committed;
- the task of supervising the operation of and compliance with the Model and ensuring that it is updated has been entrusted to a Body of the Entity endowed with autonomous powers of initiative and control;
- the subjects committed the offence by fraudulently circumventing the Model;
- there was no omission or insufficient supervision by the Supervisory Body with regard to the Model.

If, on the other hand, the offence is committed by persons subject to the management or supervision of one of the above-mentioned persons, the legal person is liable if the commission of the offence was made possible by the failure to comply with the obligations of management and supervision.

2 *Aglatech 14 S.r.l.*

Aglatech 14 S.r.l. (hereinafter also 'the Company') is a company operating in the translation and language services sector. Founded in 1997 under the name Aglaia, the company changed its name to Aglatech14 upon the change of ownership in 2014. In recent years, growth has been rapid, both in terms of turnover and people. Major changes in terms of technological innovation, process management and company organisation have led to the current set-up of the company, which aims to be a qualified partner for the provision of translation services for its customers.

Furthermore, the company is certified according to the UNI EN ISO 17100:2015 and UNI EN ISO 18587: 2017 quality standards, a further element making it a benchmark for the entire industry.

2.1 *Governance*

The Company has adopted the traditional administration and control system in its articles of association.

The Articles of Association of the Company provide for the following Corporate Bodies:

- the Shareholders' Meeting (a body with exclusively deliberative functions, whose powers are by law limited to decisions of major importance in the life of the company, with the exclusion of management powers);
- the Board of Directors (in charge for the strategic supervision and management of the company);
- a possible supervisory body (Article 17 of the Articles of Association);

an auditing body (Article 18 of the Articles of Association).

The Company availed itself of the right, recognised to it by the Law, not to appoint the supervisory body pursuant to Article 17 of the Articles of Association.

Shareholders' Meeting

At the apex is the Shareholders' meeting, the expression of the shareholders' volitional capacity and the moment when the ownership dialectic determines the decisive choices for the realisation of the company's interests.

The Ordinary Shareholders' Meeting, in addition to the task and power to determine the general direction of the Company's activities for the achievement of its purposes, pursuant to Article 2364 paragraph 1 of the Civil Code also:

- approves the balance sheet;

- appoints and dismisses the directors; appoints the Supervisory Body (if any) and the auditor (if any);
- determines the remuneration of the directors and auditors, if it is not established in the articles of association;
- deliberates on the liability of directors and auditors;
- deliberates on other matters attributed by law to the competence of the shareholders' meeting, as well as on any authorisations required by the articles of association for the performance of actions by the directors, notwithstanding in any case the liability of the directors for the actions performed;
- approves any rules for the meetings.

The Extraordinary Shareholders' Meeting is competent to pass resolutions:

- on amendments to the articles of association,
- on the appointment, replacement and powers of liquidators and
- on any other matter expressly attributed by law to its competence.

Board of Directors

The Board of Directors (hereinafter also referred to as the 'BoD'), consisting of three members, is the body with strategic supervisory functions, in which the functions of direction and/or supervision of corporate management are concentrated.

The management of the company is the sole responsibility of the administrative body, which carries out all operations necessary for the implementation of the company's object with the powers of ordinary and extraordinary administration, subject to any limitations established at the time of appointment.

Chairperson of the Board of Directors and Chief Executive Officer

The legal representation of the Company is vested in the Chairperson of the Board of Directors and Chief Executive Officer of the Company.

The Chairperson and Chief Executive Officer is vested with all powers of ordinary and extraordinary administration, without exception as provided by the Articles of Association for the Board of Directors, with the sole exception of those powers expressly reserved by the Articles of Association or by law to the Board itself or to the Shareholders' Meeting.

In particular, the President and Chief Executive Officer is also vested with the power to sign in the name and on behalf of the Company all declarations necessary for the fulfilment of tax

obligations, be they direct or indirect taxes of any kind, annual or infra-annual taxes, etc., as well as to enter into contracts relating to assets entered in public registers.

Supervisory body (where appointed)

The Supervisory Body monitors compliance with laws, regulations and the Articles of Association, proper administration, and the adequacy of the organisational and accounting structures of the Company. The auditors may at any time proceed, also individually, to inspection and control actions.

The Supervisory Body is responsible for supervising the functionality of the overall internal control system. In view of the plurality of corporate functions and structures with control tasks and responsibilities, this body is required to ascertain the effectiveness of all the structures and functions involved in the control system and their proper coordination, promoting corrective actions for any shortcomings and irregularities detected.

Auditing company

The statutory audit of the company accounts is performed by a statutory auditing firm entered in the special register established by the Ministry of Economy and Finance. The audit assignment is granted by the Shareholders' Meeting pursuant to Article 2364 paragraph 1 no. 2 of the Civil Code.

