



## **Persico Marine S.r.l.**

### **Organization, Management and Control Model** *(Adopted pursuant to Italian Legislative Decree 231/2001)*

Document approved by  
the Sole Administrator on 6 March 2019

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## ***Introduction***

## 1 FORWARD

By this document, which describes the Organization, Management and Control Model adopted by Persico Marine S.r.l. (hereinafter also referred to as “Persico” or the “Company”) pursuant to Legislative Decree 231 of 8 June 2001 (hereinafter also referred to as “D.Lgs. 231/2001” or the “Decree”), the Company intends:

- To comply with the legislation on the administrative liability of entities, through an analysis of the potential risks arising from unlawful conduct under D.Lgs. 231/2001, making the best use of and supplementing the control functions to prevent the occurrence of such conduct;
- To increasingly promote a corporate culture guided by ethics, integrity and transparency in the company’s activities;
- To make all individuals involved in sensitive activities on behalf of the Company aware of the fact that they may, if found in breach of the provisions therein, incur disciplinary and/or contractual sanctions, as well as penal and administrative sanctions that may be imposed on them;
- To restate that such forms of unlawful behaviour are strongly condemned, as contrary to the provisions of the law and to the ethical principles by which the Company intends to abide in its corporate activities;
- To allow the Company, through the monitoring of the areas of activities at risk, to promptly intervene and prevent or deter the commission of the crimes in question and to impose sanctions for any form of conduct contrary to the law and the corporate rules.

The Organization, Management and Control Model (hereinafter also referred to as the “Organization Model or the “Model”) defines a consistent set of principles, procedures and instructions that influence the internal workings of the Company and the modes of interaction between the Company and the outside world and govern the diligent management of the system to control sensitive activities aimed at preventing the commission or the attempted commission of the crimes referred to in the Decree.

This document was adopted by the Company by resolution of the Sole Administrator on 6 March 2019.

## 2 STRUCTURE OF THE DOCUMENT

The Model document consists of:

- The *Group Code of Ethics*, which states the general ethical values and principles guiding the corporate bodies and their members, and the employees, independent contractors and consultants working for the Persico Group (hereinafter also referred to as the “Group”) in conducting their activities, so as to prevent the occurrence of acts of unlawful conduct or acts not in compliance with the corporate standards;
- *General Part*, which describes the contents of the Decree, gives an overview of the models of corporate governance and Company organization and management, the purpose and the general working principles of the Model, as well as the mechanisms for the concrete implementation of the Model;

- *Special Parts*, which describe, for each of the areas of corporate activities potentially at risk pursuant to D.Lgs. 231/2001 (“231 risk”), the relevant types of offence, the code of conduct to abide by and the risk prevention mechanisms to be put into place.

The Model also includes a list of the crimes and administrative offences pursuant to Legislative Decree 231/2001 (Annex 1). The list is an integral part of the Model.

### **3 CODE OF ETHICS**

The main purpose of the Persico Group Code of Ethics is to clearly define the fundamental ethical values and set out the general principles that must guide the conduct of the corporate bodies and their members, the employees, independent contractors and consultants of the Company, in order to promote the creation and growth of value, through self-discipline and corporate governance techniques, for the shareholders, for whoever works for the Company and for the Group’s target customers.

The Code of Ethics is an integral part of the Model and was adopted in parallel to the Model by resolution of the Sole Administrator on 6 March 2019.

The Code of Ethics is binding on anyone who has an employment or collaboration relationship with the Group. The Code establishes that compliance with the laws and regulations in force is an inseparable principle of Group behaviour and sets out the rules of behaviour that all recipients must abide by in the performance of their daily working activities and their duties.

Following its adoption, the Code of Ethics will be delivered to all members of the corporate bodies and all employees and independent contractors of the Group. The importance of the Code of Ethics for the Group and its enforceability are confirmed by the reference to the sanctions provided for in case of breach of the Code itself.

### **4 RECIPIENTS**

The rules and provisions contained in the Model and its Annexes apply to and must be complied with by whoever carries out, even if only de facto, duties associated with the Company’s management, administration, supervision or control, by the employees, and by whoever operates in a non-dependent relationship with the Company, but on a mandate from the Company.

The “Recipients” of the Model are:

- Corporate bodies (including the Sole Administrator), as well as whoever holds a formal position (associated with the direction, management and control of the Company or of any of its organizational units) falling under the definition of “top management”;
- Individuals who carry out, even if only de facto, such duties (associated with direction, management and control);
- All the human resources of the Company working under any kind of contractual relationship;
- Whoever operates in the name and on behalf of the Company under the direction and control of the Company.

All independent contractors, consultants, intermediaries, suppliers, business partners and any other contractual counterparties are required by the Company to sign specific contractual clauses that

ensure compliance on their part with the provisions set out in the Decree and with the ethics principles adopted by the Company.

## **General Part**

## 1 LEGAL FRAMEWORK

### 1.1 Law of administrative liability of legal persons

Legislative Decree 231/2001, issued by virtue of the authority granted to the Government by Article 11 of Law 300 of 29 September 2000, governs the “liability of entities for administrative offences resulting from criminal acts”.

The Decree applies to both entities constituted in the form of a legal person, and companies and associations, including those not possessing legal personality.

The genesis of D.Lgs. 231/2001 can be found in a few international and community conventions ratified by Italy, which require member states to ensure some form of liability for collective entities for certain types of offence.

Legislative Decree 231/2001 provides that an entity shall be considered liable for offences committed or attempted in the interest of or for the benefit of a company by:

- Top management, that is, persons acting in a representative, administrative or managerial capacity for the company, or for an organizational unit having financial and operational autonomy within the company, and persons acting as managers and supervisors of the company, even if only de facto;
- Persons acting under the direction and control of top management.

Concerning the meaning of “interest”, such interest manifests itself whenever unlawful conduct occurs having the sole objective of providing a benefit to the company, whether such objective was achieved or not. Similarly, the company incurs liability whenever the offender, even though not acting with the intent to benefit the entity, gives an “advantage”, either economic or of some other nature, to the legal person.

The administrative liability of the company is autonomous and additional with respect to the penal liability of the physical person who committed the offence.

### 1.2 Types of offence provided for by the Decree

The Decree is concerned solely with certain particular types of penal offences, explicitly cited in the Decree itself.

The relevant types of offence can be grouped, for ease of exposition, into the following categories:

- Offences involving relations with the public administration (Art. 24 and 25 of the Decree);
- Cybercrime and unlawful data processing (Art. 24-bis);
- Organized crime (Art. 24-ter);
- Forgery of money, public credit documents and revenue stamps and identification instruments or marks (Art. 25-bis);
- Crimes against industry and commerce (Art. 25-bis.1);
- Corporate offences (Art. 25-ter);
- Crimes of terrorism or subversion of democracy (Art. 25-quater);

- Acts of mutilation of female genitalia (Art.25-*quater*.1);
- Crimes against the individual (Art. 25-*quinquies*);
- Market abuse (Art. 25-*sexies*);
- Manslaughter and grievous or severely grievous bodily harm committed due to breach of the regulations on workplace health and safety (Art. 25-*septies*);
- Receiving stolen goods, money laundering and the use of money, goods or other assets of illegal origin, self-laundering (Art. 25-*octies*),
- Crimes relative to the breach of copyright (Art. 25-*novies*);
- Inducement of another to refrain from making statements or to make false statements to the judicial authorities (Art. 25-*decies*);
- Environmental crimes (Art. 25-*undecies*);
- Offences involving employment of irregular third-country nationals (Art. 25-*duodecies*);
- Crimes involving racism and xenophobia (Art. 25-*terdecies*);
- Transnational crimes (Art. 10, Law 146 of 16 March 2006).

For details on the relevant crimes for the purpose of the Decree, see Annex 1

### **1.3 Applicable sanctions**

Whenever liability is determined in relation to offences provided for by the Decree resulting from the commission or the attempted commission of the abovementioned crimes, the following sanctions can be imposed on the entity:

- Monetary penalties, which are calculated using a system based on quotas. The number of quotas and the amount of one quota are determined by a judge within the limits set by the law;
- Interdiction measures, which may consist of:
  - Interdiction from business activities;
  - Suspension or revocation of permits, licences or concessions material to the commission of the unlawful act;
  - Prohibition from entering into contracts with the public administration;
  - Exclusion from benefits, loans, contributions or subsidies and possible cancellation of those already granted;
  - Prohibition on advertising products and services;
- Seizure of the proceeds or profits from the offence;
- Publication of the sentence in one or more newspapers.

### **1.4 Organization, Management and Control Model as grounds for exemption from liability**

A defining characteristic of Legislative Decree 231/2001 is the exemption from liability for entities that have adopted an Organization, Management and Control Model.

The entity shall not incur liability for offences committed by top management in the interest of or to the advantage of the entity itself, if it is established that:

- The management body had adopted and effectively implemented an Organization, Management and Control Model capable of preventing offences of the kind established in the Decree from occurring;
- The task of monitoring the proper functioning of and compliance with the Model and attending to its updating had been entrusted to a body which has independent powers of initiative and control;
- The offence under the provisions of the Decree was committed by fraudulently circumventing the Organization Model;
- The offence was committed despite the fact that there had been sufficient vigilance with no lapses on the part of the body.

In the case of an offence committed by individuals acting under the supervision and control of other parties, the entity shall be held liable if the commission of the offence was made possible by the infringement of the management or vigilance obligations, whose compliance should have been ensured by the entity.

In any case, the company shall incur no administrative liability (Art. 5, par. 2, of Legislative Decree 231/2001), if top management and/or persons under top management's supervision and control act solely in their own interest or in the interest of third parties.