The term of office is three financial years, expiring on the date of the shareholders' meeting called to approve the financial statements for the third financial year of the appointment.

Pursuant to Art. 14 of Italian Legislative Decree. 39/2010, the company entrusted with the statutory audit/the statutory auditor:

- expresses an opinion on the annual accounts in a report;
- verifies during the course of the financial year that the company's accounts are properly kept and that the operating events are correctly recorded in the accounting records.

Supervisory Body

With regard to the Supervisory Body, please refer to Chapter 4.

2.2 The Risk Management and Control System

Consistent with national and international best practices, the Company has developed a Control and Risk Management System aimed at protecting and enhancing the value of the Company. This system contributes to a management of the entity that is consistent with the corporate objectives defined by the Board of Directors and contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of corporate processes, the

reliability of information provided to the corporate bodies, compliance with laws and regulations as well as with the articles of association and internal procedures.

The following constitute key elements of the Company's Internal Control and Risk Management System:

- the Articles of Association, which contain various provisions on corporate governance aimed at ensuring the proper conduct of management activities;
- the Organogram, which represents the organisational system adopted by the Company, in order to ensure the correct allocation of roles and functions;
- job descriptions, which define the competences of all those who, within the framework of their corporate roles, operate in areas considered 'at risk of offences';
- the Code of Ethics, consisting of a set of general rules of conduct and principles to be observed by all persons, both internal and external ones;
- the Procedural System, consisting of procedures, regulations and internal communications aimed at regulating the relevant processes and defining the operating methods and control measures for the performance of corporate activities.

The above-mentioned documents, once drafted and approved, are brought to the attention of the corporate functions through two main means of dissemination: communication by e-mail and publication on the corporate intranet.

The organisational instruments are reflected in the system of powers described below, which, within the Company's organisational system, represents the set of formal documents by means of which the corporate organisational functions with 'external and internal' powers are identified:

- powers of management representation (so-called general powers of attorney), attributable by means of notarised powers of attorney registered in relation to the performance of related activities and the responsibilities assigned in the organisation of the Company;
- powers of representation relating to individual operations (so-called special powers of attorney), granted by means of notarial powers of attorney or other forms of delegation in accordance with the applicable legislation and with the individual types of deeds to be stipulated;
- delegation and sub-delegation of functions with reference to aspects relating to occupational health and safety regulations as per Italian Leg. Decree 81/2008, attributed to individual persons to confer specific powers aimed at ensuring

compliance with the obligations and fulfilments provided for in occupational health and safety legislation;

- internal delegations, granted for the purpose of performing actions that produce direct effects only within the Company or, in any case, within the scope of contractual relationships already formalised.

These documents define, where necessary, the relevant limits for the different types of activities.

2.3 Code of Ethics

The Company has adopted a Code of Ethics, recalling the principles that the Company recognises as its own and to which it invites all Addressees to abide.

The Code of Ethics represents a point of reference to guide the conduct of the Addressees, in the absence of specific rules of conduct and preventive protocols.

The Company is committed to the effective dissemination, both internally and to its collaborators, of information on the regulatory framework and on the behavioural and procedural rules to be complied with, in order to ensure that business activities are carried out in compliance with the ethical principles laid down in the Code of Ethics.

The Code of Ethics is periodically updated.

3 The Organisation, Management and Control Model of Aglatech 14 S.r.l.

The Company has deemed it appropriate to adopt, by resolution of the Board of Directors, an Organisational, Management and Control Model pursuant to the Decree, in the conviction that this constitutes a valid awareness-raising tool for all those who work in the interest or to the advantage of the Company, as well as an effective means of prevention against the risk of committing the crimes and administrative offences referred to in the reference legislation.

In particular, by adopting the Organisation, Management and Control Model and constantly updating it, the Company aims to:

- disseminate a culture based on control and Risk Management;
- disseminate a corporate culture based on legality, making all those who work in the name and on behalf of the Company aware of this, with particular reference to those who operate in the so-called 'sensitive areas', which make it likely to incur, in the event of violations of the provisions set out in the Model, in the commission of offences subject to criminal sanctions and 'administrative' sanctions that may be imposed on the Company, exposing it to financial, operational and image damages;

- reconfirm that such forms of unlawful conduct are in any case not only contrary to the provisions of the law but also to the ethical principles with which the Company intends to comply in the exercise of its business activities and, as such, are strongly condemned (even in case Company was apparently in a position to benefit from them);
- implement an effective and efficient organisation of business activities, with particular emphasis on the making of decisions and their transparency and traceability, on the accountability of the resources dedicated to taking these decisions and their implementation, on the provision of preventive and subsequent controls, and on the management of internal and external information;
- implement all the necessary measures to reduce the risk of offences being committed as far as possible and in a short time, also by enhancing the existing safeguards, aimed at avoiding unlawful conduct relevant under the Decree;
- enable the Company to take timely action to prevent or counteract the commission of offences or at least to significantly reduce the damage caused by them;
- inform all those who work in the name of, on behalf of, or in any case in the interest of the Company that the violation of the provisions contained in the Model will entail, prior to and independently of the possible commission of offences, the application of disciplinary and/or contractual sanctions.