### **1.5 Codes of conduct drawn up by trade organizations**

Article 6, par. 3, of D.Lgs. 231/2001 provides that "the organization and management models may be adopted, notwithstanding the provisions set forth in Article 6, par. 2, on the basis of codes of conduct drawn up by trade associations representing the entities and communicated to the Ministry of Justice, which, in close cooperation with the other Ministries bearing responsibility on the matter, may, within 30 days, formulate its comments on the capability of the models to prevent the offences."

This Model was prepared taking into account the recommendations contained in the guidelines formulated by Confindustria [the main association representing manufacturing and service companies in Italy] and approved by the Ministry of Justice.

## **2 ADOPTION OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL BY PERSICO MARINE SRL**

### **2.1 Corporate purpose and governance of Persico Marine**

Persico Marine, 100% controlled by Persico S.p.A., is a leading company in the production of racing boats in composite materials and in the fully fitted custom superyacht segment.

In line with the Articles of Association of the Company, fall within the corporate purpose

- designing, building, setting up, importing, marketing, renting, repairing, performing the maintenance of boats and components for boats, naval units in general, including boats for regattas, of accessory products for boating, as well as models, molds, printed for the nautical sector;

- all commercial, industrial, securities and real estate transactions deemed necessary or useful by the Company's Sole Administrator, including the hiring and granting of mandates, agencies, commissions and representatives, with or without a deposit, purchase, use, the transfer of patents and intellectual property, the establishment of temporary associations of companies, both as a principal and an agent;
- financial transactions in general, such as, for example, the assumption of loans, the granting of guarantees, even real, and the assumption, both directly and indirectly, in Italy and abroad, of interests and investments in other companies, companies, consortia and institutions of any kind, whether constituted or constituted, having a similar object, similar or connected to their own.

The center of the corporate structure is the Sole Director, who is invested with the management of the Company and has the power to carry out all the acts that fall within the corporate purpose, without exception, regardless of their economic importance and even if they exceed the so-called ordinary administration, with the exclusion only of the acts that the Law reserves strictly to the Shareholders' Meeting.

Furthermore, the activity of statutory audit of the accounts is entrusted to a Legal Auditor. The key body of the Persico S.p.A. corporate structure is the Sole Administrator, which is vested with the widest powers for the ordinary and extraordinary management of the Company, excluding only the matters reserved by the Law to the Shareholders' decision.

Lastly, the statutory audit of accounts shall be entrusted to a Statutory Auditor.

## **2.2 Construction of the Organization, Management and Control Model of Persico Marine S.r.l.**

The Model building process had several planning phases as follows:

1. Identification of the activities and processes that have the potential to create the conditions and opportunities, and/or to provide the means for committing offences under the provisions of the Decree ("sensitive activities"), as well as the corporate Departments involved in carrying out such activities.
2. Analysis of the sensitive activities and processes and the identification of the organizational and control mechanisms that are in place or need to be upgraded. The assessment of the control system was carried out by checking whether or not the following standard preventive measures were in place:
  - Formalized procedures;
  - *Ex post* traceability and verifiability of transactions using appropriate paper/electronic records;
  - A system of powers and formal authorization levels, which are consistent with the assigned responsibilities;
  - Compliance with the principle of separation of functions;
  - Specific monitoring and control mechanisms.
3. Following completion of the activities mentioned above, the Company's Organization, Management and Control Model, pursuant to Legislative Decree 231/2001, was drawn up along the Guidelines issued by Confindustria.

4. Lastly, the Model, thus structured, went through the implementation phase, as follows: a) approval by the Sole Administrator; b) appointment of a Surveillance Committee entrusted with the task of monitoring the effective implementation of and compliance with the Model; c) establishment of a disciplinary system to deter potential breaches of the Model; d) dissemination of the contents of the Model through education and training programmes for the Recipients.

### 2.3 Sensitive activities subject to outsourcing

The business model of the Persico Group entails that some company activities are centrally performed by Persico S.p.A. in the name and / or on behalf of the subsidiaries, including Persico Marine S.r.l., under a specific service contract.

The service contract includes:

- a detailed description of the outsourced activities;
- the amount of the fees for the services rendered;
- the obligation for Persico S.p.A. to operate in compliance with the laws and regulations in force as well as to require the observance of laws and regulations also by third parties engaged to support the outsourced activity provision;
- the commitment by Persico S.p.A. to ensure adequate supervision regarding compliance by its personnel called to carry out activities in the name and / or on behalf of the Company of the principles of conduct and controls set by the Organizational Model pursuant to Legislative Decree 231/2001 of Persico S.p.A. S.p.A. same;
- the Company's right to terminate the contract in the event of a violation by Persico S.p.A., in the execution of the outsourced activities: (i) of laws and other regulatory provisions that may lead to penalties for the customer; (ii) the principles contained in the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Company, as well as in the Group's Code of Ethics.

The Sole Administrator is responsible for monitoring the adequacy of the service provided by Persico S.p.A., as well as compliance with the clauses established by contract.

### 2.4 Mapping of sensitive activities

The “sensitive activities” identified for the purpose of the preparation of the Organization Model are as follows:

Sensitive activities	Special Part
1. Management of relationships with the PA 2. Management of disputes 3. Management of relationships with certifying bodies	<b><i>A - Management of relationships with the Public Administration and external certifying bodies</i></b>
4. Administration, accounting and financial statements 5. Cash flow and financial management	<b><i>B – Administration and finance</i></b>

Sensitive activities	Special Part
6. Management of human resources recruitment (search, selection and hiring) 7. Management of human resources 8. Management of relationships with union representatives	<b><i>C – Management of human resources</i></b>
9. Management of information systems	<b><i>D – Management of information systems</i></b>
10. Management of procurement of goods, services, professional consulting and services 11. Apartment lease	<b><i>E - Management of procurement of goods, services, professional consulting and services</i></b>
12. Sales management 13. Work order management	<b><i>F – Management of sales and business activities</i></b>
14. Management of gifts, sponsorships and donations	<b><i>G – Management of gifts, sponsorships and donations</i></b>
15. Management of activities for the fulfilment of obligations related to health and safety in the workplace 16. Management of activities for the fulfilment of environmental obligations	<b><i>H – Health, Safety and Environmental management</i></b>

### 3 Surveillance Committee

#### 3.1 Surveillance Committee

The duties of supervising the proper functioning of and compliance with the Model, as well as keeping it up to date, shall be entrusted to an internal body endowed with independent powers of initiative and supervision. This assignment and the proper and effective performance of said duties are requirements for the exemption from liability provided for by Legislative Decree 231/2001.

The requirements for the Surveillance Committee (hereinafter also “SC”), as set out in the Guidelines issued by Confindustria and accepted by judicial bodies in various published judgements, can be stated as follows:

- Autonomy and independence;
- Professionalism;
- Continuity of action.

Autonomy and independence mean that the Surveillance Committee can exercise full autonomy in its control initiatives, free from any kind of interference or undue influence by any member of the legal entity, in particular, by a member of the Board of Directors.

Professionalism means that the Surveillance Committee must have the technical capabilities to carry out its functions as a supervisory body of the Model, as well as the qualities needed to guarantee

that the Model will be a dynamic document, by preparing update proposals and sending them to top corporate management.

Lastly, continuity of action means that the Surveillance Committee must ensure constant monitoring of compliance with the Model, verify the effectiveness and enforceability, promote continuous updating of the Model, and serve as a point of contact for any subject who works for the Company.

Legislative Decree 231/2001 does not provide any specific guidance about the composition of the Surveillance Committee. In the absence of any guidance to that effect, the Company has opted for a solution that – keeping in consideration the purposes pursuant to the law and the trends found in published case law – will be able to guarantee the effectiveness of the controls the Surveillance Committee is required to make, in relation to the organizational size and complexity.

The Company has decided on a collegial Surveillance Committee, whose appointment is to be approved by resolution of the Sole Administrator. The Surveillance Committee must meet the requirements of autonomy, independence, professionalism and continuity of action mentioned above.

### **3.2 General principles regarding the establishment, appointment and replacement of the Surveillance Committee**

The Company's Surveillance Committee shall be appointed by resolution of the Sole Administrator. The SC will remain in office for a period of 3 years, except the case in which a member requires a different duration of her/his appointment, and the and its members can be re-confirmed at the end of their term.

The Surveillance Committee will dissolve upon expiry of the term established at the time of appointment. However, it will continue to carry out its functions *ad interim* until the appointment of the new Committee, which must be approved by resolution of the Sole Administrator at the first regularly convened meeting. If the Surveillance Committee leaves office during its mandate, its replacement will be appointed by resolution of the Sole Administrator.

The compensation of the Surveillance Committee shall be established by the Sole Administrator.

Appointment as a Member of the Surveillance Committee is dependent upon the fulfilment of the eligibility requirements by the nominee. More specifically, at the time of their appointment, the nominees to positions on the Surveillance Committee must issue a declaration stating the absence of any conditions of ineligibility, such as, by way of example:

- Conflicts of interest, also potential ones, with the Company, that may influence the independence required by the role and responsibilities of the Surveillance Committee. Examples of conflict of interest are:
  - Engaging in material business relationships with the Sole Administrator or other subjects with powers;
  - Engaging in business relationships with close relatives of the Sole Administrator or other subjects with powers, where close relative means a spouse not legally separated, blood relatives and persons related by marriage up to the third degree of kinship;