3.1 Responsibility for adopting and updating the Model

Pursuant to Article 6(1)(a) of the Decree, the management body is responsible for the adoption and effective implementation of the Model.

The Board of Directors therefore has the responsibility and therefore the power to approve, supplement and amend, by means of a specific resolution, all the documents that make up the Model. Likewise, decisions on subsequent amendments and additions to the Model are the responsibility of the Company's Board of Directors, also at the instigation of the Supervisory Body.

Amendments to individual documents or the adoption of new ones (by way of example but not limited to: Code of Ethics, Procedures, Codes of Conduct, Regulations, Operating Instructions,...), in order to incorporate any regulatory/organisational updates, may be approved by the Managing Director and/or by the persons and functions delegated for it, according to the system of powers in force at the time. In any case, the documents must subsequently be submitted to the Board of Directors, which has the power to approve, request corrections or revoke the measures.

3.2 *Drafting the Model*

Drafting of this Model was characterised by the performance of activities aimed at assessing the Company's exposure to risk and at defining a system for the prevention and management of the specific risks associated with the predicate offences referred to in Italian Legislative Decree 231/01.

In particular, for the purposes of drafting the Model, the following activities were carried out:

- identification of the sensitive areas and processes, through the examination of company documentation and interviews with personnel, and correlation of the sensitive areas and processes with respect to the offences provided for in Italian Legislative Decree 231/2001;
- analysis of the inherent risk, by assessing the likelihood that one or more offences under Italian Legislative Decree No. 231/2001 may be committed in the performance of the sensitive activity and the related impact, based on the severity of the potentially applicable sanctions;
- identification of the internal control system with specific reference to the sensitive areas and processes identified, assessment of the actions necessary to improve its functioning and identification of the existing internal rules and protocols with reference only to the areas and processes identified as being at risk of offences;
- analysis of the residual risk for each sensitive activity, assessing the reduction of the inherent risk in relation to the adequacy and level of implementation of the control measures capable of reducing the risk of commission of the offences provided for in Italian Legislative Decree No. 231/2001 and abstractly relevant for the Company;
- definition of rules of conduct relating to each sensitive process;
- regulating the manner in which financial resources are managed in order to prevent the commission of offences;
- provision of an appropriate disciplinary system to sanction both non-compliance with the provisions set out in the Model and violations of the Code of Ethics;
- identification of the Supervisory Body in a body specifically set up by the Company and assignment to it of specific supervisory tasks concerning the effectiveness and efficacy of the Model;
- definition of information flows to the Supervisory Body and from the latter to the Corporate Bodies;
- adoption of a dedicated and external channel for reports concerning any possible violations of the Model.

3.3 The structure of the Organisational Model of Aglatech 14 S.r.l.

This Model consists of a "General Section" and individual "Special Sections" prepared for the different types of offences covered by Legislative Decree No. 231/2001 as well as a Risk Assessment document.

The Code of Ethics, procedures, codes of conduct, regulations and operating instructions referred to therein are also considered an integral part of the Model.

4 The Supervisory Body of Aglatech 14 S.r.l.

Article 6(b) of Legislative Decree. 231/2001 prescribes that the task of supervising the operation of and compliance with the indications of the Model, as well as ensuring that the same is kept up-to-date, should be entrusted to an internal body of the Company having autonomous powers of initiative and control.

The autonomy and independence required by the law presuppose that the Supervisory Body, in the performance of its functions, is placed in a functional position on an equal footing with the Directors.

Pursuant to the Decree, the Supervisory Body is responsible for supervising the operation of and compliance with the Model. In view of the specific nature of the tasks entrusted to the Supervisory Body, the relative task is entrusted to a specific body, set up by the Board of Directors as per the resolution approving the Model.

In carrying out its supervisory and control tasks, the Company's Supervisory Body is supported by all corporate functions and may avail itself of other external functions and professionals that, from time to time, may be necessary for this purpose.

4.1 The requirements of the Supervisory Body of Aglatech 14 S.r.l.

For the purpose of identifying the Supervisory Body, in accordance with the provisions of the main reference trade associations, the Company has identified the following characteristics as indispensable requirements:

- **autonomy and independence:** the Body must be free from any form of interference and pressure from top management and must not be in any way involved in the exercise of operational activities and management decisions. The Supervisory Body must not find itself in a situation of conflict of interest, and no operational tasks that could undermine its autonomy must be assigned to the Body as a whole, but also to its members.

The Supervisory Body must report to the company's top operational management and must be able to dialogue with it 'on an equal footing'.

- **professionalism:** i.e. possession of the necessary tools and techniques for the concrete and effective performance of the assigned activity.

The Company has considered it particularly important to carefully examine the *curricula* of possible candidates and their previous experience, favouring profiles that have matured specific professionalism in the field, as well as in consultancy activities.

- **continuity of action:** the Supervisory Body continuously carries out the activities necessary for the supervision of the Model with adequate commitment and with the necessary powers of investigation, meeting at least quarterly.
- **good reputation:** in this respect, the following cannot be appointed ('**condition of incompatibility**'):
 - those who have been convicted by a judgement, even if not final, or by a judgement of application of the penalty on request ('plea bargaining') and even with a conditionally suspended sentence, subject to the effects of rehabilitation:
 - to imprisonment for a term of not less than one year for one of the offences provided for in Royal Decree 267/ 1942;
 - to imprisonment for a term of not less than one year for one of the offences provided for in the rules governing banking, financial, securities and insurance activities and in the rules governing markets and securities and payment instruments;
 - to imprisonment for a term of not less than one year for a crime against the public administration, against public faith, against property, against the public economy, for a crime relating to tax matters;
 - for any non-negligent offence to imprisonment for a term of not less than two years;
 - for one of the offences provided for in Title XI of Book V of the Civil Code as reformulated by Leg. 61/2002;
 - for an offence which results in and has resulted in a conviction to a penalty leading to disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and companies;
 - for one or more offences among those exhaustively provided for in the Decree, even if sentenced to lesser penalties than those indicated in the preceding points;
 - those against whom one of the prevention measures provided for in Article 10(3) of Law no. 575/1965, as replaced by Article 3 of Law no. 55/1990 and subsequent amendments, has been definitively applied;

- those against whom the ancillary administrative sanctions provided for in Article 187-quater of Legislative Decree no. Decree 58/1998.

In consideration of the elements illustrated above and having specific regard to the structure and operations of the Company, the Directors decided to grant the attributions and powers of the Supervisory Body, pursuant to Legislative Decree 231/2001 to a single-member body specifically set up and made up by one member.

4.2 Appointment, revocation and disqualification

The Board of Directors has appointed the Supervisory Body by means of a specific resolution that determines its term of office as three years. The resolution also determines the remuneration, justifying the choice on the basis of the verification of the fulfilment of the requirements set out in the previous paragraph.

The Body remains in office for the duration of the mandate it has received, regardless of any change in the composition of the Board of Directors that appointed it. This principle does not apply when the renewal of the Board of Directors depends on the occurrence of unlawful acts that have generated (or may generate) the liability of the Company. In this case, the newly elected Board of Directors must redetermine the composition of the Supervisory Body.

It is also the responsibility of the Board of Directors to periodically assess the adequacy of the Supervisory Body in terms of organisational structure and powers granted, and to make any additions deemed necessary by Board resolution.

For the purposes of assessing the requirements of autonomy, independence and good repute, the member of the Supervisory Body, from the moment of appointment and for the entire duration of the office:

- shall not hold any executive or delegated positions in the Company;
- shall not perform any executive functions on behalf of the Company;
- shall not be a member of the household of the Managing Director or one of the Shareholders of the Company;
- shall not own, directly or indirectly, more than 5% of the voting capital of the Company, nor be party to any shareholders' agreements having as their object or effect the exercise of control over the Company;
- shall not be in a condition of incompatibility, as described in section 4.1 above.

The member of the Supervisory Body must self-certify by means of a declaration in lieu of affidavit that he/she is not in any of the aforementioned conditions, expressly undertaking to notify any changes to the content of such declarations.

The member of the Supervisory Body is also required to sign, on an annual basis, a declaration attesting to the continued fulfilment of the autonomy and independence requirements

referred to in the preceding point and, in any case, to immediately notify the Board of Directors of the occurrence of any impediment conditions.

In addition to the event of death, the office of a member of the Supervisory Body automatically lapses in case the same:

- should lose the requirements of autonomy, independence and good repute, as described above;
- breaches any confidentiality obligations strictly related to the performance of her/his duties.
- is declared incapacitated, disqualified or incapacitated under the law;
- is sentenced to a punishment entailing disqualification, even temporary, from holding public office or inability to hold executive office.

Failure to meet the requirements of eligibility, good repute and professionalism established for the office of member of the Supervisory Body entails automatic forfeiture of the office.

Without prejudice to cases of automatic disqualification, the member of the Body cannot be dismissed by the Board of Directors except for just cause.