- Engaging in material business relationships with Persico Marine or companies that are Persico's Group subsidiaries or associates, with the exception of subordinate employment relationships;
- Owning, directly (or indirectly), holdings in the share capital of the Company of a size that enables exercising significant influence on the Company.
- Performing management functions – during the three financial years preceding the appointment as a member of the Surveillance Committee or the start of a consulting/collaboration relationship with the SC, – in companies undergoing bankruptcy proceedings, compulsory administrative liquidation or other insolvency procedures;
- Temporary or permanent disqualification from holding public office or from holding management positions in companies and legal entities;
- Existence of one of the ineligibility or incompatibility conditions under Article 2382 of the Italian Civil Code;
- Preventive measures under Law 1423 of 27 December 1956 or Law 575 of 31 May 1965, and subsequent amendments and additions, without prejudice to the effect of rehabilitation;
- Conviction, in Italy or abroad, even with no final judgement or with a conditionally suspended sentence, or conviction with sanction requested by the parties (so-called "plea bargain") under Article 444 of the Italian Code of Criminal Procedure, without prejudice to the effect of rehabilitation, for offences under D.Lgs. 231/2001 or offences in any way concerning professional conduct;
- Conviction, even with no final judgment or with a conditionally suspended sentence, or conviction with sanction requested by the parties (so-called "plea bargain") under Article 444 of the Italian Code of Criminal Procedure, without prejudice to the effect of rehabilitation;
  - To a prison sentence for a term of no less than one year for one of the offences under Italian Royal Decree 267 of 16 March 1942;
  - To a prison sentence for a term of no less than one year for one of the offences under the law governing banking, finance, securities and insurance activities, and the law concerning securities and securities markets and payment instruments;
  - To a prison sentence for a term of no less than one year for an offence against the Public Administration, public trust, public property or public finance, or crimes under criminal tax law;
  - To a prison sentence for a term of no less than one year for any unintentional crime;
  - For any of the offences under Title XI of Book V of the Civil Code as reformulated by Legislative Decree 61/2002.

Whenever one of the abovementioned conditions for ineligibility applies to any of the appointed Surveillance Committee members, the member in question will automatically be disqualified from office. If a member of the SC is an employee of the Company, the termination of his/her employment relationship will entail dismissal from office as a member of the SC.

In carrying out its tasks, the Surveillance Committee can avail itself of, under its direct supervision and responsibility, the collaboration of all the Company's Functions and facilities, as well as external consultants, and take advantage of their competencies and professional skills. Such power allows the Surveillance Committee to ensure high-quality professional services and the needed continuity of action.

To that effect, the Sole Administrator shall allocate an expense budget to the Surveillance Committee, taking into account the requests received from the SC. The allotted budget allows the SC to operate with total autonomy and ensures the availability of all the instruments needed for carrying out the tasks under this Model in an effective way, as provided for by Legislative Decree 231/2001. If the need arises, the Surveillance Committee may ask the Sole Administrator for additional funds and submit an appropriate expenditure report at a later time.

In order to guarantee the needed stability of the Surveillance Committee, the members of the Surveillance Committee can be removed and the powers assigned to different subjects only with “just cause”, which may also be connected to the organizational restructuring of the Company by special resolution of the Sole Administrator.

In this context, “just cause” for revoking the powers connected with the office of member of the Surveillance Committee means, by way of example:

- Conviction with final judgment of the Company pursuant to the Decree or a plea bargain sentence, the proceedings of which show evidence of “omitted or insufficient control” by the Surveillance Committee, as provided for by Article 6, par. 1, letter d) of the Decree;
- Conviction or a plea bargain sentence issued against the Surveillance Committee for the commission of one of the administrative offences or torts under the Decree (or administrative offences/torts of the same nature);
- Breach of confidentiality obligations by the Surveillance Committee;
- Gross negligence in fulfilling duties, such as, for instance, failure to compile the half-year report to the Sole Administrator on the work performed;
- Assigning operating functions and responsibilities inside the corporate organization that are incompatible with the Surveillance Committee requirements of “autonomy and independence” and “continuity of action”.

In case of exceptional seriousness, the Sole Administrator may decide to revoke the powers of the Surveillance Committee and proceed to appoint a Surveillance Committee *ad interim*.

### **3.3 Functions and powers of the Surveillance Committee**

The Surveillance Committee has all the needed powers of initiative and control to carry out effective and efficient supervision of the working of and compliance with the Model, pursuant to the provisions of Article 6 of Legislative Decree 231/2001.

In particular, the Surveillance Committee must carry out the following activities:

- Verifying the effectiveness and adequacy of the Model, that is to say, the ability of the Model to prevent the commission of crimes provided for by D.Lgs. 231/2001, in relation to organizational size and complexity of the Company;
- Verifying that the requirements of effectiveness and adequacy of the Model persist over time;
- Ensuring compliance with the Model by the Recipients, reporting any breaches and proposing corrective actions and/or sanctions to the relevant corporate bodies;

- Updating the Model should the need arise in relation to changes in corporate organization or in the law, proposing changes to update the relevant corporate bodies and controlling the implementation of the updates.