The following constitute just cause for revocation:

- failure to attend more than two consecutive meetings without a justified reason;
- termination of employment, where the member is also an employee of the Company or of a subsidiary or associated company;
- situations where the member is subject to disqualification or incapacitation proceedings, or bankruptcy proceedings;
- indictment in criminal proceedings involving a penalty involving disqualification, including temporary disqualification, from public office or inability to hold executive office.

Any removal of the member of the Body must be decided by the Board of Directors of the Company.

In the event of resignation or automatic disqualification of a member of the Body, the latter shall promptly notify the Board of Directors, which shall promptly take the appropriate decisions and appoint a new member.

For at least two years after ceasing to hold office, the member of the Supervisory Body may not have any significant business relations with the Company or with other subsidiaries or affiliated companies, with the exception of any employment relationship already existing prior to the appointment as member of the Supervisory Body.

4.3 Tasks of the Supervisory Body of Aglatech 14 S.r.l.

For the performance of its tasks, the Board of Directors has allocated an annual expenditure budget to the Supervisory Body. However, the Supervisory Body may autonomously allocate resources exceeding its spending powers, in compliance with corporate procedures, if the use of such resources is necessary to deal with exceptional and urgent situations. In such cases, the Board must inform the Directors without delay.

In order to perform the tasks entrusted to it, the Supervisory Body makes use of all the corporate functions.

The Supervisory Body performs the following activities:

- supervision of the adequacy and effectiveness of the Model, verifying in particular the consistency between the Model itself and the actual rules adopted in the areas at risk;
- verification of the actual compliance with the Model by the individual company departments, in order to ascertain that the rules defined and the safeguards put in place are followed as faithfully as possible and that they are in fact suitable for preventing the risks of the commission of the relevant offences;
- supervision to ensure that the provisions contained in the Model and in the Code of Ethics are complied with by all persons in any capacity working in the Company;
- notification to the Board of Directors of the need to proceed with any updates and adjustments to the Model in accordance with developments in the law and jurisprudence, as well as as a result of changes in the company organisation or in the business;
- supervising the proper functioning of the control activities for each area at risk, promptly reporting any anomalies and malfunctions of the Model, after discussion with the areas/functions concerned;
- communication of the need to impose any disciplinary sanctions for violations of the Model and the provisions contained therein, after the necessary coordination with the heads of the competent corporate functions.

As regards the modalities for implementing the tasks set out above, the Supervisory Body refers to its own Regulation, in which the supervisory tasks in relation to the effectiveness, efficacy and appropriateness of updating the Model are better specified.

4.4 Reporting activity of the Supervisory Body of Aglatech 14 S.r.l.

The Supervisory Body reports directly to the Board of Directors on the implementation of the Model and the detection of any critical issues.

The Supervisory Body submits an annual activity plan for the following year to the Board of Directors. The Supervisory Body may, however, carry out, within the scope of sensitive corporate activities and, where it deems it necessary for the performance of its functions, controls not provided for in the action plan (so-called 'spot checks').

The Supervisory Body submits an annual report to the Board of Directors on the activities carried out during the past year, explaining the reasons for any deviations from the preventive activity plan. The reporting concerns the activities carried out by the Supervisory Body and any criticalities that have emerged both in terms of conduct or events within the Company and in terms of the effectiveness of the Model.

The Supervisory Body proposes to the Board of Directors, on the basis of the criticalities found, the corrective actions deemed appropriate to improve the effectiveness of the Model.

In cases of urgency or when requested by a member, the Supervisory Body is obliged to report immediately to the Board of Directors on any critical issues encountered.

The annual report must cover:

- the activity performed, indicating in particular the monitoring carried out and its outcome, the checks carried out and their outcome, and any updates to the assessment of activities at risk of offences;
- any critical issues (and suggestions for improvement) that have emerged both in terms of internal conduct or events, and in terms of the effectiveness of the Model;
- the planned corrective and improvement actions and their status of implementation.

Meetings with the corporate bodies to which the Supervisory Body reports must be minuted, and copies of the minutes must be kept by the Supervisory Body and the bodies involved from time to time.

The Board of Directors has the power to convene meetings at any time to report on particular events or situations concerning the functioning of and the compliance with the Model. The Board may also ask to be heard by the Directors whenever it deems it appropriate and necessary.

4.5 Obligations to inform the Supervisory Body of Aglatech 14 S.r.l.

Legislative Decree 231/2001 sets out, among the requirements that the Model must meet, the establishment of specific information/communication obligations vis-à-vis the Supervisory Body in order to enable the latter to perform its supervisory and verification activities. The Supervisory Body must therefore be guaranteed timely and genuine information flows from:

All the Addressees of this Model are required to report to the Supervisory Body, to be carried out following:

- Reports posted on the dedicated page <https://ethicpoint.eu/aglatech-14/> (external service)
- information flows

The Supervisory Body ensures the utmost confidentiality with regard to any news, information, reports, under penalty of revocation of its mandate and the disciplinary measures defined below, without prejudice to the requirements inherent to the conduct of investigations in the event that the support of consultants external to the Supervisory Body or other corporate structures is required.

All information and reports referred to in this Model are kept by the Supervisory Body in a special computerised and paper file, in compliance with the provisions on the protection of personal data.

Reports

The Supervisory Body must be informed by the Addressees of any information, of any kind, also from third parties, concerning the violation of the Model or the provisions of the Decree.

Indeed, all Addressees in good faith are required to submit, in order to protect the integrity of the Company, reports, circumstantiated and based on precise and concordant factual elements, concerning violations or suspected violations of the Organisation and Management Model adopted by the Company, of which they have become aware by reason of the functions performed.

In particular, the following must be reported:

- unlawful conduct, relevant under Legislative Decree 231/01;
- violations of the Model, the Code of Ethics and the provisions contained therein, from which a sanctioning risk for the Company may arise pursuant to the Decree.

Reports should be entered in the dedicated page <https://ethicpoint.eu/aglatech-14/> (external service). Reports will be handled in such a way as to ensure maximum protection of those who send communications or requests for information and in compliance with the

applicable legal provisions on the protection of personal data. If requested, reports can be handled completely anonymously and exclusively by the independent external service

Please note that, pursuant to the provisions of Law 179/2017, containing "Provisions for the protection of the authors of reports of offences or irregularities of which they have become aware in the context of public or private employment relations (so-called whistleblowing)", it is forbidden to carry out direct or indirect acts of retaliation or discrimination against the reporter (or whistleblower) for reasons directly or indirectly related to the report, in compliance with the regulatory provisions of Article 6, paragraph 2-bis, of Legislative Decree no. Decree 231/2001.

Discriminatory measures against whistleblowers may be reported to the National Labour Inspectorate for actions within its competence.

In accordance with the provisions in force, it is clarified that the retaliatory or discriminatory dismissal of the reporting person, as well as any other retaliatory or discriminatory measure, is null and void. In the event of disputes relating to the imposition of disciplinary sanctions, demotions, dismissals, transfers or any other organisational measures having a direct or indirect negative effect on working conditions, the onus is on the employer to prove that such measures are based on reasons unrelated to the report itself.

Finally, it should be noted that the following are sanctioned in accordance with the provisions of Chapter 6 'Sanctioning System' below:

- any breaches of whistleblower protection measures;
- any unfounded reports made with malice or gross negligence.

Information flows

The Supervisory Body must be informed, by means of information flows from the Addressees, of events and aspects relating to ordinary and extraordinary activities of relevance pursuant to the Legislative Decree 231/2001.

In particular, the information, data and news requested by the Supervisory Body must be sent, on a periodical basis, to the latter, including those relating to:

- measures and/or information from judicial police bodies or any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons for the offences provided for in the Decree, concerning the Company;
- visits, inspections and investigations initiated by the competent bodies (regions, regional authorities and local authorities) and, at their conclusion, any findings and sanctions imposed;

- requests for legal assistance made by persons within the Company, in the event of legal proceedings being initiated for one of the offences provided for in the Decree;
- information on the effective implementation of the Model in all areas/functions of the company at risk;
- disciplinary proceedings for violation of the Model, Code of Ethics and/or company regulations;
- information on the development of activities relating to areas at risk;
- accidents in the workplace;
- environmental accidents;
- changes in the system of delegated and proxy powers adopted by the Company and/or in the organisational chart;
- minutes of the meetings of the corporate bodies;
- training courses.

Information flows must be sent to the address of the **Supervisory Body** odvaglatech14@legalmail.it in the manner laid down in the Information Flow Procedure.

4.6 Books of the Supervisory Body of Aglatech 14 S.r.l.

The Supervisory Body establishes, by means of its own regulations, the procedures for recording the activities performed; these procedures take into account the confidentiality obligations concerning the names of any reporting persons and of the verification investigations, and the right of the Board of Auditors and the Board of Directors to consult only the minutes of meetings and periodic reports.

All information, notifications, reports provided for in this Model are kept by the Supervisory Body for a period of 10 years in a special partition of the company file server accessible only to the members of the Supervisory Body, or in a special hard copy archive with selected access limited to the members of the Supervisory Body.

The access keys to the paper archive will be given only to the members of the Supervisory Body, who must return them immediately at the end of their assignment for whatever reason.

Access to the computerised documents of the Supervisory Body with reading and writing authorizations must be granted exclusively to the members of the Supervisory Body itself.

The Supervisory Body establishes, through its own regulations, the procedures for recording reports of violations of the Model or of a Protocol (also governed by the whistleblowing procedure); these procedures take into account the obligations of confidentiality concerning the names of any reporters and the verification investigations, in order to ensure that such data and information cannot be consulted by persons other than the members of the Supervisory Body themselves.