In order to perform its assigned duties and exercise its functions, the Surveillance Committee is granted the following powers and rights:

- To access any Company facility and any corporate documentation relevant to the purpose of verifying the effectiveness and adequacy of and compliance with the Model.
- To carry out sample checks targeted at specific activities/operations at risk and the observance of control and conduct measures adopted and referenced in the Model and corporate procedures;
- To promote the updating of risk mapping whenever significant changes in the organization occur or D.Lgs. 231/2001 is amended to include additional types of crime to be taken into consideration;
- To coordinate with the relevant corporate Departments the actions for assessing the adequacy of internal regulations and, if needed, defining update and improvement proposals (internal regulations, procedures, modes of operation and control) and checking the related implementation;
- To monitor the information and education initiatives aimed at disseminating knowledge and understanding of the Model within the Company;
- To request any information relevant to the purpose of verifying the effectiveness and adequacy of the Model from corporate managers, in particular those operating in Company areas with potential crime risk;
- To collect reports from any Recipients of the Model on: i) problems with the procedures proposed in the Model; ii) breaches of the Model; iii) any situation that could potentially create a crime risk for the company;
- To periodically inform any Heads of Departments concerned of possible breaches of the control procedures referred to in the Model and/or in the corporate procedures, or any shortcomings detected during inspections, so that they can implement the necessary corrective actions, with the involvement of the Sole Administrator, if needed;
- To check that the sanctions for breaches of the Model provided for by internal regulations are applied in a fair and consistent manner, subject to the fact that the responsibility for the imposition of sanctions lies with the managerial body;
- To detect possible conduct deviations arising from an analysis of the information flow and the reports that all the Recipients of the Model are expected to compile.

The Surveillance Committee is bound by the duty of confidentiality with regard to all the information acquired in carrying out its tasks. Such information may only be disclosed to the subjects involved and following the procedures set out in this Model.

### **3.4 Obligation to disclose information to the Surveillance Committee**

#### **3.4.1 Reporting to the Surveillance Committee**

Pursuant to Article 6 of Legislative Decree 231/2001, the Model provides for:

- “Obligations to disclose information to the body appointed to overseeing the working of and the compliance with the models” (par. 2, letter d);

- “One or more channels so as to allow (...) to submit – for the protection of the entity’s integrity – detailed reports on cases of unlawful conduct under the (...) decree, which are based on concordant factual evidence of specific occurrences, or cases of violation of the entity’s organization and management model, of which they became aware by reason of the functions exercised. These channels must secure the confidentiality of the reporting person’s identity in managing the report” (par. 2-bis, letter a);
- “At least one alternative channel that is capable of ensuring the confidentiality of the reporting person’s identity through the aid of information systems” (par. 2-bis, letter b).

Thus, in the first place, the Surveillance Committee must be kept informed by all the subjects expected to comply with the Model on all relevant facts related to the compliance with and working of the Model.

In the second place, the Recipients must send the Surveillance Committee reports on occurrences of unlawful conduct or breach of the Model, which must be based in concordant and detailed factual evidence.

In particular, each Recipient of the Model must communicate the following to the Surveillance Committee on a timely basis:

- Any breach or well-grounded suspicion of breach of the rules of behaviour, prohibitions or control principles set out in the Model, as well as instances of unlawful conduct pursuant to Legislative Decree 231/2001;
- Any breach or well-grounded suspicion of breach of the rules of conduct referred to in the Group Code of Ethics;
- All the reports prepared by the Heads of corporate Departments as part of the control activities performed, which may reveal facts, acts, events or omissions, including the degree of criticality, with respect to the provisions of the Decree;
- Any reports by the External Auditor concerning aspects that may suggest a lack of internal controls.

The Company will provide the Recipients of this Model with alternative channels described at paragraph 13.3 of the Code of Ethics.

The Surveillance Committee will examine the reports received and determine what actions to take. Related disciplinary actions, if any, will be determined and applied according to the provisions of the disciplinary system (on these matters, see par. 4 below).

Each report received will be handled by the Surveillance Committee, which will ensure the confidentiality of the identity of the reporting person, in order to, among other things, protect the reporting person from any form of retaliation, discrimination, disadvantage or any other consequence deriving from the spreading of the report, all without prejudice to the protection of the rights of the concerned persons wrongly accused or accused in bad faith and the rights of workers, the Company and third parties.

The Surveillance Committee will file and store the reports received in special electronic and paper archives. Access to the archives will be permitted solely to members of the Surveillance Committee and only for purposes related to the fulfilment of the duties described above.

The Company explicitly prohibits any form of direct or indirect retaliation or discrimination against reporting persons for reasons either directly or indirectly related to the reports.

Furthermore, conduct subject to the sanctions of the disciplinary system (for this matter, refer to par. 4 below) includes breaches by both Recipients who fail to comply with the measures established by the Company for the protection of the reporting person and persons, acting with wilful misconduct or gross negligence, who make reports that turn out to be groundless.

The breach of any of the above provisions constitutes a breach of the Model.

#### *3.4.2 General and specific information flows*

The obligation to disclose information to the Surveillance Committee extends to the following information flows:

- General information flows;
- Specific information flows for processes relevant for the purposes of the Decree.