5 Training and information

5.1 General Provisions

The Company ensures correct and complete knowledge of the legislation, the Model and the Code of Ethics.

For the purposes of implementing the Model, training, awareness-raising activities and information to personnel are managed by the competent corporate function in close coordination with the Supervisory Body and the heads of the other corporate functions involved in the application of the Model.

5.2 Initial communication

This Model is sent to all company resources, who must sign a special form attesting to their knowledge and acceptance of the Model.

All subsequent amendments and information concerning the Model are communicated to company resources through official information channels.

5.3 Staff training

Participation in training activities aimed at disseminating knowledge of the regulations set out in the Decree, the Organisation, Management and Control Model and the Code of Ethics is mandatory.

The training takes into account, in its content and delivery methods, the qualification of the Recipients, the risk level of the area in which they work and whether or not they are assigned to representative functions.

Unexcused absence from training sessions is considered a disciplinary offence, in accordance with the Disciplinary System set out below.

5.4 Information to 'Third Parties Recipients'

The Company requires knowledge of and compliance with the Model and the Code of Ethics among the so-called "Third Party Recipients", such as consultants, collaborators, agents,

suppliers, distributors, business partners and other external parties operating in the interest of or to the advantage of Aglatech 14 S.r.l.

Aglatech 14 S.r.l. provides for the inclusion in contracts with third parties, with which it does business, of special clauses providing for the termination of business obligations in the event of non-compliance with the established ethical principles.

6 *Disciplinary System*

6.1 *General Profiles*

A prerequisite for ensuring the effectiveness of the Model, as well as efficient action by the Supervisory Body, is the definition of a system of sanctions commensurate with the violation of the provisions referred to in the Code of Ethics, the Model and the documents referred to therein, as well as the corporate operating procedures governing the functioning of the Company's processes.

Indeed, this disciplinary system constitutes pursuant to Article 6(2)(e) of Legislative Decree no. 231/2001, an essential requirement for the exemption from liability of the Company. The imposition of disciplinary sanctions for violation of the principles and rules of conduct set out in the Organisational Model is irrespective of whether criminal proceedings are initiated and the outcome of the ensuing judgement. Illegal conduct in relation to Legislative Decree No. 231/2001 and violations of the Model damage the relationship of trust established with the Company and, consequently, lead to disciplinary action, regardless of whether criminal proceedings are initiated in cases where the conduct constitutes an offence.

For the purposes of the disciplinary system and in compliance with the provisions of the collective bargaining agreement, therefore, conduct subject to sanctions constitutes both unlawful conduct relevant under the Decree and violations of the Model by employees or third parties having relations with the Company. Since the Model is also made up of the whole legislation that is an integral part of it, it follows that a 'violation of the Model' must also be understood as a violation of one or more procedures and/or principles of the Code of Ethics.

Violation of the measures put in place to protect the whistleblower and reports made with malice or gross negligence that prove to be unfounded also constitute conduct potentially liable of disciplinary sanctions.

As regards the type of sanctions that can be imposed, as a preliminary point, it should be specified that, in the case of employees, any sanctioning measure must comply with the procedures laid down by Article 7 of the Workers' Statute and/or by special regulations, law or contract, where applicable, characterised not only by the principle of typicality of the breaches, but also by the principle of typicality of the sanctions.

The identification and application of sanctions must take into account the principles of proportionality and appropriateness with respect to the alleged violation. In this respect, the following circumstances are relevant:

- type of offence alleged;
- actual circumstances in which the offence took place;
- manner of commission of the conduct;
- gravity of the violation, also taking into account the subjective attitude of the person involved;
- possible commission of several violations within the same conduct;
- possible complicity of several persons in the commission of the violation;
- possible recidivity of the person committing the violation.

6.2 *Sanctions against employees*

The following conduct constitutes a disciplinary offence:

- violation of the individual rules of conduct set out in this Model, in the Code of Ethics and in the corporate rules and protocols adopted by the Company;
- breach of whistleblower protection measures;
- submission of unfounded reports with wilful misconduct or gross negligence.

The sanctions that can be imposed on employees are adopted in accordance with the procedures laid down in the applicable legislation.

In application of the principle of proportionality, depending on the seriousness of the infringement committed, the following disciplinary sanctions are provided for:

Verbal reprimand: this applies in the case of minor non-compliances with the principles and rules of conduct laid down in this Model, such conduct being related to a minor non-compliance with contractual rules or directives and instructions issued by management or superiors.

Written reprimand: applies in the event of a repeated infringement of the offences referred to in the previous point.