In particular, besides the obligations to report information referred to in par. 3.4.1, the Managers of the Company, within the scope of the exercise of their duties, are expected to inform the Surveillance Committee, promptly and non-anonymously, of the occurrence of events such as:

- Litigation in progress, either as a plaintiff or defendant, in which the counterparty is a public entity (or equivalent) and, upon conclusion, the outcome;
- Measures and/or news from judicial police bodies, or from any other authority, from which it is inferred that investigations or criminal proceedings are in progress, even against unknown persons, relating to facts of interest and/or facts that may involve the Company (not only in relation to events referred to in Legislative Decree 231/2001);
- Measures and/or information concerning the existence of relevant administrative or civil proceedings requested or initiated by public authorities;
- Any act or summons to testify involving subjects of the Company or subjects collaborating with the Company;
- Requests for legal assistance made by Company employees in criminal or civil proceedings instigated against them (not only in relation to crimes referred to in D.Lgs. 231/2001);
- Visits, inspections and investigations initiated by competent public authorities and, upon conclusion, any findings and sanctions imposed;
- News reports on disciplinary proceedings carried out and any sanctions imposed, and the measures adopted or the motivated decision to dismiss disciplinary proceedings against Company employees;
- Any information relevant to the compliance with and the working and effectiveness of the Organization Model, including information necessary for the related protocols relevant to the purposes of the Decree, if required;
- Any change concerning the internal system of powers and delegation of powers, that is, the organizational structure and governance of the Company;
- Extraordinary corporate operations of the Company;
- Any new Company activity.

The obligations and duties of the Function/Department Managers – in their capacity of persons responsible for the complete and correct implementation of the corporate rules for the protection against the risks identified in their area of responsibility – also include the obligation to communicate the data and information (so-called “Specific information”) formally requested by the Surveillance Committee to the same, promptly or on a periodic basis, through specific procedures or communication channels.

The failure or delay to send the abovementioned information flows to the Surveillance Committee will be considered a breach of the Organization Model and is punishable according to the provisions of the disciplinary system set out in paragraph 4 below.

It is the duty of the Surveillance Committee to periodically request assurance from the Recipients that the information they provide is actually complete.

General and specific information must be sent to the Surveillance Committee in written form using the dedicated e-mail address.

All the required information and reports will be filed and stored by the Surveillance Committee in special electronic and paper archives.

### **3.5 Reporting of the Surveillance Committee to corporate bodies**

To ensure its full autonomy and independence in carrying out its duties, the Surveillance Committee will report directly of the Sole Administrator of the Company.

In particular, the Surveillance Committee will forward the following documentation to the Sole Administrator:

- Every half-year, an information report on the work done;
- In cases of proven breaches of the Model with alleged commission of crimes, a communication regarding any matter falling under their competence.

The Surveillance Committee will always have the right to be heard by the Sole Administrator whenever it proves necessary. Likewise, the Sole Administrator will have the right to convene the Surveillance Committee whenever they deem it appropriate.

The *half-year report* includes the following items:

- Controls and inspections carried out by the Surveillance Committee and their results;
- Any critical issues that may have arisen;
- Progress status of actions taken to revise and improve the Model;
- Any changes in legislation or corporate structure that may require updating the Model risk identification section or changes in the Model;
- Any disciplinary sanctions imposed by competent authorities as a consequence of breaches of the Model;

- Any reports received from internal or external subjects during the period concerning alleged breaches of the Model or the Code of Ethics;
- Work plan for the subsequent half year;
- Other information considered relevant.

Meetings of the Surveillance Committee with the corporate bodies to which it reports must be documented. The SC is entrusted with the filing of the related documentation.

## **4 DISCIPLINARY SYSTEM**

### **4.1 Function of the disciplinary system**

The establishment of an appropriate disciplinary system providing for sanctions commensurate with the seriousness of the breaches by the Recipients of the rules set out in this Model is an essential requirement for the Model's effectiveness.

The sanctions provided for will be imposed for each and every breach of the provisions of this Model, regardless of the conducting and outcome of criminal proceedings brought by a competent Judicial Authority, in the event that the sanctionable conduct constitutes a relevant offence under Legislative Decree 231/2001.

In any case, the imposition of sanctions will disregard whether or not an offence was committed but reflect the reaction of the Company to the failure to follow the procedures and rules of conduct set out in the Model.

Therefore, disciplinary sanctions will also be imposed on whoever fails to comply with the provisions of paragraph 3.4 above governing the reporting to the Surveillance Committee. In particular, sanctions will be imposed on any Recipient who:

- Breaches the rules established by the Company for the protection of the reporting person;
- Engages in acts of retaliation or discrimination, whether direct or indirect, against reporting persons;
- Acts with wilful misconduct or gross negligence, making reports that turn out to be groundless.

### **4.2 Disciplinary measures for non-executive employees**

Breaches by Company employees of the provisions and rules of conduct set out in the Model and related Annexes constitute breach of contract.