Fine or suspension from pay and service: applies in the event of non-compliance with the principles and rules of conduct laid down in this Model, with respect to any conduct that does not comply with or is inadequate to the requirements of the Model to an extent to be considered of a certain seriousness, even if dependent on a repeated offence. Such conduct

includes the violation of the obligation to inform the Supervisory Body about the commission of offences, even if attempted, as well as any violation of the Model, the violation of measures to protect the confidentiality of the reporter or the submission of reports that are unfounded and made with wilful misconduct or gross negligence.

The same sanction shall be applied in the event of repeated failure to participate (either physically or in any way requested by the Company), without a justified reason, in the training sessions to be provided over time by the Company relating to the Decree, the Organisational, Management and Control Model and the Code of Ethics adopted by the Company or in relation to issues related thereto.

The fine may not exceed the amount of four hours' pay. Suspension from pay and service may not be ordered for more than ten days and shall be applied for major offences.

Dismissal for disciplinary reasons: this applies in the event of the adoption of a conscious conduct in contrast with the provisions of this Model which, even if it is only liable to constitute one of the offences sanctioned by the Decree, damages the element of trust that characterises the employment relationship or is so serious as not to allow its continuation, even temporarily.

6.3 Sanctions against Managers

Violation of the principles and rules of conduct contained in this Model by executives, or the adoption of a conduct that does not comply with the aforementioned provisions, as well as violation of the measures for the protection of whistleblowers or the submission of unfounded reports with wilful misconduct or gross negligence, shall be subject to disciplinary measures modulated according to the seriousness of the violation committed.

For the most serious cases, termination of employment is provided for, in view of the special bond of trust between the manager and the employer.

The following also constitutes a disciplinary offence:

- the failure of managerial staff to supervise the correct application, by hierarchically subordinate workers, of the rules laid down in the Model;
- breach of the obligation to inform the Supervisory Body of the commission of the relevant offences, even if attempted;
- the adoption, in the performance of their respective duties, of any conduct that does not conform to conduct reasonably expected of a manager, in relation to the role held and the degree of autonomy recognised;
- the submission, with wilful misconduct or gross negligence, of reports that turn out to be unfounded.

6.4 Sanctions against directors and auditors

In respect of Directors/Auditors who have:

- committed a violation of this Model;
- violated the measures put in place to protect whistleblowers;
- submitted, with malice or gross negligence, any unfounded reports.

The Company may apply any appropriate measure permitted by law, including the following sanctions, determined according to the seriousness of the act and fault, as well as the consequences thereof:

- formal written warning;
- a fine, taking into account the seriousness of the offence, equal to between two and five times the emoluments calculated on a monthly basis.

In the event of any serious violations by Directors or Statutory Auditors that are not justified and/or not ratified by the Board of Directors/Board of Statutory Auditors, the fact may be considered just cause for the removal of the Director/Auditor.

An unjustified serious breach is the adoption of conduct referred to in the offences with consciousness and intention.

6.5 Sanctions against members of the Supervisory Body

In the event of the occurrence of offences or violations of the Code of Ethics, the Model and/or the rules referred to therein, including in particular the whistleblowing rules, by the Supervisory Body, the Board of Directors, upon consulting the Control Body (where appointed), must take the appropriate initiatives based on the seriousness of the incident.

In the event of serious violations that are not justified and/or not ratified by the Board of Directors, the fact may be considered just cause for dismissal, without prejudice to the application of the disciplinary sanctions provided for in the existing contracts.

Depending on the type of relationship existing between the Company and the member, the measures may be those provided for in the applicable collective bargaining agreements or termination for breach of contract and, in any case, revocation of the appointment.

The Company may also take legal action to protect its rights in civil, administrative or criminal proceedings depending on the circumstances.

6.6 6.6 Penalties applicable to the Recipients of Reports (so-called 'Whistleblowing')

If it is ascertained that the Supervisory Body (or its component) has violated the obligations of confidentiality of the identity of the reporting person, the Board of Directors shall proceed to revoke the appointment and consequently appoint a replacement Supervisory Body (or its component).

6.7 Sanctions against 'Third Party Recipients'

Where possible, a necessary condition for validly concluding contracts of any kind with the Company, and in particular supply and consultancy contracts, is the assumption of a commitment by the third party contractor to comply with the Model and Code of Ethics, as well as the procedures applicable in relation to the services covered by the contract.

Such contracts must include, whenever possible, termination clauses, or rights of termination in favour of the Company without any penalty for the latter, in the event of the commission of offences or conduct referred to in the offences, or in the event of violation of the rules of the Code of Ethics, the Model and/or the rules of conduct referred to therein.

In any case, the commission of unlawful acts or violations of the Model, the Code of Ethics or the procedures adopted by the Company shall be considered just cause for the termination of the contract pursuant to Articles 1453 et seq. of the Civil Code.

However, the Company reserves the right to claim compensation if such conduct causes damage to the Company, such as in the event that the measures provided for in the Decree are applied to it by the judge.