This implies that a breach by a Company employee of any one provision or rule of conduct set forth in the Model and related Annexes may entail the imposition of disciplinary sanctions, within the limits established by the applicable national collective bargaining agreement [Contratto Collettivo Nazionale Lavoro (CCNL)].

#### **4.3 Disciplinary measures for executives**

Breaches by executives of the rules of conduct and procedures set out in the Model are subject to disciplinary action by the Company and are to be carried out in compliance with Article 7 of the Workers' Statute and the relevant National Collective Bargaining Agreement.

#### **4.4 Disciplinary measures for Sole Administrator**

The Surveillance Committee, upon receipt of notification of a breach of the provisions or rules of conduct set out in the Model or the Code of Ethics by the Sole Administrator and in particular under the evidence of a manifest crime relevant for the Decree from which a responsibility of the company could be highlighted, shall communicate the fact to the Sole Shareholder of the Company. The Sole Shareholder shall evaluate the breach and decide upon the actions against the Sole Administrator.

#### **4.5 Disciplinary measures for business partners, consultants and independent contractors**

Engagement in conduct contrary to Legislative Decree 231/2001 and the principles and values set out in the Code of Ethics adopted by the Group on the part of business partners, suppliers, intermediaries, consultants, independent contractors or other subjects working under contract with the Company is subject to sanctions in accordance with the provisions set out in specific clauses of their respective contracts.

Repeated engagement in conduct contrary to D.Lgs. 231/2001, or serious or repeated breaches of the principles set out in the Code of Ethics, will be considered a breach of contractual obligations and may lead to termination of contract by the Company.

### **5 DISSEMINATION OF THE MODEL**

#### **5.1 Introduction**

Adequate training and constant briefing of the Recipients with regard to the principles and the provisions set out in the Model and related Annexes are factors of great importance for proper and effective implementation of the Model.

All Recipients of the Model are required to have full knowledge of the objectives of integrity and transparency to be pursued through the Model and how the Company intends to reach these objectives by setting up an adequate system of procedures and controls for that purpose.

Briefing and training with regard to the principles and content of the Model will be ensured by the Surveillance Committee, which, in liaison with the Company, will identify the best way to provide these services. Briefing and training activities (including preparing a training plan) will be overseen by the Surveillance Committee, which can make its own proposals for the addition of useful material.

#### **5.2 Communication and briefing**

The adoption of the Model (and of any new updated version of it) shall be communicated to the Recipients by: i) e-mail with an attached file containing a copy of the Model and related Annexes; ii) posting of a copy of the General Part of the Model on the Company bulletin board.

After receiving the e-mail with the notice, Recipients shall undertake to abide by the principles, rules and procedures set out in the Model in executing their tasks in the areas that are relevant to the Decree and in any other activity that can be carried out in the interest and to the advantage of the Company.

Newly hired employees will be briefed about the adoption of the Organization Model and will receive precise instructions on how to get a copy of the Model on the corporate intranet.

Furthermore, every employee will be required to declare, in a specific clause of their employment contract, that they are aware of and undertake to comply with the provisions of Legislative Decree 231/2001 and they expressly accept the contents of the Code of Ethics and the Model adopted by the Company.

### **5.3 Training of employees**

To facilitate the comprehension of the Decree and the Model, Company employees will be required to attend specific training programmes, which may vary depending on their role and level of engagement in sensitive activities under Legislative Decree 231/2001.

The company will undertake to organize targeted training activities for top management and other employees engaged in sensitive activities, with a sufficient number of hours and appropriate content to ensure knowledge of the Decree and to disseminate the Model and the Group Code of Ethics. Attendance at the training programmes is compulsory for all intended participants and must be documented. The attendance will be monitored, and tests administered to verify the level of knowledge and understanding

### **5.4 Briefing of business partners, consultants and independent contractors**

Business partners, consultants and independent contractors shall be briefed, at the start of their collaboration, on the adoption of the Organization Model and the Group Code of Ethics by the Company and made aware of the fact that their conduct must be compliant with the provisions of Legislative Decree 231/2001.

## **6 MODEL UPDATES**

The Sole Administrator decides on the updating of the Model and its adaptation in relation to changes and / or additions that may be necessary as a result, for example, of:

- changes in the organizational structure of the Company and / or in the procedures for carrying out business activities;
- regulatory changes;
- results of the checks;
- significant violations of the provisions of the Model.

In the event that modifications of an exclusively formal nature are required, such as clarifications or clarifications of the text, the Managers of the competent corporate Functions may do so independently, after having heard the opinion of the SB, subject to the authorization of the Sole Administrator.

In any case, any events that make it necessary to modify or update the Model must be reported in writing by the OdV to the Sole Administrator, so that it can carry out the resolutions of its competence.

Changes to the company rules and procedures necessary for the implementation of the Model are made by the competent company Functions. The SB is constantly informed of the updating and implementation of the new operating procedures and has the right to express its opinion on the proposed changes.

